Douglas J. Hefferin
Attorney

CIBA-GEIGY Corporation
Ardsley, New York 10502
Telephone 914 478 3131

CIBA-GEIGY

458.

June 21, 1988

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Joseph McVeigh, Esq.
U.S. Environmental Protection Agency
Region II
Office of Regional Counsel
26 Federal Plaza - Room 309
New York, NY 10278

Re: Toms River, New Jersey

Dear Mr. McVeigh:

Enclosed is CIBA-GEIGY Corporation's ("CIBA-GEIGY") response to the United States Environmental Protection Agency's May 13, 1988 request for information pursuant to sections 104 (b) and (e) of CERCLA and section 3007 of RCRA.

The information provided is based on our review of CIBA-GEIGY records and discussions with CIBA-GEIGY employees. Additional information was drawn from the corporate records of the Toms River Chemical Corporation. If additional responsive information becomes available we will supply it to you promptly.

In accordance with CIBA-GEIGY's practice, the enclosed response has been executed by the plant manager responsible for the Toms River, New Jersey plant, John Simas. If you have any questions about this response, please feel free to contact either Mr. Simas at (201) 349-5200 or me.

Very truly yours,

Douglas J. Hefferin

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Encs.

ATTACHMENTS w/ BLACK CIBA BINDER

CIBA-GEIGY CORPORATION
Response to EPA
Request for Information
concerning
Toms River, New Jersey
June 21, 1988
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CINCINNATI CHEMICAL CORPORATION

AMENDED
CERTIFICATE OF INCORPORATION

As Authorized June 7, 1955

TOMS RIVER-CINCINNATI CHEMICAL CORPORATION

AMENDED CERTIFICATE OF INCORPORATION

We, the undersigned, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of an Act of the Legislature of the State of Delaware, entitled "An Act Providing a General Corporation Law" (approved March 10, 1899), and the Acts, amendatory thereof and supplemental thereto, do hereby certify as follows:

1. The name of the corporation is

TOMS RIVER-CINCINNATI CHEMICAL CORPORATION

2. The principal office of the corporation is to be located in the City of Dover, in the County of Kent, in the State of Delaware. The name of its resident agent is the UNITED STATES CORPORATION COMPANY, whose address is No. 129 South State Street in said city.

3. The nature of the business of the corporation and the objects or purposes proposed to be transacted, promoted or carried on by it, are as follows, to wit:

To establish, carry on and develop the business of producing, manufacturing, utilizing and trading in any and all kinds of chemicals, coal, coal tar, coal tar products, dyestuffs, coloring matters whether of mineral or vegetable origin, acids, alkalis, oils, explosives, drugs, pharmaceutical, medicinal and other preparations of a like or kindred nature.

To manufacture, buy, sell, use, deal in and with photographic materials of all kinds and especially sensitized and unsensitized papers, sensitized and unsensitized films, dry plates and all other sensitized articles, tonic and fixing

solutions or powders, and all other preparations, appliances, implements and articles used in the photographic arts or industry.

To manufacture, buy, sell, use, deal in and with metals and minerals of all kinds and descriptions and articles or substances of any kind, whether or not analogous to any of the articles enumerated above, including the acquisition by purchase, by manufacture or otherwise, of all materials, ingredients, supplies, appliances, apparatus, machinery or other articles necessary or convenient for use in connection with and in carrying on the business herein mentioned or of any other business hereafter acquired, organized, or instituted by this company or any part thereof or any operations connected therewith.

To manufacture, buy, sell, deal in, and to engage in, conduct and carry on the business of manufacturing, buying, selling and dealing in goods, wares and merchandise of every class and description;

To improve, manage, develop, sell, assign, transfer, lease, mortgage, pledge, or otherwise dispose of or turn to account or deal with all or any part of the property of the company, and from time to time to vary any investment or employment of capital of the company;

To borrow money, and to make and issue notes, bonds, debentures, obligations and evidences of indebtedness of all kinds, whether secured by mortgage, pledge or otherwise, without limit as to amount, and to secure the same by mortgage, pledge or otherwise; and generally to make and perform agreements and contracts of every kind and description;

To acquire to the same extent as natural persons and without limit as to amount, by purchase, lease, exchange, hire or otherwise, lands, improved or unimproved, tenements, hereditaments, chattels, real or personal, or any interest therein; to erect and construct houses, buildings, sewers, drains or works of every description on any land of the company or upon any other lands; to rebuild, enlarge, alter or improve existing houses, buildings or works

CIB 009 0008

thereon; to subdivide, improve and develop lands for purposes of sale or otherwise; and to do and perform all things needful and lawful for the development and improvement of the same for any lawful purpose, and generally to deal with and improve the property of the company and of other parties; to own, hold and maintain any property acquired by the company; to sell, convey, lease, release, let, exchange, mortgage or otherwise encumber or dispose of the lands, homes, buildings, hereditaments, appurtenances, chattels and other property of the company; to equip, furnish, conduct, operate, manage, lease and maintain hotels, apartment houses, warehouses, or any kind of building for dwelling, amusement, recreation, or business purposes; to undertake or direct the management and sale of the property of the company, real and personal, to sell, assign, release, hold, or satisfy mortgages which may become the property of the company; to enter into contracts and arrangements of all kinds with contractors, laborers, skilled or otherwise, builders, property owners and others; to carry on in all their respective branches the business of builders or contractors; to make, enter into, perform, carry out or cancel contracts for constructing, demolishing, altering, decorating, equipping, fitting up and improving buildings of every description; to do a general real estate business on commission or otherwise, and to transact all such business as may be incidental thereto or arise therefrom, the same as an individual or natural person might or could do.

To deal in meats, groceries, produce, provisions, household furniture, ironmongery, china and glass ware, crockery and other household fittings and commodities of personal and household use and consumption and to buy, sell, manufacture, repair, import, export and deal in all kinds of articles and things which are commonly supplied or dealt in by persons engaged in any such businesses or which may seem capable of being profitably dealt with in connection therewith. To grant to other persons or corporations the right or privilege to carry on any kind of business on the premises of the company on such terms as the company shall deem expedient or proper.

To apply for, obtain, register, purchase, lease or otherwise to acquire and to hold, own, use, develop, operate and introduce, and to sell, assign, grant licenses or territorial rights in respect to, or otherwise to turn to account or dispose of, any copyrights, trade marks, trade names, brands, labels, patent rights, letters patent of the United States or of any other country or government, inventions, improvements and processes, whether used in connection with or secured under letters patent or otherwise;

To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporations, firms or individuals, and to do every other act or acts, thing or things incidental or appurtenant to or growing out of or connected with the aforesaid business or powers or any part or parts thereof, provided the same be not inconsistent with the laws under which this corporation is organized;

To acquire by purchase, subscription or otherwise, and to hold for investment or otherwise and to use, sell, assign, transfer, mortgage, pledge or otherwise deal with or dispose of stocks, bonds or any other obligations or securities of any corporation or corporations; to merge or consolidate with any corporation in such manner as may be permitted by law; to aid in any manner any corporation whose stock, bonds or other obligations are held or in any manner guaranteed by the company, or in which the company is in any way interested; and to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stock, bonds or other obligations, or to do any acts or things designed for any such purpose; and while owner of any such stock, bonds or other obligations to exercise all the rights, powers and privileges of ownership thereof, and to exercise any and all voting powers thereon; to guarantee the payment of dividends upon any stock, or the principal or interest or both of any bonds or other obligations, and the performance of any contracts;

CIB 009 0010

The business or purpose of the company is from time to time to do any one or more of the acts and things hereinabove set forth, and it shall have power to conduct and carry on its said business, or any part thereof, and to have one or more offices, and to exercise all or any of its corporate powers and rights, in the State of Delaware, and in the various other states, territories, colonies and dependencies of the United States, in the District of Columbia, and in all or any foreign countries.

4. The total number of shares of all classes of stock which the corporation shall have authority to issue is Three Hundred Six Thousand One Hundred (306,100), of which Ninety-four Thousand Six Hundred (94,600) shares of the par value of $100 each are to be of a class designated 6% Cumulative Preferred Stock (hereinafter called the Preferred Stock), One Hundred Twenty-two Thousand Six Hundred Seventy (122,670) shares without par value are to be of a class designated Class A Common Stock (hereinafter called the Class A Common Stock), Forty-four Thousand Four Hundred Fifteen (44,415) shares without par value are to be of a class designated Class B Common Stock (hereinafter called the Class B Common Stock), and Forty-four Thousand Four Hundred Fifteen (44,415) shares without par value are to be of a class designated Class C Common Stock (hereinafter called the Class C Common Stock). The Class A Common Stock, the Class B Common Stock and the Class C Common Stock are hereinafter collectively called the Common Stock.

The designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of the classes of stock of the corporation shall be as follows:

I. The holders of the Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of the net assets or net profits of the corporation legally

available for the payment of dividends, dividends in cash at the rate of 6% per share per annum upon the par value thereof, and no more, payable in equal quarterly instalments on the first days of January, April, July and October in each year, accruing from the date of issuance. Such dividends on the Preferred Stock shall be cumulative so that if, in any quarterly dividend period or periods, dividends upon the outstanding Preferred Stock at the rate of 6% per share per annum on the par value thereof shall not have been paid or set apart for payment, the deficiency shall be paid or set apart for payment before any sum or sums shall be set aside for or applied to the purchase or redemption of Preferred Stock or of Common Stock of any class and before any dividend shall be paid upon or declared or set apart for, or any other distribution made with respect to, the Common Stock of any class.

II. After full cumulative dividends as aforesaid upon the Preferred Stock then outstanding shall have been paid for all past quarterly dividend periods, and after or concurrently with making payment of or provision for full cumulative dividends on the Preferred Stock then outstanding to the end of the current quarterly dividend period, and after making such provision for the purchase or redemption of Preferred Stock as the Board of Directors may deem advisable, then and not otherwise dividends may be declared upon and paid to the holders of the Common Stock to the exclusion of the holders of the Preferred Stock.

III. The Preferred Stock shall be preferred over the Common Stock as to both earnings and assets, and, in the event of any voluntary or involuntary liquidation or dissolution or winding up of the corporation, the holders of the Preferred Stock shall be entitled to receive out of the assets of the corporation available for distribution to its stockholders, whether from capital, surplus or earnings, an amount equal to $100 per share plus an amount equal to all dividends accrued or in arrears thereon to the date of distribution

before any distribution of assets shall be made to the holders of the Common Stock; but the holders of the Common Stock shall be entitled to the exclusion of the holders of the Preferred Stock to share ratably according to the number of shares held by each in all the assets of the corporation remaining after such distribution to the holders of the Preferred Stock. If the assets distributable as aforesaid among the holders of the Preferred Stock shall be insufficient to permit the payment to such holders of the preferential amounts aforesaid, then the entire assets of the corporation to be distributed shall be distributed ratably among the holders of the Preferred Stock according to the number of shares held by each. Neither the merger or consolidation of the corporation into or with any other corporation, nor the merger or consolidation of any other corporation into or with the corporation, nor the sale, transfer or lease of all or any part of the assets of the corporation, shall be deemed to be a liquidation, dissolution or winding up of the corporation.

IV. The term "dividends accrued or in arrears" and "full cumulative dividends" wherever used herein with reference to shares of the Preferred Stock shall be deemed to mean the amount which shall be equal to dividends at the rate specified herein for the period of time elapsed from the date on which dividends on such shares commenced to accrue to the date as of which dividends accrued or in arrears, or full cumulative dividends, as the case may be, are to be computed (including the elapsed portion of the current dividend period), less the amount of all dividends paid upon such shares.

V. The Preferred Stock at any time outstanding may be redeemed by the corporation, in whole at any time or in part from time to time, at its option expressed by resolution of the Board of Directors, upon not less than thirty (30) days' prior notice to the holders of record of the Preferred Stock, given as hereinafter provided, at the price (hereinafter called the redemption price) of $100 per share plus

an amount equal to all dividends accrued or in arrears thereon to the date fixed in such notice as the date of redemption. If less than all the outstanding Preferred Stock is to be redeemed, the redemption shall be made pro rata (excluding fractions of shares), in such manner as may be prescribed by resolution of the Board of Directors. Notice of such redemption shall be given by mailing such notice, postage prepaid, not less than thirty (30) days prior to such redemption date to the holders of record of the Preferred Stock at their respective record addresses. If such notice shall have been so given, then from and after the date fixed in such notice as the date of redemption all dividends on the Preferred Stock thereby called for redemption shall cease to accrue and all rights of the holders thereof as stockholders of the corporation, except the right to receive the redemption price, shall cease and determine. All shares of Preferred Stock redeemed pursuant to the provisions of this Paragraph V shall be canceled and shall not be reissued.

VI. (a) Except as otherwise provided in Paragraph VII of this Article 4 or as otherwise expressly required by law, the holders of the Common Stock shall exclusively possess voting power for the election of directors and for all other purposes, and the holders of the Preferred Stock shall not be entitled to any vote in the election of directors or for any other purpose and shall not be entitled to notice of any meeting of stockholders.

(b) The number of directors which shall constitute the Board of Directors of the corporation shall be such number as from time to time shall be fixed by, or in the manner provided in, its by-laws, but in no case shall the number be less than nine. At all times the holders of the Class A Common Stock, voting separately as a class, shall have the right to elect five members of the Board of Directors, the holders of the Class B Common Stock, voting separately as a class, shall have the right to elect two members of the Board of Directors and the holders of the Class C Common

Stock, voting separately as a class, shall have the right to elect two members of the Board of Directors. The entire balance, if any, of the total number of members of the Board of Directors shall be elected by the holders of all classes of the Common Stock voting together as one class. Any director elected by the holders of the Common Stock voting together as one class or by the holders of any particular class thereof shall hold office until the next annual election of directors and until his successor shall have been duly elected and qualified, or until his death or until he shall have resigned or until he shall have been removed as hereinafter provided. Any director elected by the holders of the Common Stock voting together as one class may be removed with or without cause by the affirmative vote of the holders of record of at least a majority of the outstanding shares of such stock, voting together as one class, at a meeting of stockholders or, without any such meeting, by the unanimous consent in writing of the holders of such shares. Any director elected by the holders of a particular class of the Common Stock may be removed with or without cause by, and shall not be removed except by, the affirmative vote of the holders of record of at least a majority of the outstanding shares of Common Stock of the class which shall have elected such director, voting separately as a class, at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of the shares of such class. Any vacancy in the office of a director elected by the holders of a particular class of the Common Stock may be filled for the unexpired term by the vote of the holders of record of the outstanding shares of Common Stock of the class which shall have elected such director whose office shall have become vacant, voting separately as a class, at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without such meeting, by the unanimous consent in writing of the holders of the shares of such class. Any vacancy in the office of a director elected or to be elected by the holders of the

Common Stock voting together as one class may be filled for the unexpired term by the vote of the holders of record of the outstanding shares of such stock, voting together as one class, at a meeting of stockholders called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of such shares. Any holder or holders of 5% or more of the outstanding shares of any class of the Common Stock shall have the right to call a meeting of the holders of such class of Common Stock at any time, in such manner as shall be provided in the by-laws of the corporation, for the purpose of removing any of or all the directors that the holders of such class of Common Stock shall have the power to remove hereunder or for the purpose of filling any vacancy or vacancies in the office of director that the holders of such class of Common Stock shall be entitled to elect.

(c) Except as otherwise provided in subparagraph (b) of this Paragraph VI in the case of voting for or consenting to the election or removal of members of the Board of Directors and subject to the provisions of this certificate and the by-laws, the voting rights of the holders of the Common Stock of the several classes shall be identical.

VII. So long as any shares of the Preferred Stock shall be outstanding, the corporation shall not, without the consent, given by resolution adopted at a meeting duly called for that purpose, or, if permitted by law, given in writing, of the holders of at least a majority of the number of shares of Preferred Stock at the time outstanding,

(a) alter or change the powers, preferences, privileges or rights of the Preferred Stock so as materially adversely to affect the Preferred Stock;

(b) increase the authorized number of shares of the Preferred Stock;

(c) create any new class of stock having preference over, or being on a parity with, the Preferred Stock as to dividends or assets, or create any obligation or security of

the corporation directly or indirectly convertible into or exchangeable for shares of stock of any class having preference over, or being on a parity with, the Preferred Stock, as to dividends or assets; or

(d) merge or consolidate with any other corporation, unless (i) in connection with such merger or consolidation, provision shall be made for the redemption of all the outstanding Preferred Stock at the redemption price set forth in Paragraph V of this Article 4, or (ii) the corporation resulting from such merger or consolidation will, upon the consummation of such merger or consolidation, have no class of stock and no other securities, either authorized or outstanding, ranking prior to or on a parity with the Preferred Stock as to dividends or assets, except the same number of shares of stock and the same amount of other securities with the same rights and preferences as the stock and other securities of this corporation authorized and outstanding immediately preceding such merger or consolidation, and each holder of shares of Preferred Stock immediately preceding such merger or consolidation shall receive the same number of shares, with the same rights and preferences, of the resulting corporation; provided, however, that the purchase by this corporation of all or any part of the assets, stock, or other securities of another corporation shall not be deemed to be a merger or consolidation.

VIII. Unless otherwise expressly required by law, and subject to the provisions of Paragraph IX of this Article 4 and to the provisions of Article 9, (a) at any meeting of the stockholders, the presence in person or by proxy of the holders of record of at least a majority of the aggregate number of shares of the Common Stock at the time outstanding shall be necessary in order to constitute a quorum for the transaction of business, other than the election or removal of directors who may be removed or elected by the holders of any class of the Common Stock voting separately as a

class, (b) at any meeting of the stockholders, the votes of the holders of record of at least a majority of the aggregate number of shares of Common Stock at the time outstanding and entitled to vote thereat shall be necessary for the transaction of any business, other than the election or removal of directors, and (c) at any meeting of the holders of any class of the Common Stock for the election or removal of directors, the presence in person or by proxy of the holders of record of at least a majority of the aggregate number of shares of said class at the time outstanding shall be necessary in order to constitute a quorum for the election or removal of directors by the holders of the Common Stock of such class.

IX. All shares of the Common Stock of the several classes shall be identical in all respects, except for the description thereof or as otherwise provided in this Article 4. The provisions of Articles 1, 4, 8 and 9 shall not be amended unless the proposed amendment thereof shall have first been authorized by the affirmative vote or written consent of the holders of record of at least a majority of the number of shares of each class of the Common Stock at the time outstanding, each such class voting or consenting separately as a class. In addition to any vote or authorization otherwise required, the prior affirmative vote or written consent of the holders of record of at least a majority of the number of shares of each class of the Common Stock at the time outstanding, each such class voting or consenting separately as a class, shall be required (a) to authorize the voluntary liquidation, dissolution or winding up of the corporation; (b) to authorize the merger or consolidation of the corporation into or with any other corporation, or the merger or consolidation of any other corporation into or with the corporation; or (c) to authorize the sale, transfer or exchange of all or substantially all of the property and assets of the corporation.

The minimum amount of Capital Stock with which the corporation will commence business is Three Thousand Dollars ($3,000).

5. The names and places of residence of each of the original subscribers to the capital stock and the number of shares subscribed for by each are as follows:

Name	*Residence*	*No. of Shares*
Albert R. Palmer	Madison, N. J.	10
Frank R. Serles	East Orange, N. J.	10
George F. Handel	46 Cedar Street, New York City.	10

6. The corporation is to have perpetual existence.

7. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

8. The number of directors which shall constitute the Board of Directors of the corporation shall be such number as from time to time shall be fixed by, or in the manner provided in, its by-laws, but in no case shall the number be less than nine.

Subject to the applicable provisions of the by-laws, the directors from time to time may determine whether and to what extent, and at what times and places and under what conditions and regulations, the accounts and books and documents of the corporation (other than the stock ledger), or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the corporation, except as conferred by the laws of the State of Delaware, unless expressly so authorized by resolution of the stockholders or the directors.

The directors in their discretion may submit any contract or act for approval or ratification at any annual meeting of the stockholders or at any meeting of the stockholders called for the purpose of considering any such act or contract,

and any contract or act that shall be approved or be ratified by the vote of the holders of at least a majority of the outstanding shares of each class of the Common Stock, given at such meeting, shall be as valid and as binding upon the corporation, and upon all the stockholders, as though it had been approved or ratified by every stockholder of the corporation, whether or not the contract or act would otherwise be open to legal attack because of directors' interest, or for any other reason.

Except as otherwise provided herein, the directors shall also have power to fix the times for the declaration and payment of dividends; to fix and vary the amount to be reserved as working capital; to authorize and cause to be executed mortgages and liens upon all the property of the corporation, or any part thereof, and from time to time to sell, assign, transfer, pledge or otherwise dispose of any or all of its property; to determine the use and disposition of any surplus or net profits over and above the capital stock paid in, and in their discretion the directors may use and apply any such surplus or accumulated profits in purchasing or acquiring the bonds or other obligations or shares of capital stock of the corporation, to such extent and in such manner and upon such terms as the directors shall deem expedient.

The shares of Common Stock of the corporation without par value may be issued by the corporation from time to time for such consideration as may be fixed from time to time by the Board of Directors. The Board of Directors may determine that only a part of the consideration which shall be received by the corporation for such shares shall be capital and the excess over the amount so determined to be capital shall be surplus. Any and all such shares so issued for which the consideration so fixed has been paid or delivered shall be deemed full paid stock and shall not be liable to any further call or assessments thereon.

In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do

all such acts and things as may be exercised or done by the corporation; subject, nevertheless, to the provisions of the statutes of the State of Delaware, this certificate and the by-laws of the corporation.

9. The by-laws of the corporation may contain reasonable restrictions upon the transfer of the shares of stock of any class of the corporation, and may specify the terms and conditions upon which such transfer will be effected by the corporation. The by-laws of the corporation, whether adopted by the stockholders or the directors, may be altered, amended or repealed, or new by-laws may be adopted, at any time by the stockholders or the directors, unless and except to the extent therein otherwise provided and except that by-laws duly adopted at a meeting of the stockholders of the corporation shall control the action of its directors except as therein otherwise provided. Any by-laws made, altered or amended by the Board of Directors may be altered, amended or repealed at any time by the stockholders.

IN WITNESS WHEREOF, we have hereunto set our hands and seals, the 3rd day of June, 1920.

In presence of:

HELEN LEONARD

ALBERT R. PALMER (L. S.)

FRANK R. SERLES (L. S.)

GEO. F. HANDEL (L. S.)

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS.:

Be it remembered that on this 3rd day of June, A. D., 1920, personally came before me, HELEN LEONARD, a Notary Public in and for the County and State aforesaid, ALBERT R. PALMER, FRANK R. SERLES and GEORGE F. HANDEL, parties to the foregoing certificate of incorporation, known to me personally to be such, and severally acknowledged the said certificate to be the act and deed of the signers respectively, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

HELEN LEONARD
N. P. N. Y. Co. No. 314.
My Comm. Exp. Mar. 30, 1922

HELEN LEONARD
Notary Public
New York County, N. Y.

[redacted]

AMENDED
CERTIFICATE OF INCORPORATION

As Authorized June 7, 1955
and As Amended
May 22, 1957; June 1, 1960; May 23, 1962;
and
March 20, 1964

TOMS RIVER CHEMICAL CORPORATION

AMENDED
CERTIFICATE OF INCORPORATION

We, the undersigned, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of an Act of the Legislature of the State of Delaware, entitled "An Act Providing a General Corporation Law" (approved March 10, 1899), and the Acts, amendatory thereof and supplemental thereto, do hereby certify as follows:

1. The name of the corporation is

TOMS RIVER CHEMICAL CORPORATION

2. The principal office of the corporation is to be located in the City of Dover, in the County of Kent, in the State of Delaware. The name of its resident agent is the UNITED STATES CORPORATION COMPANY, whose address is No. 129 South State Street in said city.

3. The nature of the business of the corporation and the objects or purposes proposed to be transacted, promoted or carried on by it, are as follows, to wit:

To establish, carry on and develop the business of producing, manufacturing, utilizing and trading in any and all kinds of chemicals, coal, coal tar, coal tar products, dyestuffs, coloring matters whether of mineral or vegetable origin, acids, alkalis, oils, explosives, drugs, pharmaceutical, medicinal and other preparations of a like or kindred nature.

To manufacture, buy, sell, use, deal in and with photographic materials of all kinds and especially sensitized and unsensitized papers, sensitized and unsensitized films, dry plates and all other sensitized articles, tonic and fixing

solutions or powders, and all other preparations, appliances, implements and articles used in the photographic arts or industry.

To manufacture, buy, sell, use, deal in and with metals and minerals of all kinds and descriptions and articles or substances of any kind, whether or not analogous to any of the articles enumerated above, including the acquisition by purchase, by manufacture or otherwise, of all materials, ingredients, supplies, appliances, apparatus, machinery or other articles necessary or convenient for use in connection with and in carrying on the business herein mentioned or of any other business hereafter acquired, organized, or instituted by this company or any part thereof or any operations connected therewith.

To manufacture, buy, sell, deal in, and to engage in, conduct and carry on the business of manufacturing, buying, selling and dealing in goods, wares and merchandise of every class and description;

To improve, manage, develop, sell, assign, transfer, lease, mortgage, pledge, or otherwise dispose of or turn to account or deal with all or any part of the property of the company, and from time to time to vary any investment or employment of capital of the company;

To borrow money, and to make and issue notes, bonds, debentures, obligations and evidences of indebtedness of all kinds, whether secured by mortgage, pledge or otherwise, without limit as to amount, and to secure the same by mortgage, pledge or otherwise; and generally to make and perform agreements and contracts of every kind and description;

To acquire to the same extent as natural persons and without limit as to amount, by purchase, lease, exchange, hire or otherwise, lands, improved or unimproved; tenements, hereditaments, chattels, real or personal, or any interest therein; to erect and construct houses, buildings, sewers, drains or works of every description on any land of the company or upon any other lands; to rebuild, enlarge, alter or improve existing houses, buildings or works

thereon; to subdivide, improve and develop lands for purposes of sale or otherwise; and to do and perform all things needful and lawful for the development and improvement of the same for any lawful purpose, and generally to deal with and improve the property of the company and of other parties; to own, hold and maintain any property acquired by the company; to sell, convey, lease, release, let, exchange, mortgage or otherwise encumber or dispose of the lands, homes, buildings, hereditaments, appurtenances, chattels and other property of the company; to equip, furnish, conduct, operate, manage, lease and maintain hotels, apartment houses, warehouses, or any kind of building for dwelling, amusement, recreation, or business purposes; to undertake or direct the management and sale of the property of the company, real and personal, to sell, assign, release, hold, or satisfy mortgages which may become the property of the company; to enter into contracts and arrangements of all kinds with contractors, laborers, skilled or otherwise, builders, property owners and others; to carry on in all their respective branches the business of builders or contractors; to make, enter into, perform, carry out or cancel contracts for constructing, demolishing, altering, decorating, equipping, fitting up and improving buildings of every description; to do a general real estate business on commission or otherwise, and to transact all such business as may be incidental thereto or arise therefrom, the same as an individual or natural person might or could do.

To deal in meats, groceries, produce, provisions, household furniture, ironmongery, china and glass ware, crockery and other household fittings and commodities of personal and household use and consumption and to buy, sell, manufacture, repair, import, export and deal in all kinds of articles and things which are commonly supplied or dealt in by persons engaged in any such businesses or which may seem capable of being profitably dealt with in connection therewith. To grant to other persons or corporations the right or privilege to carry on any kind of business on the premises of the company on such terms as the company shall deem expedient or proper.

To apply for, obtain, register, purchase, lease or otherwise to acquire and to hold, own, use, develop, operate and introduce, and to sell, assign, grant licenses or territorial rights in respect to, or otherwise to turn to account or dispose of, any copyrights, trade marks, trade names, brands, labels, patent rights, letters patent of the United States or of any other country or government, inventions, improvements and processes, whether used in connection with or secured under letters patent or otherwise;

To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporations, firms or individuals, and to do every other act or acts, thing or things incidental or appurtenant to or growing out of or connected with the aforesaid business or powers or any part or parts thereof, provided the same be not inconsistent with the laws under which this corporation is organized;

To acquire by purchase, subscription or otherwise, and to hold for investment or otherwise and to use, sell, assign, transfer, mortgage, pledge or otherwise deal with or dispose of stocks, bonds or any other obligations or securities of any corporation or corporations; to merge or consolidate with any corporation in such manner as may be permitted by law; to aid in any manner any corporation whose stock, bonds or other obligations are held or in any manner guaranteed by the company, or in which the company is in any way interested; and to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stock, bonds or other obligations, or to do any acts or things designed for any such purpose; and while owner of any such stock, bonds or other obligations to exercise all the rights, powers and privileges of ownership thereof, and to exercise any and all voting powers thereon; to guarantee the payment of dividends upon any stock, or the principal or interest or both of any bonds or other obligations, and the performance of any contracts;

The business or purpose of the company is from time to time to do any one or more of the acts and things hereinabove set forth, and it shall have power to conduct and carry on its said business, or any part thereof, and to have one or more offices, and to exercise all or any of its corporate powers and rights, in the State of Delaware, and in the various other states, territories, colonies and dependencies of the United States, in the District of Columbia, and in all or any foreign countries.

(Amended 3/20/64)

4. The total number of shares of all classes of stock which the Corporation shall have authority to issue is Four Hundred and Seventy-nine Thousand Six Hundred (479,600), of which Two Hundred Seventy-eight Thousand One Hundred and Sixty-eight (278,168) shares without par value are to be of a class designated Class A Common Stock (hereinafter called the Class A Common Stock), One Hundred Thousand Seven Hundred and Sixteen (100,716) shares without par value are to be of a class designated as Class B Common Stock (hereinafter called the Class B Common Stock), and One Hundred Thousand Seven Hundred and Sixteen (100,716) shares without par value are to be of a class designated as Class C Common Stock (hereinafter called the Class C Common Stock). The Class A Common Stock, the Class B Common Stock, and the Class C Common Stock are hereinafter collectively called the Common Stock.

The designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of the classes of stock of the corporation shall be as follows:

(Amended 3/20/64)

I. The number of directors which shall constitute the Board of Directors of the corporation shall be such number as from time to time shall be fixed by, or in the manner provided in, its by-laws, but in no case shall the number be less than thirteen. At all times the holders of the Class A Common Stock, voting separately as a class, shall have the right to elect seven members of the Board of Directors, the holders of the Class B Common Stock, voting separately

as a class, shall have the right to elect three members of the Board of Directors and the holders of the Class C Common stock, voting separately as a class, shall have the right to elect three members of the Board of Directors. The entire balance, if any, of the total number of members of the Board of Directors shall be elected by the holders of all classes of the Common Stock voting together as one class. Any director elected by the holders of the Common Stock voting together as one class or by the holders of any particular class thereof shall hold office until the next annual election of directors and until his successor shall have been duly elected and qualified, or until his death or until he shall have resigned or until he shall have been removed as hereinafter provided. Any director elected by the holders of the Common Stock voting together as one class may be removed with or without cause by the affirmative vote of the holders of record of at least a majority of the outstanding shares of such stock, voting together as one class, at a meeting of stockholders or, without any such meeting, by the unanimous consent in writing of the holders of such shares. Any director elected by the holders of a particular class of Common Stock may be removed with or without cause by, and shall not be removed except by, the affirmative vote of the holders of record of at least a majority of the outstanding shares of Common Stock of the class which shall have elected such director, voting separately as a class, at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of the shares of such class. Any vacancy in the office of a director elected by the holders of a particular class of the Common Stock may be filled for the unexpired term by the vote of the holders of record of the outstanding shares of Common Stock of the class which shall have elected such director whose office shall have become vacant, voting separately as a class at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without such meeting, by the unanimous consent in writing of the holders of the shares of such class. Any vacancy in the office of a director elected or to be elcted by the holders of the Common Stock voting together as one class may be filled for the unexpired term by the vote of the holders of record of the outstanding shares of such stock, voting together as one class, at a meeting of stockholders called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of such shares. Any holder or holders of 5% or more of the outstanding shares of any class of the Common Stock shall have the right to call a meeting of the holders of such class of Common Stock at any time,

in such manner as shall be provided in the by-laws of the corporation, for the purpose of removing any of or all the directors that the holders of such class of Common Stock shall have the power to remove hereunder or for the purpose of filling any vacancy or vacancies in the office of director that the holders of such class of Common Stock shall be entitled to elect.

II. Except as otherwise provided in Paragraph I of this Article 4 in the case of voting for or consenting to the election or removal of members of the Board of Directors and subject to the provisions of this Certificate of Incorporation and the by-laws, the voting rights of the holders of the Common Stock of the several classes shall be identical.

III. Unless otherwise expressly required by law, and subject to the provisions of Paragraph IV of this Article 4 and to the provisions of Article 9, (a) at any meeting of the stockholders, the presence in person or by proxy of the holders of record of at least a majority of the aggregate number of shares of the Common Stock at the time outstanding shall be necessary in order to constitute a quorum for the transaction of business, other than the election or removal of directors who may be removed or elected by the holders of any class of the Common Stock voting separately as a class, (b) at any meeting of the stockholders, the votes of the holders of record of at least a majority of the aggregate number of shares of Common Stock at the time outstanding and entitled to vote thereat shall be necessary for the transaction of any business, other than the election or removal of directors, and (c) at any meeting of the holders of any class of the Common Stock for the election or removal of directors, the presence in person or by proxy of the holders of record of at least a majority of the aggregate number of shares of said class at the time outstanding shall be necessary in order to constitute a quorum for the election or removal of directors by the holders of the Common Stock of such class.

IV. All shares of the Common Stock of the several classes shall be identical in all respects, except for the description thereof or as otherwise provided in this Article 4. The provisions of Articles 1, 4, 8 and 9 shall not be amended unless the proposed amendment thereof shall have first been authorized by the affirmative vote or written consent of the holders of record of at least a majority of the number of shares of each class of the Common Stock at the time outstanding, each such class voting or consenting separately as a class. In addition to any vote or authorization otherwise required, the prior affirmative vote or written consent of the holders of

record of at least a majority of the number of shares of each class of the Common Stock at the time outstanding, each such class voting or consenting separately as a class, shall be required (a) to authorize the voluntary liquidation, dissolution or winding up of the corporation; (b) to authorize the merger or consolidation of the corporation into or with any other corporation, or the merger or consolidation of any other corporation into or with the corporation; or (c) to authorize the sale, transfer or exchange of all or substantially all of the property and assets of the corporation.

The minimum amount of capital stock with which the Corporation will commence business is Three Thousand Dollars ($3,000).

5. The names and places of residence of each of the original subscribers to the capital stock and the number of shares subscribed for by each are as follows:

Name	*Residence*	*No. of Shares*
Albert R. Palmer	Madison, N. J.	10
Frank R. Serles	East Orange, N. J.	10
George F. Handel	46 Cedar Street, New York City.	10

6. The corporation is to have perpetual existence.

7. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

(Amended 5/23/62) 8. The number of directors which shall constitute the Board of Directors of the corporation shall be such number as from time to time shall be fixed by, or in the manner provided in, its By-laws, but in no case shall the number be less than thirteen.

Subject to the applicable provisions of the by-laws, the directors from time to time may determine whether and to what extent, and at what times and places and under what conditions and regulations, the accounts and books and documents of the corporation (other than the stock ledger), or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the corporation, except as conferred by the laws of the State of Delaware, unless expressly so authorized by resolution of the stockholders or the directors.

The directors in their discretion may submit any contract or act for approval or ratification at any annual meeting of the stockholders or at any meeting of the stockholders called for the purpose of considering any such act or contract,

and any contract or act that shall be approved or be ratified by the vote of the holders of at least a majority of the outstanding shares of each class of the Common Stock, given at such meeting, shall be as valid and as binding upon the corporation, and upon all the stockholders, as though it had been approved or ratified by every stockholder of the corporation, whether or not the contract or act would otherwise be open to legal attack because of directors' interest, or for any other reason.

Except as otherwise provided herein, the directors shall also have power to fix the times for the declaration and payment of dividends; to fix and vary the amount to be reserved as working capital; to authorize and cause to be executed mortgages and liens upon all the property of the corporation, or any part thereof, and from time to time to sell, assign, transfer, pledge or otherwise dispose of any or all of its property; to determine the use and disposition of any surplus or net profits over and above the capital stock paid in, and in their discretion the directors may use and apply any such surplus or accumulated profits in purchasing or acquiring the bonds or other obligations or shares of capital stock of the corporation, to such extent and in such manner and upon such terms as the directors shall deem expedient.

The shares of Common Stock of the corporation without par value may be issued by the corporation from time to time for such consideration as may be fixed from time to time by the Board of Directors. The Board of Directors may determine that only a part of the consideration which shall be received by the corporation for such shares shall be capital and the excess over the amount so determined to be capital shall be surplus. Any and all such shares so issued for which the consideration so fixed has been paid or delivered shall be deemed full paid stock and shall not be liable to any further call or assessments thereon.

In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do

all such acts and things as may be exercised or done by the corporation; subject, nevertheless, to the provisions of the statutes of the State of Delaware, this certificate and the by-laws of the corporation.

9. The by-laws of the corporation may contain reasonable restrictions upon the transfer of the shares of stock of any class of the corporation, and may specify the terms and conditions upon which such transfer will be effected by the corporation. The by-laws of the corporation, whether adopted by the stockholders or the directors, may be altered, amended or repealed, or new by-laws may be adopted, at any time by the stockholders or the directors, unless and except to the extent therein otherwise provided and except that by-laws duly adopted at a meeting of the stockholders of the corporation shall control the action of its directors except as therein otherwise provided. Any by-laws made, altered or amended by the Board of Directors may be altered, amended or repealed at any time by the stockholders.

IN WITNESS WHEREOF, we have hereunto set our hands and seals, the 3rd day of June, 1920.

In presence of:

HELEN LEONARD

ALBERT R. PALMER (L. S.)

FRANK R. SERLES (L. S.)

GEO. F. HANDEL (L. S.)

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS.:

Be it remembered that on this 3rd day of June, A. D., 1920, personally came before me, HELEN LEONARD, a Notary Public in and for the County and State aforesaid, ALBERT R. PALMER, FRANK R. SEELES and GEORGE F. HANDEL, parties to the foregoing certificate of incorporation, known to me personally to be such, and severally acknowledged the said certificate to be the act and deed of the signers respectively, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

HELEN LEONARD
N. P. N. Y. Co. No. 314.
My Comm. Exp. Mar. 30, 1922

HELEN LEONARD
Notary Public
New York County, N. Y.

390
1-3-72

TOMS RIVER CHEMICAL CORPORATION

RESTATED CERTIFICATE OF INCORPORATION

As Authorized January 3, 1972

TOMS RIVER CHEMICAL CORPORATION

RESTATED CERTIFICATE OF INCORPORATION

The TOMS RIVER CHEMICAL CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter called the corporation), hereby certifies as follows:

The name the corporation was originally incorporated under was CINCINNATI CHEMICAL WORKS, INC. The date of filing its original Certificate of Incorporation with the Secretary of State was June 4, 1920.

This Restated Certificate of Incorporation was duly adopted by the holders of all the outstanding shares of stock of the corporation, all in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware; it restates and further - amends the Certificate of Incorporation of the corporation by (i) deleting Articles 2 through 9 as in existence prior hereto, and (ii) inserting in lieu thereof the following Articles 2 through 7, so that the Certificate of Incorporation is hereby restated and amended to read in its entirety as follows:

1. The name of the corporation is

TOMS RIVER CHEMICAL CORPORATION

2. The principal office of the corporation is to be located in the City of Dover, in the County of Kent, in the State of Delaware. The name of its resident agent is the UNITED STATES CORPORATION COMPANY, whose address is No. 306 South State Street in said city.

3. The nature of the business of the corporation and the objects or purposes proposed to be transacted, promoted or carried on by it, are as follows, to wit:

To establish, carry on and develop the business of producing, manufacturing, utilizing and trading in any and all kinds of chemicals, coal, coal tar, coal tar products, dyestuffs, coloring matters whether of mineral or vegetable origin, acids, alkalis, oils, explosives, drugs, pharmaceutical, medicinal and other preparations of a like or kindred nature.

To manufacture, buy, sell, use, deal in and with photographic materials of all kinds and especially sensitized and unsensitized papers, sensitized and unsensitized films, dry plates and all other sensitized articles, tonic and fixing

solutions or powders, and all other preparations, appliances, implements and articles used in the photographic arts or industry.

To manufacture, buy, sell, use, deal in and with metals and minerals of all kinds and descriptions and articles or substances of any kind, whether or not analogous to any of the articles enumerated above, including the acquisition by purchase, by manufacture or otherwise, of all materials, ingredients, supplies, appliances, apparatus, machinery or other articles necessary or convenient for use in connection with and in carrying on the business herein mentioned or of any other business hereafter acquired, organized, or instituted by this company or any part thereof or any operations connected therewith.

To manufacture, buy, sell, deal in, and to engage in, conduct and carry on the business of manufacturing, buying, selling and dealing in goods, wares and merchandise of every class and description;

To improve, manage, develop, sell, assign, transfer, lease, mortgage, pledge or otherwise dispose of or turn to account or deal with all or any part of the property of the company, and from time to time to vary any investment or employment of capital of the company;

To borrow money, and to make and issue notes, bonds, debentures, obligations and evidences of indebtedness of all kinds, whether secured by mortgage, pledge or otherwise, without limit as to amount, and to secure the same by mortgage, pledge or otherwise; and generally to make and perform agreements and contracts of every kind and description;

To acquire to the same extent as natural persons and without limit as to amount, by purchase, lease, exchange, hire or otherwise, lands, improved or unimproved, tenements, hereditaments, chattels, real or personal, or any interest therein; to erect and construct houses, buildings, sewers, drains or works of every description on any land of the company or upon any other lands; to rebuild, enlarge, alter or improve existing houses, buildings or works

thereon; to subdivide, improve and develop lands for purposes of sale or otherwise; and to do and perform all things needful and lawful for the development and improvement of the same for any lawful purpose, and generally to deal with and improve the property of the company and of other parties; to own, hold and maintain any property acquired by the company; to sell, convey, lease, release, let, exchange, mortgage or otherwise encumber or dispose of the lands, homes, buildings, hereditaments, appurtenances, chattels and other property of the company; to equip, furnish, conduct, operate, manage, lease and maintain hotels, apartment houses, warehouses, or any kind of building for dwelling, amusement, recreation, or business pruposes; to undertake or direct the management and sale of the property of the company, real and personal, to sell, assign, release, hold, or satisfy mortgages which may become the property of the company; to enter into contracts and arrangements of all kinds with contractors, laborers, skilled or otherwise, builders, property owners and others; to carry on in all their respective branches the business of builders or contractors; to make, enter into, perform, carry out or cancel contracts for constructing, demolishing, altering, decorating, equipping, fitting up and improving buildings of every description; to do a general real estate business on commission or otherwise, and to transact all such business as may be incidental thereto or arise therefrom, the same as an individual or natural person might or could do.

To deal in meats, groceries, produce, provisions, household furniture, ironmongery, china and glass ware, crockery and other household fittings and commodities of personal and household use and consumption and to buy, sell, manufacture, repair, import, export and deal in all kinds of articles and things which are commonly supplied or dealt in by persons engaged in any such businesses or which may seem capable of being profitably dealt with in connection therewith. To grant to other persons or corporations the right or privilege to carry on any kind of business on the premises of the company on such terms as the company shall deem expedient or proper.

To apply for, obtain, register, purchase, lease or otherwise to acquire and to hold, own, use, develop, operate and introduce, and to sell, assign, grant licenses or territorial rights in respect to, or otherwise to turn to account or dispose of, any copyrights, trade marks, trade names, brands, labels, patent rights, letters patent of the United States or of any other country or government, inventions, improvements and processes, whether used in connection with or secured under letters patent or otherwise;

To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporations, firms or individuals, and to do every other act or acts, thing or things incidental or appurtenant to or growing out of or connected with the aforesaid business or powers or any part or parts thereof, provided the same be not inconsistent with the laws under which this corporation is organized;

To acquire by purchase, subscription or otherwise, and to hold for investment or otherwise and to use, sell, assign, transfer, mortgage, pledge or otherwise deal with or dispose of stocks, bonds, or any other obligations or securities of any corporation or corporations; to merge or consolidate with any corporation in such manner as may be permitted by law; to aid in any manner any corporation whose stock, bonds or other obligations are held or in any manner guaranteed by the company, or in which the company is in any way interested; and to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stock, bonds or other obligations, or to do any acts or things designed for any such purpose; and while owner of any such stock, bonds or other obligations to exercise all the rights, powers and privileges of ownership thereof, and to exercise any and all voting powers thereon; to guarantee the payment of dividends upon any stock, or the principal or interest or both of any bonds or other obligations, and the performance of any contracts;

The business or purpose of the corporation is from time to time to do any one or more of the acts and things hereinabove set forth, and it shall have power to conduct and carry on its said business, or any part thereof, and to have one or more offices, and to exercise all or any of its corporate powers and rights, in the State of Delaware, and in the various other states, territories, colonies and dependencies of the United States, in the District of Columbia, and in all or any foreign countries.

