

J. R. HOPPER

SEPTEMBER 28, 1978

MRS. MARGUERITE WESTFALL
PATENT LAW

R. H. SCHAKE

SHELL CHEMICAL COMPANY, DIVISION OF SHELL OIL COMPANY
VINYL CHLORIDE MONOMER

Attached for filing in the vault is original fully executed copy of contract dated 7/10/78 whereby Firestone will purchase vinyl chloride monomer from Shell during the five year period January 1, 1978 through December 31, 1982 and evergreen thereafter. Either party may terminate this contract as of 12/31/82 or at the end of any calendar year thereafter by 24 months prior written notice. Also attached is original 9/27/78 letter of transmittal from Shell to Mr. W. P. Bray.

This contract supersedes the 1/1/74 Shell VCM contract.

Q

PURCHASING DEPARTMENT

RHS:es

Att.

CC: W. P. Bray; R. J. Klein; J. H. Rosenson; T. C. Walker; J. R. Hopper;
J. D. Clark

Pc: Mr. J. J. McCoskey 8/1/80

OCC 017624

1/22/79 copy J. F. Knight

Pc: Mr. J. J. McCoskey 8/1/80



CLEVELAND DISTRICT

SHELL CHEMICAL COMPANY

A DIVISION OF SHELL OIL COMPANY

7123 PEARL ROAD
CLEVELAND, OHIO 44130

TELEPHONE AREA CODE 216
842-4000

September 27, 1978

Mr. W. P. Bray, Jr.
Vice-President
The Firestone Tire & Rubber Company
1200 Firestone Parkway
Akron, Ohio 44317

Dear Mr. Bray:

Enclosed are two fully executed copies of the Vinyl Chloride Monomer agreement which has been negotiated between Shell Chemical Company and The Firestone Tire & Rubber Company. These contract copies have been fully initialed and signed by us following your earlier signing. It remains necessary, however, for you to initial the change which has been made on page 7 - Article 8, the second paragraph. This change was suggested by our legal people, was discussed with your Mr. Kelly and Mr. Schake, and was made and initialed following their agreement. If you concur, please initial this change and return to me one of the two copies I am now sending you.

I personally want to thank you and the others in Firestone and your staff who have worked so hard with us of Shell Chemical to bring this VCM agreement to conclusion. We value Firestone as one of our very top and most important VCM customers and appreciate your expression of our importance to Firestone through this contract. As in the past, we will work hard toward meriting your confidence and toward making the implementation of this VCM contract of mutual benefit to our two companies.

Very truly yours,

Dan F. Bradley

DAN F. BRADLEY
Corporate Account Manager

Attachment

cc: Mr. R. J. Klein
Mr. R. H. Schake
The Firestone Tire & Rubber Company
Akron, Ohio

RECEIVED

SEP 28 1978

OCC 017625

R. H. SCHAKE

1/22/79 copy J. F. Knight

8/1/80 copy J. J. McCoskey

A G R E E M E N T

This Agreement is made this 10th day of July 1978, by and between SHELL CHEMICAL COMPANY, a division of SHELL OIL COMPANY, a Delaware corporation with offices at One Shell Plaza, Houston, Texas 77002 (hereinafter referred to as "Shell") and THE FIRESTONE TIRE & RUBBER COMPANY, an Ohio corporation, having an office at 1200 Firestone Parkway, Akron, Ohio 44317 (hereinafter referred to as "Firestone").

1. TERM. This Agreement shall be binding upon the parties upon and after the execution hereof. It shall remain in full force and effect for a Primary Period of five (5) years, beginning on January 1, 1978, and shall continue thereafter ~~for successive renewal terms of one~~ (1) ~~year each~~, unless and until terminated. Either party may terminate December 31, 1982 or at the end of any calendar year thereafter as of ~~the last day of the Primary Period or of any renewal term~~ by giving written notice of termination to the other party at least twenty-four (24) months in advance.

