

THE ANACONDA COMPANY

25 Broadway

New York 4, N. Y.

OFFICE OF THE VICE PRESIDENT
IN CHARGE OF OPERATIONS

March 1, 1964

American Chemet Corporation
105 West Madison Street
Chicago, Illinois

Gentlemen:

This letter sets forth the agreement between the undersigned, THE ANACONDA COMPANY ("Anaconda"), and AMERICAN CHEMET CORPORATION ("Chemet") as follows:

1. Purchase and Sale. Subject to the terms and conditions of this agreement and for the purchase price set forth below, Anaconda will sell to Chemet, and Chemet will purchase from Anaconda, Chemet's monthly requirements of fume slag produced in the Slag Treating Plant of Anaconda at East Helena, Montana, but not more than the total amount of such fume slag actually produced in any month, it being understood that Anaconda shall be obligated to deliver fume slag hereunder only from its current production of fume slag in its Slag Treating Plant at East Helena, Montana (such fume slag being hereinafter called "the Fume Slag"). Chemet will give Anaconda sufficient advance notice of its monthly requirements of the Fume Slag.

2. Quality. Anaconda makes no representations or warranties with respect to the amount, content, analysis or physical or other condition of the Fume Slag, Chemet agreeing to purchase the Fume Slag under the terms of this agreement "as is".

PNYC 00011869

3. Delivery. The Fume Slag sold hereunder shall be delivered to Chemet, loaded in bulk, f.o.b. railway cars or f.o.b. trucks (at Chemet's option) at Anaconda's Slag Treating Plant at East Helena, Montana.

4. Purchase Price. Chemet shall pay Anaconda for the Fume Slag delivered hereunder an amount equal to the price for 100% of the zinc and lead contained in the Fume Slag, as determined by wet assay, such price to be computed on the basis of whichever of the following is applicable:

(i) \$1.27 per unit if the average of the daily quotations for prime western zinc at East St. Louis for the month that the Fume Slag is delivered is 11.5 cents per pound; or

(ii) \$1.27 per unit plus 12 cents per unit for each one cent by which said quotation exceeds 11.5 cents per pound, fractions in proportion; or

(iii) \$1.27 per unit minus 12 cents per unit for each one cent by which said quotation is less than 11.5 cents per pound, fractions in proportion

The price quotations for zinc referred to above shall be those published by the Engineering and Mining Journal. In the event that the daily quotations by the Engineering and Mining Journal shall be discontinued or suspended or in the event that the basis for determining such quotations shall be changed, the parties shall substitute an alternate method of determining such zinc price that is fair and reasonable in the circumstances.

5. Settlement. Settlements hereunder shall be made at Anaconda's office at Great Falls, Montana, not later than 30 days after the end of each month in which the Fume Slag is delivered.

PNYC 00011870

6. Sampling, Weighing and Assaying. Anaconda shall weigh and sample the Fume Slag and determine the moisture content thereof when it is loaded at East Helena, in accordance with standard practices. At least three sample portions shall be made from each sample, one of which shall be delivered to Chemet, one of which shall be retained for use by Anaconda and one of which

shall be sealed and retained by Anaconda for use by an umpire if necessary. Chemet and Anaconda each shall assay its sample portion for zinc and lead content, and the results of such assays shall be exchanged promptly by crossing in the mail or by personal delivery. If the assays of the parties do not differ by more than the following splitting limits:

Zinc	-	0.4%
Lead	-	0.1%

the average of such assays for that metal shall govern for all purposes hereunder. If any such assay differs by more than the applicable splitting limit, another assay for that metal shall be made by each party from its sample portion and the average of such reassays (if they do not differ by more than the applicable splitting limit) shall govern for all purposes hereunder. If such reassays differ by more than the applicable splitting limits, they shall be disregarded and an assay for that metal shall be made from the umpire sample portion by an umpire assayer acceptable to both parties. In such event, the umpire assay (if it falls between the original assays of the parties) or the original assay of the party nearer that of the umpire (if the umpire assay does not fall between the original assays of the parties) shall be the accepted assay for such metal and shall govern for all purposes hereunder. The cost of the umpire assay shall be borne by the party whose original assay is further from that of the umpire.

7. Term. The term of this agreement shall be for an initial period from March 1, 1964 through December 31, 1964 and thereafter until either party shall give notice to the other of its election to terminate this agreement, in which event this agreement shall terminate the thirtieth day following the giving of such notice.

PNYC 00011871

constituting this letter an agreement between us.

Yours very truly,
THE ANACONDA COMPANY

By /s/ R. S. Newlin
Vice President

CONFIRMED: March 27, 1964.
AMERICAN CHEMET CORPORATION

By /s/ W. W. Shropshire

PNYC 00011872

AMERICAN CHEMET CORPORATION
East Helena Fume Slag

Date of Contract - March 1, 1964

Purchase and Sale - Chemet's monthly requirement up to total amount produced in slag treating plant. Delivery from current production only. Chemet will give advance notice of requirements.

Quality - No guarantee of amount, content, analysis, physical or other conditions. Sale to be "as is".

Delivery - F.O.B. railroad cars or trucks at slag treating plant at East Helena.

Purchase Price - Chemet shall pay for 100% of the zinc and lead as follows:

\$1.27 per unit when the average price for Prime Western is 11.5¢ per pound for month of delivery.

\$1.27 per unit plus or minus 12¢ per unit for each 1¢ above or below 11.5¢, fractions in proportion.

Settlement - At Great Falls not later than 30 days after end of month in which fume slag is delivered.

Sampling, Weighing, Assaying - Anaconda will weight and sample by standard methods. Three sample portions shall be made, one for Chemet, one for Anaconda, and one for Umpire if necessary. Exchange of assays by mail or personal delivery.

Splitting Limits -

Zinc - 0.4% Lead - 0.1%

If assays of both parties are within the splitting limits, the average shall be used. If assays are more than splitting limits, each party shall re-assay and, if within splitting limits, such re-assays shall govern. If still outside splitting limits, an assay shall be made by Umpire and settlement made by standard methods on original assays.

Term of Contract - March 1, 1964 through December 31, 1964 and thereafter until terminated by 30-days notice given by either party.

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