4. The total number of shares of all classes of stock which the corporation shall have authority to issue is Four Hundred and Seventy-nine Thousand Six Hundred (479,600), of which Two Hundred Eighty-two Thousand Nine Hundred and Sixty-four (282,964) shares without par value are to be of a class designated as Class A Common Stock (hereinafter called the Class A Common Stock), One Hundred Thousand Seven Hundred and Sixteen (100,716) shares without par value are to be of a class designated as Class B Common Stock (hereinafter called the Class B Common Stock), and Ninety-five Thousand Nine Hundred and Twenty (95,920) shares without par value are to be of a class designated as Class C Common Stock (hereinafter called the Class C Common Stock). The Class A Common Stock, the Class B Common Stock, and the Class C Common Stock are hereinafter collectively called the Common Stock.

The designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of the classes of stock of the corporation shall be as follows:

I. The number of directors which shall constitute the Board of Directors of the corporation shall be fifteen. At all times the holders of the Class A Common Stock, voting separately as a class, shall have the right to elect nine members of the Board of Directors, the holders of the Class B Common Stock, voting separately as a class, shall have the right to elect three members of the Board of Directors and the holders of the Class C Common stock, voting separately as a class, shall have the right to elect three members of the Board of Directors. Any director elected by the holders

of the Common Stock of any particular class thereof shall hold office until the next annual election of directors and until his successor shall have been duly elected and qualified, or until his death or until he shall have resigned or until he shall have been removed as hereinafter provided. Any such director may be removed with or without cause by, and shall not be removed except by, the affirmative vote of the holders of record of at least a majority of the outstanding shares of Common Stock of the class which shall have elected such director, voting separately as a class, at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of the shares of such class. Any vacancy in the office of a director elected by the holders of a particular class of the Common Stock may be filled for the unexpired term by the vote of the holders of record of the outstanding shares of Common Stock of the class which shall have elected such director whose office shall have become vacant, voting separately as a class at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without such meeting, by the unanimous consent in writing of the holders of the shares of such class. Any holder or holders of 5% or more of the outstanding shares of any class of the Common Stock shall have the right to call a meeting of the holders of such class of Common Stock at any time, in such manner as shall be provided in the by-laws of the corporation, for the purpose of removing any of or all the directors that the holders of such class of Common Stock shall have the power to remove hereunder or for the purpose of filling any vacancy or vacancies in the office of director that the holders of such class of Common Stock shall be entitled to elect.

II. Except as otherwise provided in Paragraph I of this Article 4 in the case of voting for or consenting to the election or removal of members of the Board of Directors and subject to the provisions of this Certificate of Incorporation and the by-laws, the voting rights of the holders of the Common Stock of the several classes shall be identical.

III. Unless otherwise expressly required by law, and subject to the provisions of Paragraph IV of this Article 4 and to the provisions of Article 9, (a) at any meeting of the stockholders, the presence in person or by proxy of the holders of record of at least a majority of the aggregate number of shares of the Common Stock at the time outstanding shall be necessary in order to constitute a quorum for the transaction of business, other than the election or removal of directors who may be removed or elected by the holders of any class of the Common Stock voting separately as a class, (b) at any meeting of the stockholders, the votes of the holders of record of at least a majority of the aggregate number of shares of the Common Stock at the time outstanding and entitled to vote thereat shall be necessary for the transaction of any business, other than the election or removal of directors, and (c) at any meeting of the holders of any class of the Common Stock for the election or removal of directors, the presence in person or by proxy of the holders of record of at least a majority of the aggregate number of shares of said class at the time outstanding shall be necessary in order to constitute a quorum for the election or removal of directors by the holders of the Common Stock of such class.

IV. All shares of the Common Stock of the several classes shall be identical in all respects, except for the description thereof or as otherwise provided in this Article 4. The provisions of Articles 1, 4, 6 and 7 shall not be amended unless the proposed amendment thereof shall have first been authorized by the affirmative vote or written consent of the holders of record of at least a majority of the number of shares of each class of the Common Stock at the time outstanding, each such class voting or consenting separately as a class. In addition to any vote or authorization otherwise required, the prior affirmative vote or written consent of the holders of record of at least a majority of the number of shares of each class of the Common Stock at the time outstanding, each such class voting or consenting separately as a class, shall be required (a) to authorize the voluntary liquidation, dissolution or winding up of the corporation; (b) to authorize the

merger or consolidation of the corporation into or with any other corporation, or the merger or consolidation of any other corporation into or with the corporation; or (c) to authorize the sale, transfer or exchange of all or substantially all of the property and assets of the corporation.

The minimum amount of capital stock with which the corporation will commence business is Three Thousand Dollars ($3,000).

5. The corporation is to have perpetual existence.

6. Subject to the applicable provisions of the by-laws, the directors from time to time may determine whether and to what extent, and at what times and places and under what conditions and regulations, the accounts and books and documents of the corporation (other than the stock ledger), or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the corporation, except as conferred by the laws of the State of Delaware, unless expressly so authorized by resolution of the stockholders or the directors.

The directors in their discretion may submit any contract or act for approval or ratification at any annual meeting of the stockholders or at any meeting of the stockholders called for the purpose of considering any such act or contract, and any contract or act that shall be approved or be ratified by the vote of the holders of at least a majority of the outstanding shares of each class of the Common Stock, given at such meeting, shall be as valid and as binding upon the corporation, and upon all the stockholders, as though it had been approved or ratified by every

stockholder of the corporation, whether or not the contract or act would otherwise be open to legal attack because of directors' interest, or for any other reason.

Except as otherwise provided herein, the directors shall also have power to fix the times for the declaration and payment of dividends; to fix and vary the amount to be reserved as working capital; to authorize and cause to be executed mortgages and liens upon all the property of the corporation, or any part thereof, and from time to time to sell, assign, transfer, pledge or otherwise dispose of any or all of its property; to determine the use and disposition of any surplus or net profits over and above the capital stock paid in, and in their discretion the directors may use and apply any such surplus or accumulated profits in purchasing or acquiring the bonds or other obligations or shares of capital stock of the corporation, to such extent and in such manner and upon such terms as the directors shall deem expedient.

The shares of Common Stock of the corporation without par value may be issued by the corporation from time to time for such consideration as may be fixed from time to time by the Board of Directors. The Board of Directors may determine that only a part of the consideration which shall be received by the corporation for such shares shall be capital and the excess over the amount so determined to be capital shall be surplus. Any and all such shares so issued for which the consideration so fixed has been paid or delivered shall be deemed full paid stock and shall not be liable to any further call or assessments thereon.

In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the corporation; subject, nevertheless, to the provisions of the statutes of the State of Delaware, this certificate and the by-laws of the corporation.

7. The by-laws of the corporation may contain reasonable restrictions upon the transfer of the shares of stock of any class of the corporation, and may specify the terms

and conditions upon which such transfer will be effected by the corporation. The by-laws of the corporation, whether adopted by the stockholders or the directors, may be altered, amended or repealed, or new by-laws may be adopted, at any time by the stockholders or the directors, unless and except to the extent therein otherwise provided and except that by-laws duly adopted at a meeting of the stockholders of the corporation shall control the action of its directors except as therein otherwise provided. Any by-laws made, altered or amended by the Board of Directors may be altered, amended or repealed at any time by the stockholders.

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by Philip Wehner, its President, and its corporate seal to be hereunto affixed and attested by T. H. Saari, its Secretary, this 3rd day of January, 1972.

TOMS RIVER CHEMICAL CORPORATION

By _____
Philip Wehner
President

Attest:

By _____
T. H. Saari
Secretary

STATE OF NEW YORK)
COUNTY OF WESTCHESTER) ss.:

On the 3rd day of January, 1972, before me personally came Philip Wehner, to me known, who, being by me duly sworn; did depose and say that he resides at 11 Maple Street, Toms River, New Jersey; that he is the president of Toms River Chemical Corporation; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Mariana L. Garvie

MARIANA L. GARVIE
Notary Public, State of New York
No. 60-1332150
Qualified in Westchester County
Certificate filed in New York County
Commission Expires March 30, 1973

TOMS RIVER-CINCINNATI CHEMICAL CORPORATION

(Delaware)

BY-LAWS

Effective June 14, 1955

BY-LAWS

(Effective June 14, 1955)

ARTICLE I

Offices

Section 1. *Principal Office.* The principal office of the Corporation in the State of Delaware shall be in the City of Dover, County of Kent, and the name of the resident agent in charge thereof is United States Corporation Company.

Section 2. *Other Offices.* The Corporation shall also have an office in the City of Cincinnati, State of Ohio, and may have such other office or offices either within or without the State of Delaware as the Board of Directors may from time to time appoint or as the business of the Corporation may require.

ARTICLE II

Policy

It shall be the policy of the Corporation to manufacture dyes and dye intermediates primarily for sale to the respective sales subsidiaries in the United States of the stockholders of the Corporation, so that said subsidiaries may look to the Corporation as a dependable source of supply of such products in the quantities and of the qualities required and at the lowest practicable cost.

ARTICLE III

Meetings of Stockholders

Section 1. *Annual Meetings.* The annual meeting of the stockholders for the election of directors and for the transac-

tion of such other business as may come before the meeting shall be held at ten o'clock in the forenoon, Eastern Standard Time, on the third Wednesday in April in each year if not a legal holiday under the laws of the state where such meeting is to be held, and, if a legal holiday under the laws of said state, then on the next succeeding business day not a legal holiday under the laws of said state. If the election of directors shall not be held on the day designated herein for any annual meeting or at any adjournment of such meeting, the Board of Directors shall cause the election to be held at a special meeting as soon thereafter as conveniently may be. At such special meeting the stockholders may elect the directors and transact other business with the same force and effect as at an annual meeting duly held.

SECTION 2. *Special Meetings.* Special meetings of the stockholders, unless otherwise provided by law, may be called at any time by the Chairman of the Board of Directors or the President or a Vice-President or the Board of Directors, and shall be called by the President or the Secretary at the request in writing of holders of record of at least 25% of the outstanding shares of any class of the Common Stock. Such request in writing shall state the purpose or purposes of such meeting. Special meetings of the holders of any class of the Common Stock for the purpose of removing any of or all the directors that the holders of such class shall have elected or for the purpose of filling any vacancy or vacancies in the office of director that the holders of such class shall be entitled to elect, as hereinafter provided, may be called by any holder or holders of 5% or more of the outstanding shares of the Common Stock of such class.

SECTION 3. *Place of Meetings.* Meetings of the stockholders or of any class thereof shall be held at 260 Madison Avenue (22nd floor), New York City, New York, or at such place within or without the State of Delaware as shall be specified in the respective notices or waivers of notice thereof, provided that the place of the annual meeting of stock-

holders shall not be changed within sixty days next before the day on which such meeting is to be held.

SECTION 4. *Notice of Meetings.* Except as otherwise expressly required by law, notice of each meeting of the stockholders, whether annual or special, and notice of each meeting of the holders of any class of the Common Stock, shall, at least twenty days before the day on which the meeting is to be held, be given to each stockholder of record of the Corporation entitled to vote thereat by delivering a written notice thereof to him personally, or by mailing such notice in a postage prepaid envelope addressed to him at his address as it appears on the stock books of the Corporation, or by transmitting notice thereof to him at such address by telegraph, cable or wireless. Except as hereinafter provided, such written notice shall be signed by the Chairman of the Board of Directors or the President or a Vice-President or the Secretary or an Assistant Secretary, in the case of each such meeting. In each case of a meeting of the holders of any class of the Common Stock called by the holders of such class of stock as provided in these By-laws, such written notice shall be signed by the stockholder or stockholders calling such meeting. Except when expressly required by law, no publication of any notice of a meeting of the stockholders shall be required. Nevertheless, notice of any meeting of the stockholders or of any class thereof shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy; and, if any stockholder shall, in person or by attorney thereunto authorized, in writing or by telegraph, cable or wireless, waive notice of such meeting, notice thereof need not be given to him. Except when expressly required by law, notice of any adjourned meeting of the stockholders of the Corporation or of any class thereof need not be given.

SECTION 5. *Quorum.* Unless otherwise expressly required by law or the Certificate of Incorporation, (a) at any meeting of the stockholders, the presence in person or by proxy

of the holders of record of at least a majority of the aggregate number of shares of the Common Stock at the time outstanding shall be necessary in order to constitute a quorum for the transaction of business, other than the election or removal of directors who may be elected or removed by the holders of any class of the Common Stock voting separately as a class, and (b) at any meeting of the holders of any class of Common Stock for the election or removal of directors, the presence in person or by proxy of the holders of record of at least a majority of the aggregate number of shares of such class at the time outstanding shall be necessary in order to constitute a quorum for the election or removal of directors by the holders of the Common Stock of such class. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, the stockholders entitled to vote thereat, present in person or represented by proxy, or in the absence therefrom of all of the stockholders, any officer entitled to preside at, or to act as secretary of, such meeting may adjourn such meeting from time to time. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 6. *Organization.* At each meeting of the stockholders, and at each meeting of the holders of any class of the Common Stock, the Chairman of the Board of Directors or, in his absence, the President or, in the absence of both of such officers, a chairman chosen by a majority vote of the stockholders present in person or represented by proxy and entitled to vote thereat shall act as Chairman thereof and preside thereat; and the Secretary or, if he shall be absent from such meeting, the person whom the Chairman of such meeting shall appoint as Secretary of such meeting shall act as Secretary and keep the records thereof.

SECTION 7. *Voting.* Except as otherwise expressly provided by law, the Certificate of Incorporation or these By-laws, the holders of the Common Stock shall exclusively

possess voting power for the election of directors and for all other purposes, and the holders of the Preferred Stock shall have no voting power under any circumstances. Except as otherwise provided in these By-laws, each holder of record of shares of Common Stock shall, at each meeting of the stockholders, be entitled to one vote in person or by proxy for each share of the Common Stock so held by him, and each holder of record of shares of Common Stock of any class shall, at each meeting of the holders of Common Stock of such class, be entitled to one vote in person or by proxy for each share of Common Stock of such class so held by him. Except as otherwise expressly provided by law, the Certificate of Incorporation or these By-laws, at each meeting of the stockholders or of any class thereof the votes of the holders of record of at least a majority of the number of shares of Common Stock at the time outstanding and entitled to vote thereat shall be necessary for the transaction of any business. The vote for directors and, upon the demand of any stockholder entitled to vote thereat, the vote upon any other question before the meeting shall be by ballot.

SECTION 8. *List of Stockholders.* It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of its stock ledger to prepare and make, at least ten days before every meeting of the stockholders called to be held for the election of directors of the Corporation, a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order. Such list shall be open at the place where said meeting and election is to be held for said ten days to the examination of any stockholder, and it shall be produced and kept at the time and place of said meeting and election during the whole time thereof, and subject to the inspection of any stockholder who may be present thereat. Upon the wilful neglect or refusal of the directors to produce such list at any election, they shall be ineligible to any office at such election. The original or duplicate stock ledger shall be the only evidence

as to who are the stockholders entitled to inspect such list or the books of the Corporation, or to vote in person or by proxy at such election.

SECTION 9. *Inspectors of Votes.* Prior to each meeting of the stockholders or of any class thereof, two Inspectors of Votes shall be appointed by the Board of Directors, or, if no such appointment shall have been made, such Inspectors shall be appointed by the Chairman of the meeting, to act thereat. Each Inspector of Votes so appointed shall first subscribe an oath or affirmation faithfully to execute the duties of an Inspector of Votes at such meeting with strict impartiality and according to the best of his ability. Such Inspectors of Votes shall take charge of the ballots at such meeting and after the balloting thereat on any question shall count the ballots cast thereon and shall make a report in writing to the Secretary of such meeting of the results thereof. The Inspectors of Votes need not be stockholders of the Corporation, and any officer of the Corporation may be an Inspector of Votes on any question other than a vote for or against his election to any position with the Corporation or on any other question in which he may be directly interested.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. *General Powers.* The property, business and affairs of the Corporation shall be managed by the Board of Directors. All proposed changes in the line of dyes and dye intermediates that the Corporation is prepared to manufacture shall be submitted for approval to the Board of Directors at any regular or special meeting thereof, written notice of which, specifying the proposed changes in detail, shall have been given to each director at least twenty-five days prior to the meeting.

SECTION 2. *Number, Election and Term of Office.* The Board of Directors shall consist of twelve directors or such

other number of directors, not less than nine, as shall be fixed from time to time by resolution of the Board of Directors. At all times, the holders of the Class A Common Stock, voting separately as a class, shall have the right to elect five members of the Board of Directors, the holders of the Class B Common Stock, voting separately as a class, shall have the right to elect two members of the Board of Directors and the holders of the Class C Common Stock, voting separately as a class, shall have the right to elect two members of the Board of Directors. The entire balance, if any, of the total number of members of the Board of Directors shall be elected by the holders of all classes of the Common Stock voting together as one class. At all elections of directors by the holders of the Common Stock or any class thereof, the persons receiving the greatest number of votes cast by the holders of shares of stock entitled to vote thereon shall be the directors. Any director elected by the holders of the Common Stock voting together as one class or by the holders of any particular class thereof shall hold office until the next annual election of directors and until his successor shall have been duly elected and qualified, or until his death or until he shall have resigned or until he shall have been removed as hereinafter provided.

SECTION 3. *Organization.* At each meeting of the Board of Directors the Chairman of the Board of Directors or, in his absence, the President or, in the absence of both of said officers, a chairman chosen by a majority of the directors present thereat shall act as Chairman of such meeting and preside thereat. The Secretary, or in case of his absence any person appointed by the Chairman of the meeting, shall act as Secretary of such meeting.

SECTION 4. *Resignations.* Any director of the Corporation may resign at any time by giving written notice of his resignation to the Chairman of the Board of Directors or to the President or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein

or, if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by such Chairman of the Board or President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. *Vacancies.* Any vacancy in the office of a director elected by the holders of a particular class of the Common Stock may be filled for the unexpired term by the vote of the holders of record of the outstanding shares of Common Stock of the class which shall have elected such director whose office shall have become vacant, voting separately as a class, at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of the shares of such class. Any vacancy in the office of a director elected or to be elected by the holders of the Common Stock voting together as one class may be filled for the unexpired term by the vote of the holders of record of the outstanding shares of such stock, voting together as one class, at a meeting of stockholders called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of such shares. In the event that any such vacancy in the office of a director shall not be filled within a period of thirty days after such vacancy shall arise, the Board of Directors shall forthwith upon expiration of such period of thirty days call for the purpose of filling such vacancy, a special meeting of the holders of the Common Stock or the class thereof having the power to fill such vacancy.

SECTION 6. *Offices; Place of Meeting.* The Board of Directors may have one or more offices at such place or places within or without the State of Delaware as the Board may from time to time by resolution determine; and may hold its meetings at any place in the United States of America within or without the State of Delaware as it may from time to

time by resolution determine or as shall be specified or fixed in the respective notices or waivers of notice thereof.

SECTION 7. *First Meeting.* After each annual election of directors the Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon thereafter as practicable, at the place where regular meetings of the Board of Directors are held. Notice of such meeting need not be given. Such meeting may be held at any other time or place within the United States of America which shall be specified in a notice given as hereinafter provided for special meetings of the Board or in a waiver of notice thereof in accordance with these By-laws.

SECTION 8. *Regular Meetings.* Regular meetings of the Board of Directors shall be held at such times as the Board shall, from time to time by resolution determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day. Except as otherwise provided by law, notices of regular meetings need not be given.

SECTION 9. *Special Meetings: Notice.* Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board of Directors or by the President or by any two of the directors at the time in office. A notice shall be given as hereinafter in this Section provided of each such special meeting in which shall be stated the time and place of such meeting, but, except as otherwise expressly provided by law or by these By-laws, the purposes thereof need not be stated in such notice. Except as otherwise provided by law, notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least ten days before the day

on which such meeting is to be held, or shall be sent addressed to him at such place by telegraph, cable or wireless or be delivered personally or by telephone not later than five days before the day on which such meeting is to be held. Notice of any meeting of the Board need not, however, be given to any director if waived by him at any time, whether before or after the meeting, in writing or by telegraph, cable or wireless, or if he shall be present at such meeting; and any meeting of the Board shall be a legal meeting without any notice thereof having been given if all the directors of the Corporation then in office shall be present thereat.

SECTION 10. *Quorum and Manner of Acting.* At all meetings of the Board one-third of the total number of directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting of the Board at which there is a quorum present shall be the act of the Board of Directors, except as may be otherwise specifically provided by law or by these By-laws. In the absence of a quorum from any such meeting it may be adjourned from time to time until a quorum shall be present thereat. Notice of any adjourned meeting need not be given.

SECTION 11. *Contracts with Directors.* No contract or other transaction between this Corporation and any other corporation or partnership shall be affected by the fact that directors of this Corporation are interested in, or are directors or officers of, such other corporation or members of such partnership if, at the meeting of the Board of Directors of this Corporation making, authorizing or confirming such contract or transaction there shall be present a majority of a quorum of the Board not so interested, and the vote of the director so interested shall not be necessary to make, authorize or confirm such contract or transaction. Any director of the Corporation may be individually a party to or interested in any contract or transaction of this Corporation, provided that such contract or transaction is rati-

fied or approved by the affirmative vote of at least five directors not so interested.

SECTION 12. *Removal of Directors.* Any director elected by the holders of the Common Stock voting together as one class may be removed with or without cause by the affirmative vote of the holders of record of at least a majority of the outstanding shares of such stock, voting together as one class, at a meeting of stockholders or, without any such meeting, by the unanimous consent in writing of the holders of such shares. Any director elected by the holders of a particular class of the Common Stock may be removed with or without cause by, and shall not be removed except by, the affirmative vote of the holders of record of at least a majority of the outstanding shares of Common Stock of the class which shall have elected such director, voting separately as a class, at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of the shares of such class.

SECTION 13. *Compensation.* Each director shall be paid such remuneration not exceeding $3,000 per annum as the Board of Directors shall from time to time fix by resolution. The directors shall also be repaid all expenses incurred by them in attending Board meetings or when otherwise engaged in the business of the Corporation.

SECTION 14. *Information.* Each director of the Corporation shall be entitled to receive currently, upon request, without limitation as to other data and information regarding the business and affairs of the Corporation to which he shall be entitled, copies of all cost, accounting or other statistical studies and reports from time to time regularly prepared by or for the management of the Corporation, together with such other cost or accounting data relating to the business of the Corporation or products produced by it as he shall from time to time reasonably request. Each director shall

also be entitled, either personally or by another designated by him for such purpose and approved by the Board of Directors, to examine the cost, accounting and other statistical records of the Corporation.

SECTION 15. *Production Advisory Committee.* The Board of Directors shall appoint a Production Advisory Committee consisting of such number, not less than three, of the directors of the Corporation and such alternates or substitutes as the Board may from time to time approve. Each person appointed to such Committee shall be technically trained and familiar with dye production problems. The Committee shall include at least one director elected by the holders of each class of the Common Stock.

It shall be the duty of the Committee to consider questions and problems relating to production and programs therefor and to make recommendations in respect thereof to the Board of Directors and management of the Corporation. The Committee, and the individual members thereof if they so desire, shall make reports to the Board of Directors concerning the activities of the Committee not less often than once in each calendar quarter.

The Committee shall meet at such place or places and at such times (not less often than once in each calendar quarter), and shall conduct its affairs in such manner, with such assistance and according to such procedure, as it shall from time to time determine.

Full information on all matters relating to production, including data regarding costs, availability of materials and equipment and use and availability of processes, reasonably necessary for the purposes of the Committee shall be furnished to it and the members thereof as and when requested.

ARTICLE V

OFFICERS

SECTION 1. *Number; Qualifications.* The principal officers of the Corporation shall be a Chairman of the Board of Directors, a President, one or more Vice-Presidents, a Treasurer and a Secretary. The Chairman of the Board of Directors and the President shall be elected from among the members of the Board. Any two offices, but not more than two, may be held by the same person.

SECTION 2. *Election; Term of Office.* The principal officers of the Corporation shall be elected annually by the Board of Directors. Each principal officer shall hold office until his successor shall have been duly elected or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. *Additional Officers.* In addition to the principal officers mentioned in Section 1 of this Article V, the Board of Directors may appoint such other officers and agents as the Board may deem necessary or advisable, including one or more Assistant Treasurers, and one or more Assistant Secretaries, each of which officers and agents shall hold office for such period, have such authority and perform such duties as are provided in these By-Laws or as the Board of Directors may from time to time determine.

SECTION 4. *Removal.* Any officer of the Corporation may be removed, either with or without cause, at any time by resolution adopted by a majority of the whole Board of Directors at any meeting.

SECTION 5. *Resignations.* Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors, or to the President, or to the Secretary of the Corporation. Any such resigna-

tion shall take effect at the time specified therein, or, if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by the Board or the President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. *Vacancies.* A vacancy in any office due to death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these By-laws for regular elections or appointments to such office.

SECTION 7. *The Chairman of the Board of Directors.* The Chairman of the Board of Directors shall preside at all meetings of the stockholders or of any class thereof and of the Board of Directors at which he is present, and shall have such further powers and duties as from time to time may be prescribed by the Board of Directors.

SECTION 8. *The President.* The President shall have general and active supervision over the business and affairs of the Corporation, subject, however, to the control of the Board of Directors. The President shall in the absence of the Chairman of the Board of Directors preside at all meetings of the stockholders or of any class thereof and of the Board of Directors at which he is present. He shall see that all orders and resolutions of the Board of Directors are carried into effect. He may sign, with the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certificates of stock of the Corporation. He may sign and deliver in the name of the Corporation all deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors, except in cases where the signing or delivery thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation or where any of them shall be required by law otherwise to be signed or delivered; and in general he shall perform

all duties incident to the office of President and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 9. *The Vice-Presidents.* Each Vice-President shall have such powers and perform such duties as the Board of Directors or the President may from time to time prescribe and shall perform such other duties as may be prescribed by these By-laws. Any Vice-President may sign, with the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certificates of stock of the Corporation. At the request of the President, or in case of his absence or inability to act, any of the Vice-Presidents shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President.

SECTION 10. *The Treasurer.* The Treasurer shall

(a) have charge and custody of, and be responsible for, all funds and securities of the Corporation; receive and give receipt for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys to the credit of the Corporation or otherwise as the Board of Directors or the President shall direct in such banks, trust companies or other depositaries as shall be selected by the Board of Directors; cause such funds to be disbursed by checks or drafts on the authorized depositaries of the Corporation signed as provided by the Board of Directors; and be responsible for the accuracy of the amounts of, and cause to be preserved proper vouchers for, all moneys so disbursed;

(b) have the right to require from time to time reports or statements giving such information as he may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same;

(c) render to the Board of Directors or the President whenever they shall require him so to do an account of the financial condition of the Corporation and of all his transactions as Treasurer; and as soon as may be after the close of each fiscal year make and submit to the Board of Directors a like report for such fiscal year;

(d) sign (unless the Secretary or an Assistant Secretary or an Assistant Treasurer shall sign), with the President or a Vice-President, certificates of stock of the Corporation; and

(e) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or the Board of Directors.

SECTION 11. *Assistant Treasurer.* At the request of the Treasurer or in the case of his absence or inability to act, the Assistant Treasurer, or, if there be more than one, any of the Assistant Treasurers, shall perform the duties of the Treasurer, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. Each of the Assistant Treasurers shall perform such other duties as from time to time may be assigned to him by the Board of Directors, the President or the Treasurer.

SECTION 12. *The Secretary.* The Secretary shall

(a) keep the minutes of meetings of the stockholders and of the Board of Directors in one or more books provided for that purpose;

(b) see that all notices are duly given in accordance with the provisions of these By-laws or as required by law;

(c) be custodian of all contracts, deeds, documents, all other indicia of title to properties owned by the Corporation, and of its other corporate records (except

accounting records) and of the seal of the Corporation, and see that such seal is affixed to all stock certificates prior to the issue thereof and to all other documents the execution of which on behalf of the Corporation under its seal is duly authorized;

(d) have charge of the issue and transfer of certificates for shares of the stock of the Corporation and of the records thereof;

(e) sign (or see that the Treasurer or an Assistant Treasurer shall sign) with the President or a Vice-President certificates for stock of the Corporation;

(f) see that the books, reports, statements, certificates and all other documents required by law are properly kept and filed;

(g) see that the duties prescribed by Section 8 of Article III of these By-laws are performed; and

(h) in general perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to him by the Board of Directors or the President.

SECTION 13. *Assistant Secretary.* At the request of the Secretary or in the case of his absence or inability to act, the Assistant Secretary, or, if there be more than one, any of the Assistant Secretaries, shall perform the duties of the Secretary, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary. Each of the Assistant Secretaries shall perform such other duties as from time to time may be assigned to him by the Board of Directors, the President or the Secretary.

SECTION 14. *Salaries.* The salaries of the officers of the Corporation shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving a salary by reason of the fact that he is also a director of the Corporation.

SECTION 15. *Bonding.* Any officer, employee or agent shall give such bond with such surety or sureties for the faithful performance of his duties as the Board of Directors may, from time to time, require.

ARTICLE VI

GENERAL COUNSEL

The Board of Directors may appoint a General Counsel of the Corporation and such appointment may at any time be cancelled by vote of the Board. All matters of legal import concerning the Corporation shall be under the general control and direction of the General Counsel.

ARTICLE VII

CONTRACTS, LOANS, CHECKS, BANK ACCOUNTS, ETC.

SECTION 1. *Execution of Contracts.* The Board of Directors may authorize any officer or officers or agent or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless authorized so to do by these By-laws or by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or to render it liable pecuniarily for any purpose or to any amount.

SECTION 2. *Loans.* No loan shall be contracted on behalf of the Corporation and no negotiable paper shall be issued in its name unless authorized by the Board of Directors. When so authorized any officer or agent of the Corporation may effect loans and advances at any time for the Corporation, and for such loans and advances may make, execute and

deliver promissory notes or other evidences of indebtedness of the Corporation and, when authorized as aforesaid, as security for the payment of any and all loans, advances, indebtedness and liabilities of the Corporation, may mortgage, pledge or hypothecate any real or personal property at any time held by the Corporation and to that end execute instruments of mortgage or pledge. Such authority may be general or confined to specific instances.

SECTION 3. *Checks, Drafts, etc.* All checks, drafts, orders for the payment of money, bills of lading, warehouse receipts, obligations, bills of exchange and insurance certificates shall be signed or endorsed (except endorsements for collection for account of the Corporation or for deposit to its credit) by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. *Deposits.* All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositaries as the Board of Directors may from time to time designate, and for the purpose of such deposit, all checks, drafts, and other orders for the payment of money which are payable to the order of the Corporation, may be endorsed, assigned and delivered by any officer of the Corporation or in such other manner as may from time to time be determined by the Board of Directors. The Board of Directors may make such special rules and regulations with respect to such deposits as it may deem expedient.

SECTION 5. *Books and Records.* The Board of Directors may keep the books and records of the Corporation at such places within or without the State of Delaware, as it may from time to time determine. The stock record books and the blank stock certificate books shall be kept by the Secretary or by any other officer or agent designated by the Board of Directors. The original or a duplicate stock ledger containing the names and addresses of the stockholders and the

number of shares held by them respectively shall be kept at the principal office or place of business of the Corporation in the State of Delaware.

SECTION 6. *Proxies.* Unless otherwise provided by resolution of the Board of Directors the Chairman of the Board of Directors or the President may from time to time appoint an attorney or attorneys or agent or agents, of the Corporation, in the name and on behalf of the Corporation to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

SECTION 7. *Audit of Books and Accounts.* The books and accounts of the Corporation shall be audited at least once in each fiscal year by public accountants of good standing selected by the Board of Directors.

ARTICLE VIII

CAPITAL STOCK

SECTION 1. *Certificates of Stock.* Each holder of record of stock of the Corporation shall be entitled to have a certificate, in such form as shall be approved by the Board, signed by, or in the name of the Corporation by, the President or a Vice-President and the Treasurer or an Assistant Treasurer

or the Secretary or an Assistant Secretary, certifying the number of shares and the class thereof owned by him in the Corporation. Each certificate representing shares of Common Stock shall have plainly written upon the face thereof a statement substantially to the effect that the transfer of said certificate and shares of stock represented thereby is subject to the terms and conditions contained in the By-laws of the Corporation, as from time to time amended, a copy of which is on file at the office of the Corporation, affecting transferability and ownership of said certificate and shares of stock represented thereby, to which terms and conditions the sale, gift or other disposition of said certificate or said shares is subject. The Corporation shall require as a condition to the transfer of any shares of Common Stock and the issue of one or more new certificates therefor in the name of the proposed transferee, that such new certificate or certificates shall have such statement similarly written upon the face thereof.

SECTION 2. *Restriction on Transfer of Shares of Common Stock and Certificates Therefor.* Except as herein provided, no holder of any shares of the Common Stock shall sell, assign, transfer or otherwise dispose of any shares of Common Stock, and no sale, assignment, transfer or other disposition of such shares of Common Stock to any other person shall be valid, and no transfer to complete or record such sale, assignment, transfer or disposition shall be made upon the stock books of the Corporation, unless and until the provisions and conditions set forth in subsections (a) to (f), inclusive, of this Section 2 shall have been complied with; provided, however, that the provisions of this Section 2 shall not apply to (i) a transfer or other disposition of any shares of Common Stock to the Corporation, (ii) any initial or subsequent transfer or other disposition of any shares of Class A Common Stock from any Ciba affiliate to any other Ciba affiliate, (iii) any initial or subsequent transfer or other disposition of any shares of Class B Common Stock from any Geigy affiliate to any other Geigy affiliate, (iv) any initial or

subsequent transfer or other disposition of any shares of Class C Common Stock from any Sandoz affiliate to any other Sandoz affiliate, and (v) a transfer of any shares of Common Stock by bequest or other testamentary disposition, including disposition under the operations of the laws of intestacy; provided, further, that any subsequent transfer of any of said shares transferred pursuant to the foregoing provisions (i) to (v), inclusive, shall be subject to all the applicable provisions of this Section 2. For purposes of this Section 2, the term "person" shall be deemed to include any individual or corporation, partnership, trust, joint venture, syndicate, tenancy-in-common, joint tenancy or other entity, and any one or more of them; the term "Ciba affiliate" shall mean Ciba Limited, any subsidiary of Ciba Limited, or any trustee for Ciba Limited or any such subsidiary or a nominee for any of them; the term "Geigy affiliate" shall mean J. R. Geigy S. A., any subsidiary of J. R. Geigy S. A., or any trustee for J. R. Geigy S. A. or any such subsidiary or a nominee for any of them; the term "Sandoz affiliate" shall mean Sandoz Limited, any subsidiary of Sandoz Limited, or any trustee for Sandoz Limited or any such subsidiary or a nominee for any of them; and the term "subsidiary" shall mean, when used in relation to any company, any company all of the stock of which (other than directors' qualifying shares) entitled to vote in the election of directors shall at the time in question be owned by said company, either directly or through one or more intermediaries.

(a) In case any holder of Common Stock proposes to sell, give away or otherwise dispose of any shares of Common Stock, such holder (being hereinafter in this subsection (a) and the following subsection (d) referred to as the Transferor) shall first advise the Corporation in writing, at its principal office, of (i) the number of such shares which the Transferor proposes to sell, give away or otherwise dispose of, (ii) the name or names and address or addresses of the proposed purchaser or purchasers or other transferee or transferees of such shares, (iii) in the case of a proposed sale, the price per share at which

the Transferor proposes to sell such shares, and (iv) in the case of a proposed gift or other disposition of such shares, the terms and conditions upon which the Transferor proposes to effect such disposition. The Corporation shall thereupon have the right and option, for a period of ninety days following the date (hereinafter in this subsection (a) called the Option Date) on which the Corporation shall receive such advice, to purchase from the Transferor, or to find another holder or other holders of Common Stock (in the manner provided in subsection (c) hereof) to purchase from the Transferor, all (but not less than all) the shares specified in such advice, (A) in the case of a proposed sale, at the price per share specified in such advice or at the fair value thereof determined in accordance with the provisions of subsection (d) hereof, whichever shall be less, and (B) in the case of a proposed gift or other disposition of such shares, at the fair value thereof determined in accordance with the provisions of subsection (d) hereof. If the Corporation shall elect to exercise its right and option to purchase or to find purchasers for the shares specified in such advice from the Transferor, it shall so notify the Transferor in writing within ninety days after the Option Date, and thereupon the Transferor shall assign and transfer said shares to the Corporation and/or such other purchasers, against payment therefor, which payment shall be made within five days after the Corporation shall have so notified the Transferor of its election to exercise its right and option to purchase or to find purchasers for said shares or, if the fair value of said shares is to be determined by arbitration in accordance with the provisions of subsection (d) hereof, then within five days after the arbitrator shall have rendered his final award in accordance with the provisions of said subsection (d). If the Corporation shall not notify the Transferor in writing within ninety days after the Option Date of its election to exercise its right and option to purchase or to find purchasers for the

shares specified in such advice from the Transferor, the Transferor shall be entitled for a period of fifteen days commencing on the ninety-first day after the Option Date, to sell to the purchaser and at the price specified in the Transferor's advice to the Corporation, or to give away or otherwise dispose of, to the transferee or transferees and on the terms and conditions specified in the Transferor's advice to the Corporation, the number of shares specified in such advice and the Transferor shall be entitled to have said shares transferred upon the stock books of the Corporation accordingly, provided, however, that any subsequent transfer of any of said shares shall be subject to all the provisions of this Section 2.

(b) If by reason of the insolvency of any holder of shares of Common Stock (such holder being hereinafter referred to in this subsection (b) as a Transferor) title to any shares of Common Stock held of record by said Transferor shall pass to any receiver, trustee, committee, or other similar fiduciary (any one or more of which is hereinafter referred to in this subsection (b) and the following subsection (d) as a Fiduciary), the Corporation shall have the right and option, for a period of ninety days following the date (hereinafter in this subsection (b) called the Option Date) on which certificates for said shares shall be presented to the Corporation for transfer, to purchase from the Fiduciary, or to find another holder or other holders of Common Stock (in the manner provided in subsection (c) hereof) to purchase from the Fiduciary, all (but not less than all) the shares represented by the certificates thus presented for transfer at the fair value thereof determined in accordance with the provisions of subsection (d) hereof. If the Corporation shall elect to exercise its right and option to purchase or to find purchasers for the shares subject to the provisions of this subsection (b), it shall so notify the Fiduciary in writing within ninety days after the Option Date, and

thereupon the Fiduciary shall assign and transfer said shares to the Corporation and/or such other purchasers, against payment therefor, which payment shall be made within five days after the Corporation shall have so notified the Fiduciary of its election to exercise its right and option to purchase or to find purchasers for said shares or, if the fair value of said shares is to be determined by arbitration in accordance with the provisions of subsection (d) hereof, then within five days after the arbitrator shall have rendered his final award in accordance with the provisions of said subsection (d). If the Corporation shall not notify the Fiduciary in writing within ninety days after the Option Date of its election to exercise its right and option to purchase or to find purchasers for the shares subject to the provisions of this subsection (b), the right and option hereby granted to the Corporation shall cease and terminate as to said shares and the Fiduciary shall be entitled to have said shares transferred upon the stock books of the Corporation into the name of the Fiduciary, provided, however, that any subsequent transfer of said shares by the Fiduciary shall be subject to all the provisions of this Section 2.

(c) Whenever the Corporation shall have the right and option to purchase or to find another holder or other holders of Common Stock to purchase shares of Common Stock pursuant to any of the provisions of this Section 2, the Board shall determine within a period of thirty days after the applicable Option Date whether or not to elect to purchase for the account of the Corporation all or any part of said shares of Common Stock. If the Corporation shall not elect to purchase any of said shares of Common Stock, or shall elect to purchase less than all said shares of Common Stock, the Corporation shall within such period of thirty days after such Option Date give notice in wrtiing to all holders of Common Stock, other than the holder or holders whose shares are then subject to

such right and option of purchase by the Corporation, of the number of said shares of Common Stock which the Corporation shall have elected not to purchase (hereinafter called the Optioned Shares) and of the price per share at which the Optioned Shares are available for purchase by such holders of Common Stock, if such price shall then be known to the Corporation. Each such holder of Common Stock shall thereupon have the right, for a period commencing on the day on which the Corporation shall give such notice and ending on the sixty-fifth day after the applicable Option Date, to purchase either (i) the number of Optioned Shares which bears the same proportion to the total number of Optioned Shares as the number of shares of Common Stock held of record by such holder bears to the total number of shares of Common Stock then held of record by all holders of Common Stock entitled to purchase any of the Optioned Shares, or (ii) any lesser number of Optioned Shares, in either case by notifying the Corporation in writing on or before the sixty-fifth day after such Option Date of the election of such holder to purchase such number of Optioned Shares and simultaneously undertaking to pay to the Corporation on demand the purchase price of such number of Optioned Shares. In addition, any such holder of Common Stock may notify the Corporation in writing on or before the sixty-fifth day after the applicable Option Date that such holder desires to purchase the whole of any balance of the Optioned Shares (subject to the rights of other holders of Common Stock to purchase a proportionate part of such balance, as hereinafter provided) purchasable by other holders of Common Stock which shall not be so purchased by them, in which event such holder shall also undertake to pay to the Corporation on demand the purchase price of any of the Optioned Shares which such holder shall purchase. In case two or more such holders of Common Stock shall each give notice to the Corporation that they desire to purchase the whole of any such balance of the Optioned

Shares, each holder of Common Stock giving such notice shall have the right to purchase the number of shares comprised in such balance which bears the same proportion to the total thereof as the number of shares of Common Stock held of record by such holder bears to the aggregate number of shares of Common Stock then held of record by said two or more holders of Common Stock. If one or more holders of Common Stock shall elect to exercise the right hereunder to purchase all or any part of the Optioned Shares in the manner provided in this subsection (c), and all the Optioned Shares are to be purchased pursuant to such election or elections, the Corporation shall thereupon effect the purchase of such Optioned Shares for the account of such holder or holders of Common Stock by exercising the right and option of the Corporation to find purchasers for such Optioned Shares pursuant to the applicable provisions of this Section 2.

(d) For all purposes of this Section 2, the fair value of shares of Common Stock shall be deemed to be that amount per share determined by the Board, or by arbitration in the City of New York in accordance with the laws of the State of New York, in each case as at the end of the calendar month immediately preceding the applicable Option Date, as follows:

Whenever the Corporation shall have the right and option to purchase or to find another holder or other holders of Common Stock to purchase shares of Common Stock pursuant to any of the provisions of this Section 2, the Board shall determine within a period of thirty days after the applicable Option Date the fair value of said shares of Common Stock (which shall be the book value of said shares unless otherwise determined by the Board based on reasons specified in the advice hereinafter mentioned) and shall advise the Transferor or the Fiduciary, as the case may be, in writing, of the fair value of said shares as thus determined by the Board. Such determination by the Board shall be final, conclu-

sive and binding upon the Corporation and upon all persons having any interest in said shares, unless the Transferor or the Fiduciary, as the case may be, shall request within five days after receipt of such advice from the Corporation that the fair value of said shares be determined by arbitration.

For purposes of this Section 2, the "book value" of a share of Common Stock shall be determined by deducting from the net assets of the Corporation an amount equal to the aggregate par value of all the outstanding shares of Preferred Stock of the Corporation plus any dividends accrued thereon, and dividing the result by the number of outstanding shares of Common Stock, disregarding any shares of Common Stock or Preferred Stock held by the Corporation as treasury stock. Net assets shall be determined by deducting from total assets, as shown on the books of the Corporation (except that marketable securities shall be taken at market value), any good will, liabilities, current or accrued, funded debt and appropriate reserves for contingent liabilities, all in accordance with generally accepted accounting practice.

If the Board is unable within thirty days after the applicable Option Date to agree upon the fair value of said shares, or if the Transferor or the Fiduciary, as the case may be, shall request that the fair value of said shares shall be determined by arbitration as aforesaid, then, and in either such event, the fair value of said shares shall be determined by an arbitrator to be selected by the Corporation and the Transferor or the Fiduciary, as the case may be, or, in the event that the Corporation and the Transferor or Fiduciary shall fail to select such arbitrator within seven days after such request for determination of fair value, by an arbitrator to be selected pursuant to the Commercial Arbitration Rules of the American Arbitration Association then obtaining. The award of such arbitrator shall be final, conclusive and binding upon the Corporation and upon all persons hav-

ing any interest in said shares of Common Stock. The expenses of arbitration shall be divided equally between the Corporation and the Transferor or between the Corporation and the Fiduciary, as the case may be. Except as the Corporation and the Transferor or the Fiduciary, as the case may be, may from time to time agree, all proceedings taken in connection with such determination shall be in accordance with said Rules of the American Arbitration Association, to the extent applicable, and such rules of procedure as such arbitrator may from time to time determine.

For purposes of this Section 2, a holder of, or the holders of, Common Stock shall be deemed to be the person or persons whose name or names shall appear on the stock books of the Corporation as a holder or the holders of Common Stock. In the event of any transfer of shares of Common Stock, whether to a holder of Common Stock or to any other transferee, said shares shall thereafter be sold, transferred or otherwise disposed of only subject to and in accordance with the provisions and conditions of this Section 2.

(e) For purposes of this Section 2, a pledge or hypothecation of any shares of Common Stock shall not be deemed to be a sale, transfer or other disposition thereof, if the pledgee shall be entitled to exercise any power of sale over said shares of Common Stock, or otherwise take title to or cause the transfer of title to said shares of Common Stock, only in compliance with all the provisions and conditions of this Section 2.