2. QUANTITIES. Shell shall sell and deliver to Firestone and Firestone shall purchase and accept from Shell Vinyl Chloride Monomer (hereinafter referred to as "VCM") in annual quantities determined as hereinafter presented. Deliveries of VCM in any one calendar month shall not, except at Shell's option, exceed one-eleventh (1/11) of the applicable current calendar year maximum or cumulatively exceed one-sixth (1/6) of said calendar year maximum in two (2) succeeding months. Should Shell agree, in advance, that a quantity in excess of one-twelfth (1/12) of the applicable current calendar year maximum can be delivered in any

one (1) calendar month without affecting the immediately succeeding calendar months' deliveries (not in excess of one-twelfth (1/12) of the applicable current calendar year maximum), then Firestone shall not be limited to a cumulative quantity of one-sixth (1/6) in two (2) successive months.

QUANTITIES OF VCM - MILLIONS OF LBS

<u>YEAR</u>	<u>MINIMUM</u>		<u>MAXIMUM</u>
1978	80		95
1979	110	<i>NOMINATION</i> 120	125
1980	135	145	150
1981 and each			
year thereafter	180	190	200

Firestone shall notify Shell, not less than nine (9) months prior to 1978 and each subsequent year, as to its nomination of the quantities of VCM desired during that calendar year, within the range of the applicable calendar year minimum and maximum amounts specified above. For 1978, Firestone's letter of February 24, 1977 shall serve as such notification. Except as further limited by such applicable calendar year minimum and maximum quantities, Firestone will be required to receive not less than 95% of the nomination for such calendar year (Firestone's "obligated quantity"), and Shell will be required to deliver up to, but not in excess of (except at its option), 105% of the nomination for such calendar year (Shell's "obligated quantity").

In the event that Firestone requests Shell to deliver more VCM in any calendar year than the applicable calendar year maximum or less

VCM in any calendar year than the applicable calendar year minimum and Shell so agrees, then the applicable calendar year minimum or maximum shall be of no effect for such year, and that amount requested by Firestone and agreed to by Shell shall be treated as the nomination for such calendar year.

In the event Shell requests Firestone to purchase less VCM in any calendar year than the applicable calendar year minimum or more VCM in any calendar year than the applicable calendar year maximum and Firestone so agrees, then the applicable calendar year minimum or maximum shall be of no effect for such year, and that amount requested by Shell and agreed to by Firestone shall be treated as the nomination for such calendar year.

3. PERFORMANCE. If Firestone or Shell fails, for reasons other than those provided for in Article 10 hereof, to order and accept or to deliver, as the case may be, for any year the respective applicable obligated quantity, the following shall occur: Shell or Firestone shall have the option to put into effect upon the party which has failed, a reduction in the minimum and maximum quantities specified in Article 2 for all years of this Agreement subsequent to the year of such underperformance by Shell or Firestone equal to the difference between its "obligated quantity" for the year of underperformance and the quantity actually ordered and accepted by Firestone or delivered by Shell during such year.

4. PRICE. For all quantities of VCM delivered to Firestone or for Firestone's account, FOB Shell shipping origin, Firestone shall pay Shell 13.75 cents (\$0.1375) per pound, effective April 1, 1978, of

²¹³ *ms* or any subsequent higher price
 VCM delivered and accepted. This price may be increased any time after
 it has been in effect ninety (90) days, upon not less than thirty (30)
 days' and not more than sixty (60) days prior written notice given to
 Firestone by Shell. If any such increase is unacceptable to Firestone,
 Firestone shall so notify Shell at least fifteen (15) days before the
 effective date of the increase. If Firestone refuses to accept such
 increase, this agreement may be terminated by Shell effective twelve
 (12) months from the date notice of such refusal is given to Shell by
 Firestone, in which event the price in effect at the time notice of the
 increase is given by Shell plus one-half (1/2) of all increases that
 Shell may notify hereunder during such twelve-month period (including
 the one that Firestone refuses to accept), will prevail throughout such
 period. Shell shall notify Firestone of such termination within thirty
 (30) days after the date Firestone gives notice of its refusal to accept
 the increase. If Shell does not give such notice of termination, the
 price in effect at the time notice of the increase is given to Firestone
 by Shell shall continue in effect until an increase in the price is
 again notified by Shell as provided herein. Any price in effect hereunder
²¹³ *ms* be
 may/decreased by any amount and subsequently reinstated by an equivalent
 amount by Shell, at its option, at any time.

