For Joe Fath

AGREEMENT

THIS AGREEMENT, dated and effective June 1, 1970, by and between SHELL CHEMICAL COMPANY, a division of SHELL OIL COMPANY, a Delaware corporation, having an office at 110 West 51st Street, New York, New York 10020 (hereinafter referred to as "Shell"), and TENNECO PLASTICS DIVISION, TENNECO CHEMICALS, INC., a Delaware corporation, having an office at 280 Park Avenue, New York, New York 10017 (hereinafter referred to as "Tenneco").

W I T N E S S E T H:

1. Term

This Agreement shall be in effect for a primary period of five (5) calendar years beginning January 1, 1972 and ending on December 31, 1976, and from calendar year to calendar year thereafter, either party being able to terminate this Agreement effective at the end of the primary period or the end of any calendar year thereafter, by giving the other party at least eighteen (18) months prior written notice.

In the event Shell's facilities for the manufacture of Vinyl Chloride Monomer (VCM) at Deer Park, Texas are commercially operable prior to January 1, 1972 and Shell has VCM which it can make available for sale at that time, Shell shall notify Tenneco of such availability on a first priority basis and Tenneco may elect to purchase all or part of the same on the same terms and conditions as set out herei[n] provided, however, that any such earlier purchases shall have no effect on the obligations of Shell or Tenneco hereunder.

2. Products - Quantities

Shell shall sell and deliver to Tenneco and Tenneco shall purchase and acce[pt] VCM from Shell in an amount not less than nor more (except at Shell's option) than the respective minimums and maximums set forth herein but not exceeding, except at Shell's option, 1/11 of the calendar year maximum quantity during any calendar month.

Minimum - Maximum Quantities of VCM (Lbs.)

Per Calendar Year

PL Amts.

Year	Minimum Quantity		Maximum Quantity	
1972	75,000,000		100,000,000	
1973	100,000,000		125,000,000	
1974	125,000,000	575M	150,000,000	+ 100
1975	160,000,000		200,000,000	+ 100
1976	180,000,000		225,000,000	+ 100
1977				(300-325)

A line

Tenneco shall give written notice to Shell not less than twelve (12) months prior to each calendar year hereof as to the quantity of VCM it estimates it will require to be delivered by Shell during that calendar year within the range of the calendar year minimum and maximum amounts as specified above. Except as further limited by the applicable calendar year minimum and calendar year maximum, Tenneco will then be required to receive not less than 90% of that estimate for such calendar year and Shell will be required to deliver not more than 110% of that estimate in the calendar year specified, unless Shell shall elect to deliver a greater quantity ordered by Tenneco.

~~At least ninety (90) days prior to the beginning of each calendar year, Shell will notify Tenneco as to any amount of Vinyl Chloride Monomer in excess of the maximum quantity that Shell will make available to Tenneco during such calendar year. In the event Tenneco desires to purchase any of such excess, Tenneco shall notify Shell within thirty (30) days after receiving such offer.~~ Upon such notice, the terms and conditions of this Agreement, including price, delivery and quality shall apply as if such excess were included in the quantity for the calendar year in which it is delivered. However, purchase by Tenneco of any such excess shall in no way change any of Tenneco's obligations under this Agreement, nor shall such quantities apply against Tenneco's minimum obligation. Maximums and minimums for calendar years subsequent to 1976 shall be the same as those established herein for 1976, subject, however, to amendment by mutual agreement at least twelve (12) months prior to the commencement of the calendar year involved.

3. Price - Terms of Payment

a) The price for VCM, f.o.b. Shell's plant at Deer Park, Texas, shall be according to the following schedule of increments of VCM actually shipped and accepted during a calendar year.

first increment of 75,000,000 pounds	4.17 cents per pound
second increment of 75,000,000 pounds	3.89 cents per pound
third increment of 75,000,000 pounds	3.64 cents per pound

b) The price for VCM delivered to Tenneco's appointed consuming locations,

The price for VCM, F.O.B. Shell's plant at Deer Park, Texas shall be 5.247 cents per pound delivered and accepted during the calendar year 1974 for so long as the Economic Stabilization Act and Regulations issued thereafter prohibit Shell from increasing the same and 5.90 cents per pound thereafter. These prices or any other prices subsequently in effect hereunder are subject to increase or decrease any time after they have been in effect for ninety (90) days by Shell giving Tenneco at least thirty (30) days prior written notice. If any such increase is unacceptable to Tenneco, Tenneco shall so notify Shell at least fifteen (15) days before the effective date of the increase whereupon this Agreement shall terminate.