(f) In the event that the Corporation shall acquire or hold any shares of Common Stock, pursuant to any right and option to purchase shares of Common Stock hereunder or otherwise, the Corporation shall not sell or transfer any of such shares to any holder of Common Stock, unless it shall have first offered to all holders of Common Stock the shares to be sold or transferred, upon the same terms, pro rata, in accordance with the respec-

tive numbers of shares of Common Stock then held by such holders.

SECTION 3. *Transfers of Stock.* Shares of stock of the Corporation shall be transferable only on the stock books of the Corporation by the holder thereof in person or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, if, and only if, the Corporation shall have received evidence satisfactory to it of full compliance with all the provisions and conditions applicable to such transfer as set forth in Section 2 of this Article VIII, and on the surrender of the certificate or certificates for such shares properly endorsed. A record shall be made of each transfer, and a duplicate thereof mailed to the Delaware office of the Corporation, and whenever a transfer shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer. The Board may also make such additional rules and regulations as it may deem expedient concerning the issue and transfer of certificates representing shares of stock of the Corporation.

SECTION 4. *Dividends.* Except as otherwise provided by law or in the Certificate of Incorporation, the directors may declare dividends from the surplus or net profits arising from the business of the Corporation as and when they deem expedient. Before declaring any dividend there may be reserved out of the accumulated profits such sum or sums as the directors from time to time in their discretion think proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends, or for such other purposes as the directors shall think conducive to the interests of the Corporation.

SECTION 5. *Lost, Destroyed, or Mutilated Certificates.* The holder of any stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of the certificate therefor, and the Board of Directors may, at its discretion, cause to be issued to such holder a new

certificate or certificates of stock in the place of any such certificate alleged to have been mutilated, lost or destroyed, upon the surrender of the mutilated certificate or, in case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction, and the Board of Directors may in its discretion, require the owner of the lost or destroyed certificate, or his legal representative, to give the Corporation a bond in such sum, and with such surety or sureties, as it may direct, sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of any such certificate. A new certificate may be issued without requiring a bond when, in the judgment of the Board of Directors, it is proper to do so.

ARTICLE IX

Limitation of Liability and Indemnification of Directors and Officers

No person shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Corporation in good faith, if such person (a) exercised or used the same degree of care and skill as a prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (b) took or omitted to take such action in reliance upon advice of counsel for the Corporation or upon statements made or information furnished by officers or employees of the Corporation or by accountants, auditors or by other experts employed by the Corporation which he had reasonable grounds to believe.

In case any action, suit or proceeding to which any person may be made a party on account of action taken or omitted to be taken by him as a director or officer of the Corporation shall result in the entry of final judgment in his favor or be dismissed as to him, the Corporation shall reimburse or indemnify him for or against all costs, ex-

penses and counsel fees reasonably incurred by him in connection therewith.

In case any such action, suit or proceeding shall result in a settlement, and if in the judgment of a disinterested majority of the Board of Directors or of any disinterested committee or group of persons to whom the question may be referred by said Board, any such person was not negligent or guilty of bad faith in relation to the matters complained of therein, the Corporation shall reimburse or indemnify him for or against all costs, expenses and counsel fees reasonably incurred by him in connection therewith, other than for any sums paid to the Corporation.

The rights accruing to any person under the provisions of this Article IX shall be in addition to and not in limitation of any other rights, indemnities or limitations of liability to which he may be lawfully entitled, nor shall anything herein contained restrict the right of the Corporation to indemnify or reimburse any such person in any proper case even though not specifically herein provided for.

ARTICLE X

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December in each year.

ARTICLE XI

Notice and Waiver of Notice

Whenever any notice is required by these By-laws to be given, personal notice is not meant unless expressly so stated; and any notice so required shall be deemed to be sufficient if given by depositing the same in a post-office box in a sealed postpaid wrapper, addressed to the person en-

titled thereto at his last known post-office address, and such notice shall be deemed to have been given on the day of such mailing. Whenever any notice whatever is required to be given by these By-laws or the Certificate of Incorporation or the laws of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE XII

Amendments

Except as otherwise provided by law or in the Certificate of Incorporation and except as hereinafter provided, these By-laws or any of them may be altered, amended or repealed, or new by-laws may be adopted, at any annual or special meeting of stockholders, by the vote of the holders of record of at least a majority of the aggregate number of the outstanding shares of Common Stock, or at any regular or special meeting of the Board of Directors, by the vote of a majority of the whole Board of Directors, provided that the notice or waiver of notice of such meeting shall include the form of the proposed alteration or amendment or of the proposed new by-laws, or a summary thereof, and the designation of any provisions to be repealed. By-laws made, altered or amended by the Board of Directors shall be subject to alteration, amendment or repeal by the stockholders. Notwithstanding anything to the contrary herein provided the affirmative vote of the holders of record of at least a majority of each class of Common Stock at the time outstanding, given at any such annual or special meeting shall be required to alter, amend, or repeal, or to substitute new by-laws for, any of the following provisions: the provisions of Article II with respect to the policy of the Corporation, the provisions of Section 2 of Article III with respect to the calling of special meetings of the holders of any class of

Common Stock, the provisions of Section 5(b) of Article III with respect to quorum for meetings of the holders of any class of Common Stock, the provisions of Section 6 of Article III with respect to organization of meetings of stockholders, the provisions of Section 7 of Article III with respect to voting, the provisions of Section 1 of Article IV with respect to proposed changes in the line of products that the Corporation is prepared to manufacture, the provisions of Section 2 of Article IV with respect to the number, election and term of office of directors, the provisions of Section 5 of Article IV with respect to vacancies in the office of director, the provisions of Section 9 of Article IV with respect to the calling of special meetings of the Board of Directors, the provisions of Section 12 of Article IV with respect to the removal of directors, the provisions of Section 14 of Article IV with respect to information to be available to the directors, the provisions of Section 15 of Article IV with respect to the Production Advisory Committee, the provisions of Sections 1, 2 and 3 of Article VIII with respect to restrictions on transfer of shares of Common Stock and certificates therefor, and the provisions of this Article XII. Sections 1, 2 and 3 of Article VIII with respect to restrictions on transfer of shares of Common Stock and certificates therefor may also from time to time be waived in particular instances by the affirmative vote of the holders of record of at least a majority of each class of Common Stock at the time outstanding, given at any such annual or special meeting.

TOMS RIVER-CINCINNATI CHEMICAL CORPORATION

I, ,
Secretary, of TOMS RIVER-CINCINNATI CHEMICAL CORPORATION, a Delaware corporation, DO HEREBY CERTIFY that the foregoing is a true and complete copy of the By-laws of said Corporation, and that such By-laws are now in full force and effect.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this day of , 19 .

.....
Secretary.

TOMS RIVER CHEMICAL CORPORATION
(Delaware)

BY-LAWS

As Amended thru June 16, 1964

BY-LAWS

(As Amended thru June 16, 1964)

ARTICLE I

Offices

SECTION 1. Principal Office. The principal office of the Corporation in the State of Delaware shall be in the City of Dover, County of Kent, and the name of the resident agent in charge thereof is United States Corporation Company.

SECTION 2. Other Offices. The Corporation shall also have an office at Toms River, New Jersey, and may have such other office or offices either within or without the State of Delaware as the Board of Directors may from time to time appoint or as the business of the Company may require.

ARTICLE II

Policy

It shall be the policy of the Corporation to manufacture dyes and dye intermediates primarily for sale to the respective sales subsidiaries in the United States of the stockholders of the Corporation, so that said subsidiaries may look to the Corporation as a dependable source of supply of such products in the quantities and of the qualities required and at the lowest practicable cost.

ARTICLE III

Meetings of Stockholders

SECTION 1. Annual Meetings. The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may come before the meeting shall be held at ten o'clock in the forenoon, Eastern Standard Time, on the third Wednesday in April in each

year if not a legal holiday under the laws of the state where such meeting is to be held, and, if a legal holiday under the laws of said state, then on the next succeeding business day not a legal holiday under the laws of said state. If the election of directors shall not be held on the day designated herein for any annual meeting or at any adjournment of such meeting, the Board of Directors shall cause the election to be held at a special meeting as soon thereafter as conveniently may be. At such special meeting the stockholders may elect the directors and transact other business with the same force and effect as at an annual meeting duly held.

SECTION 2. Special Meetings. Special meetings of the stockholders, unless otherwise provided by law, may be called at any time by the Chairman or the Vice-Chairman of the Board of Directors or the President or a Vice President or the Board of Directors, and shall be called by the President or the Secretary at the request in writing of holders of record of at least 25% of the outstanding shares of any class of the Common Stock. Such request in writing shall state the purpose or purposes of such meeting. Special meetings of the holders of any class of the Common Stock for the purpose of removing any of or all the directors that the holders of such class shall have elected or for the purpose of filling any vacancy or vacancies in the office of director that the holders of such class shall be entitled to elect, as hereinafter provided, may be called by any holder or holders of 5% or more of the outstanding shares of the Common Stock of such class.

SECTION 3. Place of Meetings. Meetings of the stockholders or of any class thereof shall be held at 260 Madison Avenue (22nd floor), New York City, New York, or at such place within or without the State of Delaware as shall be specified in the respective notices or waivers of notice thereof, provided that the place of the annual meeting of stockholders shall not be changed within sixty days next before the day on which such meeting is to be held.

SECTION 4. Notice of Meetings. Except as otherwise expressly required by law, notice of each meeting of the stockholders, whether annual or special, and notice of each meeting of the holders of any class of the Common Stock, shall, at least twenty days before the day on which the meeting is to be held, be given to each stockholder of record of the Corporation entitled to vote thereat by delivering a written notice thereof to him personally, or by mailing such notice in a postage prepaid envelope addressed to him at his address as it appears on the stock books of the Corporation, or by transmitting notice thereof to him at such address by telegraph, cable or wireless. Except as hereinafter provided, such written notice shall be signed by the Chairman or the Vice-Chairman of the Board of Directors or the President or a Vice President or the Secretary or an Assistant Secretary, in the case of each such meeting. In each case of a meeting of the holders of any class of the Common Stock called by the holders of such class of stock as provided in these By-laws, such written notice shall be signed by the stockholder or stockholders calling such

meeting. Except when expressly required by law, no publication of any notice of a meeting of the stockholders shall be required. Nevertheless, notice of any meeting of the stockholders or of any class thereof shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy; and, if any stockholder shall, in person or by attorney thereunto authorized, in writing or by telegraph, cable or wireless, waive notice of such meeting, notice thereof need not be given to him. Except when expressly required by law, notice of any adjourned meeting of the stockholders of the Corporation or of any class thereof need not be given.

SECTION 5. Quorum. Unless otherwise expressly required by law or the Certificate of Incorporation, (a) at any meeting of the stockholders, the presence in person or by proxy of the holders of record of at least a majority of the aggregate number of shares of the Common Stock at the time outstanding shall be necessary in order to constitute a quorum for the transaction of business, other than the election or removal of directors who may be elected or removed by the holders of any class of the Common Stock voting separately as a class, and (b) at any meeting of the holders of any class of Common Stock for the election or removal of directors, the presence in person or by proxy of the holders of record of at least a majority of the aggregate number of shares of such class at the time outstanding shall be necessary in order to constitute a quorum for the election or removal of directors by the holders of the Common Stock of such class. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, the stockholders entitled to vote thereat, present in person or represented by proxy, or in the absence therefrom of all of the stockholders, any officer entitled to preside at, or to act as secretary of, such meeting may adjourn such meeting from time to time. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 6. Organization. At each meeting of the stockholders, and at each meeting of the holders of any class of the Common Stock, the Chairman of the Board of Directors or, in his absence, the Vice-Chairman, or in the absence of both of such officers, the President or, in the absence of all of the foregoing officers, a chairman chosen by a majority vote of the stockholders present in person or represented by proxy and entitled to vote thereat shall act as Chairman thereof, and preside thereat; and the Secretary or, if he shall be absent from such meeting, the person whom the Chairman of such meeting shall appoint as Secretary of such meeting shall act as Secretary and keep the records thereof.

SECTION 7. Voting. Except as otherwise expressly provided by law, the Certificate of Incorporation or these By-laws, the holders of the Common Stock shall exclusively possess voting power for the election of

directors and for all other purposes, and the holders of the Preferred Stock shall have no voting power under any circumstances. Except as otherwise provided in these By-laws, each holder of record of shares of Common Stock shall, at each meeting of the stockholders, be entitled to one vote in person or by proxy for each share of the Common Stock so held by him, and each holder of record of shares of Common Stock of any class shall, at each meeting of the holders of Common Stock of such class, be entitled to one vote in person or by proxy for each share of Common Stock of such class so held by him. Except as otherwise expressly provided by law, the Certificate of Incorporation or these By-laws, at each meeting of the stockholders or of any class thereof the votes of the holders of record of at least a majority of the number of shares of Common Stock at the time outstanding and entitled to vote thereat shall be necessary for the transaction of any business. The vote for directors and, upon the demand of any stockholder entitled to vote thereat, the vote upon any other question before the meeting shall be by ballot.

SECTION 8. List of Stockholders. It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of its stock ledger to prepare and make, at least ten days before every meeting of the stockholders called to be held for the election of directors of the Corporation, a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order. Such list shall be open at the place where said meeting and election is to be held for said ten days to the examination of any stockholder, and it shall be produced and kept at the time and place of said meeting and election during the whole time thereof, and subject to the inspection of any stockholder who may be present thereat. Upon the wilful neglect or refusal of the directors to produce such list at any election, they shall be ineligible to any office at such election. The original or duplicate stock ledger shall be the only evidence as to who are the stockholders entitled to inspect such list or the books of the Corporation, or to vote in person or by proxy at such election.

SECTION 9. Inspectors of Votes. Prior to each meeting of the stockholders or of any class thereof, two Inspectors of Votes shall be appointed by the Board of Directors, or, if no such appointment shall have been made, such Inspectors shall be appointed by the Chairman of the meeting, to act thereat. Each Inspector of Votes so appointed shall first subscribe an oath or affirmation faithfully to execute the duties of an Inspector of Votes at such meeting with strict impartiality and according to the best of his ability. Such Inspectors of Votes shall take charge of the ballots at such meeting and after the balloting thereat on any question shall count the ballots cast thereon and shall make a report in writing to the Secretary of such meeting of the results thereof. The Inspectors of Votes need not be stockholders of the Corporation, and any officer of the Corporation may be an Inspector of Votes on any question other than a vote for or against his election to any position with the Corporation or on any other question in which he may be directly interested.

ARTICLE IV

Board of Directors

SECTION 1. General Powers. The property, business and affairs of the Corporation shall be managed by the Board of Directors. All proposed changes in the line of dyes and dye intermediates that the Corporation is prepared to manufacture shall be submitted for approval to the Board of Directors at any regular or special meeting thereof, written notice of which, specifying the proposed changes in detail, shall have been given to each director at least twenty-five days prior to the meeting.

SECTION 2. Number, Election and Term of Office. The Board of Directors shall consist of fourteen directors or such other number of directors, not less than thirteen, as shall be fixed from time to time by resolution of the Board of Directors. At all times, the holders of the Class A Common Stock, voting separately as a class, shall have the right to elect seven members of the Board of Directors, the holders of the Class B Common Stock, voting separately as a class, shall have the right to elect three members of the Board of Directors, and the holders of the Class C Common Stock, voting separately as a class, shall have the right to elect three members of the Board of Directors. The entire balance, if any, of the total number of members of the Board of Directors shall be elected by the holders of all classes of the Common Stock voting together as one class. At all elections of directors by the holders of the Common Stock or any class thereof, the persons receiving the greatest number of votes cast by the holders of shares of stock entitled to vote thereon shall be the directors. Any director elected by the holders of the Common Stock voting together as one class or by the holders of any particular class thereof shall hold office until the next annual election of directors and until his successor shall have been duly elected and qualified, or until his death or until he shall have resigned or until he shall have been removed as hereinafter provided.

SECTION 3. Organization. At each meeting of the Board of Directors the Chairman of the Board of Directors or, in his absence, the Vice-Chairman, or in the absence of both of such officers, the President or, in the absence of all of the foregoing officers, a chairman chosen by a majority of the directors present thereat shall act as Chairman of such meeting and preside thereat. The Secretary, or in case of his absence any person appointed by the Chairman of the meeting, shall act as Secretary of such meeting.

SECTION 4. Resignations. Any director of the Corporation may resign at any time by giving written notice of his resignation to the Chairman or Vice-Chairman of the Board of Directors or to the President or to the

Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by such Chairman or Vice-Chairman of the Board or President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. Vacancies. Any vacancy in the office of a director elected by the holders of a particular class of the Common Stock may be filled for the unexpired term by the vote of the holders of record of the outstanding shares of Common Stock of the class which shall have elected such director whose office shall have become vacant, voting separately as a class, at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of the shares of such class. Any vacancy in the office of a director elected or to be elected by the holders of the Common Stock voting together as one class may be filled for the unexpired term by the vote of the holders of record of the outstanding shares of such stock, voting together as one class, at a meeting of stockholders called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of such shares. In the event that any such vacancy in the office of a director shall not be filled within a period of thirty days after such vacancy shall arise, the Board of Directors shall forthwith upon expiration of such period of thirty days call for the purpose of filling such vacancy, a special meeting of the holders of the Common Stock or the class thereof having the power to fill such vacancy.

SECTION 6. Offices; Place of Meeting. The Board of Directors may have one or more offices at such place or places within or without the State of Delaware as the Board may from time to time by resolution determine; and may hold its meetings at any place in the United States of America within or without the State of Delaware as it may from time to time by resolution determine or as shall be specified or fixed in the respective notices or waivers of notice thereof.

SECTION 7. First Meeting. After each annual election of directors the Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon thereafter as practicable, at the place where regular meetings of the Board of Directors are held. Notice of such meeting need not be given. Such meeting may be held at any other time or place within the United States of America which shall be specified in a notice given as hereinafter provided for special meetings of the Board or in a waiver of notice thereof in accordance with these By-laws.

SECTION 8. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times as the Board shall, from time to time by resolution determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day. Except as otherwise provided by law, notices of regular meetings need not be given.

SECTION 9. Special Meetings: Notice. Special meetings of the Board of Directors shall be held whenever called by the Chairman or the Vice-Chairman of the Board of Directors or by the President or by any two of the directors at the time in office. A notice shall be given as hereinafter in this Section provided of each such special meeting in which shall be stated the time and place of such meeting, but, except as otherwise expressly provided by law or by these By-laws, the purposes thereof need not be stated in such notice. Except as otherwise provided by law, notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least ten days before the day on which such meeting is to be held, or shall be sent addressed to him at such place by telegraph, cable or wireless or be delivered personally or by telephone not later than five days before the day on which such meeting is to be held. Notice of any meeting of the Board need not, however, be given to any director if waived by him at any time, whether before or after the meeting, in writing or by telegraph, cable or wireless, or if he shall be present at such meeting; and any meeting of the Board shall be a legal meeting without any notice thereof having been given if all the directors of the Corporation then in office shall be present thereat.

SECTION 10. Quorum and Manner of Acting. At all meetings of the Board one-third of the total number of directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting of the Board at which there is a quorum present shall be the act of the Board of Directors, except as may be otherwise specifically provided by law or by these By-laws. In the absence of a quorum from any such meeting it may be adjourned from time to time until a quorum shall be present thereat. Notice of any adjourned meeting need not be given.

SECTION 11. Contracts with Directors. No contract or other transaction between this Corporation and any other corporation or partnership shall be affected by the fact that directors of this Corporation are interested in, or are directors or officers of, such other corporation or members of such partnership if, at the meeting of the Board of Directors of this Corporation making, authorizing or confirming such contract or transaction there shall be present a majority of a quorum of the Board not so interested, and the vote of the director so interested shall not be necessary to make, authorize or confirm such contract or transaction. Any director of the Corporation may be individually a party to or interested

in any contract or transaction of this Corporation, provided that such contract or transaction is ratified or approved by the affirmative vote of at least five directors not so interested.

SECTION 12. Removal of Directors. Any director elected by the holders of the Common Stock voting together as one class may be removed with or without cause by the affirmative vote of the holders of record of at least a majority of the outstanding shares of such stock, voting together as one class, at a meeting of stockholders or, without any such meeting, by the unanimous consent in writing of the holders of such shares. Any director elected by the holders of a particular class of the Common Stock may be removed with or without cause by, and shall not be removed except by, the affirmative vote of the holders of record of at least a majority of the outstanding shares of Common Stock of the class which shall have elected such director, voting separately as a class, at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of the shares of such class.

SECTION 13. Compensation. Each director shall be paid such remuneration not exceeding $3,000 per annum as the Board of Directors shall from time to time fix by resolution. The directors shall also be repaid all expenses incurred by them in attending Board meetings or when otherwise engaged in the business of the Corporation.

SECTION 14. Information. Each director of the Corporation shall be entitled to receive currently, upon request, without limitation as to other data and information regarding the business and affairs of the Corporation to which he shall be entitled, copies of all cost, accounting or other statistical studies and reports from time to time regularly prepared by or for the management of the Corporation, together with such other cost or accounting data relating to the business of the Corporation or products produced by it as he shall from time to time reasonably request. Each director shall also be entitled, either personally or by another designated by him for such purpose and approved by the Board of Directors, to examine the cost, accounting and other statistical records of the Corporation.

SECTION 15. Production Advisory Committee. The Board of Directors shall appoint a Production Advisory Committee consisting of such number, not less than three, of the directors of the Corporation and such alternates or substitutes as the Board may from time to time approve. Each person appointed to such Committee shall be technically trained and familiar with dye production problems. The Committee shall include at least one director elected by the holders of each class of the Common Stock.

It shall be the duty of the Committee to consider questions and problems relating to production and programs therefor and to make recommendations in respect thereof to the Board of Directors and management of

the Corporation. The Committee, and the individual members thereof if they so desire, shall make reports to the Board of Directors concerning the activities of the Committee not less often than once in each calendar quarter.

The Committee shall meet at such place or places and at such times (not less often than once in each calendar quarter), and shall conduct its affairs in such manner, with such assistance and according to such procedure, as it shall from time to time determine.

Full information on all matters relating to production, including data regarding costs, availability of materials and equipment and use and availability of processes, reasonably necessary for the purposes of the Committee shall be furnished to it and the members thereof as and when requested.

ARTICLE V

Officers

SECTION 1. Number; Qualifications. The principal officers of the Corporation shall be a Chairman of the Board of Directors, a Vice-Chairman of the Board of Directors, a President, one or more Vice Presidents, a Treasurer and a Secretary. The Chairman and the Vice-Chairman of the Board of Directors and the President shall be elected from among the members of the Board. Any two offices, but not more than two, may be held by the same person.

SECTION 2. Election; Term of Office. The principal officers of the Corporation shall be elected annually by the Board of Directors. Each principal officer shall hold office until his successor shall have been duly elected or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. Additional Officers. In addition to the principal officers mentioned in Section 1 of this Article V, the Board of Directors may appoint such other officers and agents as the Board may deem necessary or advisable, including one or more Assistant Treasurers, and one or more Assistant Secretaries, each of which officers and agents shall hold office for such period, have such authority and perform such duties as are provided in these By-laws or as the Board of Directors may from time to time determine.

SECTION 4. Removal. Any officer of the Corporation may be removed, either with or without cause, at any time by resolution adopted by a majority of the whole Board of Directors at any meeting.

SECTION 5. Resignations. Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors, or to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by the Board or the President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. Vacancies. A vacancy in any office due to death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these By-laws for regular elections or appointments to such office.

SECTION 7. The Chairman and Vice-Chairman of the Board of Directors. The Chairman of the Board of Directors shall preside at all meetings of the stockholders or of any class thereof and of the Board of Directors at which he is present, and shall have such further powers and duties as from time to time may be prescribed by the Board of Directors. The Vice-Chairman of the Board of Directors shall in the absence of the Chairman preside at all meetings of the stockholders or of any class thereof and of the Board at which he is present, and shall have such further powers and duties as from time to time may be prescribed by the Board of Directors.

SECTION 8. The President. The President shall have general and active supervision over the business and affairs of the Corporation, subject, however, to the control of the Board of Directors. The President shall in the absence of the Chairman and Vice-Chairman of the Board of Directors preside at all meetings of the stockholders or of any class thereof and of the Board of Directors at which he is present. He shall see that all orders and resolutions of the Board of Directors are carried into effect. He may sign, with the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certificates of stock of the Corporation. He may sign and deliver in the name of the Corporation all deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors, except in cases where the signing or delivery thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation or where any of them shall be required by law otherwise to be signed or delivered; and in general he shall perform all duties incident to the office of President and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 9. The Vice Presidents. Each Vice President shall have such powers and perform such duties as the Board of Directors or the President may from time to time prescribe and shall perform such other duties as may

be prescribed by these By-laws. Any Vice President may sign, with the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certificates of stock of the Corporation. At the request of the President, or in case of his absence or inability to act, any of the Vice Presidents shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President.

SECTION 10. The Treasurer. The Treasurer shall

(a) have charge and custody of, and be responsible for, all funds and securities of the Corporation; receive and give receipt for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys to the credit of the Corporation or otherwise as the Board of Directors or the President shall direct in such banks, trust companies or other depositaries as shall be selected by the Board of Directors; cause such funds to be disbursed by checks or drafts on the authorized depositaries of the Corporation signed as provided by the Board of Directors; and be responsible for the accuracy of the amounts of, and cause to be preserved proper vouchers for, all moneys so disbursed;

(b) have the right to require from time to time reports or statements giving such information as he may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same;

(c) render to the Board of Directors or the President whenever they shall require him so to do an account of the financial condition of the Corporation and of all his transactions as Treasurer; and as soon as may be after the close of each fiscal year make and submit to the Board of Directors a like report for such fiscal year;

(d) sign (unless the Secretary or an Assistant Secretary or an Assistant Treasurer shall sign), with the President or a Vice President, certificates of stock of the Corporation; and

(e) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or the Board of Directors.

SECTION 11. Assistant Treasurer. At the request of the Treasurer or in the case of his absence or inability to act, the Assistant Treasurer, or, if there be more than one, any of the Assistant Treasurers, shall perform the duties of the Treasurer, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. Each of the Assistant Treasurers shall perform such other duties as from time to time may be assigned to him by the Board of Directors, the President or the Treasurer.

SECTION 12. The Secretary. The Secretary shall

(a) keep the minutes of meetings of the stockholders and of the Board of Directors in one or more books provided for that purpose;

(b) see that all notices are duly given in accordance with the provisions of these By-laws or as required by law;

(c) be custodian of all contracts, deeds, documents, all other indicia of title to properties owned by the Corporation, and of its other corporate records (except accounting records) and of the seal of the Corporation, and see that such seal is affixed to all stock certificates prior to the issue thereof and to all other documents the execution of which on behalf of the Corporation under its seal is duly authorized;

(d) have charge of the issue and transfer of certificates for shares of the stock of the Corporation and of the records thereof;

(e) sign (or see that the Treasurer or an Assistant Treasurer shall sign) with the President or a Vice President certificates for stock of the Corporation;

(f) see that the books, reports, statements, certificates and all other documents required by law are properly kept and filed;

(g) see that the duties prescribed by Section 8 of Article III of these By-laws are performed; and

(h) in general perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to him by the Board of Directors or the President.

SECTION 13. Assistant Secretary. At the request of the Secretary or in the case of his absence or inability to act, the Assistant Secretary, or, if there be more than one, any of the Assistant Secretaries, shall perform the duties of the Secretary, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary. Each of the Assistant Secretaries shall perform such other duties as from time to time may be assigned to him by the Board of Directors, the President or the Secretary.

SECTION 14. Salaries. The salaries of the officers of the Corporation shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving a salary by reason of the fact that he is also a director of the Corporation.

SECTION 15. Bonding. Any officer, employee or agent shall give such bond with such surety or sureties for the faithful performance of his duties as the Board of Directors may, from time to time, require.

ARTICLE VI

General Counsel

The Board of Directors may appoint a General Counsel of the Corporation and such appointment may at any time be cancelled by vote of the Board. All matters of legal import concerning the Corporation shall be under the general control and direction of the General Counsel.

ARTICLE VII

Contracts, Loans, Checks, Bank Accounts, Etc.

SECTION 1. Execution of Contracts. The Board of Directors may authorize any officer or officers or agent or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless authorized so to do by these By-laws or by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or to render it liable pecuniarily for any purpose or to any amount.

SECTION 2. Loans. No loan shall be contracted on behalf of the Corporation and no negotiable paper shall be issued in its name unless authorized by the Board of Directors. When so authorized any officer or agent of the Corporation may effect loans and advances at any time for the Corporation, and for such loans and advances may make, execute and deliver promissory notes or other evidences of indebtedness of the Corporation and, when authorized as aforesaid, as security for the payment of any and all loans, advances, indebtedness and liabilities of the Corporation, may mortgage, pledge or hypothecate any real or personal property at any time held by the Corporation and to that end execute instruments of mortgage or pledge. Such authority may be general or confined to specific instances.

SECTION 3. Checks, Drafts, etc. All checks, drafts, orders for the payment of money, bills of lading, warehouse receipts, obligations, bills of exchange and insurance certificates shall be signed or endorsed (except

endorsements for collection for account of the Corporation or for deposit to its credit) by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositaries as the Board of Directors may from time to time designate, and for the purpose of such deposit, all checks, drafts, and other orders for the payment of money which are payable to the order of the Corporation, may be endorsed, assigned and delivered by any officer of the Corporation or in such other manner as may from time to time be determined by the Board of Directors. The Board of Directors may make such special rules and regulations with respect to such deposits as it may deem expedient.

SECTION 5. Books and Records. The Board of Directors may keep the books and records of the Corporation at such places within or without the State of Delaware, as it may from time to time determine. The stock record books and the blank stock certificate books shall be kept by the Secretary or by any other officer or agent designated by the Board of Directors. The original or a duplicate stock ledger containing the names and addressed of the stockholders and the number of shares held by them respectively shall be kept at the principal office or place of business of the Corporation in the State of Delaware.

SECTION 6. Proxies. Unless otherwise provided by resolution of the Board of Directors the Chairman or the Vice-Chairman of the Board of Directors or the President may from time to time appoint an attorney or attorneys or agent or agents, of the Corporation, in the name and on behalf of the Corporation to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

SECTION 7. Audit of Books and Accounts. The books and accounts of the Corporation shall be audited at least once in each fiscal year by public accountants of good standing selected by the Board of Directors.

ARTICLE VIII

Capital Stock

SECTION 1. Certificates of Stock. Each holder of record of stock of the Corporation shall be entitled to have a certificate, in such form as shall be approved by the Board, signed by, or in the name of the Corporation by, the President or a Vice President and the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, certifying the number of shares and the class thereof owned by him in the Corporation. Each certificate representing shares of Common Stock shall have plainly written upon the face thereof a statement substantially to the effect that the transfer of said certificate and shares of stock represented thereby is subject to the terms and conditions contained in the By-laws of the Corporation, as from time to time amended, a copy of which is on file at the office of the Corporation, affecting transferability and ownership of said certificate and shares of stock represented thereby, to which terms and conditions the sale, gift or other disposition of said certificate or said shares is subject. The Corporation shall require as a condition to the transfer of any shares of Common Stock and the issue of one or more new certificates therefor in the name of the proposed transferee, that such new certificate or certificates shall have such statement similarly written upon the face thereof.

SECTION 2. Restriction on Transfer of Shares of Common Stock and Certificates Therefor. Except as herein provided, no holder of any shares of the Common Stock shall sell, assign, transfer or otherwise dispose of any shares of Common Stock, and no sale, assignment, transfer or other disposition of such shares of Common Stock to any other person shall be valid, and no transfer to complete or record such sale, assignment, transfer or disposition shall be made upon the stock books of the Corporation, unless and until the provisions and conditions set forth in subsections (a) to (f), inclusive, of this Section 2 shall have been complied with; provided, however, that the provisions of this Section 2 shall not apply to (i) a transfer or other disposition of any shares of Common Stock to the Corporation, (ii) any initial or subsequent transfer or other disposition of any shares of Class A Common Stock from any Ciba affiliate to any other Ciba affiliate, (iii) any initial or subsequent transfer or other disposition of any shares of Class B Common Stock from any Geigy affiliate to any other Geigy affiliate, (iv) any initial or subsequent t ansfer or other disposition of any shares of Class C Common Stock from any Sandoz affiliate to any other Sandoz affiliate, and (v) a transfer of any shares of Common Stock by bequest or other testamentary disposition, including disposition under the operations of the laws of intestacy; provided, further, that any subsequent transfer of any of said shares transferred

pursuant to the foregoing provisions (i) to (v), inclusive, shall be subject to all the applicable provisions of this Section 2. For purposes of this Section 2, the term "person" shall be deemed to include any individual or corporation, partnership, trust, joint venture, syndicate, tenancy-in-common, joint tenancy or other entity, and any one or more of them; the term "Ciba affiliate" shall mean Ciba Limited, any subsidiary of Ciba Limited, or any trustee for Ciba Limited or any such subsidiary or a nominee for any of them; the term "Geigy affiliate" shall mean J. R. Geigy S. A., any subsidiary of J. R. Geigy S. A., or any trustee for J. R. Geigy S. A. or any such subsidiary or a nominee for any of them; the term "Sandoz affiliate" shall mean Sandoz Limited, any subsidiary of Sandoz Limited, or any trustee for Sandoz Limited or any such subsidiary or a nominee for any of them; and the term "subsidiary" shall mean, when used in relation to any company, any company all of the stock of which (other than directors' qualifying shares) entitled to vote in the election of directors shall at the time in question be owned by said company, either directly or through one or more intermediaries.

(a) In case any holder of Common Stock proposes to sell, give away or otherwise dispose of any shares of Common Stock, such holder (being hereinafter in this subsection (a) and the following subsection (d) referred to as the Transferor) shall first advise the Corporation in writing, at its principal office, of (i) the number of such shares which the Transferor proposes to sell, give away or otherwise dispose of, (ii) the name or names and address or addresses of the proposed purchaser or purchasers or other transferee or transferees of such shares, (iii) in the case of a proposed sale, the price per share at which the Transferor proposes to sell such shares, and (iv) in the case of a proposed gift or other disposition of such shares, the terms and conditions upon which the Transferor proposes to effect such disposition. The Corporation shall thereupon have the right and option, for a period of ninety days following the date (hereinafter in this subsection (a) called the Optic Date) on which the Corporation shall receive such advice, to purchase from the Transferor, or to find another holder or other holders of Common Stock (in the manner provided in subsection (c) hereof) to purchase from the Transferor, all (but not less than all) the shares specified in such advice, (A) in the case of a proposed sale, at the price per share specified in such advice or at the fair value thereof determined in accordance with the provisions of subsection (d) hereof, whichever shall be less, and (B) in the case of a proposed gift or other disposition of such shares, at the fair value thereof determined in accordance with the provisions of subsection (d) hereof. If the Corporation shall elect to exercise its right and option to purchase or to find purchasers for the shares specified in such advice from the Transferor, it shall so notify the Transferor in writing within ninety days after the Option

Date, and thereupon the Transferor shall assign and transfer said shares to the Corporation and/or such other purchasers, against payment therefor, which payment shall be made within five days after the Corporation shall have so notified the Transferor of its election to exercise its right and option to purchase or to find purchasers for said shares or, if the fair value of said shares is to be determined by arbitration in accordance with the provisions of subsection (d) hereof, then within five days after the arbitrator shall have rendered his final award in accordance with the provisions of said subsection (d). If the Corporation shall not notify the Transferor in writing within ninety days after the Option Date of its election to exercise its right and option to purchase or to find purchasers for the shares specified in such advice from the Transferor, the Transferor shall be entitled for a period of fifteen days commencing on the ninety-first day after the Option Date, to sell to the purchaser and at the price specified in the Transferor's advice to the Corporation, or to give away or otherwise dispose of, to the transferee or transferees and on the terms and conditions specified in the Transferor's advice to the Corporation, the number of shares specified in such advice and the Transferor shall be entitled to have said shares transferred upon the stock books of the Corporation accordingly, provided, however, that any subsequent transfer of any of said shares shall be subject to all the provisions of this Section 2.

(b) If by reason of the insolvency of any holder of shares of Common Stock (such holder being hereinafter referred to in this subsection (b) as a Transferor) title to any shares of Common Stock held of record by said Transferor shall pass to any receiver, trustee, committee, or other similar fiduciary (any one or more of which is hereinafter referred to in this subsection (b) and the following subsection (d) as a Fiduciary), the Corporation shall have the right and option, for a period of ninety days following the date (hereinafter in this subsection (b) called the Option Date) on which certificates for said shares shall be presented to the Corporation for transfer, to purchase from the Fiduciary, or to find another holder or other holders of Common Stock (in the manner provided in subsection (c) hereof) to purchase from the Fiduciary, all (but not less than all) the shares represented by the certificates thus presented for transfer at the fair value thereof determined in accordance with the provisions of subsection (d) hereof. If the Corporation shall elect to exercise its right and option to purchase or to find purchasers for the shares subject to the provisions of this subsection (b), it shall so notify the Fiduciary in writing within ninety days after the Option Date, and thereupon the Fiduciary shall assign and transfer said shares to the Corporation and/or such other purchasers, against payment therefor, which payment shall be made within five days after the Corporation shall have so notified the Fiduciary of its election

to exercise its right and option to purchase or to find purchasers for said shares or, if the fair value of said shares is to be determined by arbitration in accordance with the provisions of subsection (d) hereof, then within five days after the arbitrator shall have rendered his final award in accordance with the provisions of said subsection (d). If the Corporation shall not notify the Fiduciary in writing within ninety days after the Option Date of its election to exercise its right and option to purchase or to find purchasers for the shares subject to the provisions of this subsection (b), the right and option hereby granted to the Corporation shall cease and terminate as to said shares and the Fiduciary shall be entitled to have said shares transferred upon the stock books of the Corporation into the name of the Fiduciary, provided, however, that any subsequent transfer of said shares by the Fiduciary shall be subject to all the provisions of this Section 2.

(c) Whenever the Corporation shall have the right and option to purchase or to find another holder or other holders of Common Stock to purchase shares of Common Stock pursuant to any of the provisions of this Section 2, the Board shall determine within a period of thirty days after the applicable Option Date whether or not to elect to purchase for the account of the Corporation all or any part of said shares of Common Stock. If the Corporation shall not elect to purchase any of said shares of Common Stock, or shall elect to purchase less than all said shares of Common Stock, the Corporation shall within such period of thirty days after such Option Date give notice in writing to all holders of Common Stock, other than the holder or holders whose shares are then subject to such right and option of purchase by the Corporation, of the number of said shares of Common Stock which the Corporation shall have elected not to purchase (hereinafter called the Optioned Shares) and of the price per share at which the Optioned Shares are available for purchase by such holders of Common Stock, if such price shall then be known to the Corporation. Each such holder of Common Stock shall thereupon have the right, for a period commencing on the day on which the Corporation shall give such notice and ending on the sixty-fifth day after the applicable Option Date, to purchase either (i) the number of Optioned Shares which bears the same proportion to the total number of Optioned Shares as the number of shares of Common Stock held of record by such holder bears to the total number of shares of Common Stock then held of record by all holders of Common Stock entitled to purchase any of the Optioned Shares, or (ii) any lesser number of Optioned Shares, in either case by notifying the Corporation in writing on or before the sixty-fifth day after such Option Date of the election of such holder to purchase such number of Optioned Shares and simultaneously undertaking to pay to the Corporation on demand the purchase price of such number of Optioned Shares. In addition, any such holder of Common Stock may notify the Corporation

in writing on or before the sixty-fifth day after the applicable Option Date that such holder desires to purchase the whole of any balance of the Optioned Shares (subject to the rights of other holders of Common Stock to purchase a proportionate part of such balance, as hereinafter provided) purchasable by other holders of Common Stock which shall not be so purchased by them, in which event such holder shall also undertake to pay to the Corporation on demand the purchase price of any of the Optioned Shares which such holder shall purchase. In case two or more such holders of Common Stock shall each give notice to the Corporation that they desire to purchase the whole of any such balance of the Optioned Shares, each holder of Common Stock giving such notice shall have the right to purchase the number of shares comprised in such balance which bears the same proportion to the total thereof as the number of shares of Common Stock held of record by such holder bears to the aggregate number of shares of Common Stock then held of record by said two or more holders of Common Stock. If one or more holders of Common Stock shall elect to exercise the right hereunder to purchase all or any part of the Optioned Shares in the manner provided in this subsection (c), and all the Optioned Shares are to be purchased pursuant to such election or elections, the Corporation shall thereupon effect the purchase of such Optioned Shares for the account of such holder or holders of Common Stock by exercising the right and option of the Corporation to find purchasers for such Optioned Shares pursuant to the applicable provisions of this Section 2.

(d) For all purposes of this Section 2, the fair value of shares of Common Stock shall be deemed to be that amount per share determined by the Board, or by arbitration in the City of New York in accordance with the laws of the State of New York, in each case as at the end of the calendar month immediately preceding the applicable Option Date, as follows:

Whenever the Corporation shall have the right and option to purchase or to find another holder or other holders of Common Stock to purchase shares of Common Stock pursuant to any of the provisions of this Section 2, the Board shall determine within a period of thirty days after the applicable Option Date the fair value of said shares of Common Stock (which shall be the book value of said shares unless otherwise determined by the Board based on reasons specified in the advice hereinafter mentioned) and shall advise the Transferor or the Fiduciary, as the case may be, in writing, of the fair value of said shares as thus determined by the Board. Such determination by the Board shall be final, conclusive and binding upon the Corporation and upon all persons having any interest in said shares, unless the Transferor or the Fiduciary, as the case may be, shall request within five days after receipt of such advice from the Corporation that the fair value of said shares be determined by arbitration.

For purposes of this Section 2, the "book value" of a share of Common Stock shall be determined by deducting from the net assets of the Corporation an amount equal to the aggregate par value of all the outstanding shares of Preferred Stock of the Corporation plus any dividends accrued thereon, and dividing the result by the number of outstanding shares of Common Stock, disregarding any shares of Common Stock or Preferred Stock held by the Corporation as treasury stock. Net assets shall be determined by deducting from total assets, as shown on the books of the Corporation (except that marketable securities shall be taken at market value), any good will, liabilities, current or accrued, funded debt and appropriate reserves for contingent liabilities, all in accordance with generally accepted accounting practice.

If the Board is unable within thirty days after the applicable Option Date to agree upon the fair value of said shares, or if the Transferor or the Fiduciary, as the case may be, shall request that the fair value of said shares shall be determined by arbitration as aforesaid, then, and in either such event, the fair value of said shares shall be determined by an arbitrator to be selected by the Corporation and the Transferor or the Fiduciary, as the case may be, or, in the event that the Corporation and the Transferor or Fiduciary shall fail to select such arbitrator within seven days after such request for determination of fair value, by an arbitrator to be selected pursuant to the Commercial Arbitration Rules of the American Arbitration Association then obtaining. The award of such arbitrator shall be final, conclusive and binding upon the Corporation and upon all persons having any interest in said shares of Common Stock. The expenses of arbitration shall be divided equally between the Corporation and the Transferor or between the Corporation and the Fiduciary, as the case may be. Except as the Corporation and the Transferor or the Fiduciary, as the case may be, may from time to time agree, all proceedings taken in connection with such determination shall be in accordance with said Rules of the American Arbitration Association, to the extent applicable, and such rules of procedure as such arbitrator may from time to time determine.

For purposes of this Section 2, a holder of, or the holders of, Common Stock shall be deemed to be the person or persons whose name or names shall appear on the stock books of the Corporation as a holder or the holders of Common Stock. In the event of any transfer of shares of Common Stock, whether to a holder of Common Stock or to any other transferee, said shares shall thereafter be sold, transferred or otherwise disposed of only subject to and in accordance with the provisions and conditions of this Section 2.

(e) For purposes of this Section 2, a pledge or hypothecation of any shares of Common Stock shall not be deemed to be a sale, transfer or other disposition thereof, if the pledgee shall be entitled to exercise any power of sale over said shares of Common Stock, or otherwise take title to or cause the transfer of title to said shares of Common Stock, only in compliance with all the provisions and conditions of this Section 2.

(f) In the event that the Corporation shall acquire or hold any shares of Common Stock, pursuant to any right and option to purchase shares of Common Stock hereunder or otherwise, the Corporation shall not sell or transfer any of such shares to any holder of Common Stock, unless it shall have first offered to all holders of Common Stock the shares to be sold or transferred, upon the same terms, pro rata, in accordance with the respective numbers of shares of Common Stock then held by such holders.

SECTION 3. Transfers of Stock. Shares of stock of the Corporation shall be transferable only on the stock books of the Corporation by the holder thereof in person or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, if, and only if, the Corporation shall have received evidence satisfactory to it of full compliance with all the provisions and conditions applicable to such transfer as set forth in Section 2 of this Article VIII, and on the surrender of the certificate or certificates for such shares properly endorsed. A record shall be made of each transfer, and a duplicate thereof mailed to the Delaware office of the Corporation, and whenever a transfer shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer. The Board may also make such additional rules and regulations as it may deem expedient concerning the issue and transfer of certificates representing shares of stock of the Corporation.

SECTION 4. Dividends. Except as otherwise provided by law or in the Certificate of Incorporation, the directors may declare dividends from the surplus or net profits arising from the business of the Corporation as and when they deem expedient. Before declaring any dividend there may be reserved out of the accumulated profits such sum or sums as the directors from time to time in their discretion think proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends, or for such other purposes as the directors shall think conducive to the interests of the Corporation.

