bcc: G. R. Adams
R. E. Byrne, Jr.
J. J. Sibley
File

Calidria ASBESTOS

UNION CARBIDE CORPORATION • METALS DIVISION • P. O. BOX 579 • NIAGARA FALLS, N.Y. 14302 • TEL: 716-278-3376

July 24, 1980

RECEIVED
JUL 29 1980
F. J. SHORTSLEEVE

Mr. A. E. Dambach
Grace Industrial Chemicals, Inc.
P. O. Box 2872
1002 Lausanne, Switzerland

Dear Al:

Enclosed are two copies of a new 5-year agreement between Grace and Union Carbide concerning the distribution of SYLODEX products in Grace's European Territory.

The enclosed agreement has been modified from that sent to you with my letter dated May 7, 1980. The revisions are based on your letter dated June 20 and our telephone conversation on July 21. The following is to confirm our discussion and respond to the questions raised in your letter:

Para 2(a). The wording you requested has been included.

Para 2(b). Revised per your request.

Para 3(a). We have not changed this provision. We will obviously discuss potential price increases with you as in the past, but we feel the control provided by the 80% maximum is adequate for your protection. Also, reinstatement of the "sole remedy" provision above affords you additional protection from inappropriate price changes on our part.

Para 3(b). Reinstated as you requested.

Para 3(e). Reinstated as you requested.

Para 3(f). Our standard list prices are published and current lists for RG-144 and RG-244 are enclosed. We will send you new copies whenever there is any change in pricing. Audit provisions are not included in our distributor agreements.

Para 5. Revised as you requested, although this is not a common practice for us.

Para 9(e)&(f). Included as you requested, with slightly simplified wording but no change in intent.

PLAINTIFF'S EXHIBIT
tabbies
UC-1444

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Para 12(a). We cannot, at this time, include a 2-year termination notice after the initial 5-year term. This could bind us to continue plant operation for an extended period. This provision could be reconsidered at some future date based on the then current health and regulatory situation.

Para 12(c). This provision has been re-written to clarify our intent to provide you with the opportunity to purchase up to twelve months' additional quantities of SYLODEX products. As discussed on the phone, if upper management decides on withdrawal we would not want to be forced to continue operations for an extended period. I hope you can appreciate our position in this matter.

The Exhibit B which was effective January 1, 1980 is included with the enclosed agreement. Under separate cover we will send a new Exhibit B, effective October 1, 1980; which, as we discussed, will show a price of $0.85 per pound for SYLODEX-24. Based on current exchange rates, this price is equivalent to 1.48DM, essentially the same as our 1974 price.

Assuming that the enclosed agreement is acceptable, please have both copies signed and returned to me for execution by Union Carbide.

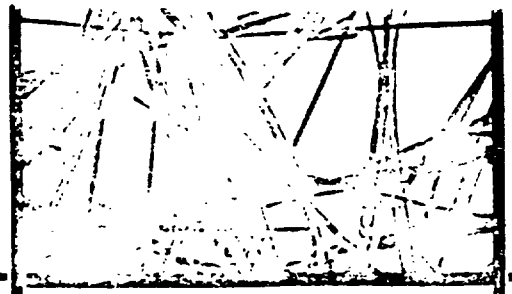
Very truly yours,

John L. Myers
Marketing Manager

JLM:dal
Enclosure

CC: Dr. F. J. Shortsleeve

Calidria® ASBESTOS



Effective: January 2, 1980

RG-144 and RG-100

. . . a highly refined fiber used as a low-cost, efficient thixotrope and viscosity control agent in epoxy, phenolic, and similar resin compounds used in mastics, adhesives, sealants, caulks, and coatings. RG-144 is an open fiber, while RG-100 is pelletized for minimum dusting and improved handling. Pellets require high-shear mixing for adequate dispersion.

NET PRICES — CENTS PER LB. — F.O.B. SHIPPING POINT — SOLD ONLY IN FULL-PALLET MULTIPLES

SHIPPING POINTS	Carload	Truckload	6 to 16 pallets	1 to 5 pallets
King City, Calif. *(plant)*	28.0	29.0	35.0	41.5
Atlanta, Ga. Finderne, N.J. Hammond, Ind. Kansas City, Mo. *(warehouses)*	—	36.5	42.5	49.0

All prices subject to change without notice.
RG-100 is available only from King City plant and Finderne warehouse.

PACKAGING INFORMATION

GRADE	Package	Pallet	Carload		Truckload	
	Weight	Weight	Weight	Pallets	Weight	Pallets
RG-144	35 lb	1,400 lb.	72,800 lb.	52	23,800 lb.	17
RG-100	50 lb.	2,000 lb.	120,000 lb.	60	40,000 lb.	20

- Packages are shrink-wrapped at no extra charge.

TO ORDER . . . OR ASK A TECHNICAL QUESTION — call or write your nearest "Calidria" asbestos office below:

Northeast: P.O. Box 579, Niagara Falls, N.Y. 14302 — Tel.: 716-278-3371
South: 17 Executive Park Drive, Atlanta, Ga. 30329 — Tel.: 404-321-6600
Midwest: P.O. Box 579, Niagara Falls, N.Y. 14302 — Tel.: 716-278-3355
West: 100 Oceangate, Long Beach, Calif. 90802 — Tel.: 213-435-3721
Plant: P.O. Box K, King City, Calif. 93930 — Tel.: 408-385-5961

TRUCKLOAD PRICING is based on minimum quantities shown above. However, to facilitate compliance with DOT regulations, Union Carbide reserves the right to load trucks to full volume or weight capacity and to adjust customer orders accordingly.