Increments shall be computed on the total quantities of VCM actually shipped, whether f.o.b. Shell's plant or to Tenneco's appointed consuming locations.

c) During the term of this Agreement, Shell shall notify Tenneco in writing within fifteen (15) days of any change in the freight costs between Deer Park, Texas and Tenneco's consuming locations.

It is understood and agreed to by both Shell and Tenneco that the delivered price for VCM stated herein is based upon delivery in tank cars of a capacity of twenty-six (26) thousand gallons of net contained VCM, provided, however, that upon mutual agreement the tank car capacity shall be increased and a new net rail car expense negotiated if necessary. Should such twenty-six (26) thousand gallon capacity tank cars be deemed unacceptable for the transportation of VCM by any applicable railroad, governmental authority or the like, then a new net rail car expense based on the new tank car capacity will be calculated pursuant to Exhibit "C", and the interim net rail car expense shall be as set out above.

d) Payments shall be made to Shell within fifteen (15) days after receipt of Shell's ~~monthly~~ bi-MONTHLY statement for VCM delivered during the prior month.

e) The base price for all increments set forth above shall be subject to increase or decrease effective as of January 1, 1972 and as of the first day of each calendar year thereafter, in accordance with the formula set out in Exhibit "B" attached hereto.

f) If Shell shall enter into an Agreement or Agreements to sell VCM [illegible] than one year's duration, with a term commencing on any date between

If Tenneco has provided to Shell prior to the commencement of any calendar year satisfactory written evidence of any offer received from a third party at least ninety (90) days prior to the commencement of such calendar year a price applicable to the purchase by Tenneco of at least 75,000,000 pounds of VCM per calendar year and said offered price is lower by more than 0.1 cents per pound of VCM than Shell's applicable price in effect for the same period, then Shell shall have the option either to meet such third party price for the quantities so offered or deduct such quantities from the minimum and maximum volumes applicable to this Agreement for said calendar year and each calendar year thereafter.

agreed to be sold to such third parties during such year.

4. Orders - Deliveries

Not less than ten (10) days prior to the beginning of each calendar month hereof, Tenneco shall advise Shell of the quantity of VCM desired during such month.

Tenneco shall receive all VCM purchased hereunder into Tenneco's tank cars, of agreed upon capacity, at Shell's Deer Park, Texas, plant. ~~At Tenneco's option~~, By giving Shell notice at least twelve (12) months prior to the beginning of each calendar year, Tenneco may provide Shell with an estimate as to that amount of VCM not in excess of the applicable calendar year maximum that Tenneco shall require Shell to deliver to Tenneco's consuming locations in Shell's tank cars during such calendar year. Subject to mutual agreement and the applicable calendar year maximum, Tenneco will then be required to receive and Shell will be required to deliver in Shell's tank cars not less than 90% nor more than 110% of that estimate in such calendar year. In all subsequent calendar years Tenneco will be required to receive and Shell will be required to deliver in Shell tank cars, a quantity of VCM not less than the greatest quantity set out in any such earlier estimate. Tenneco will provide Shell, at least eighteen (18) months prior to the beginning of each calendar year, with its best estimate as to the amount of VCM that Tenneco will require Shell to deliver to Tenneco's consuming locations in Shell's tank cars during such calendar year but such best estimate shall be of no binding force and effect.

Although the use of tank cars is specified herein, it is not the intent of this Agreement to exclude other modes of transportation, which are and will become practical, should such other modes of transportation be agreeable to both parties.

The weight of such delivery shall be determined on the basis of certified weights of the common carrier of each loaded tank car utilizing printed tare of such tank cars or some other means to be mutually agreed to. "Heel" allowance shall be computed on the basis of the standard factor at 5 psig of 3 lbs. per 100 gallons of car capacity.

5. Taxes

All taxes and other governmental charges, if any, other than those based on income, on the VCM or on Shell which are required to be paid or collected by Shell by reason of the VCM sold hereunder, shall be paid by Tenneco in addition to the price of the VCM.