SECTION 5. Lost, Destroyed, or Mutilated Certificates. The holder of any stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of the certificate therefor, and the Board of Directors may, at its discretion, cause to be issued to such holder a new certificate or certificates of stock in the place of any such

certificate alleged to have been mutilated, lost or destroyed, upon the surrender of the mutilated certificate or, in case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction, and the Board of Directors may in its discretion, require the owner of the lost or destroyed certificate, or his legal representative, to give the Corporation a bond in such sum, and with such surety or sureties, as it may direct, sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of any such certificate. A new certificate may be issued without requiring a bond when, in the judgment of the Board of Directors, it is proper to do so.

ARTICLE IX

Limitation of Liability and Indemnification of Directors and Officers

No person shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Corporation in good faith, if such person (a) exercised or used the same degree of care and skill as a prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (b) took or omitted to take such action in reliance upon advice of counsel for the Corporation or upon statements made or information furnished by officers or employees of the Corporation or by accountants, auditors or by other experts employed by the Corporation which he had reasonable grounds to believe.

In case any action, suit or proceeding to which any person may be made a party on account of action taken or omitted to be taken by him as a director or officer of the Corporation shall result in the entry of final judgment in his favor or be dismissed as to him, the Corporation shall reimburse or indemnify him for or against all costs, expenses and counsel fees reasonably incurred by him in connection therewith.

In case any such action, suit or proceeding shall result in a settlement, and if in the judgment of a disinterested majority of the Board of Directors or of any disinterested committee or group of persons to whom the question may be referred by said Board, any such person was not negligent or guilty of bad faith in relation to the matters complained of therein, the Corporation shall reimburse or indemnify him for or against all costs, expenses and counsel fees reasonably incurred by him in connection therewith, other than for any sums paid to the Corporation.

The rights accruing to any person under the provisions of this Article IX shall be in addition to and not in limitation of any other rights, indemnities or limitations of liability to which he may be lawfully entitled, nor shall anything herein contained restrict the right of

the Corporation to indemnify or reimburse any such person in any proper case even though not specifically herein provided for.

ARTICLE X

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December in each year.

ARTICLE XI

Notice and Waiver of Notice

Whenever any notice is required by these By-laws to be given, personal notice is not meant unless expressly so stated; and any notice so required shall be deemed to be sufficient if given by depositing the same in a post-office box in a sealed postpaid wrapper, addressed to the person entitled thereto at his last known post-office address, and such notice shall be deemed to have been given on the day of such mailing. Whenever any notice whatever is required to be given by these By-laws or the Certificate of Incorporation or the laws of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE XII

Amendments

Except as otherwise provided by law or in the Certificate of Incorporation and except as hereinafter provided, these By-laws or any of them may be altered, amended or repealed, or new by-laws may be adopted, at any annual or special meeting of stockholders, by the vote of the holders of record of at least a majority of the aggregate number of the outstanding shares of Common Stock, or at any regular or special meeting of the Board of Directors, by the vote of a majority of the whole Board of Directors, provided that the notice or waiver of notice of such meeting shall include the form of the proposed alteration or amendment or of the proposed new by-laws, or a summary thereof, and the designation of any provisions to be repealed. By-laws made, altered or amended by the Board of Directors shall be subject to alteration, amendment or repeal by the stockholders.

Notwithstanding anything to the contrary herein provided the affirmative vote of the holders of record of at least a majority of each class of Common Stock at the time outstanding, given at any such annual or special meeting shall be required to alter, amend, or repeal, or to substitute new by-laws for, any of the following provisions: the provisions of Article II with respect to the policy of the Corporation, the provisions of Section 2 of Article III with respect to the calling of special meetings of the holders of any class of Common Stock, the provisions of Section 5(b) of Article III with respect to quorum for meetings of the holders of any class of Common Stock, the provisions of Section 6 of Article III with respect to organization of meetings of stockholders, the provisions of Section 7 of Article III with respect to voting, the provisions of Section 1 of Article IV with respect to proposed changes in the line of products that the Corporation is prepared to manufacture, the provisions of Section 2 of Article IV with respect to the number, election and term of office of directors, the provisions of Section 5 of Article IV with respect to vacancies in the office of director, the provisions of Section 9 of Article IV with respect to the calling of special meetings of the Board of Directors, the provisions of Section 12 of Article IV with respect to the removal of directors, the provisions of Section 14 of Article IV with respect to information to be available to the directors, the provisions of Section 15 of Article IV with respect to the Production Advisory Committee, the provisions of Sections 1, 2 and 3 of Article VIII with respect to restrictions on transfer of shares of Common Stock and certificates therefor, and the provisions of this Article XII. Sections 1, 2 and 3 of Article VIII with respect to restrictions on transfer of shares of Common Stock and certificates therefor may also from time to time be waived in particular instances by the affirmative vote of the holders of record of at least a majority of each class of Common Stock at the time outstanding, given at any such annual or special meeting.

Notwithstanding anything to the contrary hereinabove provided, these By-laws or any of them may be altered, amended or repealed, or new By-laws may be adopted by the written consent of the stockholders of record of all of the outstanding shares of Common Stock, without a meeting.

TOMS RIVER CHEMICAL CORPORATION

I, , Secretary, of TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation, DO HEREBY CERTIFY that the foregoing is a true and complete copy of the By-laws of said Corporation, and that such By-laws are now in full force and effect.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the sale of said Corporation this day of , 19 .

Secretary

TOMS RIVER CHEMICAL CORPORATION
(Delaware)

BY-LAWS

As Amended Through October 31, 1971

EXHIBIT B

BY-LAWS

(As Amended Through October 31, 1971)

ARTICLE I

Offices

SECTION 1. Principal Office. The principal office of the Corporation in the State of Delaware shall be in the City of Dover, County of Kent, and the name of the resident agent in charge thereof is United States Corporation Company.

SECTION 2. Other Offices. The Corporation shall also have an office at Toms River, New Jersey, and may have such other office or offices either within or without the State of Delaware as the Board of Directors may from time to time appoint or as the business of the Company may require.

ARTICLE II

Policy

It shall be the policy of the Corporation to manufacture dyes and dye intermediates primarily for sale to the respective sales subsidiaries or divisions of the stockholders of the Corporation or their successors in the United States so that said customers may look to the Corporation as a dependable source of supply of such products in the quantities and of qualities required and at the lowest practicable cost.

ARTICLE III

Meetings of Stockholders

SECTION 1. Annual Meetings. The annual meeting of the stockholders for the election of directors and for the transaction of such

other business as may come before the meeting shall be held at ten o'clock in the forenoon, Eastern Standard Time, on the last Wednesday in April in each year if not a legal holiday under the laws of the state where such meeting is to be held, and, if a legal holiday under the laws of said state, then on the next succeeding business day not a legal holiday under the laws of said state. If the election of directors shall not be held on the day designated herein for any annual meeting or at any adjournment of such meeting, the Board of Directors shall cause the election to be held at a special meeting as soon thereafter as conveniently may be. At such special meeting the stockholders may elect the directors and transact other business with the same force and effect as at an annual meeting duly held.

SECTION 2. Special Meetings. Special meetings of the stocknolders, unless otherwise provided by law, may be called at any time by the Chairman of the Board of Directors or the President or a Vice President or the Board of Directors, and shall be called by the President or the Secretary at the request in writing of holders of record of at least 25% of the outstanding shares of any class of the Common Stock. Such request in writing shall state the purpose or purposes of such meeting. Special meetings of the holders of any class of the Common Stock for the purpose of removing any of or all the directors that the holders of such class shall have elected or for the purpose of filling any vacancy or vacancies in the office of director that the holders of such class shall be entitled to elect, as hereinafter provided, may be called by any holder or holders of 5% or more of the outstanding shares of the Common Stock of such class.

SECTION 3. Place of Meetings. Meetings of the stockholders or of any class thereof shall be held at the offices of the Corporation at Toms River, New Jersey, or at such place within or without the State of Delaware as shall be specified in the respective notices or waivers of notice thereof, provided that the place of the annual meeting of stockholders shall not be changed within sixty days next before the day on which such meeting is to be held.

SECTION 4. Notice of Meetings. Except as otherwise expressly required by law, notice of each meeting of the stockholders, whether annual or special, and notice of each meeting of the holders of any class of the Common Stock, shall, at least twenty days before the day on which the meeting is to be held, be given to each stockholder of record of the Corporation entitled to vote thereat by delivering a written notice thereof to him personally, or by mailing such notice in a postage prepaid envelope addressed to him at his address as it appears on the stock books of the Corporation; or by transmitting notice thereof to him at such address by telegraph, cable or wireless. Except as hereinafter provided, such written notice shall be signed by the Chairman of the Board of Directors or the President or a Vice President or the Secretary or an Assistant Secretary, in the case of each such meeting. In each case of a meeting of the holders of any class of the Common Stock called by the holders of such class of stock as provided in these By-laws, such written notice shall be signed by the stockholder or

stockholders calling such meeting. Except when expressly required by law, no publication of any notice of a meeting of the stockholders shall be required. Nevertheless, notice of any meeting of the stockholders or of any class thereof shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy; and, if any stockholder shall, in person or by attorney thereunto authorized, in writing or by telegraph, cable or wireless, waive notice of such meeting, notice thereof need not be given to him. Except when expressly required by law, notice of any adjourned meeting of the stockholders of the Corporation or of any class thereof need not be given.

SECTION 5. Quorum. Unless otherwise expressly required by law or the Certificate of Incorporation, (a) at any meeting of the stockholders, the presence in person or by proxy of the holders of record of at least a majority of the aggregate number of shares of the Common Stock at the time outstanding shall be necessary in order to constitute a quorum for the transaction of business, other than the election or removal of directors who may be elected or removed by the holders of any class of the Common Stock voting separately as a class, and (b) at any meeting of the holders of any class of Common Stock for the election or removal of directors, the presence in person or by proxy of the holders of record of at least a majority of the aggregate number of shares of such class at the time outstanding shall be necessary in order to constitute a quorum for the election or removal of directors by the holders of the Common Stock of such class. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, the stockholders entitled to vote thereat, present in person or represented by proxy, or in the absence therefrom of all of the stockholders, any officer entitled to preside at, or to act as secretary of, such meeting may adjourn such meeting from time to time. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 6. Organization. At each meeting of the stockholders, and at each meeting of the holders of any class of the Common Stock, the Chairman of the Board of Directors or, in his absence, the President or, in the absence of both of such officers, a chairman chosen by a majority vote of the stockholders present in person or represented by proxy and entitled to vote thereat shall act as Chairman thereof, and preside thereat; and the Secretary or, if he shall be absent from such meeting, the person whom the Chairman of such meeting shall appoint as Secretary of such meeting shall act as Secretary and keep the records thereof.

SECTION 7. Voting. Except as otherwise expressly provided by law, the Certificate of Incorporation or these By-laws, the holders of the Common Stock shall exclusively possess voting power for the election of directors and for all other purposes. Except as otherwise provided in these By-laws, each holder of record of shares of Common Stock shall, at each meeting of the stockholders, be entitled to one vote in person or by proxy for each share of the Common Stock so held by him, and each holder of record of shares of Common Stock of any class shall, at each meeting of the holders of Common Stock of such class, be entitled to one vote in person or by proxy for each share of Common Stock of such class

so held by him. Except as otherwise expressly provided by law, the Certificate of Incorporation or these By-laws, at each meeting of the stockholders or of any class thereof the votes of the holders of record of at least a majority of the number of shares of Common Stock at the time outstanding and entitled to vote thereat shall be necessary for the transaction of any business. The vote for directors and, upon demand of any stockholder entitled to vote thereat, the vote upon any other question before the meeting shall be by ballot.

SECTION 8. List of Stockholders. It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of its stock ledger to prepare and make, at least ten days before every meeting of sotckholders, a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open at the place where said meeting and election is to be held for said ten days to the examination of any stockholder, and it shall be produced and kept at the time and place of said meeting during the whole time thereof, and subject to the inspection of any stockholder who may be present thereat. Upon the wilful neglect or refusal of the directors to produce such list at any meeting for the election of directors they shall be ineligible for election to any office at such meeting. The stock ledger shall be the only evidence as to who are the stockholders entitled to inspect such list or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

SECTION 9. Inspectors of Votes. Prior to each meeting of the stockholders or of any class thereof, two Inspectors of Votes shall be appointed by the Board of Directors, or, if no such appointment shall have been made, such Inspectors shall be appointed by the Chairman of the meeting, to act thereat. Each Inspector of Votes so appointed shall first subscribe an oath or affirmation faithfully to execute the duties of an Inspector of Votes at such meeting with strict impartiality and according to the best of his ability. Such Inspectors of votes shall take charge of the ballots at such meeting and after the balloting thereat on any question shall count the ballots cast thereon and shall make a report in writing to the Secretary of such meeting of the results thereof. The Inspectors of Votes need not be stockholders of the Corporation, and any officer of the Corporation may be an Inspector of Votes on any question other than a vote for or against his election to any position with the Corporation or on any other question in which he may be directly interested.

ARTICLE IV

Board of Directors

SECTION 1. General Powers. The property, business and affairs of the Corporation shall be managed by the Board of Directors. All

proposed changes in the line of dyes and dye intermediates that the Corporation is prepared to manufacture shall be submitted for approval to the Board of Directors at any regular or special meeting thereof, written notice of which, specifying the proposed changes in detail, shall have been given to each director at least twenty-five days prior to the meeting.

SECTION 2. Number, Election and Term of Office. The Board of Directors shall consist of fifteen directors. At all times, the holders of the Class A Common Stock, voting separately as a class, shall have the right to elect seven members of the Board of Directors, the holders of the Class B Common Stock, voting separately as a class, shall have the right to elect three members of the Board of Directors, and the holders of the Class C Common Stock, voting separately as a class, shall have the right to elect three members of the Board of Directors. At all elections of directors by the holders of any class of Common Stock, the persons receiving the greatest number of votes cast by the holders of shares of stock entitled to vote thereon shall be the directors. Any director elected by the holders of any particular class of the Common Stock shall hold office until his successor shall have been duly elected and qualified, or until his death or until he shall have resigned or until he shall have been removed as hereinafter provided.

SECTION 3. Organization. At each meeting of the Board of Directors the Chairman of the Board of Directors or, in his absence, the President or, in the absence of both of such officers, a chairman chosen by a majority of the directors present thereat shall act as Chairman of such meeting and preside thereat. The Secretary, or in the case of his absence any person appointed by the Chairman of the meeting, shall act as Secretary of such meeting.

SECTION 4. Resignations. Any director of the Corporation may resign at any time by giving written notice of his resignation to the Chairman of the Board of Directors or to the President or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by such Chairman of the Board or President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. Vacancies. Any vacancy in the office of a director elected by the holders of a particular class of the Common Stock may be filled for the unexpired term by the vote of the holders of record of the outstanding shares of Common Stock of the class which shall have elected such director whose office shall have become vacant, voting separately as a class, at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of the shares of such class.

SECTION 6. Offices; Place of Meeting. The Board of Directors may have one or more offices at such place or places within or without the State of Delaware as the Board may from time to time by resolution determine; and may hold its meetings at any place in the United States of America within or without the State of Delaware as it may from time to time by resolution determine or as shall be specified or fixed in the respective notices or waivers of notice thereof.

SECTION 7. First Meeting. After each annual election of directors the Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon thereafter as practicable, at the place where regular meetings of the Board of Directors are held. Notice of such meeting need not be given. Such meeting may be held at any other time or place within the United States of America which shall be specified in a notice given as hereinafter provided for special meetings of the Board or in a waiver of notice thereof in accordance with these By-laws.

SECTION 8. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times as the Board shall, from time to time by resolution determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day. Except as otherwise provided by law, notices of regular meetings need not be given.

SECTION 9. Special Meetings: Notice. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board of Directors or by the President or by any two of the directors at the time in office. A notice shall be given as hereinafter in this Section provided of each such special meeting in which shall be stated the time and place of such meeting, but, except as otherwise expressly provided by law or by these By-laws, the purposes thereof need not be stated in such notice. Except as otherwise provided by law, notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least ten days before the day on which such meeting is to be held, or shall be sent addressed to him at such place by telegraph, cable or wireless or be delivered personally or by telephone not later than five days before the day on which such meeting is to be held. Notice of any meeting of the Board need not, however, be given to any director if waived by him at any time, whether before or after the meeting, in writing or by telegraph, cable or wireless, or if he shall be present at such meeting; and any meeting of the Board shall be a legal meeting without any notice thereof having been given if all the directors of the Corporation then in office shall be present thereat.

SECTION 10. Quorum and Manner of Acting. At all meetings of the Board one-third of the total number of directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting of the Board at which there is a quorum present shall be the act of the Board of Directors, except as

may be otherwise specifically provided by law or by these By-laws. In the absence of a quorum from any such meeting it may be adjourned from time to time until a quorum shall be present thereat. Notice of any adjourned meeting need not be given.

SECTION 11. Removal of Directors. Any director elected by the holders of a particular class of the Common Stock may be removed with or without cause by, and shall not be removed except by, the affirmative vote of the holders of record of at least a majority of the outstanding shares of Common Stock of the class which shall have elected such director, voting separately as a class, at a meeting of stockholders or at a meeting of the holders of the shares of such class called for that purpose or, without any such meeting, by the unanimous consent in writing of the holders of the shares of such class.

SECTION 12. Compensation. Each director shall be paid such remuneration not exceeding $3,000 per annum as the Board of Directors shall from time to time fix by resolution. The directors shall also be repaid all expenses incurred by them in attending Board meetings or when otherwise engaged in the business of the Corporation.

SECTION 13. Information. Each director of the Corporation shall be entitled to receive currently, upon request, without limitation as to other data and information regarding the business and affairs of the Corporation to which he shall be entitled, copies of all cost, accounting or other statistical studies and reports from time to time regularly prepared by or for the management of the Corporation, together with such other cost or accounting data relating to the business of the Corporation or products produced by it as he shall from time to time reasonably request. Each director shall also be entitled, either personally or by another designated by him for such purpose and approved by the Board of Directors, to examine the cost, accounting and other statistical records of the Corporation.

SECTION 14. Production Advisory Committee. The Board of Directors shall appoint a Production Advisory Committee consisting of such number, not less than three, of the directors of the Corporation and such alternates or substitutes as the Board may from time to time approve. Each person appointed to such Committee shall be technically trained and familiar with dye production problems. The Committee shall include at least one director elected by the holders of each class of the Common Stock.

It shall be the duty of the Committee to consider questions and problems relating to production and programs therefor and to make recommendations in respect thereof to the Board of Directors and management of the Corporation. The Committee, and the individual members thereof if they so desire, shall make reports to the Board of Directors concerning the activities of the Committee not less often than once in each calendar quarter.

The Committee shall meet at such place or places and at such times (not less often than once in each calendar quarter), and shall conduct its affairs in such manner, with such assistance and according to such procedure, as it shall from time to time determine.

Full information on all matters relating to production, including data regarding costs, availability of materials and equipment and use and availability of processes, reasonably necessary for the purposes of the Committee shall be furnished to it and the members thereof as and when requested.

ARTICLE V

Officers

SECTION 1. Number; Qualifications. The principal officers of the Corporation shall be a Chairman of the Board of Directors, a President, one or more Vice Presidents, a Treasurer and a Secretary. The Chairman of the Board of Directors and the President shall be elected from among the members of the Board. Any two officers, but not more than two, may be held by the same person.

SECTION 2. Election; Term of Office. The principal officers of the Corporation shall be elected annually by the Board of Directors. Each principal officer shall hold office until his successor shall have been duly elected or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. Additional Officers. In addition to the principal officers mentioned in Section 1 of this Article V, the Board of Directors may appoint such other officers and agents as the Board may deem necessary or advisable, including one or more Assistant Treasurers, and one or more Assistant Secretaries, each of which officers and agents shall hold office for such period, have such authority and perform such duties as are provided in these By-laws or as the Board of Directors may from time to time determine.

SECTION 4. Removal. Any officer of the Corporation may be removed, either with or without cause, at any time by resolution adopted by a majority of the whole Board of Directors at any meeting.

SECTION 5. Resignations. Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors, or to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its

receipt by the Board or the President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. Vacancies. A vacancy in any office due to death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these By-laws for regular elections or appointments to such office.

SECTION 7. The Chairman of the Board of Directors. The Chairman of the Board of Directors shall preside at all meetings of the stockholders or of any class thereof and of the Board of Directors at which he is present, and shall have such further powers and duties as from time to time may be prescribed by the Board of Directors.

SECTION 8. The President. The President shall have general and active supervision over the business and affairs of the Corporation, subject, however, to the control of the Board of Directors. The President shall in the absence of the Chairman of the Board of Directors preside at all meetings of the stockholders or of any class thereof and of the Board of Directors at which he is present. He shall see that all orders and resolutions of the Board of Directors are carried into effect. He may sign, with the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certificates of stock of the Corporation. He may sign and deliver in the name of the Corporation all deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors, except in cases where the signing or delivery thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation or where any of them shall be required by law otherwise to be signed or delivered; and in general he shall perform all duties incident to the office of President and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 9. The Vice Presidents. Each Vice President shall have such powers and perform such duties as the Board of Directors or the President may from time to time prescribe and shall perform such other duties as may be prescribed by these By-laws. Any Vice President may sign, with the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certificates of stock of the Corporation. At the request of the President, or in case of his absence or inability to act, any of the Vice Presidents shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President.

SECTION 10. The Treasurer. The Treasurer shall

(a) have charge and custody of, and be responsible for, all funds and securities of the Corporation; receive and give receipt for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys to the credit of the Corporation or otherwise as the Board of Directors or the President shall direct in such banks, trust companies or other depositaries as shall be

selected by the Board of Directors; cause such funds to be disbursed by checks or drafts on the authorized depositaries of the Corporation signed as provided by the Board of Directors; and be responsible for the accuracy of the amounts of, and cause to be preserved proper vouchers for, all moneys so disbursed;

(b) have the right to require from time to time reports or statements giving such information as he may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same;

(c) render to the Board of Directors or the President whenever they shall require him so to do an account of the financial condition of the Corporation and of all his transactions as Treasurer; and as soon as may be after the close of each fiscal year make and submit to the Board of Directors a like report for such fiscal year;

(d) sign (unless the Secretary or an Assistant Secretary or an Assistant Treasurer shall sign), with the President or a Vice President, certificates of stock of the Corporation; and

(e) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or the Board of Directors.

SECTION 11. Assistant Treasurer. At the request of the Treasurer or in the case of his absence or inability to act, the Assistant Treasurer, or, if there be more than one, any of the Assistant Treasurers, shall perform the duties of the Treasurer, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. Each of the Assistant Treasurers shall perform such other duties as from time to time may be assigned to him by the Board of Directors the President or the Treasurer.

SECTION 12. The Secretary. The Secretary shall

(a) keep the minutes of meetings of the stockholders and of the Board of Directors in one or more books provided for that purpose;

(b) see that all notices are duly given in accordance with the provisions of these By-laws or as required by law;

(c) be custodian of all contracts, deeds, documents, all other indicia of title to properties owned by the Corporation, and of its other Corporate records (except accounting records) and of the seal of the Corporation, and see that such seal is affixed to all stock certificates prior to the issue thereof and to all other documents the execution of which on behalf of the Corporation under its seal is duly authorized;

(d) have charge of the issue and transfer of certificates for shares of the stock of the Corporation and of the records thereof;

(e) sign (or see that the Treasurer or an Assistant Treasurer shall sign) with the President or a Vice President certificates for stock of the Corporation;

(f) see that the books, reports, statements, certificates and all other documents required by law are properly kept and filed;

(g) see that the duties prescribed by Section 8 of Article III of these By-laws are performed; and

(h) in general perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to him by the Board of Directors or the President.

SECTION 13. Assistant Secretary. At the request of the Secretary or in the case of his absence or inability to act, the Assistant Secretary, or, if there be more than one, any of the Assistant Secretaries, shall perform the duties of the Secretary, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary. Each of the Assistant Secretaries shall perform such other duties as from time to time may be assigned to him by the Board of Directors, the President or the Secretary.

SECTION 14. Salaries. The salaries of the officers of the Corporation shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving a salary by reason of the fact that he is also a director of the Corporation.

SECTION 15. Bonding. Any officer, employee or agent shall give such bond with such surety or sureties for the faithful performance of his duties as the Board of Directors may, from time to time, require.

ARTICLE VI

General Counsel

The Board of Directors may appoint a General Counsel of the Corporation and such appointment may at any time by cancelled by the vote of the Board. All matters of legal import concerning the Corporation shall be under the general control and direction of the General Counsel.

ARTICLE VII

Contracts, Loans, Checks, Bank Accounts, Etc.

SECTION 1. Execution of Contracts. The Board of Directors may authorize any officer or officers or agent or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless authorized so to do by these By-laws or by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or to render it liable pecuniarily for any purpose or to any amount.

SECTION 2. Loans. No loan shall be contracted on behalf of the Corporation and no negotiable paper shall be issued in its name unless authorized by the Board of Directors. When so authorized any officer or agent of the Corporation may effect loans and advances at any time for the Corporation, and for such loans and advances may make, execute and deliver promissory notes or other evidences of indebtedness of the Corporation and, when authorized as aforesaid, as security for the payment of any and all loans, advances, indebtedness and liabilities of the Corporation, may mortgage, pledge or hypothecate any real or personal property at any time held by the Corporation and to that end execute instruments of mortgage or pledge. Such authority may be general or confined to specific instances.

SECTION 3. Checks, Drafts, etc. All checks, drafts, orders for the payment of money, bills of lading, warehouse receipts, obligations, bills of exchange and insurance certificates shall be signed or endorsed (except endorsements for collection for account of the Corporation or for deposit to its credit) by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositaries as the Board of Directors may from time to time designate, and for the purpose of such deposit, all checks, drafts, and other orders for the payment of money which are payable to the order of the Corporation, may be endorsed, assigned and delivered by any officer of the Corporation or in such other manner as may from time to time be determined by the Board of Directors. The Board of Directors may make such special rules and regulations with respect to such deposits as it may deem expedient.

SECTION 5. Books and Records. The Board of Directors may keep the books and records of the Corporation at such places within or without the State of Delaware, as it may from time to time determine. The stock record books and the blank stock certificate books shall be kept by the Secretary or by any other officer or agent designated by the Board

of Directors. The original or a duplicate stock ledger containing the names and addresses of the stockholders and the number of shares held by them respectively shall be kept at the principal office or place of business of the Corporation in the State of Delaware.

SECTION 6. Proxies. Unless otherwise provided by resolution of the Board of Directors the Chairman of the Board of Directors or the President may from time to time appoint an attorney or attorneys or agent or agents, of the Corporation, in the name and on behalf of the Corporation to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

SECTION 7. Audit of Books and Accounts. The books and accounts of the Corporation shall be audited at least once in each fiscal year by public accountants of good standing selected by the Board of Directors.

ARTICLE VIII

Capital Stock

SECTION 1. Certificates of Stock. Each holder of record of stock of the Corporation shall be entitled to have a certificate, in such form as shall be approved by the Board, signed by, or in the name of the Corporation by, the Chairman of the Board of Directors, or the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares and the class thereof owned by him in the Corporation. Each certificate representing shares of Common Stock shall have conspicously written upon the face thereof a statement substantially to the effect that the transfer of said certificate and shares of stock represented thereby is subject to the terms and conditions contained in the By-laws of the Corporation, as from time to time amended, a copy of which is on file at the office of the Corporation and copies of which the Corporation will furnish without charge to each stockholder who so requests, affecting transferability and ownership of said certificate and shares of stock represented thereby, to which terms and conditions the sale, gift or other disposition of said certificate or said shares is subject.

The Corporation shall require as a condition to the transfer of any shares of Common Stock and the issue of one or more new certificates therefor in the name of the proposed transferee, that such new certificate or certificates shall have such statement similarly written upon the face thereof.

SECTION 2. Restriction on Transfer of Shares of Common Stock and Certificates Therefor. Except as herein provided, no holder of any shares of the Common Stock shall sell, assign, transfer or otherwise dispose of any shares of Common Stock, and no sale, assignment, transfer or other disposition of such shares of Common Stock to any other person shall be valid, and no transfer to complete or record such sale, assignment, transfer or disposition shall be made upon the stock books of the Corporation, unless and until the provisions and conditions set forth in subsections (a) to (f) inclusive, of this Section 2 shall have been complied with; provided, however, that the provisions of this Section 2 shall not apply to (i) a transfer or other disposition of any shares of Common Stock to the Corporation, (ii) any initial or subsequent transfer or other disposition of any shares of Class A or Class B Common Stock from any CIBA-GEIGY affiliate to any other CIBA-GEIGY affiliate, (iii) any initial or subsequent transfer or other disposition of any shares of Class C Common Stock from any Sandoz affiliate to any other Sandoz affiliate, and (iv) a transfer of any shares of Common Stock by bequest or other testamentary disposition, including disposition under the operations of the laws of intestacy; provided, further, that any subsequent transfer of any of said shares transferred pursuant to the foregoing provisions (i) to (iv), inclusive, shall be subject to all the applicable provisions of this Section 2. For purposes of this Section 2, the term "person" shall be deemed to include any individual or corporation, partnership, trust, joint venture, syndicate, tenancy-in-common, joint tenancy or other entity, and any one or more of them; the term "CIBA-GEIGY affiliate" shall mean CIBA-GEIGY Limited, a corporation of Switzerland, any subsidiary of CIBA-GEIGY Limited, or any trustee for CIBA-GEIGY Limited or any such subsidiary or a nominee for any of them; the term "Sandoz affiliate" shall mean Sandoz Limited, any subsidiary of Sandoz Limited, or any trustee for Sandoz Limited or any such subsidiary or a nominee for any of them; and the term "subsidiary" shall mean, when used in relation to any company, any company all of the stock of which (other than directors' qualifying shares) entitled to vote in the election of directors shall at the time in question be owned by said company, either directly or through one or more intermediaries.

(a) In case any holder of Common Stock proposes to sell, give away or otherwise dispose of any shares of Common Stock, such holder (being hereinafter in this subsection (a) and the following subsection (d) referred to as the Transferor) shall first advise the Corporation in writing, at its principal office, of (i) the number of such shares which the Transferor proposes to sell, give away or otherwise dispose of, (ii) the name or names and address or addresses of the proposed purchaser or purchasers or other transferee or transferees of such shares,

(iii) in the case of a proposed sale, the price per share at which the Transferor proposes to sell such shares, and (iv) in the case of a proposed gift or other disposition of such shares, the terms and conditions upon which the Transferor proposes to effect such disposition. The Corporation shall thereupon have the right and option, for a period of ninety days following the date (hereinafter in this subsection (a) called the Option Date) on which the Corporation shall receive such advice, to purchase from the Transferor, or to find another holder or other holders of Common Stock (in the manner provided in subsection (c) hereof) to purchase from the Transferor, all (but not less than all) the shares specified in such advice, (A) in the case of a proposed sale, at the price per share specified in such advice or at the fair value thereof determined in accordance with the provisions of subsection (d) hereof, whichever shall be less, and (B) in the case of a proposed gift or other disposition of such shares, at the fair value thereof determined in accordance with the provisions of subsection (d) hereof. If the Corporation shall elect to exercise its right and option to purchase or to find purchasers for the shares specified in such advice from the Transferor, it shall so notify the Transferor in writing within ninety days after the Option Date, and thereupon the Transferor shall assign and transfer said shares to the Corporation and/or such other purchasers, against payment therefor, which payment shall be made within five days after the Corporation shall have so notified the Transferor of its election to exercise its right and option to purchase or to find purchasers for said shares or, if the fair value of said shares is to be determined by arbitration in accordance with the provisions of subsection (d) hereof, then within five days after the arbitrator shall have rendered his final award in accordance with the provisions of said subsection (d). If the Corporation shall not notify the Transferor in writing within ninety days after the Option Date of its election to exercise its right and option to purchase or to find purchasers for the shares specified in such advice from the Transferor, the Transferor shall be entitled for a period of fifteen days commencing on the ninety-first day after the Option Date, to sell to the purchaser and at the price specified in the Transferor's advice to the Corporation, or to give away or otherwise dispose of, to the transferee or transferees and on the terms and conditions specified in the Transferor's advice to the Corporation, the number of shares specified in such advice and the Transferor shall be entitled to have said shares transferred upon the stock books of the Corporation accordingly, provided, however, that any subsequent transfer of any of said shares shall be subject to all the provisions of this Section 2.

(b) If by reason of the insolvency of any holder of shares of Common Stock (such holder being hereinafter referred to in this subsection (b) as a Transferor) title to any shares of Common Stock held of record by said Transferor shall pass to any receiver, trustee, committee, or other similar fiduciary (any one or more of which is hereinafter referred to in this

subsection (b) and the following subsection (d) as a Fiduciary), the Corporation shall have the right and option, for a period of ninety days following the date (hereinafter in this subsection (b) called the Option Date) on which certificates for said shares shall be presented to the Corporation for transfer, to purchase from the Fiduciary, or to find another holder or other holders of Common Stock (in the manner provided in subsection (c) hereof) to purchase from the Fiduciary, all (but not less than all) the shares represented by the certificates thus presented for transfer at the fair value thereof determined in accordance with the provisions of subsection (d) hereof. If the Corporation shall elect to exercise its right and option to purchase or to find purchasers for the shares subject to the provisions of this subsection (b), it shall so notify the Fiduciary in writing within ninety days after the Option Date, and thereupon the Fiduciary shall assign and transfer said shares to the Corporation and/or such other purchasers, against payment therefor, which payment shall be made within five days after the Corporation shall have so notified the Fiduciary of its election to exercise its right and option to purchase or to find purchasers for said shares or, if the fair value of said shares is to be determined by arbitration in accordance with the provisions of subsection (d) hereof, then within five days after the arbitrator shall have rendered his final award in accordance with the provisions of said subsection (d). If the Corporation shall not notify the Fiduciary in writing within ninety days after the Option Date of its election to exercise its right and option to purchase or to find purchasers for the shares subject to the provisions of this subsection (b), the right and option hereby granted to the Corporation shall cease and terminate as to said shares and the Fiduciary shall be entitled to have said shares transferred upon the stock books of the Corporation into the name of the Fiduciary, provided, however, that any subsequent transfer of said shares by the Fiduciary shall be subject to all the provisions of this Section 2.

(c) Whenever the Corporation shall have the right and option to purchase or to find another holder or other holders of Common Stock to purchase shares of Common Stock pursuant to any of the provisions of this Section 2, the Board shall determine within a period of thirty days after the applicable Option Date whether or not to elect to purchase for the account of the Corporation all or any part of said shares of Common Stock. If the Corporation shall not elect to purchase any of said shares of Common Stock, or shall elect to purchase less than all said shares of Common Stock, the Corporation shall within such period of thirty days after such Option Date give notice in writing to all holders of Common Stock, other than the holder or holders

whose shares are then subject to such right and option of purchase by the Corporation, of the number of said shares of Common Stock which the Corporation shall have elected not to purchase (hereinafter called the Optioned Shares) and of the price per share at which the Optioned Shares are available for purchase by such holders of Common Stock, if such price shall then be known to the Corporation. Each such holder of Common Stock shall thereupon have the right, for a period commencing on the day on which the Corporation shall give such notice and ending on the sixty-fifth day after the applicable Option Date, to purchase either (i) the number of Optioned Shares which bears the same proportion to the total number of Optioned Shares as the number of shares of Common Stock held of record by such holder bears to the total number of shares of Common Stock then held of record by all holders of Common Stock entitled to purchase any of the Optioned Shares, or (ii) any lesser number of Optioned Shares, in either case by notifying the Corporation in writing on or before the sixty-fifth day after such Option Date of the election of such holder to purchase such number of Optioned Shares and simultaneously undertaking to pay to the Corporation on demand the purchase price of such number of Optioned Shares. In addition, any such holder of Common Stock may notify the Corporation in writing on or before the sixty-fifty day after the applicable Option Date that such holder desires to purchase the whole of any balance of the Optioned Shares (subject to the rights of other holders of Common Stock to purchase a proportionate part of such balance, as hereinafter provided) purchasable by other holders of Common Stock which shall not be so purchased by them, in which event such holder shall also undertake to pay to the Corporation on demand the purchase price of any of the Optioned Shares which such holder shall purchase. In case two or more such holders of Common Stock shall each give notice to the Corporation that they desire to purchase the whole of any such balance of the Optioned Shares, each holder of Common Stock giving such notice shall have the right to purchase the number of shares comprised in such balance which bears the same proportion to the total thereof as the number of shares of Common Stock held of record by such holder bears to the aggregate number of shares of Common Stock then held of record by said two or more holders of Common Stock. If one or more holders of Common Stock shall elect to exercise the right hereunder to purchase all or any part of the Optioned Shares in the manner provided in this subsection (c), and all the Optioned Shares are to be purchased pursuant to such election or elections, the Corporation shall thereupon effect the purchase of such Optioned Shares for the account of such holder or holders of Common Stock by exercising the right and option of the Corporation to find purchasers for such Optioned Shares pursuant to the applicable provisions of this Section 2.

(d) For all purposes of this Section 2, the fair value of shares of Common Stock shall be deemed to be that amount per share determined by the Board, or by arbitration in the City of New York in accordance with the laws of the State of New York, in each

case as at the end of the calendar month immediately preceding the applicable Option Date, as follows:

Whenever the Corporation shall have the right and option to purchase or to find another holder or other holders of Common Stock to purchase shares of Common Stock pursuant to any of the provisions of this Section 2, the Board shall determine within a period of thirty days after the applicable Option Date the fair value of said shares of Common Stock (which shall be the book value of said shares unless otherwise determined by the Board based on reasons specified in the advice hereinafter mentioned) and shall advise the Transferor or the Fiduciary, as the case may be, in writing, of the fair value of said shares as thus determined by the Board. Such determination by the Board shall be final, conclusive and binding upon the Corporation and upon all persons having any interest in said shares, unless the Transferor or the Fiduciary, as the case may be, shall request within five days after receipt of such advice from the Corporation that the fair value of said shares be determined by arbitration.

For purposes of this Section 2, the "book value" of a share of Common Stock shall be determined by dividing the net assets of the Corporation by the number of outstanding shares of Common Stock, disregarding any shares of Common Stock held by the Corporation as treasury stock. Net assets shall be determined by deducting from total assets, as shown on the books of the Corporation (except that marketable securities shall be taken at market value), any good will, liabilities, current or accrued, funded debt and appropriate reserves for contingent liabilities, all in accordance with generally accepted accounting practice.

If the Board is unable within thirty days after the applicable Option Date to agree upon the fair value of said shares, or if the Transferor or the Fiduciary, as the case may be, shall request that the fair value of said shares shall be determined by arbitration as aforesaid, then, and in either such event, the fair value of such shares shall be determined by an arbitrator to be selected by the Corporation and the Transferor or the Fiduciary, as the case may be, or, in the event that the Corporation and the Transferor or Fiduciary shall fail to select such arbitrator within seven days after such request for determination of fair value, by an arbitrator to be selected pursuant to the Commercial Arbitration Rules of the American Arbitration Association then obtaining. The award of such arbitrator shall be final, conclusive and binding upon the Corporation and upon all persons having any interest in said shares of Common Stock. The expenses of arbitration shall be divided equally between the Corporation and the Transferor or between the Corporation and the Fiduciary, as the case may be. Except as the Corporation and the Transferor or the Fiduciary, as the case may be, may from time to time agree, all proceedings taken in connection with such determination shall

be in accordance with said Rules of the American Arbitration Association, to the extent applicable. and such rules of procedure as such arbitrator may from time to time determine.

For purposes of this Section 2, a holder of, or the holder of, Common Stock shall be deemed to be the person or persons whose name or names shall appear on the stock books of the Corporation as a holder or the holders of Common Stock. In the event of any transfer of shares of Common Stock, whether to a holder of Common Stock or to any other transferee, said shares shall thereafter be sold, transferred or otherwise disposed of only subject to and in accordance with the provisions and conditions of this Section 2.

(e) For purposes of this Section 2, a pledge or hypothecation of any shares of Common Stock shall not be deemed to be a sale, transfer or other disposition thereof, if the pledgee shall be entitled to exercise any power of sale over said shares of Common Stock, or otherwise take title to or cause the transfer of title to said shares of Common Stock, only in compliance with all the provisions and conditions of this Section 2.

(f) In the event that the Corporation shall acquire or hold any shares of Common Stock, pursuant to any right and option to purchase shares of Common Stock hereunder or otherwise, the Corporation shall not sell or transfer any of such shares to any holder of Common Stock, unless it shall have first offered to all holders of Common Stock the shares to be sold or transferred, upon the same terms, pro rata, in accordance with the respective numbers of shares of Common Stock then held by such holders.

SECTION 3. Transfers of Stock. Shares of stock of the Corporation shall be transferable only on the stock books of the Corporation by the holder thereof in person or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, if, and only if, the Corporation shall have received evidence satisfactory to it of full compliance with all the provisions and conditions applicable to such transfer as set forth in Section 2 of this Article VIII, and on the surrender of the certificate or certificates for such shares properly endorsed. A record shall be made of each transfer, and a duplicate thereof mailed to the Delaware office of the Corporation, and whenever a transfer shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer. The Board may also make such additional rules and regulations as it may deem expedient concerning the issue and transfer of certificates representing shares of stock of the Corporation.

SECTION 4. Dividends. Except as otherwise provided by law or in the Certificate of Incorporation, the directors may declare dividends from the surplus or net profits arising from the business of the

Corporation as and when they deem expedient. Before declaring any dividend there may be reserved out of the accumulated profits such sum or sums as the directors from time to time in their discretion think proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends, or for such other purposes as the directors shall think conducive to the interests of the Corporation.

SECTION 5. Lost, Destroyed, or Mutilated Certificates. The holder of any stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of the certificate therefor, and the Board of Directors may, at its discretion, cause to be issued to such holder a new certificate or certificates of stock in the place of any such certificate alleged to have been mutilated, lost or destroyed, upon the surrender of the mutilated certificate or, in case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction, and the Board of Directors may in its discretion, require the owner of the lost or destroyed certificate, or his legal representative, to give the Corporation a bond in such sum, and with such surety or sureties, as it may direct, sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of any such certificate. A new certificate may be issued without requiring a bond when, in the judgment of the Board of Directors, it is proper to do so.

ARTICLE IX

Limitation of Liability and Indemnification of Directors and Officers

No person shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Corporation in good faith, if such person (a) exercised or used the same degree of care and skill as a prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (b) took or omitted to take such action in reliance upon advice of counsel for the Corporation or upon statements made or information furnished by officers or employees of the Corporation or by accountants, auditors or by other experts employed by the Corporation which he had reasonable grounds to believe.

In case any action, suit or proceeding to which any person may be made a party on account of action taken or omitted to be taken by him as a director or officer of the Corporation shall result in the entry of final judgment in his favor or be dismissed as to him, the Corporation shall reimburse or indemnify him for or against all costs, expenses and counsel fees reasonably incurred by him in connection therewith.

In case any such action, suit or proceeding shall result in a settlement, and if in the judgment of a disinterested majority of the Board of Directors or of any disinterested committee or group of persons to whom the question may be referred by said Board, any such person was not negligent or guilty of bad faith in relation to the matters complained of therein, the Corporation shall reimburse or indemnify him for or against all costs, expenses and counsel fees reasonably incurred by him in connection therewith, other than for any sums paid to the Corporation.

The rights accruing to any person under the provisions of this Article IX shall be in addition to and not in limitation of any other rights, indemnities or limitations of liability to which he may be lawfully entitled, nor shall anything herein contained restrict the right of the Corporation to indemnify or reimburse any such person in any proper case even though not specifically herein provided for.

ARTICLE X

Fiscal Year

The fiscal year of the Corporation shall begin on the day following the end of the preceding fiscal year and shall end on the last Friday in December.

ARTICLE XI

Notice and Waiver of Notice

Whenever any notice is required by these By-laws to be given, personal notice is not meant unless expressly so stated; and any notice so required shall be deemed to be sufficient if given by depositing the same in a post-office box in a sealed postpaid wrapper, addressed to the person entitled thereto at his last known post-office address, and such notice shall be deemed to have been given on the day of such mailing. Whenever any notice whatever is required to be given by these By-laws or the Certificate of Incorporation or the laws of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE XII

Amendments

Except as otherwise provided by law or in the Certificate of Incorporation and except as hereinafter provided, these By-laws or any of them may be altered, amended or repealed, or new by-laws may be adopted, at any annual or special meeting of stockholders, by the vote of the holders of record of at least a majority of the aggregate number of outstanding shares of Common Stock, or at any regular or special meeting of the Board of Directors, by the vote of a majority of the whole Board of Directors provided that the notice or waiver of notice of such meeting shall include the form of the proposed alteration or amendment or of the proposed new by-laws, or a summary thereof, and the designation of any provisions to be repealed. By-laws made, altered or amended by the Board of Directors shall be subject to alteration, amendment or repeal by the stockholders. Notwithstanding anything to the contrary herein provided the affirmative vote of the holders of record of at least a majority of each class of Common Stock at the time outstanding, given at any such annual or special meeting shall be required to alter, amend, or repeal, or to substitute new by-laws for, any of the following provisions: the provisions of Article II with respect to the policy of the Corporation, the provisions of Section 2 of Article III with respect to the calling of special meetings of the holders of any class of Common Stock, the provisions of Section 5(b) of Article III with respect to quorum for meetings of the holders of any class of Common Stock, the provisions of Section 6 of Article III with respect to organization of meetings of stockholders, the provisions of Section 7 of Article III with respect to voting, the provisions of Section 1 or Article IV with respect to proposed changes in the line of products that the Corporation is prepared to manufacture, the provisions of Section 2 of Article IV with respect to the number, election and term of office of directors, the provisions of Section 5 of Article IV with respect to vacancies in the office of director, the provisions of Section 9 of Article IV with respect to the calling of special meetings of the Board of Directors, the provisions of Section 12 of Article IV with respect to the removal of directors, the provisions of Section 14 of Article IV with respect to information to be available to the directors, the provisions of Section 15 of Article IV with respect to the Production Advisory Committee, the provisions of Sections 1, 2 and 3 of Article VIII with respect to restrictions on transfer of shares of Common Stock and certificates therefor, and the provisions of this Article XII. Sections 1, 2 and 3 of Article VIII with respect to restrictions on transfer of shares of Common Stock and certificates therefor may also from time to time be waived in particular instances by the affirmative vote of the holders of record of at least a majority of each class of Common Stock at the time outstanding, given at any such annual or special meeting.