COMBINED SHIPMENTS — Shipments of one or more pallets of any "Calidria" asbestos product may be combined with one or more pallets of any other "Calidria" product for total quantity price, based on the total number of pallets ordered.

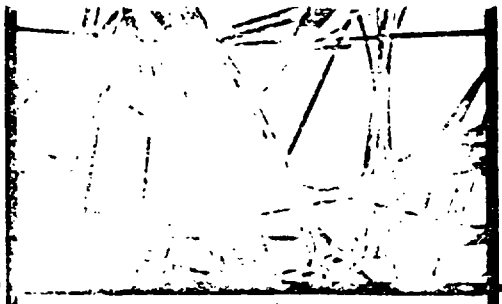
IMPORTANT — Terms are net cash 30 days from invoice date. Prices apply within continental U.S.A. Union Carbide reserves the right to adjust customer's orders to comply with the ordering quantities shown above.

UNION CARBIDE CORPORATION • METALS DIVISION • 270 PARK AVENUE, NEW YORK, N.Y. 10017

UNION CARBIDE

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Calidria® ASBESTOS



Effective: January 2, 1980

RG-244

. . . a premium-grade thixotrope and viscosity control agent for polyester laminating resins and gel coats, plastisols, organosols, epoxies and phenolic adhesives. Wets out quickly, disperses easily, does not add color or opacity to most systems.

NET PRICES — DOLLARS PER LB. — F.O.B. SHIPPING POINT — SOLD ONLY IN FULL-PALLET MULTIPLES

SHIPPING POINTS	Carload, 20,800 lb.	Truckload, 6,800 lb. or more	Less than Truckload		
			2,400 lb. to 6,400 lb.	800 lb. to 2,000 lb.	400 lb.
	52 pallets	17 or more pallets	6 to 16 pallets	2 to 5 pallets	1 pallet
King City, Calif. *(plant)*	1.25	1.40	1.45	1.60	1.75
Atlanta, Ga. Finderne, N.J. Hammond, Ind. Kansas City, Mo. *(warehouses)*	—	1.60	1.65	1.80	1.95

Prices subject to change without notice.

PACKAGING INFORMATION

Package	Pallet	Carload		Truckload	
Weight	Weight	Weight	Pallets	Weight	Pallets
10 lb.	400 lb.	20,800 lb.	52	6,800 lb.	17

• Packages are shrink-wrapped at no extra charge.

TO ORDER . . . OR ASK A TECHNICAL QUESTION — call or write your nearest "Calidria" asbestos office below:

Northeast: P.O. Box 579, Niagara Falls, N.Y. 14302 — Tel.: 716-278-3371
South: 17 Executive Park Drive, Atlanta, Ga. 30329 — Tel.: 404-321-6600
Midwest: P.O. Box 579, Niagara Falls, N.Y. 14302 — Tel.: 716-278-3355
West: 100 Oceangate, Long Beach, Calif. 90802 — Tel.: 213-435-3721
Plant: P.O. Box K, King City, Calif. 93930 — Tel.: 408-385-5961

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IMPORTANT — Terms are net cash 30 days from invoice date. Prices apply within continental U.S.A. Union Carbide reserves the right to adjust customer's orders to comply with the ordering quantities shown above.

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JJS 0733A 7/23/80

SYLODEX AGREEMENT

THIS AGREEMENT, made as of the 1st day of July, 1980, between UNION CARBIDE CORPORATION, a corporation organized and existing under the laws of the State of New York, United States of America, having an office at 270 Park Avenue, New York, New York 10017, U.S.A. (hereinafter called "Union Carbide"), and W. R. GRACE & CO., a corporation organized and existing under the laws of the State of Connecticut, United States of America, having an office at 1114 Avenue of the Americas, New York, New York 10036 (hereinafter called "Grace");

W I T N E S S E T H:

1. Appointment of Distributor

Subject to the restrictions set forth in Article 18, Union Carbide hereby appoints Grace and Grace accepts appointment as Union Carbide's exclusive distributor, in the countries listed in Exhibit A attached hereto (hereinafter called the "Territory"), of the asbestos products listed in Exhibit B attached hereto (hereinafter called the "Products"). During the term of this Agreement, Union Carbide shall not appoint any other distributor of the Products for the Territory.

2. Sale and Purchase of Products

(a) Upon the terms and conditions hereinafter set forth, Union Carbide shall sell to Grace the Products in quantities up to the maximum amounts for each of the indicated annual periods as set

forth in the schedule shown below (hereinafter called an "Agreement Year"), and Grace shall purchase from Union Carbide the Products in quantities of not less than the minimum amounts for each of the Agreement Years as set forth in the schedule shown below:

Agreement Year	Products	
	Minimum	Maximum
	(in metric tons)	
July 1, 1980 - June 30, 1981	410	620
July 1, 1981 - June 30, 1982	430	650
July 1, 1982 - June 30, 1983	450	680
July 1, 1983 - June 30, 1984	470	710
July 1, 1984 - June 30, 1985	490	730

During each Agreement Year commencing after June 30, 1985, Union Carbide shall sell to Grace and Grace shall purchase from Union Carbide the Products in such quantities as are agreed upon by both parties, based upon the minimum and maximum quantities shown above, subject to market conditions prevailing in the Territory at the time the quantities are agreed upon. During each Agreement Year hereunder, Grace shall purchase the Products in approximately equal monthly quantities over the entire twelve (12) month period.