²¹³ *ms* During
 any calendar year, if Firestone certifies to Shell that a
 third party is willing to sell Firestone at least 75 million pounds of
 domestically produced VCM at a price which is lower by at least 0.10
 cents (\$0.0010) per pound for VCM provided hereunder for ^{a twelve (12) month} ~~the same calendar~~
 period ²¹³ *ms*
~~any year~~, and such competitive offer is made without disclosure by
 Firestone of the price hereunder, then Shell shall have the option to

meet or refuse to meet such competitive price for the quantities so offered. Notice of such election will be given to Firestone by Shell within fifteen (15) days of Firestone's notification of the competitive offer. If Shell elects not to meet such competitive offer, then the quantities purchased by Firestone shall be deducted from the obligated quantity of both parties hereunder for such calendar year and at Shell's option and Firestone's agreement for all remaining years of the agreement. Notification of Shell's election to reduce future quantities shall occur simultaneously with Shell's notification that it will not meet the competitive situation for such calendar year. Firestone shall advise Shell in writing whether or not it agrees to reduce the quantities for all remaining years of the Agreement within fifteen (15) days of Shell's notification. If Firestone refuses to agree to the reduction of the quantities for all remaining years of the Agreement, then Firestone will withdraw the competitive situation immediately and it shall have no effect.

5. PAYMENT. Payment for VCM delivered hereunder shall be made to Shell within thirty (30) days after the date of Shell's invoice.

6. DELIVERIES.

A. General: Not less than ten (10) days prior to the beginning of each calendar month Firestone shall advise Shell as to the estimated quantity of VCM desired for subsequent delivery to Firestone during the following three (3) months.

It is intended that Shell shall deliver the VCM provided hereunder into tank cars supplied by Shell. Deliveries shall be made from

Shell's plant at Norco, Louisiana, or from other locations at Shell's option on reasonably advanced notice. Title to and risk of loss or damage to VCM sold to Firestone hereunder shall pass to Firestone when the VCM is safely loaded into suitable tank cars and on execution by appropriate railroad representatives of a non-negotiable bill of lading.

B. VCM by Tank Car. The quantity or weight of VCM delivered into tank cars shall be determined on the basis of outage tables with appropriate corrections for temperature, or 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 which is mutually acceptable. "Heel" allowance shall be computed on the basis of the standard factor at 5 psig of 3 pounds of VCM per 100 gallons of car capacity, provided such cars are returned to Shell with a VCM pressure of between 5 and 10 psig at the time received by Shell and with an oxygen content less than 1,000 ppm. In the event that the oxygen content exceeds 1,000 ppm, no heel allowance will be granted and Firestone shall pay the actual cost (plus plant overhead) of purging the car to make it suitable for loading.

7. GOVERNMENTAL CHARGES. All new taxes and other governmental charges other than those based on income, which are imposed after December 31, 1977 on VCM, or on the raw materials, process materials or catalysts from which the VCM is produced, or on Shell's VCM manufacturing facilities, or required to be paid or collected by Shell by reason of the production, sale, transportation, or delivery of the VCM hereunder, shall be paid to Shell by Firestone in addition to the price and within thirty (30) days after the date of Shell's invoice.

