

SALES CONTRACT NO. 83-8-11



Dated January 10, 1983

CELANESE CHEMICAL COMPANY, INC. of 1250 W. Mockingbird Lane, P.O. Box 47320, Dallas, Texas 75247 ("Seller") will sell and OCCIDENTAL CHEMICAL CORPORATION, PVC RESINS/PVC FABRICATED PRODUCTS of P.O. Box 699, Pottstown, Pennsylvania 19464 ("Buyer") will buy the goods specified below on the terms of this Contract for Buyer's ~~(resale)~~ (own consumption) in the United States.

1. **GOODS:** VINYL ACETATE
2. **CONTRACT TERM:** One Year by either party *ML JLF*
From: January 1, 1983 To: December 31, 1983
and evergreen thereafter unless cancelled in writing, 90 days prior to end of calendar year.
3. **QUANTITY:** Buyer's partial requirements estimated to be 750,000 pounds - 1,250,000 pounds.
4. **PRICE:** See Attachment A
5. **F.O.B.:** Newark, New Jersey
6. **SHIP TO:** Pottstown, Pennsylvania
7. **PRICE CHANGES:** If Buyer is offered Goods of like quality and quantity, and for a like use, by a U.S. manufacturer not affiliated with Buyer, at a price which results in a lower delivered cost to Buyer than the delivered cost under this Contract and furnishes proof of this offer satisfactory to Seller, then if Seller does not within 15 days after receipt of this proof reduce its price to meet this lower delivered cost to Buyer, Buyer may purchase this quantity from this other manufacturer and Seller will deduct the quantity so purchased from the quantity under this Contract.

Seller may change the price of the Goods on the first day of any calendar quarter by giving Buyer at least 15 days notice. Buyer's failure to object to this change at least 5 days before its effective date constitutes acceptance. If Buyer so objects, Seller may either (1) rescind the price change, or (2) terminate this Contract as of the effective date of the proposed change by notifying Buyer.

If any governmental action prevents Seller from increasing a price or continuing any price already in effect, Seller may terminate this Contract by giving Buyer 30 days notice.
8. **WARRANTY:** Seller warrants that the Goods will conform to the attached specifications.
9. **DISCLAIMER OF FURTHER WARRANTIES:** Except as set forth above, there is NO WARRANTY, representation or condition OF ANY KIND, express or implied (INCLUDING NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE GOODS FOR ANY USE CONTEMPLATED BY BUYER) concerning the Goods and none shall be implied by law.
10. **LIMITATION OF REMEDIES AND LIABILITY:** BUYER'S EXCLUSIVE REMEDY FOR ANY CAUSE OF ACTION IS A CLAIM FOR DAMAGES WHICH IN NO EVENT WILL EXCEED THE PRICE OF THE SPECIFIC GOODS AS TO WHICH THE CLAIM IS MADE. SELLER SHALL NOT BE LIABLE, AND BUYER WAIVES ALL CLAIMS AGAINST SELLER, FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES BASED UPON NEGLIGENCE, BREACH OF WARRANTY, STRICT LIABILITY IN TORT OR ANY OTHER CAUSE OF ACTION. Seller will not be liable to Buyer for any loss, damage or injury to persons or property resulting from Buyer's handling, storage, transportation, resale or use of the Goods in manufacturing processes, or in combination with other substances, or otherwise.
11. **FURTHER TERMS AND CONDITIONS AND EXECUTION:** The terms of both sides of this form and any addenda attached to this form constitute this Contract in its entirety and supersede any existing sale contract relating to the Goods. This Contract must be signed and returned by Buyer within 45 days from this date and will not bind Seller unless signed by an officer of Seller.

Buyer's Acceptance:
OCCIDENTAL CHEMICAL CORPORATION

By

Title

Robert H. Korte
Director of Materials Management

CELANESE CHEMICAL COMPANY, INC.

