

To: M. A. Taylor

Date: February 3, 1981

Location: Wayne

Reference:

From: H. C. Gaffney

Location: Chicago Plant

Extension:

Copy to: W. Henry - NA
C. Postas - NA
R. Von Glahn - NA
B. Witherspoon - CE

Subject: Lead Ordering - Amax

In the fall of 1980, Amax offered the consignment concept for our lead purchasing. This information was sent to Bill Henry as he is the one to sign contracts.

In December when contacting our lead suppliers for price on January shipment, Amax once again offered consignment. I agreed and submitted a purchase order for four carloads (450k#).

The P.O. did not specify consignment, however, the order acknowledgement signed by me and D. Brandt of Amax spells out the terms.

I do not believe we need to show inventory of lead at the end of January. We had 172k pounds of Amax lead on the floor on January 29th, our closing.

HCG:ck


H. C. Gaffney

AMAX
LEAD & ZINC, INC.

A Subsidiary of AMAX INC.

7733 Forsyth Boulevard, Suite 600

Clayton, Missouri 63105

Telephone (314) 862-9700

Mr. Howard Gaffiney
American Cyanamid Co.
4500 W. 15th Street
Chicago, IL 60623

Dear Bud:

Confirming our conversation, AMAX is interested in discussing the concept of lead consignment with American Cyanamid.

An example will illustrate the concept. AMAX and American Cyanamid would mutually agree on a monthly quantity, say 300 tons, of lead to be shipped into consignment. During October, AMAX would ship 300 tons into consignment on memo billing. On the first business day of November, American Cyanamid would take title to the 300 tons and AMAX would issue a final invoice on that day. Pricing would be AMAX's price in effect on date of withdrawal or another pricing mechanism as previously agreed. Payment terms are net cash thirty (30) days from date of withdrawal.

A copy of our other consignment terms and conditions are attached. We would appreciate your thoughts on this concept and expect that you would keep this illustration confidential.

Very truly yours,

AMAX LEAD & ZINC, INC.

D. D. Brandt

DDB:cw

Attachment

N11902.01

CYWI 24-0005986

Bill Henry
What do you think?

*I can order lead in
September for shipment the last
week of October, billed
monthly. Payment in
November. Pay is due 30 days
from date of shipment*

11/1/80

Call Bill Henry

1 consignment

DDB

10/30

encl

11/1/80

lead 36 cons/y

lead in cons

10/30

CONSIGNMENT TERMS AND CONDITIONS

- I It is mutually agreed between us that you will carry the consignment stocks at your plant free to us from any charges or expenses whatsoever, whether for storage, handling, or otherwise.
- II You are to advise us on the date of withdrawal of the total net weight withdrawn. This may be done by telephone provided we receive written confirmation for the amount concerned on the second business day following date of withdrawal.
- III Until so withdrawn, the material covered hereby is and shall remain our sole property.
- IV Any state or local taxes while this material is in your custody or control shall be for your account.
- V Materials consigned hereunder are to be stored by you separate and apart from like materials furnished by suppliers other than ourselves, and shall be properly stored and marked as our property.
- VI You are required to account to us for the entire quantity of materials consigned and shall be responsible to us for any loss or damage thereto from any cause or source whatsoever, whether such affects all or a part of the consignment. Where exact date of damage or loss cannot be determined, the date of report to us shall control value.
- VII Neither party shall be liable for failure of performance caused by strikes, floods, fire, acts of God, casualty, or other causes beyond its control.



LEAD & ZINC, INC.

A SUBSIDIARY OF AMAX INC.
7733 FORSYTH BLVD. • CLAYTON, MO. 63105 • 314-862-9700

SALES AGENT

ORDER
ACKNOWLEDGEMENT

BUYER

AMERICAN CYANAMID COMPANY
4500 W. 15TH STREET
CHICAGO, IL 60623

ATTN: MR. BUD GAFFNEY

SHIP TO

AMERICAN CYANAMID COMPANY
4500 W. 15TH STREET
CHICAGO, IL 60623

ORDER ACKNOWLEDGED SUBJECT TO TERMS AND CONDITIONS ON BOTH SIDES

PLANT	CUSTOMER	PPD/COL.	EX ASARCO	CUSTOMER PURCHASE ORDER NUMBER	7496	ORDER DATE	12/16/80	OUR ORDER NO.	1PB-001
PRODUCT CORRODING GRADE LEAD IN 100 POUND PIGS									
QUANTITY 225 NET TONS									
SHIPMENT SCHEDULE SHIP ONE RAILCAR TO ARRIVE ON OR ABOUT EACH DATE: JANUARY 12, 14, 16, 1980									
ROUTING BRC DELIVERY									
PRICE "METALS WEEK" U.S. PRODUCER AVERAGE LEAD PRICE FOR JANUARY 30, 1981 NOT TO EXCEED 39.00 CENTS PER POUND AS PUBLISHED IN "METALS WEEK" MAGAZINE									
DELIVERY F.O.B. CHICAGO, IL									
TERMS NET CASH THIRTY DAYS FROM DATE OF WITHDRAWAL									
OTHER TERMS & CONDITIONS MATERIAL TO BE SHIPPED INTO CONSIGNMENT TO BE WITHDRAWN ON JANUARY 30, 1981. CONSIGNMENT TERMS AND CONDITIONS ATTACHED SHALL BE A PART OF THIS AGREEMENT. AMERICAN CYANAMID COMPANY ACCEPTED BY <u>RC Ingh</u>									
				CUSTOMER COPY					
				AMAX BY <u>D. W. Brandt</u>					

N11902.02

CYWI 24-0005988