

November 30, 1970

Mr. Frank E. Argersinger
General Electric Co.
100 Woodlawn Avenue
Pittsfield, Mass. 01201

General Electric

Dear Frank:

Randy Graham and I enjoyed our visit with you. I am particularly pleased that I had the opportunity to meet you and to discuss with you the price increase for Aroclor.

The price of Aroclors will be increased \$0.02 per pound effective 1 January 1971. The new price for tankcar shipments of Pyranol 13B3B and Aroclor 1260 (Pyranol 13B3E) will be \$0.187 per pound, F.O.B. plant and \$0.18 per pound delivered respectively. As I stated at the time of our meeting, there are several factors which lead Monsanto to this price increase decision.

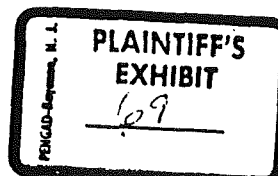
Certain of the more highly chlorinated PCBs (polychlorinated biphenyls) have been found to persist in the environment, and may be harmful to sensitive marine and bird species.

Due to this PCB environmental pollution problem Monsanto has withdrawn certain Aroclors from non-electrical product applications where confinement and control of the PCBs are not possible. This has resulted in substantially lower volumes and increased product costs.

We intend to continue to make these products available to the electrical industry for use in sealed capacitors and transformers. In doing so, the need to conform with requirements dictated by the PCB environmental problem has resulted in additional increases in manufacturing costs, toxicological testing expenses, and research costs.

Monsanto has historically had a responsible pricing policy on Aroclor. We will continue to operate under the same policy and have approached this price change as one which would provide Monsanto only the minimum necessary revenue required by the true increases in our cost of operation.

I have attached for your review and consideration a sales contract



IDS 002855

HARTOLDMON0005965

Mr. Frank E. Argersinger

November 30, 1970

covering the period January 1, 1971 to December 31, 1971. If you find that you are interested in such an arrangement, you should complete the document by adding Pittsfield's estimated partial requirements in the quantity section of the contract, have all 4 copies executed and return to me.

We look forward to continued close relationships with General Electric. We solicit your assistance in the proper handling of these products to minimize losses to the environment.

Sincerely,

T. L. Gossage
Director of Sales
Functional Fluids

/lsc

Attachment

cc: P. G. Benignus
G. R. Graham
H. S. Bergen

IDS 002856

HARTOLDMON0005966

MONSANTO

800 N. Lindbergh Boulevard
St. Louis, Missouri 63146
(314) 694-1000

SALES CONTRACT

SOLD TO General Electric Company

Pittsfield, Mass.

THE FOLLOWING GOODS, SUBJECT TO TERMS AS STATED BELOW AND ON THE REVERSE SIDE HEREOF

PERIOD January 1, 1971 to December 31, 1971

GOODS Pyranol A13B3B and Aroclor 1260

QUANTITY Buyer's partial requirements estimated
at _____ pounds per year.

PAYMENT TERMS Net 30 days

F.O.B. Anniston, Alabama or Sauget, Illinois

PACKING & PRICES Tank cars - 8000 gallons
Pricing:

	<u>Bulk Tank Car</u>	<u>55 Gal. Drum CL/TL</u>	<u>LTL</u>	<u>5 Gal. Drum FCB Plant</u>
Aroclor 1260 Delivered	.180	.207	.227	.327

	<u>Tank Car</u>	<u>675 LB. Drum CL/TL</u>	<u>LTL/LCL</u>	<u>360 Lb. Drum LTL/LCL</u>	<u>60 lb. Drum LTL/LCL</u>
Pyranol A13B3B FCB plant	.187	.215	.225	.230	.325

REMARKS

See attached Rider A which forms part of this contract.

Articles 9 & 10 deleted.

This contract will not be binding on Seller unless accepted and returned within thirty days from date hereof.

ACCEPTED AS OF THE DATE HEREOF

BY _____

TITLE _____

S-436 REV 12-68

DATED _____

MONSANTO COMPANY

BY _____

TITLE _____

IDS 002857

HARTOLDMON0005967

1. **FORCE MAJEURE.** Deliveries may be suspended by either party in case of Act of God, war, riots, fire, explosion, flood, strike, lockout, injunction, inability to obtain fuel, power, raw materials, labor, containers, or transportation facilities, accident, breakage of machinery or apparatus, national defense requirements, or any cause beyond the control of such party, preventing the manufacture, shipment, acceptance, or consumption of a shipment of the goods or of a material upon which the manufacture of the goods is dependent. If, because of any such circumstance, Seller is unable to supply the total demand for the goods, Seller may allocate its available supply among itself and all of its customers, including those not under contract, in an equitable manner. Such deliveries so suspended shall be cancelled without liability, but the contract shall otherwise remain unaffected.

2. **BUYER'S CREDIT.** Seller reserves the right, among other remedies, either to terminate this contract or to suspend further deliveries under it in the event Buyer fails to pay for any one shipment when same becomes due. Should Buyer's financial responsibility become unsatisfactory to Seller, cash payments or satisfactory security may be required by Seller for future deliveries and for goods theretofore delivered.

3. **WEIGHTS AND CONTAINERS.** In the case of bulk carload, tank car, or tank truck shipments, shipper's weights shall govern. Where shipment requires use by Seller of carboys, drums, barrels or other returnable containers, title to such containers shall remain in Seller and a deposit in the amount required by Seller must be made at the time the goods are paid for. Such container must be kept in good condition and may not be used for any material other than that shipped therein and must be returned within sixty (60) days from date of shipment. On such containers being so returned in good condition, a refund of the deposit will be made.