By

J.N. Lauer

J.N. Lauer
Vice President - Marketing

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12. **FORCE MAJEURE:** Neither party will be liable for non-performance or delay in performance due wholly or partly to any cause not in its control or not avoidable by reasonable diligence. Upon the occurrence of any such contingency, the party so affected may suspend or reduce deliveries during the period of such contingency, and the total quantity deliverable under this Contract will be reduced by the quantities so omitted. The following, while not an exclusive listing, will not be considered within a party's control or avoidable by reasonable diligence: labor controversies; court decrees; inability to use the full capacity of plants or facilities as a result of governmental action, machinery malfunctions or breakdown; and inability to obtain fuel, power, materials necessary to produce the Goods, labor, containers or transportation facilities, without litigation or the payment of penalties or unreasonable prices, or the acceptance of unreasonable terms and conditions.
13. **SHORTAGES:** If for any reason shortages occur in Seller's supply of the Goods, or materials necessary to produce the Goods, Seller may without obligation to obtain similar goods or such materials from other sources, first satisfy its own requirements, and the requirements of its or its parent's divisions, subsidiaries and affiliates, for such material and will then allocate all Goods produced among its customers, its own requirements, and the requirements of its or its parent's divisions, subsidiaries and affiliates, in a manner and amount that is fair and reasonable. Seller may deduct the quantity not shipped because of this allocation from the quantity under this Contract.
14. **SHIPMENT:** As ordered by Buyer in approximately equal monthly quantities but Seller will not be required in any calendar month to ship more than 10% of the annual quantity under this Contract for the current year. Risk of loss passes to Buyer when the Goods are delivered to the carrier at shipping point.
15. **FREIGHT:** If Seller is to pay freight, Seller may initially designate the means of transportation and routing, and if Buyer requires a more expensive means or routing, Buyer will pay any extra cost involved.
16. **HANDLING; LOADING; UNLOADING AND CONTAINERS:** Buyer acknowledges that the Goods may require special handling, storage, transportation, treatment or use to comply with applicable safety and environmental laws and will take all reasonable action to comply with these laws and avoid spills or other dangers to persons, property or the environment. Buyer certifies that containers and allied equipment presented by it at Seller's shipping point will be fit for the Goods. Seller may refuse to load if it believes that the quality of the Goods will be prejudiced or that any unsafe condition exists. Buyer will
- (1) unload and release all transportation equipment promptly so Seller incurs no demurrage, other expense or loss, (2) comply with instructions Seller may give for return of this equipment, and (3) pay any invoice for this demurrage, other expense or loss within 10 days.
17. **PAYMENT TERMS; BUYER'S CREDIT:** Net 30 days from date of invoice. Seller may change payment terms by notifying Buyer at least 30 days in advance. If Seller is not satisfied with Buyer's financial responsibility, or Buyer defaults under any contract with Seller, Seller may require payment in cash before shipment of the Goods.
18. **TAXES:** Buyer will reimburse Seller for all increases (and all new) taxes, excises or other governmental charges (except taxes based on Seller's net income) imposed on production, sale or transportation of the Goods after the date of this Contract which Seller is required to pay.
19. **CLAIMS:** Buyer will test and inspect the Goods for compliance with this Contract within a reasonable time after each shipment is received and if Buyer fails to notify Seller within 45 days after receipt, and before any part of the Goods (except for reasonable test and inspection quantities) has been changed from its original condition, that the Goods are defective or short in any respect, Buyer will have waived any rights or claims against Seller. Seller's invoice weights, volumes, sizes and tares established in good faith will govern unless proved erroneous. Variations of 1% or less in the case of tank trucks or tank cars and 0.5% in the case of barges, from invoice quantity of any shipment will be disregarded.
20. **NOTICES:** All notices under this contract must be in writing and mailed or delivered to the appropriate address set forth at the beginning of this Contract.
21. **MISCELLANEOUS:** No modification, waiver or discharge of this Contract shall bind Seller unless signed by one of Seller's officers. If either party assigns this Contract (other than to an affiliate) without the consent of the other party, the other party may declare this Contract void. The validity, performance, construction and effect of this Contract will be governed by New York law. All technical advice, recommendations and services of Seller are intended for use by persons having skill, at their own risk, and Seller assumes no responsibility, and Buyer hereby waives all claims against Seller, for results obtained or damages incurred from the use of Seller's advice, recommendations and services. Buyer will indemnify and hold Seller harmless from and against all damages, costs and expenses resulting from special marking of the Goods or containers in accordance with Buyer's requests.

ATTACHMENT A

Price: Effective January 1, 1983, Buyer will pay \$0.275 per pound of goods F.O.B. Newark, New Jersey. Seller may increase Buyer's price by providing fifteen days written notice before any calendar quarter, however, such increase shall in no case exceed 90% of the net list price increase for quarter. (The "net list price increase" is defined as Celanese's published list price for the quarter in which the sale is to take place minus any temporary voluntary allowance which may be in effect less Celanese's published list price for the preceeding quarter minus any temporary voluntary allowances which may have been in effect.) The base net list price for purposes of this agreement shall be Celanese's published list price on January 1, 1983 minus any temporary voluntary allowances.

For the calendar years 1983 and 1984 only, if Buyer's purchases from Seller meet or exceed 3 MM pounds ("target quantity") for the calendar year, Seller will rebate to Buyer \$0.01 per pound for every pound which Buyer has purchased from Seller during the calendar year for which the target quantity has been met. Such rebate shall be made by Seller as soon as practicable after the end of the calendar year, but in no case prior to January 15 of the succeeding calendar year.

CELANESE CHEMICAL COMPANY

Sales Specifications

CCC-90

DATE: September, 1976

VINYL ACETATE

<u>Sales Specifications</u>		<u>Limits</u>	<u>SMA Methods</u>
Vinyl Acetate, wt.%	min	99.9	By Difference
Acetaldehyde, wt.%	max	0.010	19
Acidity, as Acetic, wt.%	max	0.005	32
Water, wt.%	max	0.04	12
Distillation Range, °C (1)	---	72.5-73.0	10
Specific Gravity, 20/20°C	---	0.9335-0.9345	8
Color, Pt-Co Units	max	5	6
Appearance	---	Clear and Free of Suspended Matter	---
Hydroquinone Content, ppm	---	3-5 or 14-17	30

Reference

(1) Use ASTM thermometer 39C for this determination

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