CONFIDENTIAL

AMENDMENT

to

VINYL CHLORIDE MONOMER SALES CONTRACT

between

PPG Industries, Inc.

and

The Pantasote Company

Date of Contract: April 26, 1966
Date of This
Amendment: May 11, 1973

PPG INDUSTRIES, INC., formerly named Pittsburgh Plate Glass Company, as "Seller", and THE PANTASOTE COMPANY, as "Buyer", being parties to a Vinyl Chloride Monomer Sales Contract, dated April 26, 1966, as supplemented by a VCM Barge Loading Agreement between them, dated August 1, 1968, and being desirous of amending the same, do hereby agree, with intent to be legally bound, that the said Vinyl Chloride Monomer Sales Contract be and the same hereby is amended in the following particulars:

1. Paragraph 1 thereof is amended in its entirety to read as follows:

"1. Contract Term: The initial term of this Contract shall be a period of nine years and ten months commencing March 1, 1967 and expiring December 31, 1976, following which the Contract shall continue in effect unless and until terminated by either party effective December 31, 1976 or any December 31 thereafter upon not less than twelve (12) months' prior written notice to the other party of its election so to terminate."

2. Paragraph 3 thereof is amended in its entirety to read as follows:

"3. Quantity: Subject to the force majeure provisions of Paragraph 3 of the General Terms hereof, the minimum quantity of VCM which Buyer shall be obligated to purchase and receive hereunder in any calendar year is one hundred thirty million (130,000,000) pounds and the maximum quantity of VCM which Buyer may require Seller to sell and deliver hereunder in any calendar year without Seller's prior written consent is one hundred fifty million (150,000,000) pounds. Within the foregoing minimum and maximum limits, Buyer shall purchase and receive hereunder and Seller shall sell and deliver hereunder during the term hereof the VCM requirements of Buyer's plants at Point Pleasant, West Virginia, and Passaic, New Jersey, or elsewhere in the continental United States."

3. Paragraph 4 thereof is amended in its entirety to read as follows:

"4. Monthly Purchase Obligations: Subject to the minimum and maximum annual quantities provided for in Paragraph 3, Buyer shall be required to purchase hereunder, during each calendar month, the total VCM requirements of its said plants up to a maximum of nine million (9,000,000) pounds and, during any six (6) consecutive calendar months, not less than fifty-four million (54,000,000) pounds of VCM and Buyer may require Seller to sell and deliver hereunder in any calendar month quantities of VCM up to but not in excess of thirteen million (13,000,000) pounds. If, for reasons other than force majeure, as herein elsewhere defined, Buyer's aggregate VCM purchases hereunder in any six (6) consecutive calendar months shall be less than fifty-four million (54,000,000) pounds, Seller may, by written notice to Buyer given not later than three (3) months after the last day of such six (6) months' period, either declare Buyer to be in default hereunder or, in lieu thereof, limit the maximum quantity of VCM that Buyer may require Seller to sell and deliver hereunder during any subsequent calendar year (pro rata for the remainder of the calendar year in which such notice is given) to one hundred ten percent (110%) of the annual rate of Buyer's purchases hereunder during such six (6) months' period. If Seller shall elect to effect such a limitation, Seller shall thereafter be free to use or sell to others the quantities of VCM thus released from the maximum annual quantity which Buyer may require Seller to sell and deliver hereunder in any calendar year pursuant to Paragraph 3 hereof immediately prior to such election; provided however that, before Seller shall contractually commit to the sale of any such released quantity of VCM, by spot or term sale, if Buyer's purchases hereunder are then at the maximum annual rate then permitted hereunder, Seller will notify Buyer of Seller's intention to effect such a sale, stating the price, term, and terms and conditions, and Buyer shall have the right, exercisable by written notice to Seller within ten (10) days after Seller's said notice, to purchase such quantity of VCM at the price, for the period, and under the terms and conditions stated in Seller's said notice."

4. Paragraph 5 thereof is amended in its entirety to read as follows:

"5. Price: Subject to adjustment as hereinafter provided, Buyer shall pay to Seller for all VCM sold hereunder in any calendar year during the term hereof the Base Price set forth opposite such calendar year in the following table:

Calendar Year	Base Price (cents per pound)
1973	4.6
1974	4.7
1975 and subsequent years	5.0

said Base Price being f.o.b. Lake Charles, Louisiana.

5. Paragraph 6 thereof is amended in its entirety to read as follows:

"6. Price Adjustment: Effective January 1, 1974 and on the first day of each calendar half-year thereafter during the term hereof, the then applicable Base Price stated in Paragraph 5 shall be adjusted as provided in this Paragraph 6.

(a) Definitions: As used herein the following terms shall have the following meanings:

"X" shall represent the Base Price.