8. LIABILITIES - CLAIM. Shell warrants that the VCM sold to Firestone will meet the specifications set forth in Exhibit "A", but Shell makes NO OTHER WARRANTIES hereunder, WHETHER OF MERCHANTABILITY, FITNESS OR OTHERWISE, AND NONE SHALL BE IMPLIED. Shell shall not change or modify in any manner those specifications without Firestone's prior written consent which consent shall not be unreasonably withheld. Firestone shall accept Shell's analysis of VCM delivered hereunder as determined on the contents of Shell's storage spheres prior to delivery to Firestone and Firestone shall accept Shell's Certificate of Analysis therefore as representative of the quality of the VCM delivered hereunder with respect to meeting the specifications warranted unless proven to be in error. Firestone shall have the right on reasonable advance notice to obtain from Shell, from time to time, a sample of the VCM delivered hereunder in a sample container provided by Shell and purchased from Shell by Firestone.

Shell shall have no liability for, and Firestone shall indemnify Shell against all claims, loss, liability and expense on account of any injury or death of persons (including Firestone's employees) or damage to property (including Firestone's) to the extent caused by Firestone's negligence in unloading, storage, handling or use of the VCM delivered hereunder, ~~after the VCM passes to Firestone unless due to the negligence of Shell, its agents or employees in the manufacture or loading of the~~ VCM. *done*

Neither Shell nor Firestone 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.

10. EXCUSES FOR NONPERFORMANCE. Neither Shell nor Firestone shall be liable for failure or delay in the performance of this Agreement, to the extent that, in Shell's case, its ability to produce or deliver the VCM sold hereunder, or in Firestone's case, its ability to consume the VCM which Shell sells hereunder, is delayed, impaired, or prevented, by any circumstances (except financial) reasonably beyond its control, or by fire, explosion, breakdown in machinery or equipment, 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 delay or failure of any government authority to act (including, without limitation, those relating to price controls and product allocation), or total or partial failure of the usual means of transportation of chlorine, ethylene, Dichloroethane, VCM or polyvinyl chloride (PVC) or inability or delay in obtaining all or any part of the raw materials used in the manufacture of chlorine, Dichloroethane, VCM or PVC from earlier established internal or third party sources of supply. As used herein, "labor dispute" shall mean any controversy to which either Shell or Shell's source for raw materials or Firestone or Firestone's source of raw materials or Firestone's customers for PVC products 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 Firestone 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 applicable to such party in its sole judgment. The quantities of VCM consequently undelivered as a result of causes so excused hereunder shall not be required to be made up by Shell or by Firestone, as the case may be, upon resumption of full deliveries of VCM hereunder and such excused quantities shall be deducted from the applicable remaining obligated quantities of Shell and Firestone under this Agreement. In the event that Shell becomes excused from delivering any quantity of VCM due to any of the causes specified above, Shell shall allocate its supplies consistent with Section 2-615 of the Uniform Commercial Code, a pro rata share of its remaining available supply of VCM to Firestone, such share to be equal to the percentage which Firestone's nominated quantity for the year in question bears to the total of VCM commitments to all customers and Shell's internal requirements as determined by Shell for such year, times the volume available for shipment. Neither Firestone nor Shell shall have any obligation in the event of any excused causes specified above to purchase ethylene, chlorine, Dichloroethane or VCM to perform hereunder, nor to be required to supply ethylene, chlorine, Dichloroethane or VCM produced in any of its plants other than those normally used for performance hereunder, provided that available supplies of such products are apportioned equitably among customers and internal uses. If Shell's performance is excused hereunder due to inability to obtain feedstocks, process materials or catalysts used in the manufacture of VCM from Shell's earlier planned or established sources, Shell shall use diligent efforts to obtain such feedstocks, process materials or

catalysts from other than earlier planned or established sources but prices hereunder shall be adjusted to reflect any increase in cost to Shell. If Shell is unable to obtain such feedstocks, Firestone, at its option, on reasonable notice may provide such feedstocks as are acceptable to Shell by mutually agreeable delivery methods and at Firestone's cost, and Shell shall convert VCM from such feedstocks provided by Firestone for delivery to Firestone for so long as Shell's excused performance continues hereunder but prices shall be adjusted to reflect any corresponding increase or decrease in cost of feedstocks to Shell.