6. Liabilities - Claim

Shell warrants that the VCM delivered hereunder will meet the specifications set forth in Exhibit "A" therein, but Shell makes NO OTHER WARRANTIES hereunder, WHETHER OF MERCHANTABILITY, FITNESS, OR OTHERWISE, AND NONE SHALL BE IMPLIED.

Shell shall have no liability for, and Tenneco shall indemnify Shell against all claims, loss, liability and expense on account of, any injury or death of persons (including Tenneco's employees) or damage to property (including Tenneco's) caused by or happening in connection with Tenneco's unloading, storage, handling or use of the Vinyl Chloride Monomer, unless due to the negligence of Shell, its agents or employees in the manufacture or loading of the product.

Neither Shell nor Tenneco shall have any liability to the other for any claims arising directly or indirectly out of or in connection with this Agreement, unless the claimant gives the other party notice of the claim (setting forth fully the facts on which it is based) within ninety (90) days after the date of delivery, or other transaction or occurrence giving rise to the claim.

7. Excuses for Non-Performance

Either Shell or Tenneco shall be excused from its obligations hereunder when and to the extent that performance, including Tenneco's ability to use VCM at its consuming locations, is delayed or prevented by any circumstances (except financial inability of the party in default not resulting from bank moratoriums or other governmental order, decree or law) reasonably

Excuses for Nonperformance. Either Shell or Tenneco shall be excused from its obligations hereunder when and to the extent that performance is delayed, impaired or prevented by any circumstances (except financial) reasonably beyond its control, or by fire, explosion, breakdown in machinery or equipment, or failure of catalyst, or riots, strikes, labor disputes, voluntary or involuntary compliance with any law, order, regulation, recommendation, or request of any governmental authority, or total or partial failure of the usual means of transportation of chlorine, ethylene, Dichloroethane or VCM, or inability or delay in obtaining all or any part of the raw materials used in the manufacture of Dichloroethane or VCM from Shell's earlier established internal or third party sources of supply. As used herein, "labor dispute" means any controversy to which either Shell or Shell's source for raw materials or Tenneco has an interest, involving wages, hours or working conditions and includes any strike, picketing, lockout, suspension of construction or any other action taken in connection with or because of the labor dispute. Neither Shell nor Tenneco shall have any obligation to participate in any settlement of a labor dispute, or to request its agents or contractors or raw material suppliers to do so except where the same is acceptable to such party in its sole judgment. The quantities of VCM consequently undelivered as a result of causes excused hereunder shall not be required to be made up by Shell or Tenneco upon resumption of full deliveries of VCM hereunder and such excused quantities shall be deducted from the applicable calendar year quantities. In the event that Shell is excused from delivering any quantity of VCM due to any of the causes specified above, Shell shall have the right to apportion, solely according to Shell's judgment, its available VCM productive capacity at its Deer Park, Texas plant to include Tenneco and Shell shall have no obligation in the event of any excused causes specified above to purchase ethylene, chlorine, Dichloroethane or VCM or to utilize any internal sources of supply of the same to perform hereunder.

Shell shall pay Tenneco as liquidated damages at the end of each month during the calendar year 1972 or until such deficiency is corrected, whichever occurs first, the sum of 0.50 cents for each pound of VCM that Shell fails to deliver during such month, as ordered by Tenneco, less than 1/12 of the applicable calendar year minimum. In the event that such deficiency is not corrected prior to December 31, 1972, then the liquidated damages obligation hereunder shall terminate and thereafter Tenneco may terminate this Agreement by written notice given not later than January 31, 1973 or may attempt to renegotiate the same. As used herein for the purpose of defining Shell's obligation to make payments to Tenneco, a "design deficiency" shall not be considered to have occurred after it has been established that the facility is commercially operable at its capacity by tests generally accepted in the industry and performed by Shell's VCM process licensor, providing that written notice to that effect is given to Shell by its process licensor.

If performance by Shell hereunder is delayed or prevented, in whole or in part, due to any of the circumstances set out in paragraph 7, or for any other reason, thereby causing Tenneco to purchase VCM elsewhere, all such purchases by Tenneco will be credited as if purchased by Tenneco from Shell in determining the purchase price of the increments of VCM purchased thereafter from Shell.

