Monsanto

MONSANTO INDUSTRIAL CHEMICALS CO.
800 N. Lindbergh Boulevard
St. Louis, Missouri 63166
Phone: (314) 694-1000

Dear Sir:

We are writing to advise you that Monsanto has adopted certain restrictive policies with respect to its further sale and delivery of all polychlorinated biphenyl (PCB's) products used as dielectric fluids in transformers and capacitors including but not limited to those sold under tradenames such as Aroclor®, Inerteen®, and Pyranol®, and under the generic term askarel.

Effective 15 January 1972 Monsanto will sell and deliver these products only to manufacturers of transformers or capacitors who have entered into agreement to indemnify and hold harmless Monsanto in the use of these products. The two copies of such an agreement are attached. The acceptance by Monsanto of such an agreement is subject to receipt of financial and other information from you (such as evidence of adequate insurance protection) which, in Monsanto's opinion, makes the agreement meaningful.

As we have previously advised you, studies indicate PCB's may be accumulating in the environment. In some instances, PCB's have been found in food or in the food chain. For your information, attached is an article by Carl G. Gustafson of the Federal Water Quality Administration appearing in "Environmental Science & Technology" which deals with this subject. Because of Monsanto's concern over this problem, we are discontinuing sales of PCB's in any applications except as dielectric fluids for use in transformers and capacitors.

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If you desire to continue purchase of these products from Monsanto after 15 January, please have the attached copies of agreement signed by an authorized officer on behalf of your company and forward a fully signed copy, together with your most recent audited financial statement and any other information which you feel will assist Monsanto in its evaluation.

If you have any questions please telephone (314) 694-2455 or write directly to Mr. H. S. Bergen, Monsanto Company, P. O. Box 14617, St. Louis, Missouri 63178.

We sincerely regret any hardships that this decision may cause you but it is taken in an effort to continue to make available these products for critical electrical applications.

Very truly yours,

Howard S. Bergen

Howard Bergen, Director
Specialty Products Group
Monsanto Industrial Chemicals Co.

/jf

Enclosures

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SPECIAL UNDERTAKING BY PURCHASERS OF POLYCHLORINATED BIPHENYLS

Monsanto Company ("Monsanto") manufactures certain polychlorinated biphenyl products ("PCB's") which _____ _____ ("Buyer") desires to purchase. While Buyer desires to purchase PCB's because of certain desirable flame resistant and insulator properties, Buyer acknowledges that it is aware and has been advised by Monsanto that PCB's tend to persist in the environment; that care is required in their handling, possession, use and disposition; that tolerance limits have been or are being established for PCB's in various food products.

Monsanto has therefore adopted certain restrictive policies with respect to its further production, sale and delivery of PCB's, including the receipt of undertakings from its customers as set forth below, and Buyer is willing to agree to such undertakings with respect to sales and/or deliveries of PCB's by Monsanto to Buyer.

Accordingly, Buyer hereby covenants and agrees that, with respect to any and all PCB's sold or delivered by or on behalf of Monsanto to Buyer on or after the date hereof and in consideration of any such sale or delivery, Buyer shall defend, indemnify and hold harmless Monsanto, its present, past and future directors, officers, employes and agents, from and against any and all liabilities, claims, damages, penalties, actions, suits, losses, costs and expenses arising out of or in connection with the receipt, purchase, possession, handling, use, sale or disposition of such PCB's by, through or under Buyer, whether alone or in combination with other substances, including, without implied limitation, any contamination of or adverse effect on humans, marine and wildlife, food, animal feed or the environment by reason of such PCB's.

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All existing contracts for the sale of PCB's by Monsanto to Buyer are hereby amended to contain the provisions set forth above.

Nothing herein shall create or imply any duty or obligation of Monsanto to sell or deliver any PCB's to Buyer. No conditions, understandings or agreements purporting to modify or vary the terms hereof shall be binding unless hereafter made in writing specifically referring to this agreement and signed by the party to be bound and no modification or variance of the above undertaking shall be effected by the acknowledgment or acceptance of any sale document, purchase order, shipping instruction or other forms containing terms or conditions at variance herewith.

_____ (Buyer)	MONSANTO COMPANY
BY: _____	BY: _____
TITLE: _____	
DATE: _____	

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