CF ..149-E

INTERNAL CORRESPONDENCE — pc H. Hinckley-SC (incl pc contract)

CHEMICALS AND PLASTICS

270 PARK AVENUE, NEW YORK, NEW YORK 10017

To (Name) J. J. Carbonaro
Division
Location

Date July 30, 1969

Originating Dept.

Answering letter date

Copy to

Subject Continental Oil Company
Vinyl Chloride Monomer

Enclosed is the executed copy of subject agreement for placing in the Records Center for safe keeping.

Sincerely yours,

George

G. W. Phillips

GWP:cb

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CCC-700-B-1X
11-68

UNION CARBIDE CORPORATION

CHEMICALS AND PLASTICS

AGREEMENT, made this 20th day of May, 1969, between

SELLER

UNION CARBIDE CORPORATION, a New York corporation, having an office at No. 270 Park Avenue, New York, New York 10017 (hereinafter called "Seller"), and

BUYER

CONTINENTAL OIL COMPANY

of 1290 Avenue of Americas, New York, New York (10019) (hereinafter called "Buyer"):

1. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, during the delivery period hereinafter provided, upon the terms and conditions hereinafter stated, the following material or materials:

MATERIAL

Vinyl Chloride Monomer

DURATION

2. The delivery period shall commence on ~~XXXXXXXXXX~~ August 1, 1969 and shall continue until ~~terminated on~~ ~~XXXXXXXXXX~~ July 31, 1970 ~~, or on any anniversary thereof, by either party upon at least thirty (30) days prior written notice to the other party.~~

As used in this Agreement, "contract year" shall mean ~~a~~ the twelve-month period ending on ~~XXXXXXXXXX~~ July 31, 1970 ~~, or on any anniversary thereof.~~

SPECIFICATIONS

3. ~~Seller's standard specification in effect at time of shipment.~~
As per "EXHIBIT A" attached hereto and made a part hereof.

QUANTITY

4. Buyer's partial requirements estimated to be 40,000,000 pounds but, except by mutual consent, not more than 50,000,000 pounds during the aforesaid delivery period.

PRICE

5. ~~Subject to increase as provided in paragraph 7 on the reverse side hereof.~~
In tank cars to be supplied by Buyer . . . . $.041 per pound f.o.b. Gulf Coast shipping point.

If Buyer fails to purchase 40,000,000 pounds of material in the contract year, Buyer shall pay to Seller within 60 days after the contract year the sum of $.01 per pound for each pound less than 40,000,000 pounds purchased by Buyer hereunder during the contract year. In no event, however, shall Buyer be obligated to make such payment to Seller if Seller is unable to supply during the contract year a minimum total quantity of 40,000,000 pounds of material.

ADDITIONAL TERMS AND CONDITIONS

6. The additional terms and conditions on the reverse side hereof and EXHIBITS A and B attached hereto are part of this Agreement as effectively as though they preceded the signatures of the parties.

CONTINENTAL OIL COMPANY

By M. P. Lasser, Mgr. Purchasing Dept.

UNION CARBIDE CORPORATION

By

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ADDITIONAL TERMS AND CONDITIONS

~~PRICE INCREASES~~

~~7. Seller may increase any price hereunder on the first day of any calendar quarter yearly period by giving written notice to Buyer at least fifteen (15) days prior to such day. Buyer, however, shall have the right to cancel the undelivered portion of the material to which such increase in price applies by giving written notice to Seller prior to the date when such increase is to become effective.~~

TAXES

8. In addition to the purchase price, Buyer shall pay Seller the amount of all governmental taxes, excises and/or other charges (except taxes on or measured by net income) that Seller may be required to pay with respect to the production, sale or transportation of any material delivered hereunder, except where the law otherwise provides.

~~LOWER COMPETITIVE PRICE~~

~~9. If Buyer furnishes proof to Seller that Buyer can purchase from a manufacturer in any contract year any of the aforesaid materials produced within the United States, of the same quality, upon similar terms and conditions, in approximately the same quantity as the then undelivered quantity hereunder during such contract year, and at a lower price than is then in effect under this Agreement, then if Seller shall not reduce the price hereunder to such lower price for the aforesaid quantity, Buyer may purchase such quantity from the other manufacturer, whereupon Buyer's commitment under this Agreement shall be reduced by the quantity so purchased.~~

SHIPMENTS

10. (a) Unless otherwise provided for herein, Buyer shall place orders for, and shipments shall be made in, approximately equal monthly quantities, or if any material is insufficient in quantity to permit monthly shipments, then in quantities approximately evenly spaced throughout each contract year. If Buyer fails to so order any quantity provided for under this Agreement, Seller shall not be obligated subsequently to deliver such unordered quantity.

~~(b) Buyer shall return empty tank cars to Seller's plant by reversed routing.~~

~~(c) Drum shipments shall be made in 55 gallon non-returnable drums or in 55 gallon returnable drums, at Seller's option.~~

PAYMENT

11. Payment shall be made on demand, without discount.
Seller reserves the right, among other remedies, either to terminate this Agreement or to suspend further deliveries upon failure of Buyer to make any payment as herein provided.