Notwithstanding anything to the contrary hereinabove provided, these By-laws or any of them may be altered, amended or repealed, or new By-laws may be adopted by the written consent of the stockholders of record of all of the outstanding shares of Common Stock, without a meeting.

CIB 009 0136

SUPPLY CONTRACT, dated as of June 30, 1955 between TOMS RIVER-CINCINNATI CHEMICAL CORPORATION, a Delaware corporation having an office at 1055 Laidlaw Avenue, Cincinnati, Ohio, and doing business in the States of Ohio and New Jersey (hereinafter called "TRC") and CIBA COMPANY INC., a New York corporation having an office at 627 Greenwich Street, New York 14, New York (hereinafter called "CIBA").

PREAMBLE

1. TRC has for many years supplied from the output of its Ohio plants a substantial part of the dye requirements of CIBA, and on December 1, 1952, entered into a supply contract with CIBA concerning products produced at such plants, which contract is to be superseded by the present supply contract. The dyes presently being manufactured at TRC's Ohio plants and which are covered by the aforesaid supply contract of December 1, 1952 are listed in Schedule A annexed hereto. The manufacture of additional dyes may be undertaken at TRC's Ohio plants or elsewhere in the future, some or all of which may be produced in accordance with processes obtained from CIBA or from CIBA's parent or subsidiary corporations under the terms of license or other agreements between such corporations and TRC.

2. TRC has acquired from Ciba States Limited a manufacturing plant near Toms River, New Jersey, designed primarily

for the production of anthraquinone vat dyes and dye intermediates. The dyes that are presently being manufactured and that are scheduled to be manufactured at such plant according to present plans are also listed in Schedule A annexed hereto. It is anticipated that the manufacture of additional dyes may be undertaken in the future, some or all of which may be produced in accordance with processes obtained from CIBA or from CIBA's parent or subsidiary corporations under terms of license or other agreements between such corporations and TRC.

3. TRC desires to supply CIBA with a substantial portion of its requirements of dyes and also to supply to Geigy Chemical Corporation and Sandoz Chemical Works, Inc. (hereinafter referred to as "TRC's other regular customers") a substantial portion of their respective requirements of dyes. CIBA and TRC's other regular customers, being desirous of assuring for themselves respectively a dependable source of supply of the dyes covered hereby in the quantities and of the qualities needed by them and at the lowest practicable cost, are simultaneously entering into like agreements with TRC in the form hereof.

Accordingly, the parties hereto, each in consideration of the agreements of the other herein contained, hereby agree as follows:

1. PRODUCTS COVERED

(a) The products covered by this Agreement shall be the dyes listed in Schedule A hereto, those that may hereafter be added thereto by mutual consent, and such additional dyes as TRC may undertake to manufacture after the date hereof. TRC shall notify CIBA promptly after undertaking the commercial manufacture of any such additional dye, whereupon that dye will automatically be added to Schedule A.

(b) All the dyes now or hereafter included in Schedule A, the manufacture of which shall not have been discontinued as provided in paragraph (d) of Section 2, shall be available to CIBA under the terms of this Agreement.

2. PURCHASE AND SALES UNDERTAKING

(a) At least 30 days prior to the beginning of each calendar quarter, CIBA shall place with TRC written orders for the quantities of each dye that it desires to purchase from TRC during such quarterly period, stating the approximate dates upon which shipment is desired. Prior to the beginning of each such quarterly period, TRC shall notify CIBA in writing of the quantities of each dye desired by CIBA that TRC is prepared to supply against such order. Upon such notification and subject to the terms and conditions hereinafter set forth, CIBA will become obligated to

take and TRC will become obligated to deliver the quantities of each such dye so designated by TRC. The foregoing orders are hereinafter sometimes referred to as "Class A Orders".

(b) In addition to orders placed pursuant to the preceding paragraph (a), CIBA may, at any time or from time to time place orders for additional quantities of any dye, which orders TRC shall use its best efforts to fill. Orders for such additional quantities of dyes are hereinafter sometimes referred to as "Class B Orders".

(c) Subject to and in accordance with the further provisions of this Agreement, TRC will use its best efforts to supply the respective dyes from time to time ordered by CIBA under this Agreement so that CIBA may look to TRC as a dependable source of supply of the dyes covered by this Agreement in the quantities and of the qualities needed by CIBA.

(d) TRC reserves the right to discontinue for reasonable cause the manufacture of any dye covered by this Agreement upon six months' written notice to CIBA.

3. CHARGES FOR DYES DELIVERED

(a) At least 21 days prior to the beginning of each calendar quarter, TRC shall furnish to CIBA a list of charges, estimated by TRC to be the charges during said quarterly period for the dyes covered by this Agreement. In making such estimates, TRC may make such adjustments in estimated costs

as it may deem necessary. Prior to the effective date of such list, any estimated charge may be modified by TRC, and prior to the beginning of the calendar quarter CIBA may cancel without penalty any order placed with TRC under the provisions of Section 2. The effective date of such list shall be the 21st day before the beginning of each calendar quarter, and products delivered to CIBA during said calendar quarter shall be billed and paid for at the charges set forth therein.

(b) The charge to CIBA for dyes covered by this Agreement shall not exceed the aggregate costs and all other expenses incurred in the production and sale thereof determined in accordance with generally accepted accounting principles as approved by TRC's regular independent certified public accountants, including as elements of cost for such purpose charges or reserves which, in the judgment of the Board of Directors, are necessary and reasonable to provide for the following:

(i) interest and amortization (not otherwise provided for) on all debt of TRC;

(ii) the funds needed, in excess of depreciation computed at normal rates, to replace buildings, machinery and equipment rendered obsolete by economic or other causes;

(iii) the funds needed to maintain TRC in a sound working capital position;

(iv) the annual dividend requirements on the preferred stock at the time outstanding plus not in excess of 3% of the maximum par value of the preferred stock outstanding after January 1, 1955, to provide for the retirement of such stock;

(v) not in excess of 7% of the capital value of the common stock at the time outstanding.

(c) In no event shall the aggregate of cash dividends or other dividends or distributions declared or set apart on the common stock of TRC exceed 7% per annum on the capital value thereof.

(d) For purposes of this Agreement the aggregate "capital value" of the common stock shall be (i) an amount equal to the book value of the common stock of TRC as at the close of business on the date of this Agreement, such amount to be determined in accordance with generally accepted accounting principles by TRC's regular independent certified public accountants, plus (ii) such amounts in cash or other property as subsequently may be transferred to TRC by stockholders against the issue of additional shares of common stock or as a capital contribution, plus (iii) the aggregate par value of any preferred stock of TRC, plus any accrued dividends thereon, that may hereafter be surrendered to TRC in exchange for additional shares of common stock,

less (iv) the aggregate amount, if any, that TRC shall have paid to its stockholders for the purchase or retirement of common stock.

(e) As soon as practicable after the end of each calendar year TRC will refund to CIBA the amount, if any, by which the aggregate of the charges made for dyes delivered to CIBA hereunder during such year shall exceed the aggregate charge permitted hereunder in respect of said dyes.

(f) Any excess of reserves or earned surplus established or accumulated since the date of this Agreement not required in the business of TRC or for the purposes mentioned in paragraph (b) above as determined by the Board of Directors shall be refunded to CIBA and TRC's other regular customers, pro rata according to the excess of charges made over cost since the date of this Agreement in respect of dyes delivered to the respective customers by TRC under their respective supply contracts.

(g) Profit or loss on sale of products (whether or not listed in Exhibit A) or by-products sold to others than (i) CIBA hereunder and (ii) TRC's other regular customers under similar supply contracts shall be treated as a debit or credit, as the case may be, to costs as described in paragraph (b) above.

(h) TRC will at all times use its best efforts, to the

same extent that it would if it were producing the dyes to be delivered hereunder for sale at a fixed price, to produce such dyes at the lowest practicable cost.

(i) Anything herein contained to the contrary notwithstanding, in the event TRC shall sell any dye covered by this Agreement to any other purchaser at a price lower than the charge therefor computed as herein provided, CIBA shall be entitled to such lower price subject to the same terms and for the same quantities to which such lower price shall be applicable in respect of such sale to said other customer.

(j) In the event of any question or dispute between the parties as to the proper application of this Section or as to any computation thereunder, such question or dispute shall be referred to TRC's said independent certified public accountants for determination (to the extent that such question or dispute shall be appropriate for determination by accountants) and their determination in respect thereof shall be final and binding on the parties hereto.

4. TERMS OF SALE

Subject to the further provisions of this Agreement dyes delivered hereunder shall be subject to TRC's standard terms and conditions in effect at the date hereof or as changed from time to time with the approval of CIBA.

A copy of said terms and conditions as presently in effect is attached hereto as Schedule B.

5. ALLOCATION

(a) In any period during which TRC is unable to fill all Class A or Class B Orders placed with it by CIBA and TRC's other regular customers under their respective Supply Contracts for any particular dye or dyes TRC shall allocate its available supply of such dye or dyes among its customers in such manner and to such extent that, in so far as practicable, TRC shall, during such period of inability to supply, deliver to CIBA hereunder its Base Period Proportion of the respective dyes in short supply and of the total of all dyes in short supply, as follows:

(i) Class A Orders. In the event that the total quantity of any dye ordered pursuant to Class A Orders by CIBA and TRC's other regular customers in the manner provided in paragraph (a) of Section 2 is in excess of the quantity that TRC believes it will be able to supply, TRC shall, in the acceptance of Class A Orders, allocate the available supply, or such part thereof as TRC is willing to commit against Class A Orders, among CIBA and TRC's

other regular customers in accordance with the principle of allocation set forth above in this paragraph (a). If TRC is unable to supply in full Class A Orders accepted as aforesaid, or accepted prior to the beginning of the period of inability to supply, it shall allocate the available supply among Class A Orders pro rata according to the amount thereof.

(ii) Class B Orders. After Class A Orders shall have been filled or provided for as aforesaid, in the event the remaining available supply of any dye or dyes shall be insufficient to enable TRC to fill all Class B Orders for such dye or dyes, as the case may be, TRC shall, in the filling of Class B Orders, allocate such remaining available supply among CIBA and TRC's other regular customers in accordance with the principle of allocation set forth above in this paragraph (a).

(iii) Notwithstanding the provisions of subparagraphs (i) and (ii) above, if any particular dye covered by this Agreement shall

not have been sold in commercial quantities by TRC at any time during the Base Period, or shall have been sold in commercial quantities during a part but not all of the Base Period, TRC shall allocate its available supply of such dye in such a manner that CIBA shall receive hereunder during such period of inability to supply not less than 20% of such available supply; provided, however, that any allocation of any dye pursuant to this subparagraph (iii) shall not alter or affect CIBA's right to receive hereunder in the aggregate, in so far as practicable, its Base Period Proportion of all dyes at the time in short supply;

(b) The "Base Period Proportion" of CIBA in respect of any dye or dyes shall be that proportion which the total sales to CIBA of such dye or dyes, as the case may be during the Base Period bear to TRC's total sales of such dye or dyes, as the case may be, during the Base Period to CIBA hereunder and to TRC's other regular customers. The "Base Period" in respect of any period of inability to supply shall be the three full calendar years immediately preceding the beginning of the period of inability to fill all

orders placed pursuant to this Agreement.

(c) Anything in this Section 5 to the contrary notwithstanding, as it is expected that anthraquinone vat dyes to be manufactured by TRC will be in short supply for some time after the acquisition by TRC of the Toms River Plant referred to above, the following provision is made for allocation of such dyes until after (i) the expiration of five years after the date of this Agreement, or (ii) the expiration of twelve consecutive calendar months during which TRC's production of vat dyes shall have been more than sufficient to meet all orders placed with TRC by CIBA and TRC's other regular customers, whichever of said periods (i) or (ii) shall be shorter: During the first three years that this provision shall be in effect, the available supply of vat dyes shall be allocated in such a manner as to provide CIBA, as nearly as practicable, with 70% of the available supply and, during the fourth and fifth years that this provision shall be in effect, with 60% of the available supply. When this provision shall cease to be effective as aforesaid, the provisions of this Section 5, other than this paragraph (c), shall be applicable as to vat dyes in the same manner as to other dyes covered by this Agreement.

(d) For the purpose of this Section 5, "sales" in respect of dyes delivered to CIBA under this Agreement

shall mean the aggregate charges made by TRC therefor pursuant to Section 3.

(e) TRC shall be deemed to have complied with the provisions of this Section 5 if such provisions shall have been substantially fulfilled during each successive six months' period of inability to fill all orders.

6. PREVENTION OF PERFORMANCE

Neither party shall be responsible or liable to the other hereunder for failure or delays in performance of any provision of this Agreement due to war, fire, flood, accidents, labor disputes, riots, delays of carriers, acts of God or government, requisitions, statutes, rules, regulations or requirements of governments or any agencies or instrumentalities thereof, or any other contingencies beyond the party's reasonable control.

7. NOTICE

Any notice or other communication required or permitted to be given to a party under this Agreement shall be effectively given if sent by registered mail directed to such party at its address set forth at the head of this Agreement or at such other address as such party shall designate by notice to the other.

8. WAIVERS

No delay or omission by either party in the exercise of any right under this Agreement shall impair the right or be deemed to constitute a waiver or acquiescence in any default or preclude any subsequent exercise of the right. No right under this Agreement shall be deemed to have been waived by either party unless the waiver be in writing and signed by such party. A waiver by either party of a breach of this Agreement shall not be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

9. TRANSFERABILITY

This Agreement shall bind and benefit the successors of the respective parties, but shall not otherwise be assignable or transferable by either party without the written consent of the other.

10. TERM OF AGREEMENT

This Agreement shall remain in effect for an initial period of ten years from the date hereof, and shall remain in effect thereafter from year to year, subject to the right of either party to terminate the same at the end of any year after the expiration of said initial ten-year period by giving to the other party, at least five years

prior to the termination date, written notice of intent to terminate.

11. TERMINATION OF EXISTING SUPPLY CONTRACT

Upon the taking effect of this Agreement the supply contract between the parties entered into on December 1, 1952 having been superseded by the present Agreement, shall be deemed terminated.

12. ARBITRATION

Except as otherwise provided in paragraph (j) of Section 3, all disputes arising in connection with the present contract shall be finally settled by arbitration. The arbitration shall be held in New York, New York, and conducted in accordance with the Rules then obtaining of the American Arbitration Association. Judgment upon the award may be rendered in any Court having jurisdiction or application may be made to such Court for a judicial acceptance of the award and an order of enforcement as the case may be.

IN WITNESS WHEREOF the parties have executed this Agreement in duplicate as of the date first above written.

TOMS RIVER-CINCINNATI
CHEMICAL CORPORATION,

By David B. Dyche
President

Attest:
T. H. Saari
Secretary
[Corporate Seal]

CIBA COMPANY INC.,

By H. B. Marshall
President

Attest:
A. L. Perrin
Secretary
[Corporate Seal]

NOTE

Schedule A to the foregoing Supply Contract is included in this volume at page 119 and Schedule B thereto is included in this volume at page 127.

SUPPLY CONTRACT

SCHEDULE A

I. DYES MANUFACTURED AT OHIO PLANTS:

Product No.	Name
ACID DYES	
1416	Acid Blue NGB
1415	Acid Brilliant Pure Blue G
1324	Acid Green
1366	Acid Milling Red G
1321	Acid Milling Red R
1320	Acid Milling Yellow G
1419	Acid Milling Yellow 5G
1343	Acid Naphthol Blue Black
1417	Acid Orange NR
1307	Acid Orange 2R
1418	Acid Red 3NB
1313	Acid Red OA
1340	Acid Violet 6B Supra
1434	Alizarine Cyanine Green GNN
1390	Alizarine Light Blue B
1441	Alizarine Light Blue 2A
1442	Alizarine Light Blue 2GL
1429	Alizarine Light Blue 4GL
1391	Alizarine Light Blue SE
1439	Alizarine Light Grey 2BLW
1301	Amaranth
1383	Azo Eosine G
1346	Azo Rhodine 6B
1345	Azo Rhodine 2G
1384	Azo Rubinole 3GP
1306	Carmoisine
1326	Chromotrope 6B
1308	Cloth Red 2B
1310	Crocein 3BX
1367	Crocein Scarlet FL
1355	Crocein Scarlet MOO
1387	Derma Brown G
1389	Derma Brown R
1347	Erio Violet RL
1357	Fast Acid Light Red B
1348	Fast Acid Orange 2G
1368	Fast Acid Orange RW
1359	Fast Acid Yellow C-173
1337	Fast Acid Yellow 2G
1437	Fast Acid Yellow 2GP
5029	Fast Acid Yellow 3G
1369	Fast Jasmine G
1339	Fast Red VR
[illegible]	Kiton Fast Red 4BLN
[illegible]	Kiton Fast Violet 1GR

Product No.	Name
1314	Mauve for Lakes
1315	Metanil Yellow for Lakes
1433	Naphthalene Green V
1329	Naphthol Blue Black B
5133	Naphthol Blue Black G
1353	Naphthol Green Black B
1364	Naphthol Navy Blue M
1436	Neolan Black WA
1422	Neolan Black WAL
1397	Neolan Black WAO
1394	Neolan Blue 2G
1409	Neolan Blue 2R
1414	Neolan Bordeaux BE
1396	Neolan Bordeaux R
5136	Neolan Bordeaux RM
1401	Neolan Dark Green B
1421	Neolan Green BL
1403	Neolan Orange G
1411	Neolan Orange GRE
1395	Neolan Orange R
1406	Neolan Pink B
1405	Neolan Pink BAC
1410	Neolan Red BRE
1399	Neolan Red GREC
1400	Neolan Violet
1407	Neolan Violet Brown B
1402	Neolan Yellow BE
1404	Neolan Yellow GR
1332	Nerol B
1333	Nerol 2B
1334	Nerol 4B
1382	Neutral Brown R
1335	New Coccine
1428	Oil Orange SG
1375	Polar Orange GS Conc.
1377	Polar Orange R Conc.
1378	Polar Red B Conc.
1379	Polar Red 3B Conc.
1372	Polar Red G
1373	Polar Red R Conc.
1371	Polar Red RS Conc.
1376	Polar Yellow 2G Conc.
1370	Polar Yellow 5G Conc.
1374	Polar Yellow R Conc.
1351	Resorcine Brown B
1385	Resorcine Brown R
1338	Rocceline S
1362	Silk Red B
1363	Silk Red 4B
[illegible]	Sulfon Acid Blue R
[illegible]	Synlan Black J
[illegible]	Tartrazine
[illegible]	Victoria Violet 4BS
[illegible]	Xylene Milling Blue BL
[illegible]	Xylene Milling Blue GL

Product No.	Name
DIRECT DYES	
2476	Artificial Silk Black G
2412	Benzo Azurine G
2504	Benzo Light Yellow RL
2405	Benzo Orange R
2402.1	Benzo Purpurine 4B
2402.2	Benzo Purpurine 4BMP
2588	Benzo Purpurine 4BS
2404	Benzo Purpurine 10B
2543	Chloramine Brilliant Orange RS
2512	Chloramine Brilliant Red 8B
2542	Chloramine Fast Orange 2RN
2486	Chloramine GreeR B
2510	Chloramine Red B
2511	Chloramine Red 3B
2500	Chlorantine Fast Blue 2GL
2501	Chlorantine Fast Blue 4GL
2526	Chlorantine Fast Blue 3RL
2558	Chlorantine Fast Bordeaux 2B
2530	Chlorantine Fast Brown BRLL
2556	Chlorantine Fast Green BLL
2571	Chlorantine Fast Green 5GLL
2536	Chlorantine Fast Orange TGLL
2561	Chlorantine Fast Orange T4RLL
2506	Chlorantine Fast Red 5BL
2553	Chlorantine Fast Red 6BLL
2560	Chlorantine Fast Violet 5BLL
2559	Chlorantine Fast Violet 2RLL
2505	Chlorantine Fast Yellow 5GL
2570	Chlorantine Fast Yellow 2GLL
2502	Chlorantine Fast Yellow RL
2448	Chrysamine K
2568	Chrysophenine
2473	Cindiazo Blue B
2566	Cindiazo Bordeaux B
2579	Cindiazo Bordeaux BN
2569	Cindiazo Bordeaux 7B
2591	Cindiazo Brown R
2485	Cindiazo Red 2B
2593	Cindiazo Scarlet RP
2421	Cindirect Violet 2B
2425	Congo Brown G
2564	Congo Red
2550	Developed Brilliant Green 3G
2492	Diazamine Blue BR
2477	Diazo Fast Blue 2RW
2587	Diazo Fast Orange GL
2562	Diazo Fast Yellow 3GL
2427	Diphenyl Chrysoine G
2549	Diphenyl Fast Blue Green BL
2552	Diphenyl Fast Grey B
2557	Diphenyl Fast Yellow RL
2429	Direct Black E
[illegible]	Direct Black ECW

Product No.	Name
2466	Direct Black GX
2468	Direct Black GXR
2430	Direct Black W
2488	Direct Black 3G
5063	Direct Black 3GR
2409	Direct Blue BX
2410	Direct Blue 2B
2411	Direct Blue 3B
2527	Direct Bordeaux 6B
2523	Direct Brilliant Violet B
2551	Direct Brilliant Yellow
2417	Direct Brown CT
2440	Direct Brown M
2436	Direct Brown MR
2413	Direct Brown T
5031	Direct Brown
2484	Direct Chlor Yellow FF
2516	Direct Chrome Black Blue B
2532	Direct Chrome Black Blue 2B
2583	Direct Dark Green BRC
2490	Direct Dark Green CW
2493	Direct Dark Green Supra
2494	Direct Deep Black E
2463	Direct Fast Black B
2498	Direct Fast Black B Supra
2434	Direct Fast Black FB
5137	Direct Fast Black FF
2461	Direct Fast Blue B
2462	Direct Fast Blue R
2452	Direct Fast Blue RW
2441	Direct Fast Light Blue FF
2545	Direct Fast Orange 4G
2592	Direct Fast Orange 3LWF
2447	Direct Fast Orange R
2455	Direct Fast Orange 2R
2459	Direct Fast Orange SE
2508	Direct Fast Orange SW
5171	Direct Fast Brown LBRA
2594	Direct Fast Brown RLL
2537	Direct Fast Red 8BL
2437	Direct Fast Red F
2475	Direct Fast Scarlet 4BA
2515	Direct Fast Scarlet 8BA
2513	Direct Fast Scarlet 4BSW
2460	Direct Fast Scarlet SE
2443	Direct Fast Yellow AG
2586	Direct Fast Yellow EFC
2456	Direct Fast Yellow G
2565	Direct Fast Yellow 5G
2580	Direct Fast Yellow 3GP
2584	Direct Fast Yellow 6GP
2416	Direct Garnet R
2408	Direct Garnet RB
2519	Direct Garnet 2RB
2453	Direct Green BB Supra

LY CONTRACT - SCHEDULE A

ıct No.	Name
2582	Direct Green BP
2472	Direct Green BY
2445	Direct Green GB
2589	Direct Lumisol Blue GLS
2554	Direct Lumisol Blue 4GL
2578	Direct Lumisol Blue 6GL
2547	Direct Lumisol Blue L
2548	Direct Lumisol Blue RL
2555	Direct Lumisol Grey G
2574	Direct Lumisol Violet 4RL
2522	Direct Navy Blue B
2538	Direct New Blue 5B
2418	Direct Orange G
2419	Direct Red B
2420	Direct Red 3B
2449	Direct Rubine
2451	Direct Sky Blue A
2474	Direct Sky Blue 6B
2478	Direct Violet Black
2438	Direct Violet N
5161	Fibre Black V
2576	Formaldehyde Blue 2B
2497	Formal Fast Black G
2585	Paper Orange R
2482	Primuline
2539	Pyrazol Fast Orange GL
2540	Pyrazol Orange GH
2534	Rosanthrene Bordeaux 2BL
2535	Rosanthrene Orange R
2567	Rosanthrene Orange RD
2507	Silk Brown B
2423	Trisulfon Brown BP
2577	Trisulfon Brown BPCW
2424	Trisulfon Violet B
2541	Visco Blue RS
2471	Zambesi Black BG
2435	Zambesi Black BH
2470	Zambesi Black D
2431	Zambesi Black V

CHROME DYES:

3632	Acid Chrome Blue 2RA
3646	Alizarine Blue Black B
3621	Chrome Brown B
3631	Chrome Brown 3B
3622	Chrome Brown O
3636	Chrome Brown PG
3615	Chrome Fast Black FW
3655	Chrome Fast Black P
5173	Chrome Fast Black PLC
5172	Chrome Fast Black PV
3633	Chrome Fast Garnet R
3630	Chrome Fast Orange R
3628	Chrome Fast Violet B

LY CONTRACT - SCHEDULE A

Product No.	Name
3638	Chrome Fast Yellow G
3626	Chrome Garnet R
3610	Chrome Green B
3602	Chrome Orange R
3616	Chrome Yellow DS
3608	Chrome Yellow G
3614	Chrome Yellow 3G
3613	Chrome Yellow 5G
3620	Chrome Yellow GR
3634	Chrome Yellow SW
3635	Erio Chromal Brown AEB
3640	Erio Chrome Azurol BC
3607	Erio Chrome Black A
3606	Erio Chrome Black T
3605	Erio Chrome Black TN
3609	Erio Chrome Blue Black B
3603.1	Erio Chrome Blue Black R Sol.
3603.2	Erio Chrome Blue Black RSS
3603.3	Erio Chrome Blue Black RSX
3625	Erio Chrome Blue Black RZN
3645	Erio Chrome Brown DKL
3617	Erio Chrome Brown R
3641	Erio Chrome Cyanine RC
3637	Erio Chrome Flavine A
3619	Erio Chrome Red B
3639	Metomega Chrome Black Blue G
3649	Metomega Chrome Brown 3GL
3647	Metomega Chrome Brown RLL
3654	Metomega Chrome Cyanine BLL
3650	Metomega Chrome Orange ML
3651	Metomega Chrome Red GM
3643	Omega Chrome Yellow ME
BASIC DYES:	
3712	Bismark Brown G
3711	Bismark Brown R
3716	Bismark Brown R Base
PRINTING DYES:	
3809	Pigment Scarlet 3B
VAT DYES:	
3903	Ciba Brown G Presscake
3904	Ciba Brown GO Paste
3905	Ciba Brown G Paste BK - 10179C
CELANESE DYES:	
3322	Acetate Blue DL
3319	Acetate Diazo Black 3G
[illegible]	Acetate Orange GR
[illegible]	Acetate Red B
[illegible]	Acetate Red R

LY CONTRACT - SCHEDULE A

Product No.	Name
4321	Acetate Rubine R
4317	Acetate Scarlet B
4315	Acetate Violet 2R
4312	Celanese Blue FFR
4314	Celanese Fast Yellow G
4301	Cibacet Diazo Black B
4306	Cibacet Diazo Black GN
4310	Cibacet Diazo Black GWS
4305	Cibacet Red 3B
4303	Cibacet Sapphire Blue G
4320	Cibacet Sapphire Blue #294
4308	Cibacet Yellow GN

DYES MANUFACTURED AT TOMS RIVER PLANT:

Code No.	Name
ANTHRAQUINONE VATS:	
7120	Cibanone Black 2B
7129	Cibanone Black DM
7200	Cibanone Dark Blue BO
7206	Cibanone Blue GF
*	Cibanone Blue GCD
7000	Cibanone Navy Blue RA
7160	Cibanone Brown BG
7170	Cibanone Brown BR
7180	Cibanone Brown GR
7140	Cibanone Brilliant Green BF
7141	Cibanone Brilliant Green 2BF
7142	Cibanone Green 2B
7130	Cibanone Black DRB
7208	Cibanone Grey LN
7010	Cibanone Olive 2B
7020	Cibanone Olive 2R
7030	Cibanone Olive S
7035	Cibanone Olive SR
7036	Cibanone Olive SRR
*	Cibanone Brilliant Orange RK
7210	Cibanone Golden Orange G
7220	Cibanone Golden Orange 3G
7230	Cibanone Golden Orange 2R
7080	Cibanone Violet 6B
7070	Cibanone Violet 4R
*	Cibanone Violet FFBN
7240	Cibanone Golden Yellow GK
7090	Cibanone Yellow GCP
7091	Cibanone Yellow GC
7110	Cibanone Yellow PGA
7111	Cibanone Yellow P2GA
7060	Cibanone Red 6B
7040	Cibanone Red FBB
7050	Cibanone Red RK

Code number not yet assigned.

SUPPLY CONTRACT

SCHEDULE B

TERMS AND CONDITIONS OF SALE OF DYES

1% discount on invoices dated 1st to 15th of month if paid by 25th of month and on invoices dated 16th to 31st of month if paid by 10th of following month. All invoices Net 30 days.

F.O.B. Seller's Works, Minimum Carload or Minimum Truckload rate, whichever lower, from St. Bernard, Ohio, to New York, New York, allowed; Minimum Truckload rate from Toms River, New Jersey, to New York, New York, allowed.

An extra charge may be made for repacking shipments in less than customary container amounts.

FILE COPY

SUPPLEMENT TO SUPPLY CONTRACT
WITH CIBA ~~COMPANY, INC.~~
Chemical & Dye Company, Division of CIBA Corporation

SUPPLEMENTAL AGREEMENT dated as of July 1, 1959, between TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation formerly known as TOMS RIVER-CINCINNATI CHEMICAL CORPORATION (hereinafter called "TRC"), and CIBA ~~COMPANY, INC.~~ Chemical & Dye Company, Division of Ciba Corporation, a New York corporation (hereinafter called "CIBA").

The parties hereto have heretofore entered into a Supply Contract dated as of June 30, 1955 (hereinafter called the Supply Contract), providing for the supply by TRC to CIBA of certain dyes manufactured by TRC. Simultaneously therewith TRC also entered into like supply contracts with Geigy Chemical Corporation and Sandoz, Inc. (under its then name, Sandoz Chemical Works, Inc.), respectively.

The parties hereto desire to amend, effective as of the date hereof, the Supply Contracts as hereinafter provided. Simultaneously herewith TRC is entering into similar amendatory agreements with said Geigy Chemical Corporation and said Sandoz, Inc., respectively.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties

hereto hereby agree as follows:

1. Paragraph (a) of Section 1 of the Supply Contract is hereby amended to read as follows:

"(a) The products covered by this Agreement shall be the dyes listed in Schedule A hereto, those that may hereafter be added thereto by mutual consent, and such additional dyes, other than dyes coming within the definition of 'Special Products' as hereinafter in Section 7 provided, as TRC may undertake to manufacture after the date hereof. TRC shall notify CIBA promptly after

(i) undertaking the commercial manufacture of any such additional dye, other than such a Special Product, or

(ii) the termination of the relevant patent coverage as a result of which any dye theretofore a Special Product under Section 7 shall cease to be such,

whereupon that dye will automatically be added to Schedule A."

2. Paragraphs (b) to (g), inclusive, of Section

3 of the Supply Contract are deleted, and the following paragraphs (b) to (e), inclusive, are hereby substituted therefor:

"(b) The total of the charges for dyes covered by this Agreement delivered to CIBA hereunder during any calendar year, commencing with the calendar year 1959, shall not exceed the sum (herein referred to as the 'Maximum Price') of (i) the aggregate costs (including depreciation, overhead and administrative expenses, interest charges and all other proper charges) allocable to the production and delivery thereof, as determined from time to time in accordance with generally accepted accounting principles approved by TRC's regular independent certified public accountants, and (ii) a supplementary amount equal to the 'Return on Capital Employed' (hereinafter defined) in the production of such dyes.

"(c) Within sixty days after the close of each calendar quarter of any calendar year, commencing with the calendar quarter ending September 30, 1959, TRC shall determine the estimated Maximum Price for the dyes delivered to CIBA hereunder during such quarter, making such estimates of items of cost not then determined as

shall be necessary, and if the Maximum Price so determined shall be less than the aggregate of the charges made for said dyes so delivered during such quarter, the difference shall promptly be refunded to CIBA, on account, and subject to adjustment after the year end, as hereinafter provided. As soon as practicable after the close of each calendar year (commencing with the calendar year 1959) and after all year-end adjustments shall have been made and the accounts of TRC shall have been audited by its regular independent certified public accountants, TRC shall submit to CIBA a report certified by its said accountants, as to the Maximum Price for all dyes delivered to CIBA hereunder during said year. If such Maximum Price so certified shall be less than the aggregate of the charges made by TRC for dyes delivered to CIBA hereunder during such year, the difference shall be the definitive amount due CIBA as a refund of price hereunder for such year and the amount remaining due to CIBA on account of such refund shall forthwith be paid by TRC or if payments of refunds previously made for such calendar year shall have exceeded the

amount thus finally determined to be due, the excess payments shall be repaid by CIBA to TRC.

"(d) The 'Return on Capital Employed' in the production of dyes delivered to CIBA hereunder during any calendar year shall be that part of the total provision for return on capital, determined as stated below, allocable to the production of such dyes as hereinafter provided. The total provision for return on capital for the purposes hereof in respect of any calendar year shall be (i) an amount sufficient, after payment of income taxes thereon at then prevailing income tax rates, to provide for the dividend for such year accrued on the Preferred Stock of TRC outstanding during such year, plus (ii) an amount equal to 10% of the capital represented by the Common Stock of TRC outstanding during such year. For the purposes hereof (1) said total provision for return on capital in respect of any calendar year shall be allocated among all dyes and other products manufactured by TRC during such year in the same manner and in the same proportions in all material respects as depreciation of manufacturing buildings and equipment (including buildings and equipment for drying but excluding

auxiliary facilities such as power plant and waste disposal facilities) is allocated among such dyes and other products respectively in determining costs in accordance with TRC's regular accounting procedures, excluding, however, such depreciation on plant facilities for Special Products referred to in Section 7 hereof, the cost of which shall have been provided otherwise than from TRC's general funds (for the calendar years 1959, 1960 and 1961, however, such allocation shall be made in the same manner and in the same proportions as fixed costs rather than depreciation are allocated among such dyes and other products respectively in determining costs in accordance with TRC's regular accounting procedures, excluding fixed costs with respect to such Special Products referred to in Section 7 hereof, the cost of which shall have been provided otherwise than from TRC's general funds); and (2) the sum of the amounts so allocated to the respective dyes delivered to CIBA hereunder during any calendar year shall be the 'Return on Capital Employed' in the production of said dyes. In the event the Federal income tax rates applicable to TRC in years

subsequent to 1959 shall be increased above or decreased below the rates applicable for 1959, the percentage of capital referred to in clause (ii) above (being 10% in respect of 1959) shall be increased decreased so that the total provision for return on capital described in said clause (ii) shall, after Federal income taxes, be the same as such provision, after said taxes at the rates applicable for 1959.

"(e) (i) The provision for Return on Capital Employed set forth in this Agreement shall at the end of each Five Year Effective Period (as defined in clause (v) below) during the term of this Agreement be reconsidered and renegotiated between the parties hereto in the light of the experience and then earning power of TRC hereunder.

(ii) Either party hereto shall have, within one year after the end of any Five Year Effective Period, the right to cause the question of the amount or rate of the Return on Capital Employed to be provided hereunder to be settled by arbitration as provided in Section 14 hereof in accordance with the rules then obtaining of the

American Arbitration Association. In so determining the Return on Capital Employed the arbitrator's sole function shall be to arrive at a percentage, determined by him to be fair and reasonable, in lieu of (and which may be the same as) the percentage set forth in paragraph (d) (ii) of this Section o of the corresponding percentage for any subsequent Five Year Effective Period, which percentage so arrived at shall not be less than 10% nor more than the "Maximum Rate" (hereinafter defined), each such percentage being subject to adjustment as provided in the last sentence of paragraph (d) of this Section. In his determination of such percentage as aforesaid, the arbitrator shall consider and take into account all relevant factors presented by the respective parties, questions of relevance to be determined by the arbitrator in each case.

(iii) The agreement of the parties with respect to the Return on Capital Employed, arrived at as above provided or the determination of the arbitrator with respect to such Return on Capital Employed, as the case may be, whether or not the

Return on Capital Employed shall thereby be changed, shall be set forth in a written agreement supplemental hereto and shall go into effect on the first day of the calendar quarter next following the date of agreement of the parties or of the award of the arbitrator, as the case may be. Each rate of Return on Capital Employed provided for herein or determined as herein provided shall remain in effect until changed as herein provided and in no event shall rate of Return on Capital Employed under this agreement at any time be greater than that at such time in effect under either of the above mentioned like supply contracts between TRC and its other regular customers.

(iv) The Maximum Rate shall be the percentage obtained by multiplying 10% by the quotient of $\frac{A}{B}$ where

<u>A shall be</u> the amount obtained by dividing (1) the arithmetic average annual Net Profit after Taxes of all manufacturing corporations except newspapers for the five calendar years next preceding the determination of the Maximum Rate by renegotiation or arbitration by (2) the arithmetic

average of the total Stockholders' Equity in such corporations at the end of each quarter during such five years, both calculated from the data published jointly by the Federal Trade Commission and Securities and Exchange Commission in the QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS, and

B shall be the amount corresponding to A for the five-year period 1955-1959, inclusive, namely 10.86%.

In the event that the form in which the data on annual Net Profit after Taxes and Stockholders' Equity is published by the Federal Trade Commission and the Securities and Exchange Commission shall hereafter be changed, the Maximum Rate shall be determined on the basis of the data as so published, following the above-described formula as nearly as may be.

(v) The term "Five-Year Effective Period" shall mean (i) the five years ending December 31, 1963, (ii) if thereafter the rate of return shall, as a result of renegotiation and agreement between the

parties or of arbitration as herein provided, be established at the same or a different rate, then the five-year period commencing with the date said rate becomes effective, and (iii) if within one year after the close of any Five-Year Effective Period no agreement establishing the same or a different rate shall have been entered into and no arbitration shall have been demanded, then the five-year period commencing with the end of the next preceding Five-Year Effective Period.

3. Paragraphs (h), (i) and (j) of Section 3 of the Supply Contract are redesignated as paragraphs (f), (g) and (h), respectively.

4. Paragraph (h) (formerly paragraph (j)) of Section 3 of the Supply Contract is amended by inserting at the beginning thereof "Except as otherwise provided in paragraph (e) of this Section 3,".

5. The Supply Contract is hereby amended by inserting two new sections, immediately following Section 5 thereof, to read as follows:

"6. SPECIAL SURPLUS ACCOUNT

"All earnings and losses of TRC under this

Agreement and under the two similar agreements with TRC's other regular customers accruing after December 31, 1959, shall be credited or charged, as the case may be, by TRC to a special surplus account. There shall be charged against such special surplus account all preferred stock dividends accrued after December 31, 1959. Such credits and charges shall be made annually, as at the end of each calendar year, after the final determination of the Maximum Price hereunder and under said agreements with TRC's other regular customers for such year and the making of any refunds required thereby. Any balance remaining in said special surplus account at the end of any calendar year shall, after reserving an amount sufficient to pay preferred stock dividends for the current calendar year, be distributed by TRC as a dividend on its common stock. Such obligation to pay common stock dividends shall be subject to the existence of earned surplus available for the payment of such dividend, to contractual obligations restricting the payment of dividends in TRC's loan agreements (including the $4,000,000 note of Ciba States Limited

to New York Life Insurance Company dated November 1, 1949, as amended) and to the right of the Board of Directors by unanimous vote or approval to postpone the payment of such dividend. For the purpose of this Section, the 'earnings and losses' of TRC shall be the earnings and losses accrued after December 31, 1959 under this and said other similar agreements, separately calculated without reference to any other business of TRC, and shall be (i) net earnings after all taxes applicable thereto and after appropriate reductions of such taxes on the basis of prior losses or (ii) net losses after appropriate credit or reduction in or refund of taxes through the application of such losses to earnings theretofore and after December 31, 1959 accrued.

"7. SPECIAL PRODUCTS

"(a) TRC shall be entitled to enter into arrangements with any one or more of its regular customers, including CIBA, or their respective affiliates, for the manufacture of any Special Product or Products, as hereinafter defined, and for the sale of such Special Product exclusively to such customer or affiliate, at such price and on such other terms as shall be agreed upon between TRC and such customer or

affiliate, as the case may be, but only subject to the conditions hereinafter set forth.

"(b) The term 'Special Product' as herein used shall mean:

"(i) Any product other than a dye, and

"(ii) Any dye the manufacture or sale of which by TRC would at the time, except for such arrangement, constitute an infringement (direct or contributory under Section 271 of the U.S. Patent Act of 1952) of one or more claims of any United States patent or pending application for such a patent owned by or exclusively licensed to the customer with whom TRC enters into such arrangement, or an affiliate of such customer, excluding, however, (1) all vat dyes and (2) each other dye which at any time shall have been customarily sold (other than on a dealers' basis) by one of TRC's regular customers or any of its affiliates to either or both of the other regular customers of TRC or any of their affiliates; the claim of any pending application being treated, for the purposes of the foregoing, as a valid claim of an issued patent until it shall have been finally rejected.

"(c) In the event that the then existing production facilities of TRC (other than facilities financed solely by one customer) are to be used in whole or in [illegible] part in the manufacture of the Special Product [illegible] exclusive arrangement provided for in this Section [illegible] respect to such Special Product shall be entered into only subject to the following conditions:

"(i) The manufacture of such Special Product shall be scheduled by TRC so as not to interfere with its regular dye manufacture and so as to give such regular dye manufacture full priority as to facilities, services, labor and materials.

"(ii) All special manufacturing facilities required for the manufacture of such Special Product shall be financed by such customer in such a way as not to be a burden upon TRC and such customer shall indemnify TRC against any loss or unreimbursed expense in the manufacture and sale of such Special Product.

(iii) The price fixed by TRC for any

Special Product or any group of Special Products shall, unless otherwise determined by unanimous vote or approval of TRC's Board of Directors, be such that in the judgment of TRC's management, the profit margin to TRC thereon will ultimately be not less than its average profit margin on regular dyes;

provided, however, that TRC shall be entitled to enter into and perform in accordance with its terms any contract for the manufacture or sale of Special Products which shall be approved unanimously by its Board of Directors.

"(d) Dyes constituting Special Products shall cease to be 'Special Products' and shall be added to Schedule A hereto upon the expiration of the patent thereon or upon the abandonment or final rejection of the patent application with respect thereto, as the case may be. The price of Special Products shall not be subject to the Maximum Price provisions of Section 3. Profits and losses resulting from the manufacture and sale of Special Products shall not be credited to or charged against the Special Surplus Account provided for in Section 6."

6. Sections 6, 7, 8 and 9 of the Supply Contract are hereby redesignated as Sections 8, 9, 10 and 11.

7. Section 10 of the Supply Contract is hereby amended to read as follows:

"12. TERM OF AGREEMENT

"(a) This Agreement shall remain in effect until December 31, 1980, and thereafter from year to year, subject to the right of either party to terminate the same at December 31, 1980, or at any December 31st thereafter, by giving to the other party, at least five years prior to the termination date, written notice of intent to terminate.

"(b) In the event (i) that CIBA shall have given to TRC written notice of intent to terminate as provided in paragraph (a) of this Section 12, and (ii) that CIBA shall after the termination of this Agreement and during any one of the succeeding calendar years order from TRC less than 30% of CIBA's requirements of such dyestuffs which TRC during such year was manufacturing and willing to sell under this Agreement and (iii) that TRC shall prior to the commencement of such year have given written warning to CIBA that TRC may

exercise the option reserved under this paragraph (b), TRC shall have the right, at its option, by written notice to CIBA of exercise of such option, given within six months after the close of such year, to purchase, on a date specified in such notice which shall be not less than six months and not more than twelve months following the close of such year, all but not less than all the shares of common stock and preferred stock of TRC then beneficially owned by CIBA and its affiliates. The purchase price for the common stock shall be the net book value thereof at the close of such calendar year, as determined by TRC's regular certified public accountants in accordance with generally accepted accounting principles. The purchase price for the preferred shares shall be $100 per share plus accrued and unpaid dividends to the date of purchase. If such written notice of the exercise of such option is given TRC shall thereupon become obligated to purchase and CIBA and its affiliates to sell such shares at said prices and on said date. Otherwise such option, based upon CIBA's failure to purchase 30% of its requirements as aforesaid during the calendar year in question, shall expire but the

option reserved to TRC by this paragraph (b) shall continue in effect with respect to any succeeding calendar year to and including the fifth calendar year after the termination of the Agreement.