"Y" shall represent the Adjustment to be added to or subtracted from "X" to compute the adjusted price.

"Wage Index" shall mean the gross average hourly earnings of production workers in petroleum refining, as published as a final figure in "Employment and Earnings", a monthly publication of the U. S. Department of Labor, Bureau of Labor Statistics.

"Base Wage Index" shall mean the Wage Index for the month of October 1972.

"New Wage Index" shall mean the Wage Index for the first month of the calendar quarter immediately preceding the effective date of a price adjustment.

"Price Index" shall mean the Wholesale Price Index for Industrial Commodities, as published by the U. S. Department of Labor, Bureau of Labor Statistics, in its monthly publication "Wholesale Prices and Price Indexes."

"Base Price Index" shall mean the Price Index for the month of October 1972.

"New Price Index" shall mean the Price Index for the first month of the calendar quarter immediately preceding the effective date of a price adjustment.

"Energy Index" shall mean the weighted average cost to Seller expressed in cents per million BTU of energy consumed, of natural gas, fuel oil, coal and/or purchased power purchased by Seller and consumed at its Lake Charles, Louisiana plant.

"Base Energy Index" shall mean the Energy Index for the three month period commencing September 1, 1972 and ending November 30, 1972.

"New Energy Index" shall mean the Energy Index for the most recent period of three calendar months immediately preceding the effective date of a price adjustment for which the cost figures necessary to calculate such Index are available.

"Ethylene Index" shall mean the average cost, expressed in cents per pound, of ethylene purchased by Seller for consumption at its Lake Charles, Louisiana plant over a three month period.

"Base Ethylene Index" shall mean the Ethylene Cost Index for the three month period commencing September 1, 1972 and ending November 30, 1972.

"New Ethylene Index" shall mean the Ethylene Cost Index for the most recent period of three calendar months immediately preceding the effective date of a price adjustment for which the cost figures necessary to calculate such Index are available.

(b) Price Adjustment Formula: The price adjustment to be effected under this Paragraph 6 on any semi-annual price adjustment date shall be determined as follows:

$$\frac{\text{New Index} - \text{Base Index}}{\text{Base Index}} = \text{\% change expressed as a decimal equivalent.}$$

The percentage change of each index shall be multiplied by the appropriate factor and the products summed according to the following formula:

¢/lb. = "Y" 0.942 (A) + 0.960 (B) + 1.565 (C) + 0.278 (D)

where:

A = % change in the Wage Index

B = % change in the Price Index

C = % change in the Ethylene Index

D = % change in the Energy Index

NOTE: Each percentage is to be expressed as the decimal equivalent.

Y = the price adjustment in cents per pound and shall be computed and rounded to the third decimal place.

The new contract price shall be the Base Price plus the adjustment "Y".

(c) Verification: If Buyer so requests, Seller shall make available to an independent certified public accountant, mutually acceptable to Buyer and Seller, such of Seller's books and records as shall be necessary to permit such accountant to verify the propriety and correctness of the price adjustment calculated by Seller and reported to Buyer; provided, however, that such accountant shall report to Buyer only his conclusion that Seller's price adjustment calculation is or is not a correct application of the contract price adjustment formula shown above and shall not divulge any of the factors and detailed calculations of such computation."

6. Paragraph 7 thereof is amended in its entirety to read as follows:

"7. <u>Price Protection</u>: Within sixty (60) days after Seller's receipt of an affidavit from two of Buyer's officers stating that Buyer has received a bona fide offer from another producer to sell VCM to Buyer, for delivery to Buyer's plants, from a VCM plant in the United States in quantities essentially equivalent to the quantities which Seller is committed to deliver hereunder, for the remaining term of this Contract, and of a quality which meets the specifications as defined in Schedule A hereof, at a lower price f.o.b. such other producer's plant than the price to Buyer of the VCM then being purchased hereunder, which affidavit describes said offer in complete and accurate detail except for the identity of the offeror, Seller shall give notice to Buyer stating whether it is willing to adjust the then prevailing price hereunder to meet such offer. If such notice indicates that Seller is unwilling to adjust the then prevailing price, Buyer may, by written notice to Seller within thirty (30) days after the expiration of such sixty (60) day period, elect to accept such offer, in which event this Contract shall terminate six months after Seller's receipt of Buyer's initial written notice of the offer, or, with Seller's written consent, on the commencement date of deliveries to Buyer by such other producer pursuant to such accepted offer."