(b) At least fifteen (15) days prior to the beginning of each calendar quarter of each Agreement Year, Grace shall provide Union Carbide with estimates of the quantity of Products (by type) which it will purchase during such calendar quarter. On or before August 30 of each Agreement Year, Grace shall provide Union Carbide with a preliminary estimate of the quantity of the Products (by type) which it will purchase during the immediately succeeding calendar year.

(c) If Grace does not purchase the indicated minimum

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quantities of the Products during any Agreement Year as provided in Article 2 (a) (as such quantity may be reduced by the exercise by either party of its right to omit the purchase or delivery of the Products during a force majeure occurrence pursuant to the provisions of Article 11), then Union Carbide may, as its sole remedy, convert Grace's appointement as an exclusive distributor to an appointment as a non-exclusive distributor. If Union Carbide so elects to convert Grace to a non-exclusive Distributor, it shall notify Grace within ninety (90) days after the end of such Agreement Year that it has elected to do so; provided however, that, within sixty (60) days after the receipt of such notice from Union Carbide, Grace shall be entitled to purchase from Union Carbide, in addition to the quantity of Products it is then obligated to purchase under this Agreement and subject to Union Carbide's existing inventories and available production capacity, Products in a quantity equal to the difference between the minimum quantity of Products to be purchased by Grace during the preceding Agreement Year and the total quantity actually purchased. In the event that (i) Grace purchases the quantity of Products as to which it has defaulted within the specified period, or (ii) Grace orders such quantity for delievery within the specified period and Union Carbide is unable to deliver such quantity, all as provided in the immediately preceding sentence, then Grace's appointment hereunder as an exclusive distributor shall be reinstated. If Grace becomes a non-exclusive distributor pursuant to this provision, then the parties shall enter into a non-exclusive distributor agreement for the balance of the

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term hereof in substitution for and cancellation of this Agreement. Such non-exclusive distributor agreement shall be in substantially the same form as any then existing agreement between Union Carbide and Grace as to the distribution of certain asbestos products, other than the Products, in the Territory.

3. Prices

(a) The purchase prices for Products purchased by Grace under this Agreement for resale in the Territory shall be as set forth in Exhibit B. Union Carbide may increase the purchase prices for Products purchased by Grace for resale in the Territory on the 1st day of any calendar quarter during the term of this Agreement provided that (i) Union Carbide gives to Grace at least forty-five (45) days' prior written notice of any such increases, and (ii) any such increases in the purchase prices of the Products to Grace shall not result in any purchase prices in excess of eighty percent (80%) of Union Carbide's standard list price for carload quantities of the equivalent products, F.O.B. King City, California plant. For the purposes of this Agreement, RG 144 is equivalent to Sylodex 14 and RG 244 is equivalent to Sylodex 24.

(b) Any price increases pursuant to Article 3 (a) will take effect as of the 1st day of the calendar quarter as contemplated in Article 3 (a) as to all orders received by Union Carbide on or after such date or having a requested delivery date on

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or after such date regardless of when such orders were received.

(c) In addition to the purchase price, Grace shall pay to Union Carbide the amount of all taxes (excluding City, State, and Federal Income Taxes), excises or other governmental charges that Union Carbide may be required to pay on the sale or transportation of any Products sold hereunder; except where the law otherwise provides.

(d) In the event that Union Carbide sells Products directly to end users for use in the Territory, Union Carbide shall pay Grace a commission of twenty percent (20%) of the net sales price of Products (F.O.B. King City, California); provided, however, that the foregoing payment obligation shall not be applicable where Union Carbide converts Grace's appointment hereunder into a non-exclusive distributorship pursuant to Article 2(c) or where Union Carbide sells Products to its subsidiary or affiliated company for its own use and not for resale.

4. Delivery

(a) All Products purchased by Grace hereunder shall be delivered to Grace, its agent or designee F.O.B. Union Carbide's plant, King City, California, and title and risk of loss shall pass to Grace on delivery by Union Carbide to carrier at King City.

(b) Purchase orders specifiying quantity, type of Products, date of delivery and shipping instructions shall be furnished by Grace a reasonable time prior to any delivery date requested hereunder.

(c) Union Carbide shall at Grace's request prepay freight

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to port of destination. Grace shall reimburse Union Carbide for such payments on receipt of invoice therefor.

5. Payment

Grace shall make payment to Union Carbide for all Products purchased hereunder in United States Dollars due sixty (60) days after the end of the month in which the invoice is dated.

6. Packaging and Labeling

(a) Union Carbide will package the Products at its King City, California plant in bags conforming to Grace's specifications (hereinafter called "Grace's Packaging"), provided that such packaging, including any labeling, conforms to all applicable statutes and regulations of the United States of America and the State of California which may be applicable thereto. In the event that, upon reasonable written notice from Union Carbide, Grace fails to adopt for Grace's Packaging any safety, warning or cautionary labels which may hereafter be adopted by Union Carbide for its asbestos products in addition to any labeling which may be required pursuant to any statutes and regulations of the United States of America and the State of California, then Grace shall indemnify and hold Union Carbide harmless from any and all loss, liability, damage or claim due to any injury, death or damage to property arising out of the absence of such safety, warning or cautionary labels on Grace's Packaging.