CIBA shall upon written request of TRC deliver to TRC within two months after the end of each calendar year with respect to which TRC shall have given the written warning referred to in (ii) above a statement certified by CIBA's regular certified public accountants as to whether or not CIBA shall have ordered in said calendar year at least 30% of its requirements of dyestuff which TRC was during such year manufacturing and willing to sell.

"(c) In the event that TRC shall give to CIBA written notice of intent to terminate as provided in paragraph (a) of this Section 12, CIBA shall have the right at its option to require TRC to purchase, on the termination date specified in such notice, all but not less than all the shares of TRC common stock beneficially owned by CIBA and its affiliates at such termination date, at the net book value thereof at such termination date as determined by TRC's regular independent certified public accountants in accordance with

generally accepted accounting principles. Such option may be exercised by CIBA by a written notice of exercise given not more than six months after the giving by TRC of such written notice of intent to terminate; provided however that if CIBA should give such written notice of intent to exercise such option, TRC shall have the right within 30 days after the receipt of such written notice, to notify CIBA in writing of the cancellation of its written notice of intent to terminate and, thereupon, such written notice of termination on the part of TRC and such written notice of exercise of option on the part of CIBA shall be void and of no effect. If CIBA shall have given such written notice of exercise of such option and TRC shall not have cancelled its notice of intent to terminate, TRC shall be obligated to purchase and CIBA shall be obligated to sell said shares at said price on such termination date."

8. Sections 11 and 12 of the Supply Contract are hereby redesignated as Sections 13 and 14, respectively, and

the reference to "paragraph (j) of Section 3" in said Section 14 (as redesignated) is hereby amended to read: "paragraphs (e) and (h) of Section 3".

9. Except as otherwise hereinabove expressly provided, the provisions of the Supply Contract shall remain in full force and effect.

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

TOMS RIVER CHEMICAL CORPORATION

By _____
President

Attest: _____
Secretary

CIBA COMPANY, INC.

By _____
President

Attest: _____
Asst. Secretary

AMENDMENT TO SUPPLY CONTRACT
with
CIBA CHEMICAL & DYE COMPANY DIVISION OF CIBA CORPORATION

AGREEMENT OF AMENDMENT dated as of March 18, 1964, between TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation, formerly known as Toms River-Cincinnati Chemical Corporation, (hereinafter called "TRC"), and CIBA CHEMICAL & DYE COMPANY Division of CIBA Corporation, a Delaware corporation, successor by merger to CIBA Company, Inc., (hereinafter called "CIBA").

TRC and CIBA Company, Inc., heretofore entered into a Supply Contract dated as of June 30, 1955, providing for the supply by TRC to CIBA Company, Inc., of certain dyes manufactured by TRC. Simultaneously therewith TRC also entered into like supply contracts with Geigy Chemical Corporation and Sandoz Chemical Works, Inc. (now Sandoz, Inc.), respectively. By Supplemental Agreements dated as of July 1, 1959, the said supply contracts were amended in certain respects, effective as of said date.

The parties hereto desire to further amend the said Supply Contract of June 30, 1955, as heretofore amended, effective as of the date hereof. Simultaneously TRC is entering into similar amendatory agreements with said Geigy Chemical Corporation and Sandoz, Inc., respectively.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Subparagraph (ii) of paragraph (b) of Section 7 of said Supply Contract is hereby amended to read as follows:

"(ii) Any dye the manufacture or sale of which by TRC would at the time, except for such arrangement, constitute an infringement (direct or contributory under Section 271 of the U.S. Patent Act of 1952) of one or more claims of any United States patent or pending application for such a patent owned by or licensed to the customer with whom TRC enters into such arrangement, or an affiliate of such customer (but only so long as such patent or application is not licensed to

either or both of the other regular customers of TRC or any of their affiliates), excluding, however, (1) all vat dyes, and (2) each other dye which at any time shall have been customarily sold (other than on a dealers' basis) by one of TRC's regular customers or any of its affiliates to either or both of the other regular customers of TRC or any of their affiliates; the claim of any pending application being treated, for the purposes of the foregoing, as a valid claim of an issued patent until it shall have been finally rejected."

2. Except as otherwise hereinafter expressly provided, the provisions of the said Supply Contract, as amended, shall remain in full force and effect.

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

TOMS RIVER CHEMICAL CORPORATION

Attest:

By _____
President

_____
Secretary

CIBA CHEMICAL & DYE COMPANY
Division of CIBA Corporation

Attest:

By _____
K. R. J. Horner, President

_____
Secretary
CIBA Corporation

SUPPLY CONTRACT, dated as of June 30, 1955, between TOMS RIVER-CINCINNATI CHEMICAL CORPORATION, a Delaware corporation having an office at 1055 Laidlaw Avenue, Cincinnati, Ohio, and doing business in the States of Ohio and New Jersey (hereinafter called "TRC") and GEIGY CHEMICAL CORPORATION, a Delaware corporation having an office at 89 Barclay Street, New York 7, New York (hereinafter called "GEIGY").

PREAMBLE

1. TRC has for many years supplied from the output of its Ohio plants a substantial part of the dye requirements of GEIGY, and on December 1, 1952, entered into a supply contract with GEIGY concerning products produced at such plants, which contract is to be superseded by the present supply contract. The dyes presently being manufactured at TRC's Ohio plants and which are covered by the aforesaid supply contract of December 1, 1952 are listed in Schedule A annexed hereto. The manufacture of additional dyes may be undertaken at TRC's Ohio plants or elsewhere in the future, some or all of which may be produced in accordance with processes obtained from GEIGY or from GEIGY's parent or subsidiary corporations under the terms of license or other agreements between such corporations and TRC.

2. TRC has acquired from Ciba States Limited a manufacturing plant near Toms River, New Jersey, designed primarily for

the production of anthraquinone vat dyes and dye intermediates. The dyes that are presently being manufactured and that are scheduled to be manufactured at such plant according to present plans are also listed in Schedule A annexed hereto. It is anticipated that the manufacture of additional dyes may be undertaken in the future, some or all of which may be produced in accordance with processes obtained from GEIGY or from GEIGY's parent or subsidiary corporations under terms of license or other agreements between such corporations and TRC.

3. TRC desires to supply GEIGY with a substantial portion of its requirements of dyes and also to supply to Ciba Company Inc. and Sandoz Chemical Works, Inc. (hereinafter referred to as "TRC's other regular customers") a substantial portion of their respective requirements of dyes. GEIGY and TRC's other regular customers, being desirous of assuring for themselves respectively a dependable source of supply of the dyes covered hereby in the quantities and of the qualities needed by them and at the lowest practicable cost, are simultaneously entering into like agreements with TRC in the form hereof.

Accordingly, the parties hereto, each in consideration of the agreements of the other herein contained, hereby agree as follows:

1. PRODUCTS COVERED

(a) The products covered by this Agreement shall be the dyes listed in Schedule A hereto, those that may hereafter be added thereto by mutual consent, and such additional dyes as TRC may undertake to manufacture after the date hereof. TRC shall notify GEIGY promptly after undertaking the commercial manufacture of any such additional dye, whereupon that dye will automatically be added to Schedule A.

(b) All the dyes now or hereafter included in Schedule A, the manufacture of which shall not have been discontinued as provided in paragraph (d) of Section 2, shall be available to GEIGY under the terms of this Agreement.

2. PURCHASE AND SALES UNDERTAKING

(a) At least 30 days prior to the beginning of each calendar quarter, GEIGY shall place with TRC written orders for the quantities of each dye that it desires to purchase from TRC during such quarterly period, stating the approximate dates upon which shipment is desired. Prior to the beginning of each such quarterly period, TRC shall notify GEIGY in writing of the quantities of each dye desired by GEIGY that TRC is prepared to supply against such order. Upon such notification and subject to the terms and conditions hereinafter set forth, GEIGY will become obligated to

take and TRC will become obligated to deliver the quantities of each such dye so designated by TRC. The foregoing orders are hereinafter sometimes referred to as "Class A Orders".

(b) In addition to orders placed pursuant to the preceding paragraph (a), GEIGY may, at any time or from time to time place orders for additional quantities of any dye, which orders TRC shall use its best efforts to fill. Orders for such additional quantities of dyes are hereinafter sometimes referred to as "Class B Orders".

(c) Subject to and in accordance with the further provisions of this Agreement, TRC will use its best efforts to supply the respective dyes from time to time ordered by GEIGY under this Agreement so that GEIGY may look to TRC as a dependable source of supply of the dyes covered by this Agreement in the quantities and of the qualities needed by GEIGY.

(d) TRC reserves the right to discontinue for reasonable cause the manufacture of any dye covered by this Agreement upon six months' written notice to GEIGY.

3. CHARGES FOR DYES DELIVERED

(a) At least 21 days prior to the beginning of each calendar quarter, TRC shall furnish to GEIGY a list of charges, estimated by TRC to be the charges during said quarterly period for the dyes covered by this Agreement. In making such estimates, TRC may make such adjustments in estimated costs

as it may deem necessary. Prior to the effective date of such list, any estimated charge may be modified by TRC, and prior to the beginning of the calendar quarter GEIGY may cancel without penalty any order placed with TRC under the provisions of Section 2. The effective date of such list shall be the 21st day before the beginning of each calendar quarter, and products delivered to GEIGY during said calendar quarter shall be billed and paid for at the charges set forth therein.

(b) The charge to GEIGY for dyes covered by this Agreement shall not exceed the aggregate costs and all other expenses incurred in the production and sale thereof determined in accordance with generally accepted accounting principles as approved by TRC's regular independent certified public accountants, including as elements of cost for such purpose charges or reserves which, in the judgment of the Board of Directors, are necessary and reasonable to provide for the following:

(i) interest and amortization (not otherwise provided for) on all debt of TRC;

(ii) the funds needed, in excess of depreciation computed at normal rates, to replace buildings, machinery and equipment rendered obsolete by economic or other causes;

(iii) the funds needed to maintain TRC in a sound working capital position;

(iv) the annual dividend requirements on the preferred stock at the time outstanding plus not in excess of 3% of the maximum par value of the preferred stock outstanding after January 1, 1955, to provide for the retirement of such stock;

(v) not in excess of 7% of the capital value of the common stock at the time outstanding.

(c) In no event shall the aggregate of cash dividends or other dividends or distributions declared or set apart on the common stock of TRC exceed 7% per annum on the capital value thereof.

(d) For purposes of this Agreement the aggregate "capital value" of the common stock shall be (i) an amount equal to the book value of the common stock of TRC as at the close of business on the date of this Agreement, such amount to be determined in accordance with generally accepted accounting principles by TRC's regular independent certified public accountants, plus (ii) such amounts in cash or other property as subsequently may be transferred to TRC by stockholders against the issue of additional shares of common stock or as a capital contribution, plus (iii) the aggregate par value of any preferred stock of TRC, plus any accrued dividends thereon, that may hereafter be surrendered to TRC in exchange for additional shares of common stock,

less (iv) the aggregate amount, if any, that TRC shall have paid to its stockholders for the purchase or retirement of common stock.

(e) As soon as practicable after the end of each calendar year TRC will refund to GEIGY the amount, if any, by which the aggregate of the charges made for dyes delivered to GEIGY hereunder during such year shall exceed the aggregate charge permitted hereunder in respect of said dyes.

(f) Any excess of reserves or earned surplus established or accumulated since the date of this Agreement not required in the business of TRC or for the purposes mentioned in paragraph (b) above as determined by the Board of Directors shall be refunded to GEIGY and TRC's other regular customers, pro rata according to the excess of charges made over cost since the date of this Agreement in respect of dyes delivered to the respective customers by TRC under their respective supply contracts.

(g) Profit or loss on sale of products (whether or not listed in Exhibit A) or by-products sold to others than (i) GEIGY hereunder and (ii) TRC's other regular customers under similar supply contracts shall be treated as a debit or credit, as the case may be, to costs as described in paragraph (b) above.

(h) TRC will at all times use its best efforts, to the

same extent that it would if it were producing the dyes to be delivered hereunder for sale at a fixed price, to produce such dyes at the lowest practicable cost.

(i) Anything herein contained to the contrary notwithstanding, in the event TRC shall sell any dye covered by this Agreement to any other purchaser at a price lower than the charge therefor computed as herein provided, GEIGY shall be entitled to such lower price subject to the same terms and for the same quantities to which such lower price shall be applicable in respect of such sale to said other customer.

(j) In the event of any question or dispute between the parties as to the proper application of this Section or as to any computation thereunder, such question or dispute shall be referred to TRC's said independent certified public accountants for determination (to the extent that such question or dispute shall be appropriate for determination by accountants) and their determination in respect thereof shall be final and binding on the parties hereto.

4. TERMS OF SALE

Subject to the further provisions of this Agreement dyes delivered hereunder shall be subject to TRC's standard terms and conditions in effect at the date hereof or as changed from time to time with the approval of GEIGY.

A copy of said terms and conditions as presently in effect is attached hereto as Schedule B.

5. ALLOCATION

(a) In any period during which TRC is unable to fill all Class A or Class B Orders placed with it by GEIGY and TRC's other regular customers under their respective Supply Contracts for any particular dye or dyes TRC shall allocate its available supply of such dye or dyes among its customers in such manner and to such extent that, in so far as practicable, TRC shall, during such period of inability to supply, deliver to GEIGY hereunder its Base Period Proportion of the respective dyes in short supply and of the total of all dyes in short supply, as follows:

(i) Class A Orders. In the event that the total quantity of any dye ordered pursuant to Class A Orders by GEIGY and TRC's other regular customers in the manner provided in paragraph (a) of Section 2 is in excess of the quantity that TRC believes it will be able to supply, TRC shall, in the acceptance of Class A Orders, allocate the available supply, or such part thereof as TRC is willing to commit against Class A Orders, among GEIGY and TRC's

other regular customers in accordance with the principle of allocation set forth above in this paragraph (a). If TRC is unable to supply in full Class A Orders accepted as aforesaid, or accepted prior to the beginning of the period of inability to supply, it shall allocate the available supply among Class A Orders pro rata according to the amount thereof.

(ii) Class B Orders. After Class A Orders shall have been filled or provided for as aforesaid, in the event the remaining available supply of any dye or dyes shall be insufficient to enable TRC to fill all Class B Orders for such dye or dyes, as the case may be, TRC shall, in the filling of Class B Orders, allocate such remaining available supply among GEIGY and TRC's other regular customers in accordance with the principle of allocation set forth above in this paragraph (a).

(iii) Notwithstanding the provisions of subparagraphs (i) and (ii) above, if any particular dye covered by this Agreement shall

not have been sold in commercial quantities by TRC at any time during the Base Period, or shall have been sold in commercial quantities during a part but not all of the Base Period, TRC shall allocate its available supply of such dye in such a manner that GEIGY shall receive hereunder during such period of inability to supply not less than 20% of such available supply; provided, however, that any allocation of any dye pursuant to this subparagraph (iii) shall not alter or affect GEIGY's right to receive hereunder in the aggregate, in so far as practicable, its Base Period Proportion of all dyes at the time in short supply;

(b) The "Base Period Proportion" of GEIGY in respect of any dye or dyes shall be that proportion which the total sales to GEIGY of such dye or dyes, as the case may be during the Base Period bear to TRC's total sales of such dye or dyes, as the case may be, during the Base Period to GEIGY hereunder and to TRC's other regular customers. The "Base Period" in respect of any period of inability to supply shall be the three full calendar years immediately preceding the beginning of the period of inability to fill all

orders placed pursuant to this Agreement.

(c) Anything in this Section 5 to the contrary notwithstanding, as it is expected that anthraquinone vat dyes to be manufactured by TRC will be in short supply for some time after the acquisition by TRC of the Toms River Plant referred to above, the following provision is made for allocation of such dyes until after (i) the expiration of five years after the date of this Agreement, or (ii) the expiration of twelve consecutive calendar months during which TRC's production of vat dyes shall have been more than sufficient to meet all orders placed with TRC by GEIGY and TRC's other regular customers, whichever of said periods (i) or (ii) shall be shorter: During the first three years that this provision shall be in effect, the available supply of vat dyes shall be allocated in such a manner as to provide GEIGY, as nearly as practicable, with 15% of the available supply and, during the fourth and fifth years that this provision shall be in effect, with 20% of the available supply. When this provision shall cease to be effective as aforesaid, the provisions of this Section 5, other than this paragraph (c), shall be applicable as to vat dyes in the same manner as to other dyes covered by this Agreement.

(d) For the purpose of this Section 5, "sales" in respect of dyes delivered to GEIGY under this Agreement

shall mean the aggregate charges made by TRC therefor pursuant to Section 3.

(e) TRC shall be deemed to have complied with the provisions of this Section 5 if such provisions shall have been substantially fulfilled during each successive six months' period of inability to fill all orders.

6. PREVENTION OF PERFORMANCE

Neither party shall be responsible or liable to the other hereunder for failure or delays in performance of any provision of this Agreement due to war, fire, flood, accidents, labor disputes, riots, delays of carriers, acts of God or government, requisitions, statutes, rules, regulations or requirements of governments or any agencies or instrumentalities thereof, or any other contingencies beyond the party's reasonable control.

7. NOTICE

Any notice or other communication required or permitted to be given to a party under this Agreement shall be effectively given if sent by registered mail directed to such party at its address set forth at the head of this Agreement or at such other address as such party shall designate by notice to the other.

8. WAIVERS

No delay or omission by either party in the exercise of any right under this Agreement shall impair the right or be deemed to constitute a waiver or acquiescence in any default or preclude any subsequent exercise of the right. No right under this Agreement shall be deemed to have been waived by either party unless the waiver be in writing and signed by such party. A waiver by either party of a breach of this Agreement shall not be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

9. TRANSFERABILITY

This Agreement shall bind and benefit the successors of the respective parties, but shall not otherwise be assignable or transferable by either party without the written consent of the other.

10. TERM OF AGREEMENT

This Agreement shall remain in effect for an initial period of ten years from the date hereof, and shall remain in effect thereafter from year to year, subject to the right of either party to terminate the same at the end of any year after the expiration of said initial ten-year period by giving to the other party, at least five years

prior to the termination date, written notice of intent to terminate.

11. TERMINATION OF EXISTING SUPPLY CONTRACT

Upon the taking effect of this Agreement the supply contract between the parties entered into on December 1, 1952 having been superseded by the present Agreement, shall be deemed terminated.

12. ARBITRATION

Except as otherwise provided in paragraph (j) of Section 3, all disputes arising in connection with the present contract shall be finally settled by arbitration. The arbitration shall be held in New York, New York, and conducted in accordance with the Rules then obtaining of the American Arbitration Association. Judgment upon the award may be rendered in any Court having jursidiction or application may be made to such Court for a judicial acceptance of the award and an order of enforcement as the case may be.

IN WITNESS WHEREOF the parties have executed this Agreement in duplicate as of the date first above written.

TOMS RIVER-CINCINNATI
CHEMICAL CORPORATION,

Attest: J. H. Saan
Secretary

By

GEIGY CHEMICAL CORPORATION,

Attest: M J Russell
Secretary

By

Executive Vice President

June 9, 1955

SUPPLY CONTRACT

SCHEDULE A

I. DYES MANUFACTURED AT OHIO PLANTS:

Product No.	Name
ACID DYES	
1416	Acid Blue NGB
1415	Acid Brilliant Pure Blue G
1324	Acid Green
1366	Acid Milling Red G
1321	Acid Milling Red R
1320	Acid Milling Yellow G
1419	Acid Milling Yellow 5G
1343	Acid Naphthol Blue Black
1417	Acid Orange NR
1307	Acid Orange 2R
1418	Acid Red 3NB
1313	Acid Red OA
1340	Acid Violet 6B Supra
1434	Alizarine Cyanine Green GNN
1390	Alizarine Light Blue B
1441	Alizarine Light Blue 2A
1442	Alizarine Light Blue 2GL
1429	Alizarine Light Blue 4GL
1391	Alizarine Light Blue SE
1439	Alizarine Light Grey 2BLW
1301	Amaranth
1383	Azo Eosine G
1346	Azo Rhodine 6B
1345	Azo Rhodine 2G
1384	Azo Rubinole 3GP
1306	Carmoisine
1326	Chromotrope 6B
1308	Cloth Red 2B
1310	Crocein 3BX
1367	Crocein Scarlet FL
1355	Crocein Scarlet MOO
1387	Derma Brown G
1389	Derma Brown R
1347	Erio Violet RL
1357	Fast Acid Light Red B
1348	Fast Acid Orange 2G
1368	Fast Acid Orange RW
1359	Fast Acid Yellow C-173
1337	Fast Acid Yellow 2G
1437	Fast Acid Yellow 2GP
5029	Fast Acid Yellow 3G
1369	Fast Jasmine G
1339	Fast Red VR
1388	Kiton Fast Red 4BLN
1427	Kiton Fast Violet 10B

Product No.	Name
1314	Mauve for Lakes
1315	Metanil Yellow for Lakes
1433	Naphthalene Green V
1329	Naphthol Blue Black B
5133	Naphthol Blue Black G
1353	Naphthol Green Black B
1364	Naphthol Navy Blue M
1436	Neolan Black WA
1422	Neolan Black WAL
1397	Neolan Black WAO
1394	Neolan Blue 2G
1409	Neolan Blue 2R
1414	Neolan Bordeaux BE
1396	Neolan Bordeaux R
5136	Neolan Bordeaux RM
1401	Neolan Dark Green B
1421	Neolan Green BL
1403	Neolan Orange G
1411	Neolan Orange GRE
1395	Neolan Orange R
1406	Neolan Pink B
1405	Neolan Pink BAC
1410	Neolan Red BRE
1399	Neolan Red GREC
1400	Neolan Violet
1407	Neolan Violet Brown B
1402	Neolan Yellow BE
1404	Neolan Yellow GR
1332	Nerol B
1333	Nerol 2B
1334	Nerol 4B
1382	Neutral Brown R
1335	New Coccine
1428	Oil Orange SG
1375	Polar Orange GS Conc.
1377	Polar Orange R Conc.
1378	Polar Red B Conc.
1379	Polar Red 3B Conc.
1372	Polar Red G
1373	Polar Red R Conc.
1371	Polar Red RS Conc.
1376	Polar Yellow 2G Conc.
1370	Polar Yellow 5G Conc.
1374	Polar Yellow R Conc.
1351	Resorcine Brown B
1385	Resorcine Brown R
1333	Rocceline S
1362	Silk Red B
1363	Silk Red 4B
1341	Sulfon Acid Blue R
5155	Synlan Black J
1413	Tartrazine
1336	Victoria Violet 4BS
1392	Xylene Milling Blue BL
1393	Xylene Milling Blue GL

Product No.	Name
DIRECT DYES	
2476	Artificial Silk Black G
2412	Benzo Azurine G
2504	Benzo Light Yellow RL
2405	Benzo Orange R
2402.1	Benzo Purpurine 4B
2402.2	Benzo Purpurine 4BMP
2588	Benzo Purpurine 4BS
2404	Benzo Purpurine 10B
2543	Chloramine Brilliant Orange RS
2512	Chloramine Brilliant Red 8B
2542	Chloramine Fast Orange 2RN
2486	Chloramine Green B
2510	Chloramine Red B
2511	Chloramine Red 3B
2500	Chlorantine Fast Blue 2GL
2501	Chlorantine Fast Blue 4GL
2526	Chlorantine Fast Blue 3RL
2558	Chlorantine Fast Bordeaux 2B
2530	Chlorantine Fast Brown BRLL
2556	Chlorantine Fast Green BLL
2571	Chlorantine Fast Green 5GLL
2536	Chlorantine Fast Orange TGLL
2561	Chlorantine Fast Orange T4RLL
2506	Chlorantine Fast Red 5BL
2553	Chlorantine Fast Red 6BLL
2560	Chlorantine Fast Violet 5BLL
2559	Chlorantine Fast Violet 2RLL
2505	Chlorantine Fast Yellow 5GL
2570	Chlorantine Fast Yellow 2GLL
2502	Chlorantine Fast Yellow RL
2448	Chrysamine K
2568	Chrysophenine
2473	Cindiazo Blue B
2566	Cindiazo Bordeaux B
2579	Cindiazo Bordeaux BN
2569	Cindiazo Bordeaux 7B
2591	Cindiazo Brown R
2485	Cindiazo Red 2B
2593	Cindiazo Scarlet RP
2421	Cindirect Violet 2B
2425	Congo Brown G
2564	Congo Red
2550	Developed Brilliant Green 3G
2492	Diazamine Blue BR
2477	Diazo Fast Blue 2RW
2587	Diazo Fast Orange GL
2562	Diazo Fast Yellow 3GL
2427	Diphenyl Chrysoine G
2549	Diphenyl Fast Blue Green BL
2552	Diphenyl Fast Grey B
2557	Diphenyl Fast Yellow RL
2429	Direct Black E
2544	Direct Black ECW

Product No.	Name
2466	Direct Black GX
2468	Direct Black GXR
2430	Direct Black W
2488	Direct Black 3G
5063	Direct Black 3GR
2409	Direct Blue BX
2410	Direct Blue 2B
2411	Direct Blue 3B
2527	Direct Bordeaux 6B
2523	Direct Brilliant Violet B
2551	Direct Brilliant Yellow
2417	Direct Brown CT
2440	Direct Brown M
2436	Direct Brown MR
2413	Direct Brown T
5031	Direct Brown
2484	Direct Chlor Yellow FF
2516	Direct Chrome Black Blue B
2532	Direct Chrome Black Blue 2B
2583	Direct Dark Green BRC
2490	Direct Dark Green CW
2493	Direct Dark Green Supra
2494	Direct Deep Black E
2463	Direct Fast Black B
2498	Direct Fast Black B Supra
2434	Direct Fast Black FB
5137	Direct Fast Black FF
2461	Direct Fast Blue B
2462	Direct Fast Blue R
2452	Direct Fast Blue RW
2441	Direct Fast Light Blue FF
2545	Direct Fast Orange 4G
2592	Direct Fast Orange 3LWF
2447	Direct Fast Orange R
2455	Direct Fast Orange 2R
2459	Direct Fast Orange SE
2508	Direct Fast Orange SW
5171	Direct Fast Brown LBRA
2594	Direct Fast Brown RLL
2537	Direct Fast Red 8BL
2437	Direct Fast Red F
2475	Direct Fast Scarlet 4BA
2515	Direct Fast Scarlet 8BA
2513	Direct Fast Scarlet 4BSW
2460	Direct Fast Scarlet SE
2443	Direct Fast Yellow AG
2586	Direct Fast Yellow EFC
2456	Direct Fast Yellow G
2565	Direct Fast Yellow 5G
2580	Direct Fast Yellow 3GP
2584	Direct Fast Yellow 6GP
2416	Direct Garnet R
2408	Direct Garnet RB
2519	Direct Garnet 2RB
2453	Direct Green BB Supra

Product No.	Name
2582	Direct Green BP
2472	Direct Green BY
2445	Direct Green GB
2589	Direct Lumisol Blue GLS
2554	Direct Lumisol Blue 4GL
2578	Direct Lumisol Blue 6GL
2547	Direct Lumisol Blue L
2548	Direct Lumisol Blue RL
2555	Direct Lumisol Grey G
2574	Direct Lumisol Violet 4RL
2522	Direct Navy Blue B
2538	Direct New Blue 5B
2418	Direct Orange G
2419	Direct Red B
2420	Direct Red 3B
2449	Direct Rubine
2451	Direct Sky Blue A
2474	Direct Sky Blue 6B
2478	Direct Violet Black
2438	Direct Violet N
5161	Fibre Black V
2576	Formaldehyde Blue 2B
2497	Formal Fast Black G
2585	Paper Orange R
2482	Primuline
2539	Pyrazol Fast Orange GL
2540	Pyrazol Orange GH
2534	Rosanthrene Bordeaux 2BL
2535	Rosanthrene Orange R
2567	Rosanthrene Orange RD
2507	Silk Brown B
2423	Trisulfon Brown BP
2577	Trisulfon Brown BPCW
2424	Trisulfon Violet B
2541	Visco Blue RS
2471	Zambesi Black BG
2435	Zambesi Black BH
2470	Zambesi Black D
2431	Zambesi Black V

CHROME DYES:

3632	Acid Chrome Blue 2RA
3646	Alizarine Blue Black B
3621	Chrome Brown B
3631	Chrome Brown 3B
3622	Chrome Brown O
3636	Chrome Brown PG
3615	Chrome Fast Black FW
3655	Chrome Fast Black P
5173	Chrome Fast Black PLC
5172	Chrome Fast Black PV
3633	Chrome Fast Garnet R
3630	Chrome Fast Orange R
3623	Chrome Fast Violet B

Product No.	Name
3638	Chrome Fast Yellow G
3626	Chrome Garnet R
3610	Chrome Green B
3602	Chrome Orange R
3616	Chrome Yellow DS
3608	Chrome Yellow G
3614	Chrome Yellow 3G
3613	Chrome Yellow 5G
3620	Chrome Yellow GR
3634	Chrome Yellow SW
3635	Erio Chromal Brown AEB
3640	Erio Chrome Azurol BC
3607	Erio Chrome Black A
3606	Erio Chrome Black T
3605	Erio Chrome Black TN
3609	Erio Chrome Blue Black B
3603.1	Erio Chrome Blue Black R Sol.
3603.2	Erio Chrome Blue Black RSS
3603.3	Erio Chrome Blue Black RSX
3625	Erio Chrome Blue Black RZN
3645	Erio Chrome Brown DKL
3617	Erio Chrome Brown R
3641	Erio Chrome Cyanine RC
3637	Erio Chrome Flavine A
3619	Erio Chrome Red B
3639	Metomega Chrome Black Blue G
3649	Metomega Chrome Brown 3GL
3647	Metomega Chrome Brown RLL
3654	Metomega Chrome Cyanine BLL
3650	Metomega Chrome Orange ML
3651	Metomega Chrome Red GM
3643	Omega Chrome Yellow ME

BASIC DYES:

3712	Bismark Brown G
3711	Bismark Brown R
3716	Bismark Brown R Base

PRINTING DYES:

3809	Pigment Scarlet 3B

VAT DYES:

3903	Ciba Brown G Presscake
3904	Ciba Brown GO Paste
3905	Ciba Brown G Paste BK - 10179C

CELANESE DYES:

4322	Acetate Blue DL
4319	Acetate Diazo Black 3G
4316	Acetate Orange GR
4318	Acetate Red B
4323	Acetate Red R

Product No.	Name
4321	Acetate Rubine R
4317	Acetate Scarlet B
4315	Acetate Violet 2R
4312	Celanese Blue FFR
4314	Celanese Fast Yellow G
4301	Cibacet Diazo Black B
4306	Cibacet Diazo Black GN
4310	Cibacet Diazo Black GWS
4305	Cibacet Red 3B
4303	Cibacet Sapphire Blue G
4320	Cibacet Sapphire Blue #294
4308	Cibacet Yellow GN

II. DYES MANUFACTURED AT TOMS RIVER PLANT:

Code No.	Name
ANTHRAQUINONE VATS:	
7120	Cibanone Black 2B
7129	Cibanone Black DM
7200	Cibanone Dark Blue BO
7206	Cibanone Blue GF
*	Cibanone Blue GCD
7000	Cibanone Navy Blue RA
7160	Cibanone Brown BG
7170	Cibanone Brown BR
7180	Cibanone Brown GR
7140	Cibanone Brilliant Green BF
7141	Cibanone Brilliant Green 2BF
7142	Cibanone Green 2B
7130	Cibanone Black DRB
7208	Cibanone Grey LN
7010	Cibanone Olive 2B
7020	Cibanone Olive 2R
7030	Cibanone Olive S
7035	Cibanone Olive SR
7036	Cibanone Olive SRR
*	Cibanone Brilliant Orange RK
7210	Cibanone Golden Orange G
7220	Cibanone Golden Orange 3G
7230	Cibanone Golden Orange 2R
7080	Cibanone Violet 6B
7070	Cibanone Violet 4R
*	Cibanone Violet FFBN
7240	Cibanone Golden Yellow GK
7090	Cibanone Yellow GCP
7091	Cibanone Yellow GC
7110	Cibanone Yellow PGA
7111	Cibanone Yellow P2GA
7060	Cibanone Red 6B
7040	Cibanone Red FBB
7050	Cibanone Red RK

* Code number not yet assigned.

SUPPLY CONTRACT

SCHEDULE B

TERMS AND CONDITIONS OF SALE OF DYES

1% discount on invoices dated 1st to 15th of month if paid by 25th of month and on invoices dated 16th to 31st of month if paid by 10th of following month. All invoices Net 30 days.

F.O.B. Seller's Works, Minimum Carload or Minimum Truckload rate, whichever lower, from St. Bernard, Ohio, to New York, New York, allowed; Minimum Truckload rate from Toms River, New Jersey, to New York, New York, allowed.

An extra charge may be made for repacking shipments in less than customary container amounts.

[Composite copy as supplemented by agreement dated as of July 1, 1959 and amendment dated as of March 18, 196

SUPPLY CONTRACT, dated as of June 30, 1955, between TOMS RIVER-CINCINNATI CHEMICAL CORPORATION, a Delaware corporation having an office at 1055 Laidlaw Avenue, Cincinnati, Ohio, and doing business in the States of Ohio and New Jersey (hereinafter called "TRC") and GEIGY CHEMICAL CORPORATION, a Delaware corporation having an office at 89 Barclay Street, New York 7, New York (hereinafter called "GEIGY").

PREAMBLE

1. TRC has for many years supplied from the output of its Ohio plants a substantial part of the dye requirements of GEIGY, and on December 1, 1952, entered into a supply contract with GEIGY concerning products produced at such plants, which contract is to be superseded by the present supply contract. The dyes presently being manufactured at TRC's Ohio plants and which are covered by the aforesaid supply contract of December 1, 1952 are listed in Schedule A annexed hereto. The manufacture of additional dyes may be undertaken at TRC's Ohio plants or elsewhere in the future, some or all of which may be produced in accordance with processes obtained from GEIGY or from GEIGY's parent or subsidiary corporations under the terms of license or other agreements between such corporations and TRC.

2. TRC has acquired from Ciba States Limited a manufacturing plant near Toms River, New Jersey, designed primarily for

the production of anthraquinone vat dyes and dye intermediates. The dyes that are presently being manufactured and that are scheduled to be manufactured at such plant according to present plans are also listed in Schedule A annexed hereto. It is anticipated that the manufacture of additional dyes may be undertaken in the future, some or all of which may be produced in accordance with processes obtained from GEIGY or from GEIGY's parent or subsidiary corporations under terms of license or other agreements between such corporations and TRC.

3. TRC desires to supply GEIGY with a substantial portion of its requirements of dyes and also to supply to Ciba Company Inc. and Sandoz Chemical Works, Inc. (hereinafter referred to as "TRC's other regular customers") a substantial portion of their respective requirements of dyes. GEIGY and TRC's other regular customers, being desirous of assuring for themselves respectively a dependable source of supply of the dyes covered hereby in the quantities and of the qualities needed by them and at the lowest practicable cost, are simultaneously entering into like agreements with TRC in the form hereof.

Accordingly, the parties hereto, each in consideration of the agreements of the other herein contained, hereby agree as follows:

1. PRODUCTS COVERED

(a) The products covered by this Agreement shall be the dyes listed in Schedule A hereto, those that may hereafter be added thereto by mutual consent, and such additional dyes, other than dyes coming within the definition of "Special Products" as hereinafter in Section 7 provided, as TRC may undertake to manufacture after the date hereof. TRC shall notify GEIGY promptly after

(i) undertaking the commercial manufacture of any such additional dye, other than such a Special Product, or

(ii) the termination of the relevant patent coverage as a result of which any dye theretofore a Special Product under Section 7 shall cease to be such, whereupon that dye will automatically be added to Schedule A.

(b) All the dyes now or hereafter included in Schedule A, the manufacture of which shall not have been discontinued as provided in paragraph (d) of Section 2, shall be available to GEIGY under the terms of this Agreement.

2. PURCHASE AND SALES UNDERTAKING

(a) At least 30 days prior to the beginning of each calendar quarter, GEIGY shall place with TRC written orders for the quantities of each dye that it desires to purchase from TRC during such quarterly period, stating the approximate dates upon which shipment is desired. Prior to the

beginning of each such quarterly period, TRC shall notify GEIGY in writing of the quantities of each dye desired by GEIGY that TRC is prepared to supply against such order. Upon such notification and subject to the terms and conditions hereinafter set forth, GEIGY will become obligated to take and TRC will become obligated to deliver the quantities of each such dye so designated by TRC. The foregoing orders are hereinafter sometimes referred to as "Class A Orders".

(b) In addition to orders placed pursuant to the preceding paragraph (a), GEIGY may, at any time or from time to time place orders for additional quantities of any dye, which orders TRC shall use its best efforts to fill. Orders for such additional quantities of dyes are hereinafter sometimes referred to as "Class B Orders."

(c) Subject to and in accordance with the further provisions of this Agreement, TRC will use its best efforts to supply the respective dyes from time to time ordered by GEIGY under this Agreement so that GEIGY may look to TRC as a dependable source of supply of the dyes covered by this Agreement in the quantities and of the qualities needed by GEIGY.

(d) TRC reserves the right to discontinue for reasonable cause the manufacture of any dye covered by this Agreement upon six months' written notice to GEIGY.

3. CHARGES FOR DYES DELIVERED

(a) At least [illegible] days prior to the beginning of each calendar quarter, TRC shall furnish to GEIGY a list of charges, estimated by TRC to be the charges during said quarterly period for the dyes covered by this Agreement. In making such estimates, TRC may make such adjustments in estimated costs as it may deem necessary. Prior to the effective date of such list, any estimated charge may be modified by TRC, and prior to the beginning of the calendar quarter GEIGY may cancel without penalty any order placed with TRC under the provisions of Section 2. The effective date of such list shall be the 21st day before the beginning of each calendar quarter, and products delivered to GEIGY during said calendar quarter shall be billed and paid for at the charges set forth therein.

(b) The total of the charges for dyes covered by this Agreement delivered to GEIGY hereunder during any calendar year, commencing with the calendar year 1959, shall not exceed the sum (herein referred to as the "Maximum Price") of (i) the aggregate costs (including depreciation, overhead and administrative expenses, interest charges and all other proper charges) allocable to the production and delivery thereof, as determined from time to time in accordance with generally

accepted accounting principles approved by TRC's regular independent certified public accountants, and (ii) a supplementary amount equal to the "Return on Capital Employed" (hereinafter defined) in the production of such dyes.

(c) Within sixty days after the close of each calendar quarter of any calendar year, commencing with the calendar quarter ending September 30, 1959, TRC shall determine the estimated Maximum Price for the dyes delivered to GEIGY hereunder during such quarter, making such estimates of items of cost not then determined as shall be necessary, and if the Maximum Price so determined shall be less than the aggregate of the charges made for said dyes so delivered during such quarter, the difference shall promptly be refunded to GEIGY, on account, and subject to adjustment after the year end, as hereinafter provided. As soon as practicable after the close of each calendar year (commencing with the calendar year 1959) and after all year-end adjustments shall have been made and the accounts of TRC shall have been audited by its regular independent certified public accountants, TRC shall submit to GEIGY a report certified by its said accountants, as to the Maximum Price for all dyes delivered to GEIGY hereunder during said year. If such Maximum Price so certified shall be less than the aggregate of the charges made by TRC for dyes delivered to GEIGY hereunder during such year, the difference shall be the definitive amount due GEIGY as a refund of price hereunder for such year and the amount remaining due to GEIGY on account of such refund shall

forthwith be paid by TRC or if payments of refunds previously made for such calendar year shall have exceeded the amount thus finally determined to be due, the excess payments shall be repaid by GEIGY to TRC.

(d) The "Return on Capital Employed" in the production of dyes delivered to GEIGY hereunder during any calendar year shall be that part of the total provision for return on capital, determined as stated below, allocable to the production of such dyes as hereinafter provided. The total provision for return on capital for the purposes hereof in respect of any calendar year shall be (i) an amount sufficient, after payment of income taxes thereon at then prevailing income tax rates, to provide for the dividend for such year accrued on the Preferred Stock of TRC outstanding during such year, plus (ii) an amount equal to 10% of the capital represented by the Common Stock of TRC outstanding during such year. For the purposes hereof (1) said total provision for return on capital in respect of any calendar year shall be allocated among all dyes and other products manufactured by TRC during such year in the same manner and in the same proportions in all material respects as depreciation of manufacturing buildings and equipment (including buildings and equipment for drying but excluding auxiliary facilities such as power plant and waste disposal facilities) is allocated among such dyes and other products respectively in determining costs in accordance with TRC's regular accounting procedures,

excluding, however, such depreciation on plant facilities for Special Products referred to in Section 7 hereof, the cost of which shall have been provided otherwise than from TRC's general funds (for the calendar years 1959, 1960 and 1961, however, such allocation shall be made in the same manner and in the same proportions as fixed costs rather than depreciation are allocated among such dyes and other products respectively in determining costs in accordance with TRC's regular accounting procedures, excluding fixed costs with respect to such Special Products referred to in Section 7 hereof, the cost of which shall have been provided otherwise than from TRC's general funds); and (2) the sum of the amounts so allocated to the respective dyes delivered to GEIGY hereunder during any calendar year shall be the "Return on Capital Employed" in the production of said dyes. In the event the Federal income tax rates applicable to TRC in years subsequent to 1959 shall be increased above or decreased below the rates applicable for 1959, the percentage of capital referred to in clause (ii) above (being 10% in respect of 1959) shall be increased or decreased so that the total provision for return on capital described in said clause (ii) shall, after Federal income taxes, be the same as such provision, after said taxes at the rates applicable for 1959.

(e) (i) The provision for Return on Capital Employed set forth in this Agreement shall at the end of each Five Year Effective Period (as defined in clause (v) below) during the term

of this agreement be reconsidered and renegotiated between the parties hereto in the light of the experience and then earning power of TRC hereunder.

(ii) Either party hereto shall have, within one year after the end of any Five Year Effective Period, the right to cause the question of the amount or rate of the Return on Capital Employed to be provided hereunder to be settled by arbitration as provided in Section 14 hereof in accordance with the rules then obtaining of the American Arbitration Association. In so determining the Return on Capital Employed the arbitrator's sole function shall be to arrive at a percentage, determined by him to be fair and reasonable, in lieu of (and which may be the same as) the percentage set forth in paragraph (d) (ii) of this Section or of the corresponding percentage for any subsequent Five Year Effective Period, which percentage so arrived at shall not be less than 10% nor more than the "Maximum Rate" (hereinafter defined), each such percentage being subject to adjustment as provided in the last sentence of paragraph (d) of this Section. In his determination of such percentage as aforesaid, the arbitrator shall consider and take into account all relevant factors presented by the respective parties, questions of relevance to be determined by the arbitrator in each case.

(iii) The agreement of the parties with respect to the Return on Capital Employed, arrived at as above provided

or the determination of the arbitrator with respect to such Return on Capital Employed, as the case may be, whether or not the Return on Capital Employed shall thereby be changed, shall be set forth in a written agreement supplemental hereto and shall go into effect on the first day of the calendar quarter next following the date of agreement of the parties or of the award of the arbitrator, as the case may be. Each rate of Return on Capital Employed provided for herein or determined as herein provided shall remain in effect until changed as herein provided and in no event shall rate of Return on Capital Employed under this agreement at any time be greater than that at such time in effect under either of the above mentioned like Supply Contracts between TRC and its other regular customers.

(iv) The Maximum Rate shall be the percentage obtained by multiplying 10% by the quotient of $\frac{A}{B}$ where

A shall be the amount obtained by dividing (1) the arithmetic average annual Net Profit after Taxes of all manufacturing corporations except newspapers for the five calendar years next preceding the determination of the Maximum Rate by renegotiation or arbitration by (2) the arithmetic average of the total Stockholders' Equity in such corporations at the end of each quarter during such five years, both calculated from the data published jointly by the Federal Trade Commission and Securities and Exchange Commission in the QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS, and

B shall be the amount corresponding to A for the five-year period 1955-1959, inclusive, namely 10.86%.

In the event that the form in which the data on annual Net Profit after Taxes and Stockholders' Equity is published by the Federal Trade Commission and the Securities and Exchange Commission shall hereafter be changed, the Maximum Rate shall be determined on th basis of the data as so published, following the above-described formula as nearly as may be.

(v) The term "Five-Year Effective Period" shall mean (i) the five years ending December 31, 1963, (ii) if thereafter the rate of return shall, as a result of renegotiation and agreement between the parties or of arbitration as herein provided, be established at the same or a different rate, then the five-year period commencing with the date said rate becomes effective, and (iii) if within one year after the close of any Five-Year Effective Period no agreemen establishing the same or a different rate shall have been entered into and no arbitration shall have been demanded, then the five-year period commencing with the end of the next preceding Five-Year Effective Period.

(f) TRC will at all times use its best efforts, to the same extent that it would if it were producing the dyes to be delivered hereunder for sale at a fixed price, to produce such dyes at the lowe practicable cost.

(g) Anything herein contained to the contrary notwithstanding, in the event TRC shall sell any dye covered by this Agreement to any other purchaser at a price lower than the charge therefor computed as herein provided, GEIGY shall be entitled to such lower price subject to the same terms and for the same quantities to which such lower price shall be applicable in respect of such sale to said other customer.