4. **SHIPMENTS.** The quantity shipped in any contract month may be limited by Seller to either: (a) the average of the monthly quantities ordered by Buyer hereunder for the preceding contract months, or (b) the maximum quantity covered by this contract divided by the number of months in the contract period. Seller shall not be bound to tender delivery of any quantities for which Buyer has not given shipping instructions.

5. **WARRANTY.** Unless otherwise provided herein, Seller warrants title and that all goods sold hereunder shall conform to Seller's standard specifications. Subject to the preceding sentence and except as otherwise expressly stated herein, SELLER MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR ANY OTHER MATTER WITH RESPECT TO THE GOODS, whether used alone or in combination with other substances. Seller shall not be liable for, and Buyer assumes responsibility for, all personal injury and property damage resulting from the handling, possession or use of the goods by Buyer.

6. **LIMIT OF LIABILITY.** All claims for alleged defective goods, shortage or other cause shall be deemed waived unless made in writing and received by Seller within fifteen (15) days after Buyer learns of the alleged defect, but in no event later than sixty (60) days after Buyer's receipt of the goods. Buyer's exclusive remedy shall be for damages, subject, however, to Buyer's agreement that for any and all losses or damages resulting from any cause whatsoever including alleged defective or damaged goods, Seller's liability shall in no event exceed the purchase price thereof, or at the election of Seller, the repair or replacement of such defective or damaged goods. In no event shall Seller be liable for incidental or consequential damages. Transportation charges for the return of goods shall not be paid unless authorized in advance by Seller.

7. **PATENTS.** Seller warrants that any goods sold pursuant to this contract, except as are made specifically to Buyer according to Buyer's specifications, do not infringe any valid U.S. patent. This warranty is given upon condition that Buyer promptly notify Seller of any claim or suit involving Buyer in which such infringement is alleged, and, if Seller is affected, that Buyer permit Seller to control completely the defense or compromise of any such allegation of infringement. Seller does not warrant that the use of any goods sold hereunder, or articles made therefrom, either alone or in conjunction with other materials, will not infringe a patent.

8. **FREIGHT—TAXES.** Any increase in freight rates paid by Seller on shipments covered by this contract and any tax or governmental charge or increase in same hereafter becoming effective increasing the cost to Seller of producing, selling, or delivering the goods or of procuring materials used therein, and any tax now in effect or increase in same payable by the Seller because of the sale of the goods, such as Sales Tax, Use Tax, Retailer's Occupational Tax, Gross Receipts Tax, may, at Seller's option, be added to the price herein specified.

9. **PRICE REVISION.** The price, point of delivery, service allowance, if any, and terms of payment herein specified may be revised as of the beginning of any quarterly period commencing on the first day of January, April, July and October after the date hereof (including the first such quarterly period), by written notice from Seller dispatched not less than fifteen (15) days prior to the date on which any such quarterly period is to commence. If Buyer does not serve Seller with written notice of objection thereto prior to the beginning of any quarterly period, the proposed revision will become effective at the start of such quarterly period. Buyer's written objection to such proposed revision served upon Seller prior to its effective date shall permit Buyer to purchase elsewhere the quantities due during the ensuing quarterly period if Buyer shall be able to purchase such quantities of equal quality at a lower delivered price from responsible United States manufacturers of the goods, and shall have furnished Seller with satisfactory written proof of bona fide offers by such manufacturers and Seller shall have elected not to meet such offers, in which event Seller shall be released from its obligation during such quarterly period. If Seller desires to revise the price, point of delivery, service allowance, or terms of payment pursuant to this paragraph, but is restricted to any extent against so doing by reason of any law, decree, order or regulation of any government, or if the price, point of delivery, service allowance, or terms of payment then in effect under this contract are altered by reason of any law, decree, order or regulation of any government, Seller shall have the right to terminate this contract.

10. **PRICE PROTECTION.** Should Buyer at any time any shipment is due under this contract be offered a lower delivered price on material manufactured in the United States of equal quality, in like quantity as the shipment involved, for the same use by a responsible manufacturer of the goods and furnish Seller satisfactory proof of same, Seller will either supply such shipment at the lower price or permit Buyer to purchase such quantity at the lower delivered price from the manufacturer making such offer, and the quantity so purchased will be deducted from the total quantity of this contract.

11. **ASSIGNMENT.** Buyer may not assign its rights or delegate its performance hereunder without the prior written consent of the Seller, and any attempted assignment or delegation without such consent shall be void.

12. **MISCELLANEOUS.** This contract is to be construed according to the laws of the State of Missouri. This document constitutes the full understanding of the parties, and no terms, conditions, understanding or agreement purporting to modify or vary the terms of this document shall be binding unless hereafter made in writing and signed by the party to be bound.

RIDER A

Force Majeure

It is understood that the products sold hereunder contain polychlorinated biphenyls, which some studies have shown may be an environmental contaminant. Buyer agrees to use its best efforts to prevent such products from entering into the environment through spills, leakage, use, disposal, vaporization or otherwise. In the event Seller determines that, in order to prevent contamination of the environment, it is necessary to discontinue the sale to Buyer of polychlorinated biphenyls for the applications contemplated by Buyer, Seller may terminate this Agreement at any time by giving Buyer at least ninety (90) days prior written notice.

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