



Stauffer Chemical Company

Westport, Connecticut 06880 / Tel. (203) 222-3000 / Cable "Staufferchem"

Kanegafuchi Chemical Industry Co., Ltd.
14, 2-chome, Awazimachi, Higashi-ku
Osaka, Japan

Reference: License and Technical Assistance
Agreement dated July 18, 1967

Gentlemen:

The term of the referenced agreement (Agreement) entered into between our companies expired on August 28, 1977. In view of the mutual benefits to be derived by a continuation of the exchange of technical information and improvements to the Process Technology (as defined therein), we propose to amend and extend the term of the Agreement in the following respects:

1. The term of the Agreement and all provisions thereof, with the exception of those contained in paragraph 6 (Technical Assistance), shall be extended to August 28, 1979 and from year to year thereafter unless and until terminated as of the end of the initial term or any succeeding year by at least ninety (90) days prior written notice given by either party to the other.
2. In order to conform with current agreements being entered into by Stauffer with other licensees of the Process Technology, the term "improvements" as defined in subparagraph 1(j) of the Agreement shall be amended to read as follows:

The term "improvements" as used herein shall mean additions to or modifications of design, equipment, instrumentation, catalyst systems, materials of construction or operating procedures, whether patentable or not, which improve the mechanical or chemical efficiency of the Process Technology, or which reduce the capital investment or operating costs for a plant utilizing the Process Technology, or which improve instrumentation control, plant capacity, product quality, effluent treatment or safety of operation of said plant. However, the term "improvements" shall not include any process technology or know-how for the production of EDC or VCM (i) which is based upon any chemical process or equipment design fundamentally different in its principle(s) of operation or reaction than those embodied in the Process Technology or (ii) which would not be incorporated in a commercial plant utilizing the Process Technology by a prudent operator through step-by-step changes in that plant without substantial prior laboratory and/or pilot plant testing.

3. In the event your company shall obtain a license to practice technology of any third party for the production of ethylene dichloride (EDC) or vinyl chloride monomer (VCM) during the extended term of the Agreement, then you shall promptly advise Stauffer of such fact in writing. Thereafter,

CCR 000016918

Stauffer Chemical Company

Kanegafuch Chemical Industry Co., Ltd.

Page 2

either party shall have the right and option (but not the obligation) to terminate the Agreement upon thirty (30) days' prior written notice to the other party.

If the foregoing is acceptable to your company, please signify your agreement thereto by signing and returning one copy of this letter.

Very truly yours,

By: _____
Executive Vice President

AGREED & ACCEPTED:

KANEGAFUCHI CHEMICAL INDUSTRY CO., LTD.

By: _____
Title: _____
Date: _____

CCR 000016919