7. Paragraph 8 thereof is amended in its entirety to read as follows:

"8. Delivery and Transportation Charges: Except for quantities of VCM delivered hereunder for transportation by barge to Buyer's Point Pleasant, West Virginia plant under and pursuant to the August 1, 1968 VCM Barge Loading Agreement between the parties hereto, all VCM sold hereunder shall be delivered to carrier for transport to Buyer, f.o.b. tank cars or tank trucks, as mutually agreed upon, owned or controlled by Seller at Seller's Lake Charles, Louisiana VCM plant, or elsewhere at Seller's election. All transportation charges shall be borne by Buyer on the basis of applicable freight from Lake Charles, Louisiana to Buyer's plant at destination at the nominal tariff minimum then in effect for 180,000 pound cars and the annual volume shipped. However, if Seller delivers

VCM to the carrier at any point other than Lake Charles, Louisiana for shipment hereunder to Buyer, additional transportation costs or savings, if any, incurred or experienced by reason thereof shall be for Seller's account. All tank car shipments hereunder from Seller's Lake Charles, Louisiana plant shall be on a freight prepaid and invoiced basis. On all such shipments from a point of origin other than Seller's Lake Charles, Louisiana plant, Seller shall prepay the freight and shall add to the invoice for such shipments the applicable freight as determined above."

8. Paragraph 9 thereof is amended in its entirety to read as follows:

"9. Invoicing and Terms of Payment: Effective August 1, 1973, Seller will invoice Buyer for the VCM sold hereunder and included in any shipment hereunder, together with the freight applicable thereto, as provided in Paragraph 8 hereof, promptly following such shipment, such VCM to be invoiced at the price specified in Paragraph 5 hereof, as subsequently adjusted in accordance with Paragraph 6 hereof. Buyer shall pay to Seller the net amount of such invoice within thirty (30) days from the date of such invoice."

9. Paragraph 10 thereof is renumbered 11 and a new Paragraph 10 is inserted to read as follows:

"10. Price Redetermination: Seller shall have the right, exercisable by written notice to Buyer on or before July 1, 1975, to elect that the base price of VCM and/or the price adjustment formula applicable hereunder be redetermined, effective January 1, 1976. If the parties shall not have reached agreement on such redetermined base price and/or price adjustment formula prior to November 1, 1975, Seller may terminate this Contract, effective December 31, 1975, by written notice to Buyer not later than November 1, 1975; provided, however, that any revision of the price adjustment formula shall reasonably reflect in accordance with generally accepted accounting principles increases since the fourth quarter of 1972 in Seller's direct net costs and/or any increased investment, including but not limited to costs and/or investment incurred or made in effecting compliance with OSHA and EPA laws and regulations, involved in producing VCM for delivery hereunder, plus a reasonable return on any such investment. For the purposes of this Paragraph 10, the term "reasonable return" shall mean one which does not exceed Seller's average rate of return during the six (6) months' period immediately preceding the July 1, 1975 notice date on its VCM producing facilities (excluding such increased investment).

"If Buyer so requests, Seller shall disclose to an independent certified public accountant, mutually acceptable to Buyer and Seller, the cost and/or investment information necessary to establish whether any such increases have occurred in Seller's said costs and/or investment, and, if so, the amounts of such increases, it being understood and agreed that such accountant will be at liberty to disclose to Buyer only whether net increases in such costs and/or investment have occurred and, if so, the propriety of the price adjustment formula revision proposed by Seller, and will not be at liberty to disclose to Buyer or anyone the cost and/or investment information before or after such increases."

10. Paragraph 3 of the General Terms thereof relating to and defining "Force Majeure" is hereby amended by adding at the end thereof a new sentence reading as follows:

"For purposes of this Contract, a strike in the automobile manufacturing industry which materially affects the ability of one of the part owners of Buyer's Point Pleasant, West Virginia plant to sell or captively use a significant portion of the polyvinyl chloride output of Buyer's said plant shall, to such extent, be deemed to be Force Majeure affecting Buyer. If Seller invokes the force majeure provisions of this agreement for a period exceeding 30 days, Buyer's minimum quantity requirements under this purchase agreement upon the expiration of such clause and for a like term thereafter shall be modified to be Buyer's total requirements if less than contract minimum as specified in Paragraph 3 and 4; and if Buyer invokes the force majeure provisions of this agreement for a period exceeding 30 days, Seller's maximum obligation to supply under this purchase agreement upon the expiration of such clause and for a like term thereafter shall be not more than the quantities purchased by Buyer during the force majeure period."

Subject to the amendments hereinabove enumerated, the said Vinyl Chloride Monomer Sales Contract, supplemented as aforesaid by the said VCM Barge Loading Agreement, is hereby reaffirmed as a valid and binding contract between the parties hereto, in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the date hereof except as hereinabove otherwise stated with respect to Paragraph 8.

PPG INDUSTRIES, INC.

Attest:

s/ David A Cort
Secretary

By s/ George M. Zapp
Vice President

THE PANTASOTE COMPANY

Attest:

s/ Lewis J. Korman
Secretary

By s/ Harry A. Russell
Vice President

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