8. Assignability

Neither this Agreement nor any claim arising directly or indirectly out of or in connection therewith shall be assignable by either party or by operation of law without the written consent of the other party, which shall not be unreasonably withheld, except that either party may assign its rights hereunder subject to the obligations hereof, to any successor of substantially all of its business assets pertaining to Vinyl Chloride Monomer production or the use thereof as a raw material, as applicable.

9. Remedies

In the event of any breach by either party of any of the provisions of this Agreement, or any voluntary or involuntary bankruptcy, receivership, insolvency, or reorganization proceedings of or against either party, the other party shall have the right in addition to any other rights or remedies it may have to suspend or refuse deliveries hereunder and/or to terminate this Agreement by notice to the defaulting party effective as of the date of such notice. Where proceedings are brought against either party in bankruptcy, receivership, insolvency, or reorganization, such party shall have a period of sixty (60) days to vacate and discharge such proceedings before the other party shall have the right to terminate this Agreement. Either party's right to require strict performance of the obligations of the other shall not be affected in any way by any previous waiver, forebearance or course of dealing.

10. Notices

All notices or demands under this Agreement whether required by the terms hereof or otherwise shall be in writing and shall be delivered or mailed by certified or registered mail, return receipt requested, to the following addresses of the parties or to such other addresses as may be hereafter designated in writing by the respective parties:

If to Tenneco: Tenneco Plastics Division
Tenneco Chemicals, Inc.
Turner Place
Piscataway, New Jersey 08854
Attention President

with copy to: Tenneco Chemicals, Inc.
280 Park Avenue
New York, New York 10017
Attention Secretary

If to Shell: Shell Chemical Company
A Division of Shell Oil Company
Industrial Chemicals Division
110 West 51st Street
New York, New York 10020
Attention General Manager

11. Governing Law

This Agreement is entered into in contemplation of the law of the State of New York and shall be interpreted under and governed by the laws of the State of New York from time to time obtaining.

12. Entirety - Execution

This Agreement comprises the entire Agreement and merges and supersedes all prior understandings and representations (oral or written) between Shell and Tenneco concerning the subject matter hereof. Neither this Agreement nor any subsequent Agreement amending or supplementing this Agreement shall be binding on Shell or Tenneco unless and until it has been signed on Shell's or Tenneco's behalf by a duly authorized representative, and commencement of performance hereunder or under any such subsequent Agreement shall not constitute a waiver of this requirement.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement in duplicate as of the day and date first written above.

SHELL CHEMICAL COMPANY
A Division of Shell Oil Company

By ______________________
K. L. Mai
General Manager
Industrial Chemicals Division

TENNECO PLASTICS DIVISION
TENNECO CHEMICALS, INC.

By ______________________
R. H. Marks
Senior Vice-President
Tenneco Chemicals, Inc.

EXHIBIT "A"

SPECIFICATIONS

FOR

VINYL CHLORIDE MONOMER

Vinyl Chloride	99.9% vol. min.
Acidity (as HCl)	1 ppm by wt. max.
Acetylene	1.0 ppm by wt. max.
Acetaldehyde	5.0 ppm by wt. max.
Water	100 ppm by wt. max.
Sulfur	1.0 ppm by wt. max.
Iron	0.5 ppm by wt. max.
Non-Volatiles	100.0 ppm by wt. max.
Methyl Chloride	100 ppm by wt. max.
Butadiene	9 ppm by vol. max.
Color	Colorless
Appearance	Clear and free from suspended matter
Stabilizer	None
Peroxides	0.1 ppm max.

Additional specifications and test methods for oxygen and heavy ends and nitrogen and, if necessary, other impurities to be agreed upon.

Deleted

EXHIBIT "B"

PRICE ADJUSTMENT

The base price per pound of Vinyl Chloride set forth in Paragraph 3 shall be increased or decreased effective on the first day of the calendar year 1972 and each calendar year thereafter in accordance with the following formula:

$$BCF + 0.0016\ (A - A_1) + 0.0014\ (B - B_1) + 0.0057\ (C - C_1) =$$
escalated price in cents per pound.

The terms used in such formula shall have the following definitions:

BCF = base price as set forth in Paragraph 3.

A = Crude oil price in cents per barrel.

B = Average labor rate in cents per hour.

C = Commodity Index number.

These terms are more specifically defined in Appendix I attached hereto and made a part hereof. A_1, B_1 and C_1 shall be the base numbers as defined in Appendix I, upon which the escalated fee shall be computed.