(b) In the event the packaging and/or labeling for Products delivered hereunder is not lawful in the Territory, Grace

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hereby agrees to repackage or relabel the Products purchased by Grace so as to comply with any legal requirements of the appropriate country or area in the Territory. Grace also agrees to relabel each package and container with a translation (in the language of the countries or areas in which the Products will be stored, handled or used) of any legally required warnings and cautionary statements that the labels must bear.

7. Trademarks

Except as otherwise agreed in writing by the parties to this Agreement, Grace covenants that during the term of this Agreement or after the expiration or termination hereof, Grace will not incorporate under or make use of the name of Union Carbide, any trade name or trademark of Union Carbide for the Products sold hereunder, or any trade name or trademark which, in the reasonable judgement of Union Carbide, is confusingly similar thereto.

8. Sales Literature

Union Carbide will furnish Grace on a no-charge basis copies of catalogs it publishes on the Products and will also furnish, on a no-charge basis such available technical information and assistance relating to the application of the Products as it deems appropriate for sales promotion of the Products. Material furnished pursuant to this Article 8 shall be used by Grace only in connection with the promotion and resale of Products in the Territory.

9. Warranties

(a) Union Carbide warrants to Grace and to the initial

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user that, at the time of shipment, the Products delivered hereunder will meet the applicable specifications for such Products as set forth in Exhibit C attached hereto or such other specifications as may be expressly agreed upon in writing by Union Carbide and Grace. THERE ARE NO EXPRESS WARRANTIES OTHER THAN THOSE SPECIFIED IN THIS ARTICLE 9 (a). NO WARRANTIES BY UNION CARBIDE (OTHER THAN WARRANTY OF TITLE AS PROVIDED IN THE UNIFORM COMMERCIAL CODE) SHALL BE IMPLIED OR OTHERWISE CREATED UNDER THE UNIFORM COMMERCIAL CODE, INCLUDING BUT NOT LIMTIED TO WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

(b) Except as provided in Article 15 (c), Grace's or the initial user's receipt of any Products delivered hereunder shall be unqualified acceptance of, and a waiver by Grace or the initial user of any and all claims with respect to such Products, unless Grace gives Union Carbide written notice of its claim within sixty (60) days after receipt of such Products or unless initial user gives notice of any claim to Grace within thirty (30) days after receipt of such Products and Grace notifies Union Carbide of such initial user's claim within thirty (30) days after receipt thereof, whichever is applicable. No claims hereunder by Grace or initial user against Union Carbide or its subsidiary or affiliated companies of any kind whether as to the Products delivered or for delayed delivery or non-delivery of any Products, and whether or not based on negligence or breach of warranty, shall be greater in amount than the purchase price of the Products in respect of which such claim is made. In no event shall Union Carbide be liable for any special,

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incidental or consequential damages whether or not caused by or resulting from negligence or breach of warranty under this Article 9 except as provided in Article 15 (c).

(c) Grace agrees to use its best efforts to incorporate in its terms of sale to its customers and to require its reseller customers to include or have included in the terms of sale to the initial user the warranties and damage limitations of the type set forth in Articles 9(a) and 9(b); provided, however, that Grace makes no representation as to the legal effect of such provisions.

(d) Frequency of sampling and analyzing of the Products shall be conducted by Union Carbide in accordance with specifications set forth in Exhibit C. Procedures for testing the Products to determine whether or not the Products meet their applicable specifications are set forth in Exhibit D. Union Carbide will supply Grace with quality control results for each shipment of the Products.

(e) Upon receipt of any notice of claim in accordance with the time requirements of Article 9 (b) that the Products do not meet the applicable specifications as provided in Article 9 (a), Union Carbide will authorize Grace to forward a representative sample of the Products to such place as Union Carbide shall designate. If upon analysis of such sample by Union Carbide the Products do not meet the applicable specifications, Union Carbide will direct Grace either to destroy such defective Products or to return such defective Products to such place as Union Carbide shall designate and Union Carbide will, at its sole discretion, either replace such

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defective Products with satisfactory Products or credit Grace's account accordingly. In either of the foregoing events Union Carbide will credit Grace's account for the cost of disposal of such defective Products or for the transportation cost of returning such defective Products and of shipping the satisfactory Products, plus any additional applicable customs duties. If upon analysis of such sample by Union Carbide the Products meet the applicable specifications, then Union Carbide will immediately notify Grace. If Grace does not agree with the results of the analysis by Union Carbide, Grace and Union Carbide shall mutually appoint an independent testing laboratory to re-analyze the Products. If upon re-analysis the Products do not meet the applicable specifications, the cost of such re-analysis shall be paid by Union Carbide and the Products shall be treated as set forth in the second sentence of this Article 9 (e) and Grace's account shall be credited in accordance with the third sentence of this Article 9 (e). If upon re-analysis the Products do meet the applicable specifications, then such determination shall be final for the purposes of this Agreement and Grace shall pay the cost of such re-analysis. Title to and risk of loss of returned Products shall pass to Union Carbide on delivery in the Territory to the carrier designated by Union Carbide. Union Carbide may not sell or dispose of any returned Products except as provided in Article 9 (f), paragraphs (i) and (ii).