11. ASSIGNABILITY. Neither this Agreement nor any claim against Firestone or Shell arising directly or indirectly out of or in connection with this Agreement shall be assignable by either party or by operation of law, without the prior written consent of the other party.

12. REMEDIES. In the event of any breach by either party of any of the provisions of this Agreement which continues for thirty (30) days after notice thereof is given by the other, such 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 thirty (30) days following the date of such notice. 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, forbearance or course of dealing.

13. 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 Firestone: The Firestone Tire & Rubber Company
1200 Firestone Parkway
Akron, Ohio 44317
Attention: Purchasing Manager

If to Shell: Shell Chemical Company
A Division of Shell Oil Company
P. O. Box 2463, One Shell Plaza
Houston, Texas 77001
Attention: General Manager, Chemical Sales

All purchase orders or purchase acknowledgements which may be used to order or acknowledge orders for delivery of VCM hereunder shall be deemed to be intended for convenience and the provisions contained therein shall not serve to add to or otherwise vary the provisions of this Agreement.

14. ENTIRETY-RELEASE. This Agreement comprises the entire Agreement and merges and supersedes all prior understandings and representations (oral or written) between Shell and Firestone concerning VCM for Firestone, specifically including an agreement dated January 1, 1974.

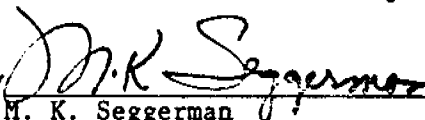
15. FAVORED NATIONS. If at any time Shell shall make any domestic sale of VCM of substantially equal or better quality ~~and such~~ ⁰³ ~~statistically equal quantity~~ to any third party upon terms more favorable to the customer than in effect hereunder, Shell shall immediately give Firestone the benefit of such terms for all deliveries of VCM made thereafter for so long as such terms remain in effect for a third party. It is understood that this paragraph does not apply to a) sales or deliveries by Shell to the government of the United States of America, b) sales or deliveries by Shell to any company in which over fifty (50)

percent of the outstanding capital stock is directly or indirectly owned by Shell, c) sales or deliveries by Shell to any company which receives a functional discount for resale on that quantity which is resold, d) sales by Shell to customers for uses in manufacture of products not competitive with products manufactured by Firestone, or e) sales by Shell to customers for export.

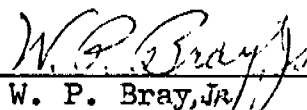
IN WITNESS WHEREOF, the parties hereto have signed this Agreement in duplicate as of the day and date first written above.


SHELL CHEMICAL COMPANY
A division of Shell Oil Company

By


M. K. Seggerman
General Manager Chemical Sales

By


W. P. Bray, Jr.
Vice President

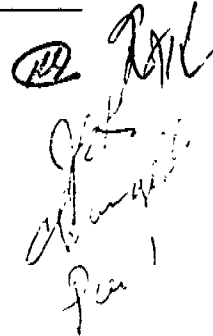

Per

EXHIBIT "A"SPECIFICATIONS FOR VINYL CHLORIDE MONOMER

Appearance	Clear. No suspended matter
Acetylene	1 ppm. Maximum by Weight
Acetaldehyde	1 ppm. Maximum by Weight
Inhibitor	None added
Sulfur	1 ppm, Maximum by Weight
Iron	1 ppm, Maximum by Weight
Acidity (as HCl)	1 ppm, Maximum by Weight
Nonvolatile (Including Polymer)	75 ppm, Maximum by Weight
Peroxides (As H_2O_2)	0.1 ppm, Maximum by Weight
Methyl Chloride	70 ppm, Maximum by Weight
Chlorinated Hydrocarbons ($ViCl_2$, 1,1-EDC, 1,2-EDC)	10 ppm, Maximum by Weight
Butadiene	8 ppm, Maximum by Weight
Total Nonchlorinated Hydrocarbons (Including BD and Acetylene)	15 ppm, Maximum by Weight
Polymer	25 ppm, Maximum by Weight
Water	100 ppm, Maximum by Weight