(h) Except as otherwise provided in paragraph (c) of this Section 3, in the event of any question or dispute between the parties as to the proper application of this Section or as to any computation thereunder, such question or dispute shall be referred to TRC's said independent certified public accountants for determination (to the extent that such question or dispute shall be appropriate for determination by accountants) and their determination in respect thereof shall be final and binding on the parties hereto.

4. TERMS OF SALE

Subject to the further provisions of this Agreement dyes delivered hereunder shall be subject to TRC's standard terms and conditions in effect at the date hereof, or as changed from time to time with the approval of GEIGY. A copy of said terms and conditions as presently in effect is attached hereto as Schedule B.

5. ALLOCATION

(a) In any period during which TRC is unable to fill all Class A or Class B Orders placed with it by GEIGY and TRC's other regular customers under their respective Supply Contracts for any particular dye or dyes TRC shall allocate its available supply of such dye or dyes among its customers in such manner and to such extent that, in so far as practicable, TRC shall, during such period of inability to supply, deliver to GEIGY hereunder its Base Period Proportion of the respective dyes in short supply and of the total of all dyes in short supply, as follows:

(i) Class A Orders. In the event that the total quantity of any dye ordered pursuant to Class A Orders by GEIGY and TRC's other regular customers in the manner provided in paragraph (a) of Section 2 is in excess of the quantity that TRC believes it will be able to supply, TRC shall, in the acceptance of Class A Orders, allocate the available supply, or such part thereof as TRC is willing to commit against Class A Orders, among GEIGY and TRC's other regular customers in accordance with the principle of allocation set forth above in this paragraph (a). If TRC is unable to supply in full Class A Orders accepted as aforesaid, or accepted prior to the beginning of the period of

inability to supply it shall allocate the available supply among Class A Orders pro rata according to the amount thereof.

(ii) Class B Orders. After Class A Orders shall have been filled or provided for as aforesaid, in the event the remaining available supply of any dye or dyes shall be insufficient to enable TRC to fill all Class B Orders for such dye or dyes, as the case may be, TRC shall, in the filling of Class B Orders, allocate such remaining available supply among GEIGY and TRC's other regular customers in accordance with the principle of allocation set forth above in this paragraph (a).

(iii) Notwithstanding the provisions of subparagraphs (i) and (ii) above, if any particular dye covered by this Agreement shall not have been sold in commercial quantities by TRC at any time during the Base Period, or shall have been sold in commercial quantities during a part but not all of the Base Period, TRC shall allocate its available supply of such dye in such manner that GEIGY shall receive hereunder during such period of inability to supply not less than 20% of such available supply; provided, however, that any allocation of any dye pursuant to this subparagraph (iii) shall not alter or affect

GEIGY's right to receive hereunder in the aggregate, in so far as practicable, its Base Period Proportion of all dyes at the time in short supply;

(b) The "Base Period Proportion" of GEIGY in respect of any dye or dyes shall be that proportion which the total sales to GEIGY of such dye or dyes, as the case may be, during the Base Period bear to TRC's total sales of such dye or dyes, as the case may be, during the Base Period to GEIGY hereunder and to TRC's other regular customers. The "Base Period" in respect of any period of inability to supply shall be the three full calendar years immediately preceding the beginning of the period of inability to fill all orders placed pursuant to this Agreement.

(c) Anything in this Section 5 to the contrary notwithstanding, as it is expected that anthraquinone vat dyes to be manufactured by TRC will be in short supply for some time after the acquisition by TRC of the Toms River Plant referred to above, the following provision is made for allocation of such dyes until after (i) the expiration of five years after the date of this Agreement, or (ii) the expiration of twelve consecutive calendar months during which TRC's production of vat dyes shall have been more than sufficient to meet all orders placed with TRC by GEIGY and TRC's other regular customers, whichever of said periods (i) or (ii) shall be shorter: During the first three years that this provision shall be in

effect, the available supply of vat dyes shall be allocated in such a manner as to provide GEIGY, as nearly as practicable, with 15% of the available supply and, during the fourth and fifth years that this provision shall be in effect, with 20% of the available supply. When this provision shall cease to be effective as aforesaid, the provisions of this Section 5, other than this paragraph (c), shall be applicable as to vat dyes in the same manner as to other dyes covered by this Agreement.

(d) For the purpose of this Section 5, "sales" in respect of dyes delivered to GEIGY under this Agreement shall mean the aggregate charges made by TRC therefor pursuant to Section 3.

(e) TRC shall be deemed to have complied with the provisions of this Section 5 if such provisons shall have been substantially fulfilled during each successive six months' period of inability to fill all orders.

6. SPECIAL SURPLUS ACCOUNT

All earnings and losses of TRC under this Agreement and under the two similar agreements with TRC's other regular customers accruing after December 31, 1959, shall be credited or charged, as the case may be, by TRC to a special surplus account. There shall be charged against such special surplus account all preferred stock dividends accrued after December 31, 1959. Such credits and charges shall be made annually, as at the end of each

calendar year, after the final determination of the Maximum Price hereunder and under said agreements with TRC's other regular customers for such year and the making of any refunds required thereby. Any balance remaining in said special surplus account at the end of any calendar year shall, after reserving an amount sufficient to pay preferred stock dividends for the current calendar year, be distributed by TRC as a dividend on its common stock. Such obligation to pay common stock dividends shall be subject to the existence of earned surplus available for the payment of such dividend, to contractual obligations restricting the payment of dividends in TRC's loan agreements (including the $4,000,000 note of Ciba States Limited to New York Life Insurance Company dated November 1, 1949, as amended) and to the right of the Board of Directors by unanimous vote or approval to postpone the payment of such dividend. For the purpose of this Section, the 'earnings and losses' of TRC shall be the earnings and losses accrued after December 31, 1959 under this and said other similar agreements, separately calculated without reference to any other business of TRC, and shall be (i) net earnings after all taxes applicable thereto and after appropriate reductions of such taxes on the basis of prior losses or (ii) net losses after appropriate credit or reduction in or refund of taxes through the application of such losses to earnings theretofore and after December 31, 1959 accrued.

7. SPECIAL PRODUCTS

(a) TRC shall be entitled to enter into arrangements with any one or more of its regular customers, including GEIGY, or their respective affiliates, for the manufacture of any Special Product or Products, as hereinafter defined, and for the sale of such Special Product exclusively to such customer or affiliate, at such price and on such other terms as shall be agreed upon between TRC and such customer or affiliate, as the case may be, but only subject to the conditions hereinafter set forth.

(b) The term 'Special Product' as herein used shall mean:

(i) Any product other than a dye, and

(ii) Any dye the manufacture or sale of which by TRC would at the time, except for such arrangement, constitute an infringement (direct or contributory under Section 271 of the U.S. Patent Act of 1952) of one or more claims of any United States patent or pending application for such a patent owned by or licensed to the customer with whom TRC enters into such arrangement, or an affiliate of such customer (but only so long as such patent or application is not licensed to either or both of the other regular customers of TRC or any of their affiliates), excluding, however, (1) all vat dyes, and (2) each other dye which at any time shall have been customarily sold (other than on a dealers' basis) by one of TRC's regular customers or any of its affiliates to either or both of the other regular customers of TRC or any of their affiliates; the claim of any pending application being treated, for the purposes of the foregoing, as a valid claim of an issued patent

until it shall have been finally rejected.

(c) In the event that the then existing production facilities of TRC (other than facilities financed solely by one customer) are to be used in whole or in material part in the manufacture of the Special Product the exclusive arrangement provided for in this Section 7 with respect to such Special Product shall be entered into only subject to the following conditions:

(i) The manufacture of such Special Product shall be scheduled by TRC so as not to interfere with its regular dye manufacture and so as to give such regular dye manufacture full priority as to facilities, services, labor and materials.

(ii) All special manufacturing facilities required for the manufacture of such Special Product shall be financed by such customer in such a way as not to be a burden upon TRC and such customer shall indemnify TRC against any loss or unreimbursed expense in the manufacture and sale of such Special Product.

(iii) The price fixed by TRC for any Special Product or any group of Special Products shall, unless otherwise determined by unanimous vote or approval of TRC's Board of Directors, be such that in the judgment of TRC's management, the profit margin to TRC thereon.

will ultimately be not less than its average profit margin on regular dyes;

provided, however, that TRC shall be entitled to enter into and perform in accordance with its terms any contract for the manufacture or sale of Special Products which shall be approved unanimously by its Board of Directors.

(d) Dyes constituting Special Products shall cease to be 'Special Products' and shall be added to Schedule A hereto upon the expiration of the patent thereon or upon the abandonment or final rejection of the patent application with respect thereto, as the case may be. The price of Special Products shall not be subject to the Maximum Price provisions of Section 3. Profits and losses resulting from the manufacture and sale of Special Products shall not be credited to or charged against the Special Surplus Account provided for in Section 6.

8. PREVENTION OF PERFORMANCE

Neither party shall be responsible or liable to the other hereunder for failure or delays in performance of any provision of this Agreement due to war, fire, flood, accidents, labor disputes, riots, delays of carriers, acts of God or government, requisitions, statutes, rules, regulations or requirements of governments or any agencies or instrumentalities thereof, or any other contingencies beyond the party's reasonable control.

9. NOTICE

Any notice or other communication required or permitted to be given to a party under this Agreement shall be effectively given if sent by registered mail directed to such party at its address set forth at the head of this Agreement or at such other address as such party shall designate by notice to the other.

10. WAIVERS

No delay or omission by either party in the exercise of any right under this Agreement shall impair the right or be deemed to constitute a waiver or acquiescence in any default or preclude any subsequent exercise of the right. No right under this Agreement shall be deemed to have been waived by either party unless the waiver be in writing and signed by such party. A waiver by either party of a breach of this Agreement shall not be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

11. TRANSFERABILITY

This Agreement shall bind and benefit the successors of the respective parties, but shall not otherwise be assignable or transferable by either party without the written consent of the other.

12. TERM OF AGREEMENT

(a) This Agreement shall remain in effect until December 31, 1980, and thereafter from year to year, subject to the right of either party to terminate the same at December 31, 1980, or at any December 31st thereafter, by giving to the other party, at

least five years prior to the termination date, written notice of intent to terminate.

(b) In the event (i) that GEIGY shall have given to TRC written notice of intent to terminate as provided in paragraph (a) of this Section 12, and (ii) that GEIGY shall after the termination of this Agreement and during any one of the succeeding calendar years order from TRC less than 30% of GEIGY's requirements of such dyestuffs which TRC during such year was manufacturing and willing to sell under this Agreement, and (iii) that TRC shall prior to the commencement of such year have given written warning to GEIGY that TRC may exercise the option reserved under this paragraph (b), TRC shall have the right, at its option, by written notice to GEIGY of exercise of such option given within six months after the close of such year, to purchase, on a date specified in such notice which shall be not less than six months and not more than twelve months following the close of such year, all but not less than all the shares of common stock and preferred stock of TRC then beneficially owned by GEIGY and its affiliates. The purchase price for the common stock shall be the net book value thereof at the close of such calendar year, as determined by TRC's regular certified public accountants in accordance with generally accepted accounting principles. The purchase price for the preferred shares shall be $100 per share plus accrued and unpaid dividends to the date of purchase. If such written notice of the exercise of such option is given, TRC

shall thereupon become obligated to purchase and GEIGY and its affiliates to sell such shares at said prices and on said date. Otherwise such option, based upon GEIGY's failure to purchase 30% of its requirements as aforesaid during the calendar year in question, shall expire but the option reserved to TRC by this paragraph (b) shall continue in effect with respect to any succeeding calendar year to and including the fifth calendar year after the termination of the Agreement.

GEIGY shall, upon written request of TRC, deliver to TRC within two months after the end of each calendar year with respect to which TRC shall have given the written warning referred to in (ii) above a statement certified by GEIGY's regular certified public accountants as to whether or not GEIGY shall have ordered in said calendar year at least 30% of its requirements of dyestuffs which TRC was during such year manufacturing and willing to sell.

(c) In the event that TRC shall give to GEIGY written notice of intent to terminate as provided in paragraph (a) of this Section 12, GEIGY shall have the right at its option to require TRC to purchase, on the termination date specified in such notice, all but not less than all the shares of TRC common stock beneficially owned by GEIGY and its affiliates at such termination date, at the net book value thereof at such termination date as determined by TRC's regular independent certified public accountants in accordance with generally accepted accounting principles. Such option may be

exercised by GEIGY by a written notice of exercise given not more than six months after the giving by TRC of such written notice of intent to terminate; provided however that if GEIGY should give such written notice of intent to exercise such option, TRC shall have the right within 30 days after the receipt of such written notice, to notify GEIGY in writing of the cancellation of its written notice of intent to terminate and, thereupon, such written notice of termination on the part of TRC and such written notice of exercise of option on the part of GEIGY shall be void and of no effect. If GEIGY shall have given such written notice of exercise of such option and TRC shall not have cancelled its notice of intent to terminate, TRC shall be obligated to purchase and GEIGY shall be obligated to sell said shares at said price on such termination date.

13. TERMINATION OF EXISTING SUPPLY CONTRACT

Upon the taking effect of this Agreement the supply contract between the parties entered into on December 1, 1952, having been superseded by the present Agreement, shall be deemed terminated.

14. ARBITRATION

Except as otherwise provided in paragraphs (e) and (h) of Section 3, all disputes arising in connection with the present contract shall be finally settled by arbitration. The arbitration shall be held in New York, New York, and conducted in accordance with the Rules then obtaining of the American Arbitration Association. Judgment upon the award may be rendered in any Court having jurisdictic

or application may be made to such Court for a judicial acceptance of the award and an order of enforcement as the case may be.

IN WITNESS WHEREOF the parties have executed this Agreement in duplicate as of the date first above written.

TOMS RIVER-CINCINNATI CHEMICAL CORPORATION,

By David B. Dyche

Attest:

T. H. Saari
Secretary

GEIGY CHEMICAL CORPORATION

By Chas. A. Suter
Executive Vice-President

Attest:

M. J. Bunnell
Secretary

SCHEDULE A - SCHEDULE B

(The substance of both Schedule A, relating to the products covered by the Agreement, and Schedule B, relating to the terms and conditions of sales of dyestuffs, have been changed from time to time and current records relating to these matters are in the possession of Mr. Gelzer of the Dyestuffs Division.)

SUPPLY CONTRACT, dated as of June 30, 1955, between TOMS RIVER-CINCINNATI CHEMICAL CORPORATION, a Delaware corporation having an office at 1055 Laidlaw Avenue, Cincinnati, Ohio, and doing business in the States of Ohio and New Jersey (hereinafter called "TRC") and SANDOZ CHEMICAL WORKS, INC., a New York corporation having an office at 61-63 Van Dam Street, New York 13, New York (hereinafter called "SANDOZ").

PREAMBLE

1. TRC has for many years supplied from the output of its Ohio plants a substantial part of the dye requirements of SANDOZ, and on December 1, 1952, entered into a supply contract with SANDOZ concerning products produced at such plants, which contract is to be superseded by the present supply contract. The dyes presently being manufactured at TRC's Ohio plants and which are covered by the aforesaid supply contract of December 1, 1952 are listed in Schedule A annexed hereto. The manufacture of additional dyes may be undertaken at TRC's Ohio plants or elsewhere in the future, some or all of which may be produced in accordance with processes obtained from SANDOZ or from SANDOZ' parent or subsidiary corporations under the terms of license or other agreements between such corporations and TRC.

2. TRC has acquired from Ciba States Limited a manufacturing plant near Toms River, New Jersey, designed primarily

for the production of anthraquinone vat dyes and dye intermediates. The dyes that are presently being manufactured and that are scheduled to be manufactured at such plant according to present plans are also listed in Schedule A annexed hereto. It is anticipated that the manufacture of additional dyes may be undertaken in the future, some or all of which may be produced in accordance with processes obtained from SANDOZ or from SANDOZ' parent or subsidiary corporations under terms of license or other agreements between such corporations and TRC.

3. TRC desires to supply SANDOZ with a substantial portion of its requirements of dyes and also to supply to Geigy Chemical Corporation and Ciba Company Inc. (hereinafter referred to as "TRC's other regular customers") a substantial portion of their respective requirements of dyes. SANDOZ and TRC's other regular customers, being desirous of assuring for themselves respectively a dependable source of supply of the dyes covered hereby in the quantities and of the qualities needed by them and at the lowest practicable cost, are simultaneously entering into like agreements with TRC in the form hereof.

Accordingly, the parties hereto, each in consideration of the agreements of the other herein contained, hereby agree as follows:

1. PRODUCTS COVERED

(a) The products covered by this Agreement shall be the dyes listed in Schedule A hereto, those that may hereafter be added thereto by mutual consent, and such additional dyes as TRC may undertake to manufacture after the date hereof. TRC shall notify SANDOZ promptly after undertaking the commercial manufacture of any such additional dye, whereupon that dye will automatically be added to Schedule A.

(b) All the dyes now or hereafter included in Schedule A, the manufacture of which shall not have been discontinued as provided in paragraph (d) of Section 2, shall be available to SANDOZ under the terms of this Agreement.

2. PURCHASE AND SALES UNDERTAKING

(a) At least 30 days prior to the beginning of each calendar quarter, SANDOZ shall place with TRC written orders for the quantities of each dye that it desires to purchase from TRC during such quarterly period, stating the approximate dates upon which shipment is desired. Prior to the beginning of each such quarterly period, TRC shall notify SANDOZ in writing of the quantities of each dye desired by SANDOZ that TRC is prepared to supply against such order. Upon such notification and subject to the terms and conditions hereinafter set forth, SANDOZ will become obligated to

take and TRC will become obligated to deliver the quantities of each such dye so designated by TRC. The foregoing orders are hereinafter sometimes referred to as "Class A Orders".

(b) In addition to orders placed pursuant to the preceding paragraph (a), SANDOZ may, at any time or from time to time place orders for additional quantities of any dye, which orders TRC shall use its best efforts to fill. Orders for such additional quantities of dyes are hereinafter sometimes referred to as "Class B Orders".

(c) Subject to and in accordance with the further provisions of this Agreement, TRC will use its best efforts to supply the respective dyes from time to time ordered by SANDOZ under this Agreement so that SANDOZ may look to TRC as a dependable source of supply of the dyes covered by this Agreement in the quantities and of the qualities needed by SANDOZ.

(d) TRC reserves the right to discontinue for reasonable cause the manufacture of any dye covered by this Agreement upon six months' written notice to SANDOZ.

3. CHARGES FOR DYES DELIVERED

(a) At least 21 days prior to the beginning of each calendar quarter, TRC shall furnish to SANDOZ a list of charges, estimated by TRC to be the charges during said quarterly period for the dyes covered by this Agreement. In making such estimates, TRC may make such adjustments in estimated costs

as it may deem necessary. Prior to the effective date of such list, any estimated charge may be modified by TRC, and prior to the beginning of the calendar quarter SANDOZ may cancel without penalty any order placed with TRC under the provisions of Section 2. The effective date of such list shall be the 21st day before the beginning of each calendar quarter, and products delivered to SANDOZ during said calendar quarter shall be billed and paid for at the charges set forth therein.

(b) The charge to SANDOZ for dyes covered by this Agreement shall not exceed the aggregate costs and all other expenses incurred in the production and sale thereof determined in accordance with generally accepted accounting principles as approved by TRC's regular independent certified public accountants, including as elements of cost for such purpose charges or reserves which, in the judgment of the Board of Directors, are necessary and reasonable to provide for the following:

(i) interest and amortization (not otherwise provided for) on all debt of TRC;

(ii) the funds needed, in excess of depreciation computed at normal rates, to replace buildings, machinery and equipment rendered obsolete by economic or other causes;

(iii) the funds needed to maintain TRC in a sound working capital position;

(iv) the annual dividend requirements on the preferred stock at the time outstanding plus not in excess of 3% of the maximum par value of the preferred stock outstanding after January 1, 1955, to provide for the retirement of such stock;

(v) not in excess of 7% of the capital value of the common stock at the time outstanding.

(c) In no event shall the aggregate of cash dividends or other dividends or distributions declared or set apart on the common stock of TRC exceed 7% per annum on the capital value thereof.

(d) For purposes of this Agreement the aggregate "capital value" of the common stock shall be (i) an amount equal to the book value of the common stock of TRC as at the close of business on the date of this Agreement, such amount to be determined in accordance with generally accepted accounting principles by TRC's regular independent certified public accountants, plus (ii) such amounts in cash or other property as subsequently may be transferred to TRC by stockholders against the issue of additional shares of common stock or as a capital contribution, plus (iii) the aggregate par value of any preferred stock of TRC, plus any accrued dividends thereon, that may hereafter be surrendered to TRC in exchange for additional shares of common stock,

less (iv) the aggregate amount, if any, that TRC shall have paid to its stockholders for the purchase or retirement of common stock.

(e) As soon as practicable after the end of each calendar year TRC will refund to SANDOZ the amount, if any, by which the aggregate of the charges made for dyes delivered to SANDOZ hereunder during such year shall exceed the aggregate charge permitted hereunder in respect of said dyes.

(f) Any excess of reserves or earned surplus established or accumulated since the date of this Agreement not required in the business of TRC or for the purposes mentioned in paragraph (b) above as determined by the Board of Directors shall be refunded to SANDOZ and TRC's other regular customers, pro rata according to the excess of charges made over cost since the date of this Agreement in respect of dyes delivered to the respective customers by TRC under their respective supply contracts.

(g) Profit or loss on sale of products (whether or not listed in Exhibit A) or by-products sold to others than (i) SANDOZ hereunder and (ii) TRC's other regular customers under similar supply contracts shall be treated as a debit or credit, as the case may be, to costs as described in paragraph (b) above.

(h) TRC will at all times use its best efforts, to the

same extent that it would if it were producing the dyes to be delivered hereunder for sale at a fixed price, to produce such dyes at the lowest practicable cost.

(i) Anything herein contained to the contrary notwithstanding, in the event TRC shall sell any dye covered by this Agreement to any other purchaser at a price lower than the charge therefor computed as herein provided, SANDOZ shall be entitled to such lower price subject to the same terms and for the same quantities to which such lower price shall be applicable in respect of such sale to said other customer.

(j) In the event of any question or dispute between the parties as to the proper application of this Section or as to any computation thereunder, such question or dispute shall be referred to TRC's said independent certified public accountants for determination (to the extent that such question or dispute shall be appropriate for determination by accountants) and their determination in respect thereof shall be final and binding on the parties hereto.

4. TERMS OF SALE

Subject to the further provisions of this Agreement dyes delivered hereunder shall be subject to TRC's standard terms and conditions in effect at the date hereof or as changed from time to time with the approval of SANDOZ.

A copy of said terms and conditions as presently in effect is attached hereto as Schedule B.

5. ALLOCATION

(a) In any period during which TRC is unable to fill all Class A or Class B Orders placed with it by SANDOZ and TRC's other regular customers under their respective Supply Contracts for any particular dye or dyes TRC shall allocate its available supply of such dye or dyes among its customers in such manner and to such extent that, in so far as practicable, TRC shall, during such period of inability to supply, deliver to SANDOZ hereunder its Base Period Proportion of the respective dyes in short supply and of the total of all dyes in short supply, as follows:

(i) Class A Orders. In the event that the total quantity of any dye ordered pursuant to Class A Orders by SANDOZ and TRC's other regular customers in the manner provided in paragraph (a) of Section 2 is in excess of the quantity that TRC believes it will be able to supply, TRC shall, in the acceptance of Class A Orders, allocate the available supply, or such part thereof as TRC is willing to commit against Class A Orders, among SANDOZ and TRC's

other regular customers in accordance with the principle of allocation set forth above in this paragraph (a). If TRC is unable to supply in full Class A Orders accepted as aforesaid, or accepted prior to the beginning of the period of inability to supply, it shall allocate the available supply among Class A Orders pro rata according to the amount thereof.

(ii) Class B Orders. After Class A Orders shall have been filled or provided for as aforesaid, in the event the remaining available supply of any dye or dyes shall be insufficient to enable TRC to fill all Class B Orders for such dye or dyes, as the case may be, TRC shall, in the filling of Class B Orders, allocate such remaining available supply among SANDOZ and TRC's other regular customers in accordance with the principle of allocation set forth above in this paragraph (a).

(iii) Notwithstanding the provisions of subparagraphs (i) and (ii) above, if any particular dye covered by this Agreement shall

not have been sold in commercial quantities by TRC at any time during the Base Period, or shall have been sold in commercial quantities during a part but not all of the Base Period, TRC shall allocate its available supply of such dye in such a manner that SANDOZ shall receive hereunder during such period of inability to supply not less than 20% of such available supply; provided, however, that any allocation of any dye pursuant to this subparagraph (iii) shall not alter or affect SANDOZ' right to receive hereunder in the aggregate, in so far as practicable, its Base Period Proportion of all dyes at the time in short supply;

(b) The "Base Period Proportion" of SANDOZ in respect of any dye or dyes shall be that proportion which the total sales to SANDOZ of such dye or dyes, as the case may be during the Base Period bear to TRC's total sales of such dye or dyes, as the case may be, during the Base Period to SANDOZ hereunder and to TRC's other regular customers. The "Base Period" in respect of any period of inability to supply shall be the three full calendar years immediately preceding the beginning of the period of inability to fill all

orders placed pursuant to this Agreement.

(c) Anything in this Section 5 to the contrary notwithstanding, as it is expected that anthraquinone vat dyes to be manufactured by TRC will be in short supply for some time after the acquisition by TRC of the Toms River Plant referred to above, the following provision is made for allocation of such dyes until after (i) the expiration of five years after the date of this Agreement, or (ii) the expiration of twelve consecutive calendar months during which TRC's production of vat dyes shall have been more than sufficient to meet all orders placed with TRC by SANDOZ and TRC's other regular customers, whichever of said periods (i) or (ii) shall be shorter: During the first three years that this provision shall be in effect, the available supply of vat dyes shall be allocated in such a manner as to provide SANDOZ, as nearly as practicable, with 15% of the available supply and, during the fourth and fifth years that this provision shall be in effect, with 20% of the available supply. When this provision shall cease to be effective as aforesaid, the provisions of this Section 5, other than this paragraph (c), shall be applicable as to vat dyes in the same manner as to other dyes covered by this Agreement.

(d) For the purpose of this Section 5, "sales" in respect of dyes delivered to SANDOZ under this Agreement

shall mean the aggregate charges made by TRC therefor pursuant to Section 3.

(e) TRC shall be deemed to have complied with the provisions of this Section 5 if such provisions shall have been substantially fulfilled during each successive six months' period of inability to fill all orders.

6. PREVENTION OF PERFORMANCE

Neither party shall be responsible or liable to the other hereunder for failure or delays in performance of any provision of this Agreement due to war, fire, flood, accidents, labor disputes, riots, delays of carriers, acts of God or government, requisitions, statutes, rules, regulations or requirements of governments or any agencies or instrumentalities thereof, or any other contingencies beyond the party's reasonable control.

7. NOTICE

Any notice or other communication required or permitted to be given to a party under this Agreement shall be effectively given if sent by registered mail directed to such party at its address set forth at the head of this Agreement or at such other address as such party shall designate by notice to the other.

8. WAIVERS

No delay or omission by either party in the exercise of any right under this Agreement shall impair the right or be deemed to constitute a waiver or acquiescence in any default or preclude any subsequent exercise of the right. No right under this Agreement shall be deemed to have been waived by either party unless the waiver be in writing and signed by such party. A waiver by either party of a breach of this Agreement shall not be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

9. TRANSFERABILITY

This Agreement shall bind and benefit the successors of the respective parties, but shall not otherwise be assignable or transferable by either party without the written consent of the other.

10. TERM OF AGREEMENT

This Agreement shall remain in effect for an initial period of ten years from the date hereof, and shall remain in effect thereafter from year to year, subject to the right of either party to terminate the same at the end of any year after the expiration of said initial ten-year period by giving to the other party, at least five years

prior to the termination date, written notice of intent to terminate.

11. TERMINATION OF EXISTING SUPPLY CONTRACT

Upon the taking effect of this Agreement the supply contract between the parties entered into on December 1, 1952 having been superseded by the present Agreement, shall be deemed terminated.

12. ARBITRATION

Except as otherwise provided in paragraph (j) of Section 3, all disputes arising in connection with the present contract shall be finally settled by arbitration. The arbitration shall be held in New York, New York, and conducted in accordance with the Rules then obtaining of the American Arbitration Association. Judgment upon the award may be rendered in any Court having jurisdiction or application may be made to such Court for a judicial acceptance of the award and an order of enforcement as the case may be.

IN WITNESS WHEREOF the parties have executed this Agreement in duplicate as of the date first above written.

TOMS RIVER-CINCINNATI
CHEMICAL CORPORATION,

Attest:
T. H. Saari
Secretary
Corporate Seal]

By David B. Dyche

SANDOZ CHEMICAL WORKS, INC.,

Attest:
Donald L. Stumpf
Secretary
Corporate Seal]

By James C. Walker

NOTE

Schedule A to the foregoing Supply Contract is included in this volume at page 119 and Schedule B thereto is included in this volume at page 127.

SUPPLY CONTRACT

SCHEDULE A

I. DYES MANUFACTURED AT OHIO PLANTS:

Product No.	Name
ACID DYES	
1416	Acid Blue NGB
1415	Acid Brilliant Pure Blue G
1324	Acid Green
1366	Acid Milling Red G
1321	Acid Milling Red R
1320	Acid Milling Yellow G
1419	Acid Milling Yellow 5G
1343	Acid Naphthol Blue Black
1417	Acid Orange NR
1307	Acid Orange 2R
1418	Acid Red 3NB
1313	Acid Red OA
1340	Acid Violet 6B Supra
1434	Alizarine Cyanine Green GMN
1390	Alizarine Light Blue B
1441	Alizarine Light Blue 2A
1442	Alizarine Light Blue 2GL
1429	Alizarine Light Blue 4GL
1391	Alizarine Light Blue SE
1439	Alizarine Light Grey 2BLW
1301	Amaranth
1383	Azo Eosine G
1346	Azo Rhodine 6B
1345	Azo Rhodine 2G
1384	Azo Rubinole 3GP
1306	Carmoisine
1326	Chromotrope 6B
1308	Cloth Red 2B
1310	Crocein 3BX
1367	Crocein Scarlet FL
1355	Crocein Scarlet MOO
1387	Derma Brown G
1389	Derma Brown R
1347	Erio Violet RL
1357	Fast Acid Light Red B
1348	Fast Acid Orange 2G
1368	Fast Acid Orange RW
1359	Fast Acid Yellow C-173
1337	Fast Acid Yellow 2G
1437	Fast Acid Yellow 2GP
5029	Fast Acid Yellow 3G
1369	Fast Jasmine G
1339	Fast Red VR
[illegible]	Kiton Fast Red 4BLN
[illegible]	Kiton Fast Violet 10B

CONTRACT - SCHEDULE A

Product No.	Name
1312	Mauve for Lakes
1315	Metanil Yellow for Lakes
1433	Naphthalene Green V
1329	Naphthol Blue Black B
5133	Naphthol Blue Black G
1353	Naphthol Green Black B
1364	Naphthol Navy Blue M
1436	Neolan Black WA
1422	Neolan Black WAL
1397	Neolan Black WAO
1394	Neolan Blue 2G
1409	Neolan Blue 2R
1414	Neolan Bordeaux BE
1396	Neolan Bordeaux R
5136	Neolan Bordeaux RM
1401	Neolan Dark Green B
1421	Neolan Green BL
1403	Neolan Orange G
1411	Neolan Orange GRE
1395	Neolan Orange R
1406	Neolan Pink B
1405	Neolan Pink BAC
1410	Neolan Red BRE
1399	Neolan Red GREC
1400	Neolan Violet
1407	Neolan Violet Brown B
1402	Neolan Yellow BE
1404	Neolan Yellow GR
1332	Nerol B
1333	Nerol 2B
1334	Nerol 4B
1382	Neutral Brown R
1335	New Coccine
1428	Oil Orange SG
1375	Polar Orange GS Conc.
1377	Polar Orange R Conc.
1378	Polar Red B Conc.
1379	Polar Red 3B Conc.
1372	Polar Red G
1373	Polar Red R Conc.
1371	Polar Red RS Conc.
1376	Polar Yellow 2G Conc.
1370	Polar Yellow 5G Conc.
1374	Polar Yellow R Conc.
1351	Resorcine Brown B
1385	Resorcine Brown R
1338	Rocceline S
62	Silk Red B
63	Silk Red 4B
1	Sulfon Acid Blue R
[illegible]	Synlan Black J
[illegible]	Tartrazine
[illegible]	Victoria Violet 4BS
[illegible]	Xylene Milling Blue GL
[illegible]	[illegible]

Product No.	Name
DIRECT DYES	
2476	Artificial Silk Black G
2412	Benzo Azurine G
2504	Benzo Light Yellow RL
2405	Benzo Orange R
2402.1	Benzo Purpurine 4B
2402.2	Benzo Purpurine 4BMP
2588	Benzo Purpurine 4BS
2404	Benzo Purpurine 10B
2543	Chloramine Brilliant Orange RS
2512	Chloramine Brilliant Red 8B
2542	Chloramine Fast Orange 2RN
2486	Chloramine GreeR B
2510	Chloramine Red B
2511	Chloramine Red 3B
2500	Chlorantine Fast Blue 2GL
2501	Chlorantine Fast Blue 4GL
2526	Chlorantine Fast Blue 3RL
2558	Chlorantine Fast Bordeaux 2B
2530	Chlorantine Fast Brown BRLL
2556	Chlorantine Fast Green BLL
2571	Chlorantine Fast Green 5GLL
2536	Chlorantine Fast Orange TGLL
2561	Chlorantine Fast Orange T4RLL
2506	Chlorantine Fast Red 5BL
2553	Chlorantine Fast Red 6BLL
2560	Chlorantine Fast Violet 5BLL
2559	Chlorantine Fast Violet 2RLL
2505	Chlorantine Fast Yellow 5GL
2570	Chlorantine Fast Yellow 2GLL
2502	Chlorantine Fast Yellow RL
2448	Chrysamine K
2568	Chrysophenine
2473	Cindiazo Blue B
2566	Cindiazo Bordeaux B
2579	Cindiazo Bordeaux BN
2569	Cindiazo Bordeaux 7B
2591	Cindiazo Brown R
2485	Cindiazo Red 2B
2593	Cindiazo Scarlet RP
2421	Cindirect Violet 2B
2425	Congo Brown G
2564	Congo Red
2550	Developed Brilliant Green 3G
2492	Diazamine Blue BR
2477	Diazo Fast Blue 2RW
2587	Diazo Fast Orange GL
2562	Diazo Fast Yellow 3GL
2427	Diphenyl Chrysoine G
2549	Diphenyl Fast Blue Green BL
2552	Diphenyl Fast Grey B
2557	Diphenyl Fast Yellow RL
2429	Direct Black E
[illegible]	Direct Black EGW

Product No.	Name
2466	Direct Black GX
2468	Direct Black GXR
2430	Direct Black W
2488	Direct Black 3G
5063	Direct Black 3GR
2409	Direct Blue BX
2410	Direct Blue 2B
2411	Direct Blue 3B
2527	Direct Bordeaux 6B
2523	Direct Brilliant Violet B
2551	Direct Brilliant Yellow
2417	Direct Brown CT
2440	Direct Brown M
2436	Direct Brown MR
2413	Direct Brown T
5031	Direct Brown
2484	Direct Chlor Yellow FF
2516	Direct Chrome Black Blue B
2532	Direct Chrome Black Blue 2B
2583	Direct Dark Green BRC
2490	Direct Dark Green CW
2493	Direct Dark Green Supra
2494	Direct Deep Black E
2463	Direct Fast Black B
2498	Direct Fast Black B Supra
2434	Direct Fast Black FB
5137	Direct Fast Black FF
2461	Direct Fast Blue B
2462	Direct Fast Blue R
2452	Direct Fast Blue RW
2441	Direct Fast Light Blue FF
2545	Direct Fast Orange 4G
2592	Direct Fast Orange 3LWF
2447	Direct Fast Orange R
2455	Direct Fast Orange 2R
2459	Direct Fast Orange SE
2508	Direct Fast Orange SW
5171	Direct Fast Brown LBRA
2594	Direct Fast Brown RLL
2537	Direct Fast Red 8BL
2437	Direct Fast Red F
2475	Direct Fast Scarlet 4BA
2515	Direct Fast Scarlet 8BA
2513	Direct Fast Scarlet 4BSW
2460	Direct Fast Scarlet SE
2443	Direct Fast Yellow AG
2586	Direct Fast Yellow EFC
2456	Direct Fast Yellow G
2565	Direct Fast Yellow 5G
2580	Direct Fast Yellow 3GP
2584	Direct Fast Yellow 6GP
2416	Direct Garnet R
2408	Direct Garnet RB
2519	Direct Garnet 2RB
2453	Direct Green BB Supra

FLY CONTRACT - SCHEDULE A

Product No.	Name
2582	Direct Green BP
2472	Direct Green BY
2445	Direct Green GB
2589	Direct Lumisol Blue GLS
2554	Direct Lumisol Blue 4GL
2578	Direct Lumisol Blue 6GL
2547	Direct Lumisol Blue L
2548	Direct Lumisol Blue RL
2555	Direct Lumisol Grey G
2574	Direct Lumisol Violet 4RL
2522	Direct Navy Blue B
2538	Direct New Blue 5B
2418	Direct Orange G
2419	Direct Red B
2420	Direct Red 3B
2449	Direct Rubine
2451	Direct Sky Blue A
2474	Direct Sky Blue 6B
2478	Direct Violet Black
2438	Direct Violet N
5161	Fibre Black V
2576	Formaldehyde Blue 2B
[illegible]97	Formal Fast Black G
[illegible]85	Paper Orange R
2482	Primuline
2539	Pyrazol Fast Orange GL
2540	Pyrazol Orange GH
2534	Rosanthrene Bordeaux 2BL
2535	Rosanthrene Orange R
2567	Rosanthrene Orange RD
2507	Silk Brown B
2423	Trisulfon Brown BP
2577	Trisulfon Brown BPCW
2424	Trisulfon Violet B
2541	Visco Blue RS
2471	Zambesi Black BG
2435	Zambesi Black BH
2470	Zambesi Black D
2431	Zambesi Black V

CHROME DYES:

3632	Acid Chrome Blue 2RA
3646	Alizarine Blue Black B
3621	Chrome Brown B
3631	Chrome Brown 3B
3622	Chrome Brown O
3636	Chrome Brown PG
3615	Chrome Fast Black FW
3655	Chrome Fast Black P
5173	Chrome Fast Black PLC
5172	Chrome Fast Black PV
3633	Chrome Fast Garnet R
3630	Chrome Fast Orange R
3628	Chrome Fast Violet B

I CONTRACT - SCHEDULE A

Product No.	Name
3638	Chrome Fast Yellow G
3626	Chrome Garnet R
3610	Chrome Green B
3602	Chrome Orange R
3616	Chrome Yellow DS
3608	Chrome Yellow G
3614	Chrome Yellow 3G
3613	Chrome Yellow 5G
3620	Chrome Yellow GR
3634	Chrome Yellow SW
3635	Erio Chromal Brown AEB
3640	Erio Chrome Azurol BC
3607	Erio Chrome Black A
3606	Erio Chrome Black T
3605	Erio Chrome Black TN
3609	Erio Chrome Blue Black B
3603.1	Erio Chrome Blue Black R Sol.
3603.2	Erio Chrome Blue Black RSS
3603.3	Erio Chrome Blue Black RSX
3625	Erio Chrome Blue Black RZN
3645	Erio Chrome Brown DKL
3617	Erio Chrome Brown R
3641	Erio Chrome Cyanine RC
3637	Erio Chrome Flavine A
3619	Erio Chrome Red B
3639	Metomega Chrome Black Blue G
3649	Metomega Chrome Brown 3GL
3647	Metomega Chrome Brown RLL
3654	Metomega Chrome Cyanine BLL
3650	Metomega Chrome Orange ML
3651	Metomega Chrome Red GM
3643	Omega Chrome Yellow ME

BASIC DYES:

3712	Bismark Brown G
3711	Bismark Brown R
3716	Bismark Brown R Base

PRINTING DYES:

3809	Pigment Scarlet 3B

VAT DYES:

3903	Ciba Brown G Presscake
3904	Ciba Brown GO Paste
3905	Ciba Brown G Paste BK - 10179C

CELANESE DYES:

4322	Acetate Blue DL
4319	Acetate Diazo Black 3G
[illegible]16	Acetate Orange GR
	Acetate Red B
	Acetate Red R

CONTRACT - SCHEDULE A

Product No.	Name
4321	Acetate Rubine R
4317	Acetate Scarlet B
4315	Acetate Violet 2R
4312	Celanese Blue FFR
4314	Celanese Fast Yellow G
4301	Cibacet Diazo Black B
4306	Cibacet Diazo Black GN
4310	Cibacet Diazo Black GWS
4305	Cibacet Red 3B
4303	Cibacet Sapphire Blue G
4320	Cibacet Sapphire Blue #294
4308	Cibacet Yellow GN

DYES MANUFACTURED AT TOMS RIVER PLANT:

Code No.	Name
ANTHRAQUINONE VATS:	
7120	Cibanone Black 2B
7129	Cibanone Black DM
7200	Cibanone Dark Blue BO
7206	Cibanone Blue GF
*	Cibanone Blue GCD
7000	Cibanone Navy Blue RA
7160	Cibanone Brown BG
7170	Cibanone Brown BR
7180	Cibanone Brown GR
7140	Cibanone Brilliant Green BF
7141	Cibanone Brilliant Green 2BF
7142	Cibanone Green 2B
7130	Cibanone Black DRB
7208	Cibanone Grey LN
7010	Cibanone Olive 2B
7020	Cibanone Olive 2R
7030	Cibanone Olive S
7035	Cibanone Olive SR
7036	Cibanone Olive SRR
*	Cibanone Brilliant Orange RK
7210	Cibanone Golden Orange G
7220	Cibanone Golden Orange 3G
7230	Cibanone Golden Orange 2R
7080	Cibanone Violet 6B
7070	Cibanone Violet 4R
*	Cibanone Violet FFBN
7240	Cibanone Golden Yellow GK
7090	Cibanone Yellow GCP
7091	Cibanone Yellow GC
7110	Cibanone Yellow PGA
7111	Cibanone Yellow P2GA
7060	Cibanone Red 6B
7040	Cibanone Red FBB
7050	Cibanone Red RK

Code number not yet assigned.

SUPPLY CONTRACT

SCHEDULE B

TERMS AND CONDITIONS OF SALE OF DYES

1% discount on invoices dated 1st to 15th of month if paid by 25th of month and on invoices dated 16th to 31st of month if paid by 10th of following month. All invoices Net 30 days.

F.O.B. Seller's Works, Minimum Carload or Minimum Truckload rate, whichever lower, from St. Bernard, Ohio, to New York, New York, allowed; Minimum Truckload rate from Toms River, New Jersey, to New York, New York, allowed.

An extra charge may be made for repacking shipments in less than customary container amounts.

SUPPLEMENT TO SUPPLY CONTRACT
WITH SANDOZ, INC.

SUPPLEMENTAL AGREEMENT dated as of July 1, 1959, between TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation formerly known as TOMS RIVER-CINCINNATI CHEMICAL CORPORATION (hereinafter called "TRC"), and SANDOZ, INC., a New York corporation (hereinafter called "SANDOZ").

The parties hereto (Sandoz acting under its then name, Sandoz Chemical Works, Inc.) have heretofore entered into a Supply Contract dated as of June 30, 1955 (hereinafter called the Supply Contract), providing for the supply by TRC to SANDOZ of certain dyes manufactured by TRC. Simultaneously therewith TRC also entered into like supply contracts with Ciba Company, Inc. and Geigy Chemical Corporation, respectively.

The parties hereto desire to amend, effective as of the date hereof, the Supply Contracts as hereinafter provided. Simultaneously herewith TRC is entering into similar amendatory agreements with said Ciba Company, Inc. and said Geigy Chemical Corporation, respectively.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties

hereto hereby agree as follows:

1. Paragraph (a) of Section 1 of the Supply Contract is hereby amended to read as follows:

"(a) The products covered by this Agreement shall be the dyes listed in Schedule A hereto, those that may hereafter be added thereto by mutual consent, and such additional dyes, other than dyes coming within the definition of 'Special Products' as hereinafter in Section 6 provided, as TRC may undertake to manufacture after the date hereof. TRC shall notify SANDOZ promptly after

(i) undertaking the commercial manufacture of any such additional dye, other than such a Special Product, or

(ii) the termination of the relevant patent coverage as a result of which any dye theretofore a Special Product under Section 6 shall cease to be such,

whereupon that dye will automatically be added to Schedule A."

2. Paragraphs (b) to (g), inclusive, of Section

3 of the Supply Contract are deleted, and the following paragraphs (b) to (e), inclusive, are hereby substituted therefor:

"(b) The total of the charges for dyes covered by this Agreement delivered to SANDOZ hereunder during any calendar year, commencing with the calendar year 1959, shall not exceed the sum (herein referred to as the 'Maximum Price') of (i) the aggregate costs (including depreciation, overhead and administrative expenses, interest charges and all other proper charges) allocable to the production and delivery thereof, as determined from time to time in accordance with generally accepted accounting principles approved by TRC's regular independent certified public accountants, and (ii) a supplementary amount equal to the 'Return on Capital Employed' (hereinafter defined) in the production of such dyes.