(f) In the event that Union Carbide receives any returned Products, pursuant to Paragraph 9 (e), Union Carbide may dispose of such returned Products subject to the following provisions:

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(i) Union Carbide may sell such off-specification Products in Grace's Packaging with the prior written consent of Grace. In the event that Union Carbide sells off-specification Products in Grace's Packaging, Union Carbide agrees to indemnify and hold Grace harmless from any and all loss, expense, liability, damage or claim whatsoever arising from injury (including death) to persons resulting from the sale, handling or use of such Products. Union Carbide's obligation hereunder shall not apply to any loss, expense, liability, damage or claim unless Grace gives Union Carbide prompt written notice of the same as soon as Grace has any knowledge of any claims with respect thereto and Union Carbide shall have the sole right to defend and/or settle such claims with attorneys of its own choosing.

(ii) Union Carbide may at its sole risk and expense and for its own account sell such off-specification Products without the written approval of Grace upon the removal or obliteration of all trademarks, trade names, trade styles, names and indicia on the bags which would permit a connection of such off-specification Products to Grace.

10. Relationship of Parties

This Agreement does not create any employer-employee, agency, joint venture or partnership relationship between Union Carbide and Grace. Grace is not authorized or empowered to act as agent for Union Carbide for any purpose and shall not on behalf of Union Carbide either enter into any contract, undertaking or agreement of

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any kind whatever, or make any promise, warranty or representation with respect to the Products other than such as may be published by Union Carbide in its advertising and sales promotional material. The status of Grace shall be that of an independent contractor only.

11. Force Majeure

Neither party shall be liable for its failure to perform hereunder caused by circumstances beyond its control, including, but not limited to, acts of God, fire, flood, wars, sabotage, accidents, labor disputes (whether or not it is within the power of the party to settle same) or shortages, governmental actions (including, but not limited to, priorities, requisitions, allocations, price adjustments restrictions and laws, regulations or orders of any government or of the European Economic Community or instrumentalities thereof which restrict the manufacture, sale or use of the Products), or inability to obtain material, equipment or transportation and any other similar 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 of Products to be delivered during such period, whereupon the total quantity of Products to be delivered under this Agreement shall be reduced by the quantity so omitted. If, due to any such occurrence, Union Carbide is unable to supply the total demand for Products specified in this Agreement, Union Carbide shall allocate its available supply among any or all purchasers as well as departments, divisions and subsidiaries of Union Carbide in a fair and equitable manner in which the quantity of the Products to be

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delivered to Grace is a percentage of Union Carbide's production equal to such percentage delivered to Grace during the twelve (12) month period prior to commencement of force majeure. In no event shall Union Carbide be required to purchase Products from others in order to enable it to deliver Products to Grace hereunder.

12. Duration and Termination

(a) This Agreement shall commence as of July 1, 1980, and shall continue in full force and effect for an initial term of five (5) years until June 30, 1985 and thereafter for additional terms of one (1) year each, unless terminated by either party by giving at least one (1) years' written notice to the other party prior to June 30, 1985 or any subsequent anniversary of such date. Anything to the contrary contained herein notwithstanding, Union Carbide shall have the right to terminate this Agreement pursuant to the provisions of Article 12(b) and (c).

(b) Union Carbide may terminate this Agreement at any time upon written notice to Grace if (i) Grace files a petition in bankruptcy, (ii) Grace makes a general assignment for the benefit of creditors, (iii) a receiver for Grace is appointed, (iv) Grace becomes insolvent, or (v) Grace shall be guilty of a breach of any of the provisions of this Agreement and such breach has continued for sixty (60) days after written notice of such breach from Union Carbide. Any termination of this Agreement pursuant to this Article 12(b) shall be in addition to and shall not be exclusive of or prejudicial to any other rights or remedies at law or in equity which Union Carbide may have against Grace.

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(c) In the event that Union Carbide determines to withdraw from its asbestos operations for any reason, it shall so notify Grace. Within sixty (60) days after its receipt of such notice of intended withdrawal, Grace shall notify Union Carbide as to any additional quantities of Products which it desires to purchase, in excess of any Products ordered by Grace and shipped by Union Carbide prior to Grace's receipt of Union Carbide's notice of withdrawal. Grace shall have the right to elect to purchase up to twelve (12) months' supply of Products based upon the specified maximum quantity for the then current Agreement Year as set forth in or otherwise provided pursuant to Article 2 (a). In making such election, Grace shall submit the appropriate purchase order forms, indicating the respective quantities of Sylodex 24 and Sylodex 14 which it elects to purchase. Such respective quantities shall be approximately proportionate to the ratio which the quantity of each of the Products delivered over the immediately preceding twelve (12) month period bears to the total deliveries of all such Products over the immediately preceding twelve (12) month period. Union Carbide shall have a period of at least one (1) year from the receipt of Grace's notice within which to deliver the quantity of Products which Grace elects to purchase pursuant to this Article 12(c). Union Carbide shall not have the right to increase the purchase price for any Products purchased by Grace pursuant to this Article 12(c). Upon receipt by Grace of Union Carbide's notice of withdrawal pursuant to this Article 12(c), Union Carbide shall not have any further obligation hereunder to sell or deliver any Products to Grace or to

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fulfill in whole or in remaining part any orders which were forwarded by Grace prior to its receipt of such notice of withdrawal and which could not be fulfilled using reasonable diligence prior to Grace's receipt of said notice of withdrawal, except any Products for which orders are submitted pursuant to this Article 12(c). If Union Carbide issues a notice of withdrawal to Grace pursuant to this Article 12(c), then this Agreement shall terminate as of the date upon which Union Carbide makes the final delivery to Grace of any Products which Grace elects to purchase under this Article 12(c), except as to any obligations or liabilities of either of the parties accruing on or before such delivery date.