CLAIMS

12. Buyer's receipt of any material delivered hereunder shall be an unqualified acceptance of, and a waiver by Buyer of its right to make any claim with respect to, such material unless Buyer gives Seller notice of claim within ~~fifteen (15) days~~ *sixty (60) days after such receipt. Buyer assumes all risks and liability for the results obtained by the use of any material delivered hereunder in manufacturing processes of Buyer or in combination with other substances. No claim of any kind, whether or not as to material delivered or for non-delivery of material, and whether or not based on negligence, shall be greater in amount than the purchase price of the material in respect of which such claim is made. In no event shall either party be liable for special, indirect or consequential damages, whether or not caused by or resulting from the negligence of such party.

FORCE MAJEURE

13. Neither party shall be liable for its failure to perform hereunder due to any occurrence beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, whether valid or invalid (including, but not limited to, priorities, requisitions, allocations, and price adjustment restrictions), inability to obtain material, equipment or transportation, and any other similar or different occurrence. The party whose performance is prevented by any such occurrence shall have the right to omit during the period of such occurrence all or any portion of the quantity deliverable during such period, whereupon the total quantity deliverable under this Agreement shall be reduced by the quantity so omitted. If, due to any such occurrence, Seller is unable to supply the total demands for any material specified in this Agreement, Seller shall have the right to allocate its available supply among its customers and its departments and divisions in a fair and equitable manner. In no event shall Seller be obligated to purchase material from others in order to enable it to deliver material to Buyer hereunder.

MISCELLANEOUS

14. The validity, interpretation and performance of this Agreement with respect to any material delivered or to be delivered hereunder shall be governed by the laws of the State in which such material was manufactured. This Agreement contains all of the representations and agreements between the parties hereto. Seller warrants that material delivered hereunder meets Seller's standard specification for the material or such other specifications as have been expressly made a part of this Agreement and that such material is adequately contained, packaged and labeled and conforms to the promises and affirmations of fact made on the container and label. THERE ARE NO EXPRESS WARRANTIES OTHER THAN THOSE SPECIFIED HEREIN. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION OF THE MATERIAL SET FORTH IN THIS AGREEMENT. NO WARRANTIES, INCLUDING BUT NOT LIMITED TO WARRANTY OF MERCHANTABILITY, SHALL BE IMPLIED. This Agreement shall be binding upon and enure to the benefit of the respective successors and assigns of each of the parties hereto, but any assignment thereof by either party without the prior written consent of the other party shall be void. No modification of this Agreement or waiver of the terms or conditions thereof shall be binding upon Seller unless approved in writing by an authorized representative, or shall be effected by the acknowledgment or acceptance of purchase order forms containing other or different terms or conditions whether or not signed by an authorized representative of Seller.

EXHIBIT A

VINYL CHLORIDE MONOMER

Appearance	Clear, free of suspended matter
Normal Acetylene, ppm	2 max.
Acetylenic Compounds, PPM	10 max.
Acidity (as HCl), ppm	1 max.
Aldehyde, ppm	2 max.
Iron (non-filterable), ppm	0.15 max.
Non-Volatile Matter, ppm	50 max.
Sulfur (as S), ppm	2 max.
Water, ppm	100 max.
Conjugated Compounds, including Chloroprene and Butadiene, ppm	5 max.
1, 2 Dichloroethane and Other Compounds Boiling Higher than 25°C, ppm	10 max.
Total Organic Impurities, ppm	75 max.
Oxygen (in vapor space), ppm	500 max.
Peroxide (as H_2O_2), ppm	0.1 max.
Inhibitor (Phenol), ppm	1 max.

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Exhibit "B"

During the performance of this agreement and to the extent required by Executive Order 11246, or any contract between Continental and any government contracting agency, the Seller agrees as follows:

1. Seller will not discriminate against any employee or applicant for employment because of race, creed, sex, religion, color, or national origin. Seller will take affirmative action to ensure that applicants are employed and that employees are treated, during employment, without regard to their race, creed, sex, religion, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Seller agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2. Seller will, in all solicitations or advertisements for employees placed by or on behalf of Seller, state that all qualified applicants will receive consideration for employment without regard to race, creed, sex, religion, color, or national origin.

3. Seller will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union r workers' representative of Seller's commitments under Section 202 of Executive Order 11246 f September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. Seller will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

5. Seller will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6. In the event of the Seller's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the Seller may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, r by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

7. Seller will include the provisions of paragraphs 1 through 7 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. Seller will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event Seller becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, Seller may request the United States to enter into such litigation to protect the interests of the United States.

8. To the extent required by Executive Order 11246 and any rules or regulations or orders issued thereunder, or any contracts between Continental and any Government contracting agency, Seller agrees to develop, sign and maintain a written Affirmative Action Compliance Program for each of its establishments and to file complete and accurate reports on standard Form 100 (EE 01), or such form as may be promulgated in its place.

6/16/69