71 Esc. .0417 +.0016(3.33 − 2.93) + .0014(4.01 − 3.77) + .0057(115.8 − 11

.0417 .0016(0.07) + .0014(0.24) + .0057(0.047)

.0417 +.000715 = .0424

Deleted.

EXHIBIT "C"

Net Rail Car Expense

It is understood and agreed to by both Shell and Tenneco that as of the date of execution of this Agreement that certain information necessary to the calculation of the net rail car expense, allowed by Shell to Tenneco, is unavailable. In recognition of this, the following formula will be used to calculate such net rail car expense within sixty (60) days of the date of execution of this Agreement using the formula components set out herein.

$$\text{Net Rail Car Expense (cents per pound)} = \frac{(390 - A)\ (100)}{(1.2)\ (B)}$$

"A" being defined as the lease cost in dollars per month, to be obtained by Shell as a bid from a tank car leasing company, for leasing a tank car of a capacity of 26,000 gallons (plus or minus 500 gallons) of net contained VCM.

"B" being defined as the weight of net contained VCM in the tank car, calculated as the maximum gross loaded weight of the leased tank car, permitted by the applicable railroads, governmental authority or the like, less the light weight.

Appendix I

A and A_1

Crude Oil Price

"A" shall equal the arithmetical average, expressed in cents per barrel, of the average of prices as published in Platt's Oilgram Price Service - Crude Supplement for West Texas (Sour) crude, in effect on the fifteenth (15th) day of each of the twelve (12) months ending with and including September in the year preceding each year during which the escalated prices are to be computed. The prices to be averaged shall be the arithmetical average of West Texas (Sour) crude prices as posted, for crude oil of 32.0 - 32.9 degrees A.P.I. by Humble Oil and Refining Company; Texaco, Inc.; and Gulf Oil Corporation (or their successors).

"A_1" shall be the arithmetical average, expressed in cents per barrel, of the average prices of the crude oil specified above for the twelve (12) months October, 1968, to and including September, 1969, as reported in the above-mentioned publication.

If any of the companies named above (or their successors) cease to post prices for these crudes, then the prices posted by the remaining companies named above shall be used. If all the companies cease to post prices for these crudes, the crude oil prices to be used shall be determined by a method mutually satisfactory to Tenneco and Shell. If the publication of Platt's Oilgram Price Service - Crude Supplement is discontinued, then the crude oil prices shall be determined by a method mutually satisfactory to Tenneco and Shell.

Labor Rates

"B" shall equal the arithmetical average in cents per hour of the final average hourly earnings, Industrial Chemicals, for the twelve (12) months ending with and including the month of September of the year preceding each year during which escalated prices are to be computed as reported by the United States Bureau of Labor Statistics in Table C-2 in the publication, "Employment and Earnings."

"B_1" shall be the arithmetical average, expressed in cents per hour, of the average hourly earnings, Industrial Chemicals, for the twelve (12) months October, 1968, to and including September, 1969, as reported in the above-mentioned publication.

Should the method of computing the hourly earnings referred to herein be changed, or should publication of same be discontinued or substantially delayed, the parties hereto shall agree upon the use of another similar labor rate compilacion and shall adjust the Labor Rate Base to conform to the calculation method of the new compilation.

C and C_1

Commodity Indices

"C" shall equal the arithmetical averages of the latest final Wholesale Commodity Price Indices for Industrial Commodities for the twelve (12) months ending with and including the month of September in the year preceding each year during which escalated prices are to be computed hereunder reported by the United States Bureau of Labor Statistics in the publication "Wholesale Prices and Price Indices."

"C_1" shall be the arithmetical average of the final Wholesale Commodity Price Indices for Industrial Commodities for the twelve (12) months October, 1968, to and including September, 1969, as so reported in the above-mentioned publication.

Should the method of computing the Wholesale Commodity Price Index referred to herein be changed, or should publication of same be discontinued or substantially delayed, the parties hereto shall agree upon the use of another similar index and shall adjust the Wholesale Commodity Price Index Base to conform to the calculation method of the new index selected. If a new reference base is established, the Wholesale Commodity Price Index Base shall be converted to the new base by factors published by the Bureau of Labor Statistics. If the weighting structure is revised, the unofficial index will be used until the official index is released.