(d) The rights and obligations of the parties under this Agreement shall survive any termination of this Agreement with respect to all orders accepted for shipment prior to the effective date of such termination and any Products delivered hereunder pursuant to such orders.

(e) Should Grace determine upon termination of this Agreement that it no longer wishes to distribute Products, Grace will so notify Union Carbide and will negotiate in good faith for the sale to Union Carbide of Grace's list of buyers of Products.

13. Manufacture of Products in Europe

In the event that Union Carbide at any time during the term of this Agreement and for a period of one (1) year thereafter determines to manufacture Products in Europe in a joint venture with a third party company or to permit the manufacture of Products in Europe by licensing a third party company, then Union Carbide shall

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first offer to Grace the opportunity to become a party to such joint venture or to be the manufacturing licensee on terms and conditions Union Carbide plans to offer to any other third party company. If Grace does not within six (6) months thereafter agree to Union Carbide's proposal, Grace's rights under this Article 13 shall terminate.

14. Assignment

Any assignment of this Agreement, including any transfer of the respective rights of the parties hereunder, by either party without the prior written consent of the other party shall be void; except that Grace shall be entitled to assign this Agreement at any time without the consent of Union Carbide to its subsidiary Grace G.m.b.H. In the event Grace assigns this Agreement to Grace G.m.b.H., Grace shall immediately notify Union Carbide of such assignment and shall have the continuing obligation to indemnify and hold Union Carbide harmless from any and all loss, liability, damage or claim arising out of (i) any default or failure by Grace G.m.b.H. to perform any of its obligations under this Agreement, or (ii) any demand made by Grace G.m.b.H. against Union Carbide for settlement or damages on account of Union Carbide's termination of this Agreement pursuant to Article 12.

15. Indemnity

(a) Each party to this Agreement has duly considered the inconveniences and losses that it will be likely to suffer upon the termination of this Agreement by the other party pursuant to Article

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12, as well as any gains or enrichment which might accrue to the party so terminating this Agreement. It is hereby expressly agreed that upon such termination by either party, the other party shall not be entitled to any indemnity or damages from the party so terminating this Agreement by reason of or growing out of such termination and as requested by either party, the parties shall ratify this provision at the time of any such termination.

(b) Grace has full knowledge of the hazards to persons and property involved in handling and using the Products. Grace hereby agrees to indemnify and hold Union Carbide harmless from any and all loss, liability, damage or claim due to any injury, death or damage to property arising out of the handling or use of the Products by Grace, its employees, its independent contractors or its customers or its reseller customers' customers, i.e. the initial users.

(c) Union Carbide has full knowledge of the hazards to persons involved in the handling and use of the Products. Notwithstanding the provisions of Article 9(b), Union Carbide hereby agrees to indemnify and hold Grace harmless from any and all loss, liability, damage or claim due to any injury, death or damage to property arising out of handling or use of the Products by Union Carbide, its employees, its independent contractors or its customers other than Grace.

16. Execution of Interpretation

(a) The validity, interpretation and performance of this Agreement shall be governed in accordance with the laws of the State of New York, United States of America as though the performance of

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this Agreement by each of the parties hereto occurred wholly within the State of New York. In the event of any litigation hereunder Grace or Grace G.m.b.H., as the case may be, shall voluntarily submit itself to the jurisdiction of courts of the United States of America which are sitting in New York City.

(b) The complete agreement between the parties is contained herein. No change in, addition to, or waiver of the terms or conditions hereof shall be binding upon either party unless approved in writing by an authorized representative of such party, or shall be effected by the acknowledgement or acceptance of release or purchase order forms containing other or different terms or conditions whether or not signed by an authorized representative of such party.

(c) It shall be sufficient giving of any notice or other communication hereunder if the party giving the same shall deposit a copy thereof in the Post Office in a registered or certified envelope, postage prepaid, properly addressed to the other party at the address hereinabove set forth or at such other address as the other party shall have heretofore in writing designated, requesting a receipt evidencing delivery. The date of giving any such notice or other communication shall be the date on which such envelope was received by the other party. The Post Office receipt showing the date of such receipt by the other party shall be prima facie evidence of these facts.

(d) The paragraph and other headings of this Agreement are inserted only for convenience and in no way define, limit or

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describe the scope or intent of this Agreement nor affect its terms and conditions.

17. Transfer of Information by Grace

During the term of this Agreement Grace shall make available to Union Carbide, at no charge, technical and general marketing information concerning the Products which is or has been developed or accumulated by Grace or which it has received from third parties and is free to disclose.

18. Shipments to Sino-Soviet Bloc Countries

The reexport by Grace of Products, technical information and know-how relating to the Products which is of United States origin shall be subject to the laws, rules, orders and regulations of the United States of America applicable thereto.

19. Registration

Upon thirty (30) days' prior written notice to Union Carbide, Grace may, at its sole option and if it deems the same to be necessary and advisable, file this Agreement with the proper authorities of the European Economic Community and Union Carbide agrees to cooperate with Grace in all respects in connection with such filing and all matters or inquiries arising out of such filing.

20. Prior Agreement

This Agreement cancels and supersedes that agreement between Union Carbide and Grace dated July 1, 1976, as amended, but this

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Agreement shall not be contrued as a modification, renunciation or discharge of any claims, liability or obligations by Union Carbide or Grace under such prior agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

UNION CARBIDE CORPORATION

By_____
Vice President of its
Metal Division

W.R. GRACE & CO.

By_____

Title_____

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EXHIBIT A

GRACE'S TERRITORY

Afghanistan
Albania
Algeria
Andorra
Angola
Austria

Belgium
Bulgaria
Burundi

Cameroon
Central African Republic
Chad
Congo, Democratic Republic of the (Zaire)
Congo, People's Republic of the
Cyprus
Czechoslovakia

Dahomey
Denmark

Egypt
Equatorial Guinea
Ethiopia

Finland
France

Gabon
Gambia
German Democratic Republic
Germany, Federal Republic of
Ghana
Greece
Guinea

Hungary

Iceland
Iran
Iraq
Ireland
Israel
Italy
Ivory Coast

Jordan

Kuwait

Lebanon
Liberia
Libya
Liechtenstein
Luxembourg

Malagasy Republic
Mali
Malta
Mauritania
Monaco
Morocco

Netherlands
Niger
Nigeria
Norway

Oman

Persian Gulf Federation
Poland
Portugal

Romania
Rwanda

San Marino
Saudi Arabia
Senegal
Sierra Leone
Somalia
Southern Yemen
Spain
Sudan
Sweden
Switzerland
Syria

Togo
Tunisia
Turkey

U.S.S.R.
United Kingdom
Upper Volta

Vatican City

Yemen
Yugoslavia

EXHIBIT B

(Effective January 1, 1980)

PRICING INFORMATION (FOB King City, CA)

Product	Full 20' Container lbs.	Full 20' Container $/lb.	Partial Container Minimum, lbs.	Partial Container $/lb.
SX-14	16500	0.195	8250	0.25
SX-24	5280	0.750	2640	0.97

PACKAGING INFORMATION

	SX-14	SX-24
Net Weight/Package, lb.	33 (15 Kg.)	11 (5 Kg.)
Gross Weight/Package, lb.	34.5	12.5
Package Dimensions, In.	28x19x6	28x17x7
Package Volume, $ft.^3$	1.847	1.928
Density, $ft.^3$/2000 lb.	112	350
20' Container Caps., Pkgs.	500	480
, Net lb.	16500	5280

Note: SX-14 is "Calidria" asbestos RG-144.
SX-24 is "Calidria" asbestos RG-244.
40' containers will be used and loaded to full volume capacity on request.
Pricing includes shrink-filming of individual bags, which are loose-loaded in containers, not palletized.

EXHIBIT C

SYLODEX-14

Sampling and Analysis Frequency

For moisture, samples are collected at the "middle" of each pallet, and analyzed. For other determinations, samples are collected from and analyzed on ten-pallet composites.

Product Specifications

Moisture, %	2.0 Max.
pH	9-10
DOP, ml/10 gm.	10 Min.
Magnetite, %	0.7 Max.

SYLODEX-24

Sampling and Analysis Frequency

For moisture, samples are collected at the "middle" of each pallet, and analyzed. For other determinations samples are collected from about every 13 bags (3 per pallet). These samples are composited to represent one pallet and analyzed, except for TiO_2 which is analyzed as required for control only when there is a possibility of contamination.

Product Specifications

Moisture, %	2.0 Max.
pH	8.5 to 9.5
Viscosity, cps	30,000 to 50,000
Wet Screen, % + 200 Mesh	1.5 Max.
*TiO_2, ppm	500 Max.

EXHIBIT D

DETERMINATION OF % MOISTURE

I. APPARATUS

Granular Moisture Register Model G-8.

II. PROCEDURE

The Granular Moisture Register is currently being used to test the % moisture in "Calidria" asbestos products. The apparatus has been standardized for these particular tests and calibration curves have been made for the different products being tested.

1. Place the sample cup on the electrode, fill cup with sample and carefully push the plunger into the cup. (Enough sample should be used to make at least 1/2" thick cake, about 20 g. for open material and 50 g. for pellets.)

2. Place the complete electrode assembly in the recess of the press center plate with the connector holes pointed forward. Pump the jack to 2500 lb. pressure.

3. Disconnect the sensitivity module from the standard (No. 040) and adjust the meter to read zero. (The meter should read "100" with the standard.)

4. Connect the module to the electrode assembly and record the meter reading.

5. Use the calibration curve for the sample to obtain the % moisture.

III. REPORT - % moisture.

DETERMINATION OF pH

I. APPARATUS

pH meter, Mixer (1000 rpm), distilled water.

II. PROCEDURE

Weigh out 4 grams of sample and mix for 5 min. with 100 ml. of distilled water in the Lightnin' mixer and read the pH.

III. REPORT - pH

DETERMINATION OF DOP ABSORPTION VALUE

I. APPARATUS

500 ml. mortar; pestle; 50 ml. burette; Di (2-ethylhexyl) phthalate (DOP).

II. PROCEDURE

Weigh out 5 gms. fiber into the mortar. Add DOP dropwise from the burette and mix with the pestle until a paste is formed which adheres to the pestle.

III. CALCULATIONS

$$\text{ml. DOP/10 gms. fiber} = \frac{2 \times (\text{initial burette reading minus final burette reading})}{}$$

IV. REPORT - Oil absorption as ml. of DOP/10 gms. fiber.

DETERMINATION OF % MAGNETITE

I. APPARATUS

1. Permeameter assembly, test tubes, tube packer assembly, permeameter standards.

II. PROCEDURE

A. Sample preparation

1. Label and weigh empty test tubes to $\pm$ 1 mg.

2. Load about 1.2 g. of dry asbestos into the test tube and pack the material into the base portion with the tube packer assembly. Relaxation of pressure on the plunger should not cause it to be expelled more than 1 mm. from the holder.

3. Obtain net weight of sample in the tube.

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B. Apparatus set-up

Turn meter shunt control to X1 position, adjust meter zero control to set pointer at "0" position.

C. Calibration

The instrument is currently being used to determine paramagnetic material contained in "Calidria" asbestos. The standards are prepared from zinc oxide and magnetically susceptible material removed from a Coalinga ore sample by a permanent magnet. Four standards have been prepared to contain by weight 8, 20, 40, and 160 mg. of Coalinga "magnetics".

1. Insert the 8 mg. magnetics standard into the transformer. Set the meter shunt to X2 and adjust "calibrate" control to read 4.0 mg., remove the standard and see if the meter is still adjusted to zero. If not, readjust to zero.

2. Repeat step 1 until the meter reads zero without the standard and 4.0 with the standard inserted.

3. Record the amount of magnetite in the sample.

4. The following Table is the range of magnetite one can read with different standards.

Standard	Shunt Setting	Range
1	X2	0 - 8 mg.
2	X5	0 - 20 mg.
3	X10	0 - 40 mg.
4	X40	0 - 160 mg.

5. For best results use a standard that will give the reading at about half scale.

III. CALCULATIONS

$$\% \text{ magnetitie} = \frac{\text{mg. of magnetite}}{\text{mg. of total sample}} \times 100$$

IV. REPORT - % magnetite

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DETERMINATION OF VISCOSITY

I. APPARATUS

1. 1750 ± 50 rpm mixer with a 5 cm. dia. three blade propeller.
2. Viscometer: Brookfield LV
3. Mixing cup: 400 ml. graduated disposable beaker.
4. Viscosity cup: 100 ml. graduated disposable beaker.
5. Constant temperature bath.

II. PROCEDURE

A. Preparation of stock polyester resin mixture.

1. Mix Rohm & Haas P-43 Resin (or equivalent) and styrene monomer in an approximately 10 to 1 ratio to provide a viscosity of 550 ± 25 cps at 25 ± .5°C.

   a. To make approximately 5 gal., mix 39.6 lb. of resin and 4.4 lb of styrene. These ratios will vary slightly with different supplies of resin.

2. The viscosity of the resin should be checked periodically (about every 8 to 10 determinations) and adjusted to 550 ± 25 cps.

B. Viscosity Analysis

1. Mix by hand 4.0 grams of sample into 196.0 gm. of resin in a 400 ml. disposable beaker.
2. Stir for 10 minutes with clean propeller mixer.
3. Cover the mixture and allow to stand for 1 hour in a constant water bath at 25 ± 0.5°C.
4. Pour slowly into a clean 100 ml. disposable beaker.

   NOTE: Do not mix or scrape sides.

5. After exactly 5 minutes, measure viscosity at 6 RPM with No. 4 spindle. Read viscosity after 1 minute.

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6. Clean spindle with acetone and wipe clean with dry cloth or tissue paper. Let it further air dry at room temperature.

   NOTE: Do not leave spindles in the water bath.

7. Clean propeller mixer with acetone periodically, preferably after each mixing.

   NOTE: In operating viscometer, make sure the lever clutch is depressed before starting.

III. REPORT - Visvosity, cps.

DETERMINATION OF +200 MESH BY WET SCREENING

I. APPARTUS

1. Screen: 8" diameter, 200 mesh - Tyler Standard Screen Scale.
2. Pan: 12" x 18" x 6" (preferably plastic) or any size larger than 12" x 12" 4".
3. 12.6 cm. dia. Buchner Funnel, 12.5 cm. filter paper (WHATMAN No. 1), 11 cm. dia. wire screen (10 mesh).
4. Vacuum flask, vacuum supply and hose.
5. Hot plate, oven and balance.

II. PROCEDURE

1. Weigh out 10 $\pm$ .01 gms. of fiber and place it in the screen.
2. Wet the fiber in the screen with a continuous flow of water being careful not to let the water with the fiber overflow over the screen.
3. Fill the pan with 1 1/2 to 2 inches of water.
4. Holding the screen in both hands and with a jigging motion move the screen up and down in the water so that a suction is produced on the upward motion.

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5. Change the water in the pan four or five times or until the water remains clear. Screening should take about 10 minutes.

6. After screening, backwash the contents of the screen into a gallon bucket.

7. Assemble the vacuum apparatus by placing the Buchner funnel on the vacuum flask.

8. Center the wire backing screen on the filter paper. Wet the paper and screen and place it in the funnel with the screen on the bottom and turn on the vacuum.

9. Transfer the fiber in the 1 gal. bucket to the vacuum apparatus.

10. After filtration has been completed, dry the filter paper and cake on the hot plate for about 2 minutes or until the moisture has evaporated.

11. Transfer the filter paper and cake to the oven or weigh right away (moisture collects very rapidly so time is important).

III. CALCULATIONS

$$\% \text{ retained} = \frac{\text{wt. of filter cake \& paper} - \text{wt. of paper}}{10.0} \times 100$$

IV. REPORT - % + 200 mesh

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