"(c) Within sixty days after the close of each calendar quarter of any calendar year, commencing with the calendar quarter ending September 30, 1959, TRC shall determine the estimated Maximum Price for the dyes delivered to SANDOZ hereunder during such quarter, making such estimates of items of cost not then determined as

shall be necessary, and if the Maximum Price so determined shall be less than the aggregate of the charges made for said dyes so delivered during such quarter, the difference shall promptly be refunded to SANDOZ, on account, and subject to adjustment after the year end, as hereinafter provided. As soon as practicable after the close of each calendar year (commencing with the calendar year 1959) and after all year-end adjustments shall have been made and the accounts of TRC shall have been audited by its regular independent certified public accountants, TRC shall submit to SANDOZ a report certified by its said accountants, as to the Maximum Price for all dyes delivered to SANDOZ hereunder during said year. If such Maximum Price so certified shall be less than the aggregate of the charges made by TRC for dyes delivered to SANDOZ hereunder during such year, the difference shall be the definitive amount due SANDOZ as a refund of price hereunder for such year and the amount remaining due to SANDOZ on account of such refund shall forthwith be paid by TRC or if payments of refunds previously made for such calendar year shall have exceeded the

amount thus finally determined to be due, the excess payments shall be repaid by SANDOZ to TRC.

"(d) The 'Return on Capital Employed' in the production of dyes delivered to SANDOZ hereunder during any calendar year shall be that part of the total provision for return on capital determined as stated below, allocable to the production of such dyes as hereinafter provided. The total provision for return on capital for the purposes hereof in respect of any calendar year shall be (i) an amount sufficient, after payment of income taxes thereon at then prevailing income tax rates, to provide for the dividend for such year accrued on the Preferred Stock of TRC outstanding during such year, plus (ii) an amount equal to 10% of the capital represented by the Common Stock of TRC outstanding during such year. For the purposes hereof (1) said total provision for return on capital in respect of any calendar year shall be allocated among all dyes and other products manufactured by TRC during such year in the same manner and in the same proportions in all material respects as depreciation of manufacturing buildings and equipment (including buildings and equipment for drying but excluding

auxiliary facilities such as power plant and waste disposal facilities) is allocated among such dyes and other products respectively in determining costs in accordance with TRC's regular accounting procedures, excluding, however, such depreciation on plant facilities for Special Products referred to in Section 6 hereof, the cost of which shall have been provided otherwise than from TRC's general funds (for the calendar years 1959, 1960 and 1961, however, such allocation shall be made in the same manner and in the same proportions as fixed costs rather than depreciation are allocated among such dyes and other products respectively in determining costs in accordance with TRC's regular accounting procedures, excluding fixed costs with respect to such Special Products referred to in Section 6 hereof, the cost of which shall have been provided otherwise than from TRC's general funds); and (2) the sum of the amounts so allocated to the respective dyes delivered to SANDOZ hereunder during any calendar year shall be the 'Return on Capital Employed' in the production of said dyes. In the event the Federal income tax rates applicable to TRC in years

subsequent to 195[illegible] shall be increased above or decreased below the rates applicable for 1959, the percentage of capital referred to in clause (ii) above (being 10% in respect of 1959) shall be increased or decreased so that the total provision for return on capital described in said clause (ii) shall, after Federal income taxes, be the same as such provision after said taxes at the rates applicable for 1959.

"(v) (i) The provision for Return on Capital Employed set forth in this Agreement shall at the end of each Five Year Effective Period (as defined in clause (v) below) during the term of this Agreement be reconsidered and renegotiated between the parties hereto in the light of the experience and then earning power of TRC hereunder.

(ii) Either party hereto shall have, within one year after the end of any Five Year Effective Period, the right to cause the question of the amount or rate of the Return on Capital Employed to be provided hereunder to be settled by arbitration as provided in Section 13 hereof in accordance with the rules then obtaining of the

American Arbitration Association. In so determining the Return on Capital Employed the arbitrator's sole function shall be to arrive at a percentage, determined by him to be fair and reasonable, in lieu of (and which may be the same as) the percentage set forth in paragraph (d) (ii) of this Section or of the corresponding percentage for any subsequent Five Year Effective Period, which percentage so arrived at shall not be less than 10% nor more than the "Maximum Rate" (hereinafter defined), each such percentage being subject to adjustment as provided in the last sentence of paragraph (d) of this Section. In his determination of such percentage as aforesaid, the arbitrator shall consider and take into account all relevant factors presented by the respective parties, questions of relevance to be determined by the arbitrator in each case.

(iii) The agreement of the parties with respect to the Return on Capital Employed, arrived at as above provided or the determination of the arbitrator with respect to such Return on Capital Employed, as the case may be, whether or not the

Return on Capital Employed shall thereby be changed, shall be set forth in a written agreement supplemental hereto and shall go into effect on the first day of the calendar quarter next following the date of agreement of the parties or of the award of the arbitrator, as the case may be. Each rate of Return on Capital Employed provided for herein or determined as herein provided shall remain in effect until changed as herein provided and in no event shall rate of Return on Capital Employed under this agreement at any time be greater than that at such time in effect under either of the above mentioned like supply contracts between TRC and its other regular customers.

(iv) The Maximum Rate shall be the percentage obtained by multiplying 10% by the quotient of $\frac{A}{B}$ where

<u>A shall be</u> the amount obtained by dividing (1) the arithmetic average annual Net Profit after Taxes of all manufacturing corporations except newspapers for the five calendar years next preceding the determination of the Maximum Rate by renegotiation or arbitration by (2) the arithmetic

average of the total Stockholders' Equity in such corporations at the end of each quarter during such five years, both calculated from the data published jointly by the Federal Trade Commission and Securities and Exchange Commission in the QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS, and

B shall be the amount corresponding to A for the five-year period 1955-1959, inclusive, namely 10.86%.

In the event that the form in which the data on annual Net Profit after Taxes and Stockholders' Equity is published by the Federal Trade Commission and the Securities and Exchange Commission shall hereafter be changed, the Maximum Rate shall be determined on the basis of the data as so published, following the above-described formula as nearly as may be.

(v) The term "Five-Year Effective Period" shall mean (i) the five years ending December 31, 1963, (ii) if thereafter the rate of return shall, as a result of renegotiation and agreement between the

parties or of arbitration as herein provided, be established at the same or a different rate, then the five-year period commencing with the date said rate becomes effective, and (iii) if within one year after the close of any Five-Year Effective Period no agreement establishing the same or a different rate shall have been entered into and no arbitration shall have been demanded, then the five-year period commencing with the end of the next preceding Five-Year Effective Period.

3. Paragraphs (h), (i) and (j) of Section 3 of the Supply Contract are redesignated as paragraphs (f), (g) and (h), respectively.

4. Paragraph (h) (formerly paragraph (j)) of Section 3 of the Supply Contract is amended by inserting at the beginning thereof "Except as otherwise provided in paragraph (e) of this Section 3,".

5. The Supply Contract is hereby amended by inserting one new section, immediately following Section 5 thereof, to read as follows:

"6. SPECIAL PRODUCTS

"(a) TRC shall be entitled to enter into arrangements with any one or more of its regular customers, including SANDOZ, or their respective affiliates, for the manufacture of any Special Product or Products, as hereinafter defined, and for the sale of such Special Product exclusively to such customer or affiliate, at such price and on such other terms as shall be agreed upon between TRC and such customer or affiliate, as the case may be, but only subject to the conditions hereinafter set forth.

"(b) The term 'Special Product' as herein used shall mean:

"(i) Any product other than a dye, and

"(ii) Any dye the manufacture or sale of which by TRC would at the time, except for such arrangement, constitute an infringement (direct or contributory under Section 271 of the U.S. Patent Act of 1952) of one or more claims of any United States patent or pending application for such a patent owned by or exclusively licensed to the customer with whom TRC enters into such arrangement, or an affiliate of such customer,

excluding, however, (1) all vat dyes and (2) each other dye which at any time shall have been customarily sold (other than on a dealers' basis) by one of TRC's regular customers or any of its affiliates to either or both of the other regular customers of TRC or any of their affiliates; the claim of any pending application being treated, for the purposes of the foregoing, as a valid claim of an issued patent until it shall have been finally rejected.

"(c) In the event that the then existing production facilities of TRC (other than facilities financed solely by one customer) are to be used in whole or in material part in the manufacture of the Special Product the exclusive arrangement provided for in this Section 6 with respect to such Special Product shall be entered into only subject to the following conditions:

"(i) The manufacture of such Special Product shall be scheduled by TRC so as not to interfere with its regular dye manufacture and so as to give such regular dye manufacture full priority as to facilities, services, labor and materials.

"(ii) All special manufacturing facilities required for the manufacture of such Special Product shall be financed by such customer in such a way as not to be a burden upon TRC and such customer shall indemnify TRC against any loss or unreimbursed expense in the manufacture and sale of such Special Product.

"(iii) The price fixed by TRC for any Special Product or any group of Special Products shall, unless otherwise determined by unanimous vote or approval of TRC's Board of Directors, be such that in the judgment of TRC's management, the profit margin to TRC thereon will ultimately be not less than its average profit margin on regular dyes;

provided, however, that TRC shall be entitled to enter into and perform in accordance with its terms any contract for the manufacture or sale of Special Products which shall be approved unanimously by its Board of Directors.

"(d) Dyes constituting Special Products shall cease to be 'Special Products' and shall be added to Schedule A hereto upon the expiration of the patent

thereon or upon the abandonment or final rejection of the patent application with [illegible] the case may be. The price of [illegible] not be subject to the Maximum [illegible] Section 3.

6. Sections 6, 7, 8 a[illegible] are hereby redesignated as Sections [illegible]

7. Section 1 of the [illegible] amended to read as follows:

"11. TERM OF AGREEMENT

"(a) This Agreement shall remain in effect until December 31, 198[illegible], and [illegible] to year, subject to the right of either party to terminate the same at December 1, [illegible] December 31st thereafter, by giving to the other party, at least five years prior to the termination date, written notice of intent to terminate.

"(b) In the event (i) that SANDOZ shall have given to TRC written notice of [illegible] as provided in paragraph (a) of this Section 11 and (ii) that SANDOZ shall after the [illegible] of this Agreement and during any one of the [illegible]

years order from TRC less than 30% of SANDOZ's requirements of such dyestuffs which TRC during such year was manufacturing and willing to sell under this Agreement, and (iii) that TRC shall prior to the commencement of such year have given written warning to SANDOZ that TRC may exercise the option reserved under this paragraph (b), TRC shall have the right, at its option, by written notice to SANDOZ of exercise of such option, given within six months after the close of such year, to purchase, on a date specified in such notice which shall be not less than six months and not more than twelve months following the close of such year, all but not less than all the shares of common stock and preferred stock of TRC then beneficially owned by SANDOZ and its affiliates. The purchase price for the common stock shall be the net book value thereof at the close of such calendar year, as determined by TRC's regular certified public accountants in accordance with generally accepted accounting principles. The purchase price for the preferred shares shall be $100 per share plus accrued and unpaid dividends to the date of purchase. If such written notice of the exercise of such option is given TRC shall thereupon become

obligated to purchase and SAN and its affiliates to sell such shares at said pri d on aid date. Otherwise such optio , based S DOZ's failure to purchase 30% of its req irement f esaid during the calendar year in question, s xpire t the option reserved to TRC by this par a (b) shall continue in effect with respect to a ucceeding calendar year to and including the fi c lendar year after the termination of the Agre m .

SANDOZ shall upon written request of de- liver t TRC within two months after the en f each calendar year with respect to which TRC shall ave given the written warning referred to in (ii) ve a statement certified b SANDOZ's regular certi ied public accountants as t whet er or not SANDOZ shall have ordered in said calendar year at least 30% of its requirements of dyest ffs which TRC was during such year manufa turin and willing to ell.

"(c) In the e ent that TRC shall giv to SANDOZ written otice of intent to termina as provided in paragraph (a) of this Se ti n 11, SANDOZ shall have the right at its option to r quire TRC to purchase, on the termination date specified in such notice, all but not

less than all the shares of TRC common stock beneficially owned by SANDOZ and its affiliates at such termination date, at the net book value thereof at such termination date as determined by TRC's regular independent certified public accountants in accordance with generally accepted accounting principles. Such option may be exercised by SANDOZ by a written notice of exercise given not more than six months after the giving by TRC of such written notice of intent to terminate; provided however that if SANDOZ should give such written notice of intent to exercise such option, TRC shall have the right within 30 days after the receipt of such written notice, to notify SANDOZ in writing of the cancellation of its written notice of intent to terminate and, thereupon, such written notice of termination on the part of TRC and such written notice of exercise of option on the part of SANDOZ shall be void and of no effect. If SANDOZ shall have given such written notice of exercise of such option and TRC shall not have cancelled its notice of intent to terminate, TRC shall be obligated to purchase and SANDOZ shall be obligated to

sell said shares at said price on such termination date."

8. Sections 11 and 12 of the Supply Contract are hereby redesignated as Sections 12 and 13, respectively, and the reference to "paragraph (j) of Section 3" in said Section 13 (as redesignated) is hereby amended to read: "paragraphs (e) and (h) of Section 3".

9. Except as otherwise hereinabove expressly provided, the provisions of the Supply Contract shall remain in full force and effect.

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

TOMS RIVER CHEMICAL CORPORATION

By _____
President

Attest: _____
Secretary

SANDOZ, INC.

By _____
Chairman ~~President~~

Attest: _____
Secretary

AMENDMENT TO SUPPLY CONTRACT
with
SANDOZ, INC.

AGREEMENT OF AMENDMENT dated as of March 18, 1964, between TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation, formerly known as Toms River-Cincinnati Chemical Corporation, (hereinafter called "TRC"), and SANDOZ, INC., a New York corporation, (formerly known as Sandoz Chemical Works, Inc.), (hereinafter called "SANDOZ").

TRC and SANDOZ heretofore entered into a Supply Contract dated as of June 30, 1955, providing for the supply by TRC to SANDOZ of certain dyes manufactured by TRC. Simultaneously therewith TRC also entered into like supply contracts with CIBA Company, Inc. (now CIBA Chemical & Dye Company Division of CIBA Corporation) and Geigy Chemical Corporation, respectively. By Supplemental Agreements dated as of July 1, 1959, the said supply contracts were amended in certain respects, effective as of said date.

The parties hereto desire to further amend the said Supply Contract of June 30, 1955, as heretofore amended, effective as of the date hereof. Simultaneously TRC is entering into similar amendatory agreements with said CIBA Chemical & Dye Company Division of CIBA Corporation and Geigy Chemical Corporation, respectively.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Subparagraph (ii) of paragraph (b) of Section 6 of said Supply Contract is hereby amended to read as follows:

> "(ii) Any dye the manufacture or sale of which by TRC would at the time, except for such arrangement, constitute an infringement (direct or contributory under Section 271 of the U.S. Patent Act of 1952) of one or more claims of any United States patent or pending application for such a patent owned by or licensed to the customer with whom TRC enters into such arrangement, or an affiliate of such customer (but only so long as such patent or application is not licensed to either or both of the other regular customers of TRC or any of their affiliates),

excluding, however, (1) all vat dyes, and (2) each other dye which at any time shall have been customarily sold (other than on a dealers' basis) by one of TRC's regular customers or any of its affiliates to either or both of the other regular customers of TRC or any of their affiliates; the claim of any pending application being treated, for the purposes of the foregoing, as a valid claim of an issued patent until it shall have been finally rejected."

2. Except as otherwise hereinafter expressly provided, the provisions of the said Supply Contract, as amended, shall remain in full force and effect.

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

TOMS RIVER CHEMICAL CORPORATION

Attest:

By _____
President

_____
Secretary

SANDOZ, INC.

Attest:

By _____

_____
Secretary

SUPPLY CONTRACT, dated as of October 1, 1971 between TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation having its principal offices at Route 37, Toms River, New Jersey (hereinafter called "TRC") and SANDOZ-WANDER, INC., a corporation having its principal offices at Route 10, Hanover, New Jersey (hereinafter called "Sandoz").

PREAMBLE

1. TRC has for many years supplied a substantial part of the requirements for dyestuffs and certain other chemical products of Sandoz, first from its Ohio facilities and later solely from its present New Jersey facilities. On December 1, 1952, TRC entered into a Supply Contract with Sandoz concerning products produced at its Ohio plant. Said Supply Contract was subsequently superseded by the Supply Contract dated as of June 30, 1955, and as amended by agreements dated as of July 1, 1959 and March 18, 1964. It is desirable to further amend said Supply Contract and therefore the Supply Contract dated as of June 30, 1955 as amended, is hereby amended in its entirety and restated to read as hereinafter set forth.

2. TRC has its manufacturing plant near Toms River, New Jersey, designed primarily for the production of azo dyes, anthraquinone dyes and dye intermediates. The dyes that are being manufactured at such plant and which are available for sale to TRC's customers are listed on Schedule A annexed hereto.

It is anticipated that the manufacture of additional dyes may be undertaken in the future, some or all of which may be produced in accordance with processes obtained from Sandoz's parent or subsidiary corporations under terms of license or other agreements between such corporations and TRC.

3. Pursuant to the Consent Judgment entered on September 8, 1970, in the United States District Court for the Southern District of New York in an action entitled United States of America v. CIBA Corporation, et al. (Civil Action No. 79 Civ. 3078) (hereinafter called the "Judgment"), CIBA-GEIGY Corporation (hereinafter sometimes called "CIBA-GEIGY") transferred to Intracolor Corporation (hereinafter sometimes called "Intracolor"), its wholly owned subsidiary, certain properties and assets comprising the dyestuffs business of the former CIBA Corporation. In addition, the Judgment required that CIBA-GEIGY cause TRC to enter into a supply contract with Intracolor to supply it certain dyestuffs as more fully provided in Section IV(D) of the Judgment.

4. TRC desires to supply Sandoz with a substantial portion of its requirements of dyes and also to supply Intracolor and CIBA-GEIGY (both Intracolor and CIBA-GEIGY are hereinafter sometimes referred to as "TRC's other regular customers") a substantial portion of their respective requirements of dyes, Sandoz and TRC's other regular customers, being desirous of assuring for themselves respectively a dependable source of

supply of the dyes covered hereby in the quantities and of the qualities needed by them and at the lowest practicable cost, are simultaneously entering into like agreements with TRC substantially in the form hereof.

Accordingly, the parties hereto, each in consideration of the agreements of the other herein contained, hereby agree as follows:

1. PRODUCTS COVERED

(a) The products covered by this Agreement shall be the dyes listed in Schedule A hereto, those that may hereafter be added thereto by mutual consent, and such additional dyes other than dyes coming within the definition of "Special Products" as hereinafter in Section 7 provided, as TRC may undertake to manufacture after the date hereof. TRC shall notify Sandoz promptly after

(i) undertaking the commercial manufacture of any such additional dye, other than such a Special Product, or

(ii) the termination of the relevant patent coverage as a result of which any dye theretofore a Special Product under Section 7 shall cease to be such,

whereupon that dye will automatically be added to Schedule A.

(b) All the dyes now or hereafter included in Schedule A, the manufacture of which shall not have been dis-

continued as provided in paragraph (d) of Section 2, shall be available to Sandoz under the terms of this Agreement.

2. PURCHASE AND SALES UNDERTAKING

(a) At least 45 days prior to the beginning of each fiscal quarter, (hereinafter sometimes referred to as "quarterly period") Sandoz shall deliver to TRC written orders for the quantities of each dye that it desires to purchase from TRC (1) during such quarterly period (said orders are hereinafter sometimes referred to as "Class A-1 Orders") and (2) during the next following quarterly period (said orders are hereinafter sometimes referred to as "Class A-2 Orders"). The Class A-1 Orders shall be for quantities of each dye in addition to those quantities previously ordered as Class A-2 Orders and confirmed by TRC. Prior to the beginning of each quarterly period, TRC shall notify Sandoz in writing of the quantities of each dye that TRC is prepared to supply against the Class A-1 Orders for that quarterly period and the Class A-2 Orders for the following quarterly period. Upon such notification and subject to the terms and conditions hereinafter set forth, Sandoz will become obligated to take and TRC will become obligated to deliver all of the quantities of each dye so designated by TRC for delivery during such quarterly periods provided that Sandoz may decrease Class A-2 Orders for the amount of any individual dyes by 25% if said changes are submitted to TRC no later than 45 days prior to the beginning of the quarterly period in which the dye is to be delivered.

(b) In addition to orders placed pursuant to the preceding paragraph (a), Sandoz may, at any time or from time to time place spot orders for additional quantities of any dye for immediate needs, which orders TRC shall not be obligated to accept, except and to the extent that TRC shall determine that it has or will have available supplies sufficient therefor after filling all Class A-1 and Class A-2 Orders. Orders for such additional quantities of dyes are hereinafter sometimes referred to as "Class B Orders". Such Class B Orders will not assume A-Order status at a future date.

(c) Subject to and in accordance with the further provisions of this Agreement, TRC will use its best efforts to supply the respective dyes from time to time ordered by Sandoz under this Agreement so that Sandoz may look to TRC as a dependable source of supply of the dyes covered by this Agreement of the qualities and in the quantities needed, it being understood however, that in order to have the best balanced production schedule, it may be necessary for TRC to establish minimum order quantities for various dyes from time to time.

(d) TRC reserves the right to discontinue for reasonable cause the manufacture of any dye covered by this Agreement upon six months' written notice to Sandoz.

3. CHARGES FOR DYES DELIVERED

(a) At least 25 days prior to the beginning of each quarterly period, TRC shall mail to Sandoz a list of charges,

estimated by TRC to be the charges during the following quarterly period for the dyes covered by this Agreement. Within ten days thereafter, Sandoz may cancel without penalty any A-1 and A-2 Orders for any dye placed with TRC for which TRC's prices have been increased more than 5% over the estimated price for the preceding quarter.

(b) The total of the charges for dyes covered by this Agreement delivered to Sandoz hereunder during any fiscal year, commencing with the fiscal year 1971, shall not exceed the sum (herein referred to as the "Maximum Price") of (i) the aggregate costs (including depreciation, overhead and administrative expenses, interest charges and all other proper charges) allocable to the production and delivery thereof, as determined from time to time in accordance with generally accepted accounting principles approved by TRC's regular independent certified public accountants, and (ii) a supplementary amount equal to the "Return on Capital Employed" (hereinafter defined) in the production of such dyes.

(c) Within sixty days after the close of each quarterly period of any fiscal year, commencing with the quarterly period ending December 31, 1971, TRC shall determine the estimated Maximum Price for the dyes delivered to Sandoz hereunder during such quarter, making such estimates of items of cost not then determined as shall be necessary, and if the Maximum Price so determined shall be less than the aggregate

of the charges made for said dyes so delivered during such quarter, the difference shall forthwith be refunded to Sandoz, on account, and subject to adjustment after the year-end, as hereinafter provided. As soon as practicable after the close of each fiscal year (commencing with the fiscal year 1971) and after all year-end adjustments shall have been made and the accounts of TRC shall have been audited by its regular independent certified public accountants, and in no event more than 90 days after the close of such year, TRC shall submit to Sandoz a report certified by its said accountants, as to the Maximum Price for all dyes delivered to Sandoz hereunder during said year. If such Maximum Price so certified shall be less than the aggregate of the charges made by TRC for dyes delivered to Sandoz hereunder during such year, the difference shall be the definitive amount due Sandoz as a refund of price hereunder for such year and the amount remaining due to Sandoz on account of such refund shall forthwith be paid by TRC or if payments of refunds previously made for such fiscal year shall have exceeded the amount thus finally determined to be due, the excess payment shall be repaid by Sandoz to TRC. In addition, as soon as practicable at the close of each fiscal year, TRC shall submit to Sandoz a report setting forth the price per hundred pounds, after giving effect to the refund provision, charged by TRC for each dye delivered to Sandoz hereunder during said year.

(d) The "Return on Capital Employed" in the production of dyes delivered to Sandoz hereunder during any fiscal year effective with the year 1971 shall be that part of the total provision for return on capital, determined as stated below, allocable to the production of such dyes as hereinafter provided. The total provision for return on capital for the purposes hereof in respect of any fiscal year shall be an amount equal to the Designated Percentage (as hereinafter defined) of the capital represented by the Common Stock of TRC outstanding during such year. For the purposes hereof (1) said total Return on Capital Employed in respect of any fiscal year shall be allocated among all dyes and other products manufactured by TRC during such year in the same manner and in the same proportions in all material respects as usage of manufacturing equipment (including equipment for drying and standardization but excluding auxiliary facilities such as power plant and waste disposal facilities) is allocated among such dyes and other products respectively in determining product costs in accordance with TRC's regular accounting procedures, excluding, however, such facilities for Special Products referred to in Section 7 hereof, the cost of which shall have been provided otherwise than from TRC's general funds; and (2) the sum of the amounts so allocated to the respective dyes delivered to Sandoz hereunder during any fiscal year shall be the "Return on Capital Employed" in the production of said dyes.

(e) The Designated Percentage in respect of each fiscal year shall be the greater of (a) 10% or (b) the percentage obtained by multiplying by 10% the quotient of $\frac{A}{B}$ where A shall be the amount obtained by dividing (1) the arithmetic average of the annual Net Profit after Taxes of all manufacturing corporations for the three fiscal years ended June 30 next preceding the subject fiscal year by (2) the arithmetic average of the Total Stockholders' Equity in such corporations at the end of each quarter during such three years, both calculated from the data published jointly by the Federal Trade Commission and Securities and Exchange Commission in the Quarterly Financial Report for Manufacturing Corporations, and B shall be the amount corresponding to A for the five calendar year period 1955-1959, inclusive, namely 10.86%. In the event that the form in which the data on Net Profit After Taxes and Total Stockholders' Equity is published by the Federal Trade Commission and the Securities and Exchange Commission shall be changed after January 1, 1971, the Designated Percentage shall be determined on the basis of the data as so published following the above-described formula as nearly as may be. In the event the federal income tax rates applicable to TRC in years subsequent to 1959 shall be increased above or decreased below the rates applicable for 1959, the Designated Percentage shall be increased or decreased so that the total amount of Return on Capital Employed shall, after

Federal income taxes, be the same as such amount after said taxes at the rates applicable for 1959.

(f) TRC will at all times use its best efforts, to the same extent that it would if it were producing the dyes to be delivered hereunder for sale at a fixed price, to produce such dyes at the lowest practicable cost.

(g) In the event of any question or dispute between the parties as to the proper application of this Section or as to any computation thereunder, such question or dispute shall be referred to TRC's said independent certified public accountants for determination (to the extent that such question or dispute shall be appropriate for determination by accountants) and their determination in respect thereof shall be final and binding on the parties hereto.

(h) Anything herein contained to the contrary notwithstanding, in the event TRC shall sell any dye covered by this Agreement to any other purchaser at a price lower than the charge therefor computed as herein provided, Sandoz shall be entitled to such lower price subject to the same terms and for the same quantities to which such lower price shall be applicable in respect of such sale to said other purchaser.

4. TERMS OF SALE

Subject to the further provisions of this Agreement, dyes delivered hereunder shall be subject to TRC's standard terms and conditions in effect at the date hereof, or as changed

from time to time with the approval of Sandoz. A copy of said terms and conditions as presently in effect is attached hereto as Schedule B.

5. ALLOCATION

(a) In any quarterly period during which TRC is unable to fill all Class A-1 and Class A-2 Orders for any dye placed with it by or confirmed to Sandoz, and TRC's other regular customers under their respective Supply Contracts, TRC shall allocate its available supply of such dye in such manner and to such extent as practicable, as follows:

(i) Allocation at Time of Acceptance or Filling of Class A-1 Orders. In the acceptance or filling of Class A-1 Orders for any dye, TRC shall allocate to Sandoz its Base Period Proportion (as hereinafter defined) of the total quantity of such dye available from inventory and scheduled for production during such quarterly period over and above the quantity already committed based on prior confirmed Class A-2 Orders.

(ii) Allocation at Time of Acceptance and Filling of Class A-2 Orders. In the acceptance or filling of Class A-2 Orders for any dye, TRC shall allocate to Sandoz its Base Period Proportion of the total quantity of such dye

available from inventory and scheduled for production during such quarterly period. In case of a foreseen shortage for A-2 Orders for any dye, TRC shall promptly notify Sandoz, if possible, three months in advance.

(iii) Class B Orders. After Class A-1 and Class A-2 Orders shall have been filled or provided for as aforesaid, in the event the remaining available supply of any dye or dyes shall be insufficient to enable TRC to fill all Class B Orders for such dye or dyes, as the case may be, TRC shall fill the Class B Orders, in the order in which the Class B Orders were received. No allocation will be made.

(b) The "Base Period Proportion" in respect of any dye shall be that proportion which the total quantities sold to Sandoz of such dye during the Base Period bear to TRC's total quantities sold of such dye during the base period to Sandoz, Intracolor (including the quantities sold to its predecessor CIBA Corporation) and CIBA-GEIGY. The "Base Period" in respect of any period of inability to supply such dye shall be the three full fiscal years immediately preceding the beginning of the quarterly period of inability to fill all Class A-1 and Class A-2 Orders placed pursuant to this Agreement for such dye.

(c) When allocating in accordance with the foregoing provisions of this Section 5, if any dye shall not have been available for sale in commercial quantities by Sandoz throughout any Base Period, TRC shall allocate during the first three years after the dye is first available for sale in commercial quantities, the quantity available (which, in the case of allocation of A-1 Orders, shall be after provision for prior confirmed A-2 Orders) as follows: (1) during the first year, Sandoz shall be entitled to 1/3 of the available supply; (2) during the second year, Sandoz shall be entitled to the proportion its purchases of the dye during the first year are to the total of the purchases of the dye from TRC by Sandoz and TRC's other regular customers during the first year; (3) during the third year, Sandoz shall be entitled to the proportion its purchases of the dye during the first two years are to the total of the purchases of the dye from TRC by Sandoz and TRC's other regular customers during the first two years. During the fourth year and thereafter, Sandoz will be entitled to its Base Period Proportion.

6. SPECIAL SURPLUS ACCOUNT

All earnings and losses of TRC under this Agreement and under the similar agreement with TRC's other regular customers accruing after December 31, 1970, shall be credited or charged, as the case may be, by TRC to a special surplus account. Such credits and charges shall be made annually, as at the end of

each fiscal year, after the final determination of the Maximum Price hereunder and under said agreement with TRC's other regular customers for such year and the making of any refunds required thereby. Any balance remaining in said special surplus account at the end of any fiscal year shall be distributed by TRC as a dividend on its common stock. Such obligation to pay common stock dividends shall be subject to the existence of earned surplus available for the payment of such dividend, to contractual obligations restricting the payment of dividends in TRC's loan agreements and to the right of the Board of Directors to postpone the payment of such dividend by the affirmative vote at any meeting of the Board at which there is a quorum present, of at least a majority of the Directors present provided that such majority shall include at least one Director elected by each class of Common Stock of TRC at the time outstanding. For the purpose of this Section, the "earnings and losses" of TRC shall be the earnings and losses accrued after December 31, 1959, under this and said other similar agreements, separately calculated without reference to any other business of TRC, and shall be (i) net earnings after all taxes applicable thereto and after appropriate reductions of such taxes on the basis of prior losses or (ii) net losses after appropriate credit or reduction in or refund of taxes through the application of such losses to earnings theretofore and after December 31, 1959, accrued.

7. SPECIAL PRODUCTS

(a) TRC shall be entitled to enter into arrangements with its regular customers, or their respective affiliates, for the manufacture of any Special Product or Products as hereinafter defined, and for the sale of such Special Product exclusively to such customer or affiliate, at such price and on such other terms as shall be agreed upon between TRC and such customer or affiliate, as the case may be, but only subject to the conditions hereinafter set forth.

(b) The term "Special Product" as herein used shall mean:

(i) Any product other than a dye, and

(ii) Any dye the manufacture or sale of which by TRC would at the time, except for such arrangement, constitute an infringement (direct or contributory under Section 271 of the U. S. Patent Act of 1952) of one or more claims of any United States patent or pending application for such a patent owned by or licensed to the customer with whom TRC enters into such arrangement, or an affiliate of such customer (but only so long as such patent or application is not licensed to either or both of the other regular customers of TRC or any of their affiliates), excluding, however, (1) all vat dyes, and (2) each other dye which at any time shall have been customarily sold (other than on a dealers' basis) by one of TRC's

regular customers or any of its affiliates to either or both of the other regular customers of TRC or any of their affiliates; the claim of any pending application being treated, for the purpose of the foregoing, as a valid claim of an issued patent until it shall have been finally rejected.

(c) In the event that the then existing production facilities of TRC (other than facilities financed solely by one customer) are to be used in whole or in material part in the manufacture of the Special Product the exclusive arrangement provided for in this Section 7 with respect to such Special Product shall be entered into only subject to the following conditions:

(i) The manufacture of such Special Product shall be scheduled by TRC so as not to interfere with its regular dye manufacture and so as to give such regular dye manufacture full priority as to facilities, services, labor and materials.

(ii) All special manufacturing facilities required for the manufacture of such Special Product shall be financed by such customer in such a way as not to be a burden upon TRC and such customer shall indemnify TRC against any loss or unreimbursed expense in the manufacture and sale of such Special Product.

(iii) The price fixed by TRC for any Special Product or any group of Special Products shall, unless otherwise determined by vote of approval of TRC's Board of Directors as provided for below, be such that in the judgment of TRC's management, the profit margin to TRC thereon will ultimately be not less than its average profit margin on regular dyes;

provided, however, that TRC shall be entitled to enter into and perform in accordance with its terms any contract for the manufacture or sale of Special Products which shall be approved by a vote of approval of the Board of Directors as hereinafter provided. For the purposes of this paragraph (c) a vote of approval of the Board of Directors shall be the affirmative vote at any meeting of the Board at which there is a quorum present, of at least a majority of the Directors present provided that such majority shall include at least one Director elected by each class of Common Stock of TRC at the time outstanding.

(d) Dyes constituting Special Products shall cease to be "Special Products" and shall be added to Schedule A hereto upon the expiration of the patent thereon or upon the abandonment or final rejection of the patent application with respect thereto, as the case may be. The price of Special Products shall not be subject to the Maximum Price provisions of Section 3. Profits and losses resulting from the manufacture and sale of Special

Products shall not be credited to or charged against the Special Surplus Account provided for in Section 6.

(e) In compliance with the Judgment and notwithstanding the foregoing provisions of this Section 7 hereof, Intracolor may purchase, and TRC will sell to Intracolor, until ten years from the date of "Sale of New Company", as defined in the Judgment, certain Special Products (hereinafter called Designated Special Products), comprising all dyestuffs which have been or will be manufactured by TRC during the period commencing on March 19, 1970, and ending ten years from the date of "Sale of New Company" and which are covered by one or more claims of any patent owned by any "Defendant", as defined in the Judgment and which have a Patent Issue Date prior to the expiration of five years subsequent to the "Sale of New Company", all at prices and upon terms and conditions no less favorable to Intracolor than those at which such products shall from time to time be sold by TRC to CIBA-GEIGY Corporation. Designated Special Products shall not cease to be Special Products under this Agreement or under any of the Supply Contracts with TRC's other regular customers for any reason except upon expiration of the patent thereon or upon the abandonment or final rejection of the patent application with respect thereto, as the case may be, anything contained herein or in any of the other Supply Contracts to the contrary notwithstanding.

8. PREVENTION OF PERFORMANCE

Neither party shall be responsible or liable to the other hereunder for failure or delays in performance of any provision of this Agreement due to war, fire, flood, accidents, labor disputes, riots, delays of carriers, acts of God or government, requisitions, statutes, rules, regulations or requirements of governments or any agencies or instrumentalities thereof, or any other contingencies beyond the party's reasonable control.

9. NOTICE

Any notice or other communication required or permitted to be given to a party under this Agreement shall be effectively given if sent by registered mail directed to such party at its address set forth at the head of this Agreement or at such other address as such party shall designate by notice to the other.

10. WAIVERS

No delay or omission by either party in the exercise of any right under this Agreement shall impair the right or be deemed to constitute a waiver or acquiescence in any default or preclude any subsequent exercise of the right. No right under this Agreement shall be deemed to have been waived by either party unless the waiver be in writing and signed by such party. A waiver by either party of a breach of this Agreement shall not

be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

11. TRANSFERABILITY

This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer its rights or obligations hereunder to another company or person, except to a successor to substantially the whole of its business and then only subject to the terms and provisions hereof. Subject, as aforesaid, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. TERM OF AGREEMENT

(a) This Agreement shall remain in effect until (1) December 31, 1980, or (2) the termination of the Supply Contract between Intracolor and TRC provided for in Section IV(D) of the Judgment, which Supply Contract shall terminate in any event no later than ten years from the "Sale of New Company" as defined in said Judgment, and thereafter from year to year, subject to the right of Sandoz to terminate the same at its option at either date provided for in (1) or (2) above, or at any December 31st thereafter, by giving to TRC, at least five years prior to any intended termination date, written notice of intent to terminate, provided further however, that TRC shall have the right to terminate this Agreement ten years from the "Sale of New Company" or at any

December 31st thereafter, by giving to Sandoz, at least five years prior to any intended termination date, written notice of intent to terminate.

(b) In the event (i) that Sandoz shall have given to TRC written notice of intent to terminate as provided in paragraph (a) of this Section 12, and (ii) that Sandoz shall after the termination of this Agreement and during any one of the succeeding fiscal years order from TRC less than 30% of Sandoz's requirements of such dyestuffs which TRC during such year was manufacturing and willing to sell under this Agreement, and (iii) that TRC shall prior to the commencement of such year have given written warning to Sandoz that TRC may exercise the option reserved under this paragraph (b), TRC shall have the right, at its option, by written notice to Sandoz of exercise of such option given within six months after the close of such year, to purchase, on a date specified in such notice which shall be not less than six months and not more than twelve months following the close of such year, all but not less than all the shares of common stock of TRC then beneficially owned by Sandoz and its affiliates. The purchase price for the common stock shall be the net book value thereof at the close of such fiscal year, as determined by TRC's regular certified public accountants in accordance with generally accepted accounting principles. If such written notice of the exercise of such option is given, TRC shall thereupon become obligated to purchase and Sandoz and its affiliates to sell such shares at said prices and on said date.

Otherwise such option, based upon Sandoz's failure to purchase 30% of its requirements as aforesaid during the fiscal year in question, shall expire but the option reserved to TRC by this paragraph (b) shall continue in effect with respect to any succeeding fiscal year to and including the fifth fiscal year after the termination of the Agreement.

Sandoz shall, upon written request of TRC, deliver to TRC within two months after the end of each fiscal year with respect to which TRC shall have given the written warning referred to in (ii) above a statement certified by Sandoz's regular certified public accountants as to whether or not Sandoz shall have ordered in said fiscal year at least 30% of its requirements of dyestuffs which TRC was during such year manufacturing and willing to sell.

(c) In the event that TRC shall give to Sandoz written notice of intent to terminate as provided in paragraph (a) of this Section 12, Sandoz shall have the right at its option to require TRC to purchase, on the termination date specified in such notice, all but not less than all the shares of TRC common stock beneficially owned by Sandoz and its affiliates at such termination date, at the net book value thereof at such termination date as determined by TRC's regular independent certified public accountants in accordance with generally accepted accounting principles. Such option may be exercised by Sandoz by a written notice of exercise given not more than six months after the giving by TRC of such written notice of intent to

terminate; provided however, that if Sandoz should give such written notice of intent to exercise such option, TRC shall have the right within 30 days after the receipt of such written notice, to notify Sandoz in writing of the cancellation of its written notice of intent to terminate and, thereupon, such written notice of termination on the part of TRC and such written notice of exercise of option on the part of Sandoz shall be void and of no effect. If Sandoz shall have given written notice of exercise of such option and TRC shall not have cancelled its notice of intent to terminate, TRC shall be obligated to purchase and Sandoz shall be obligated to sell said shares at said price on such termination date.

13. TERMINATION OF EXISTING SUPPLY CONTRACT

Upon the taking effect of this Agreement the Supply Contract, as amended, between the parties entered into as of June 30, 1955, having been superseded by the present Agreement, shall be deemed terminated.

14. ARBITRATION

Except as otherwise provided in paragraph (g) of Section 3, any controversy which shall arise under this Agreement shall be settled by arbitration under the provisions of Article 75 of the New York Civil Practice Law and Rules in accordance with the rules then obtaining of the American Arbitration Association. The arbitration shall be held in the City of New

York or such other place as the parties hereto may agree upon. Judgment upon any award rendered may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

15. FISCAL YEAR AND FISCAL QUARTER

The terms "fiscal year" and "fiscal quarter" as used herein shall mean the respective fiscal periods designated by TRC from time to time for its accounting purposes, except as otherwise required by the context.

IN WITNESS WHEREOF the parties have executed this Agreement in duplicate as of the date first above written.

TOMS RIVER CHEMICAL CORPORATION

By _____
President

Attest:

_____
Secretary

SANDOZ-WANDER, INC.

By _____
President
Colors & Chemicals

Attest:

_____
Assistant Secretary

SUPPLY CONTRACT

SCHEDULE B

Terms and Conditions of Sale of Dyes

1% discount on invoices dated 1st to 15th of month if paid by 28th of month and on invoices dated 16th to 31st of month if paid by 14th of following month. All invoices Net 30 days.

F.O.B. Seller's Works.

Seller shall be prepared to supply all Class A-1 and Class A-2 Orders for each dye ordered on the proportionate schedule of not less than 30%, 30% and 40% by the end of the 4th, 8th, and 13th week respectively of the relevant quarterly period and shall invoice Buyer according to said schedule at the charges set forth in TRC's list of charges for the quarterly period.

Seller agrees to store Class A-1 and Class A-2 Orders for Buyer's account in a warehouse on the TRC premises to the extent it has the capacity, said warehouse being covered against loss or damage by fire. Buyer shall pay its proper share of the costs of warehousing, including operating costs, property taxes, insurance and interest on the warehouse book value in accordance with TRC's regular accounting procedures. Buyer's portion of the

total cost will be the proportion which Buyer's usage of the facility bears to the total usage of the facility, such usage to be measured by factors such as quantities stored, length of storage period, and frequency of movement in and out of the warehouse. These costs shall not be deemed to be costs for purposes of determining the Maximum Price under Section 3.

Confirmed Class B orders will be invoiced to Buyer as soon as available for delivery although Seller agrees to store said orders at the above mentioned TRC warehouse under the same terms if there is sufficient warehousing capacity.

CONFORMED

SUPPLEMENT dated as of December 28, 1973, to the Supply Contract dated as of October 1, 1971 (hereinafter called the Supply Contract), each between TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation, (hereinafter called TRC) and SANDOZ-WANDER, INC., a New York corporation (hereinafter called Sandoz).

The Supply Contract provides, on the terms and conditions therein set forth, for the sale by TRC and the purchase by Sandoz of products specified therein. The parties acknowledge that the Supply Contract does not in any way restrict or limit the persons to whom, or the manner in which, Sandoz may sell or dispose of products purchased from TRC. Sandoz recognizes, however, that TRC serves as a source of supply to satisfy primarily and as a matter of first priority the United States and Canadian market requirements of Sandoz and TRC's other regular customers (as defined in the Supply Contract). TRC and Sandoz desire to confirm certain understandings with respect to the priority of orders placed by Sandoz under the Supply Contract and their respective obligations thereunder. TRC is likewise confirming similar understandings with each of its other regular customers in

respect of their Supply Contracts with TRC.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Sandoz shall, in connection with each order it submits to TRC under the Supply Contract after the date hereof, whether for Schedule A or Special Products (hereinafter referred to as orders), certify to TRC the quantity, if any, of the product covered by such order which is in excess of the requirements of Sandoz of such product for sales to United States customers of Sandoz and any of its Affiliates, and for export sales financed by the United States Agency for International Development, and for sales to Canadian customers of its Canadian Affiliate, including the maintenance of stocks adequate for the business of Sandoz and its Canadian Affiliate relating to such sales (such excess being herein called Sandoz' Foreign Requirements with respect to such product). Anything in the Supply Contract to the contrary notwithstanding, TRC shall not be obligated to accept or fill any order for or to supply Sandoz with its Foreign Requirements of any product unless and until TRC shall have been able to schedule and fill all orders however designated for other than the Foreign Requirements of Sandoz and TRC's other regular customers and, except as stated below, regardless of when received. In order to implement the

foregoing: (a) orders for Foreign Requirements from Sandoz and TRC's other regular customers for such products as are manufactured by TRC in its "Anthraquinone Area" or are at the time designated "bottleneck" products by TRC shall be scheduled by TRC for delivery at the end of a fiscal quarter and a confirmed order for Foreign Requirements shall not be reduced or displaced by any conflicting order (whether or not for Foreign Requirements) received by TRC from another customer within 15 days prior to the end of the fiscal quarter within which the delivery date of such confirmed order for Foreign Requirements is scheduled; and (b) orders for Foreign Requirements from Sandoz and TRC's other regular customers for such products as are manufactured by TRC in its "Azo Area" (other than "bottleneck" products as provided above) shall be scheduled by TRC for delivery as follows: Not less than 30%, 30% and 40% of such order by the end of the 4th, 8th, and 13th week, respectively, of the relevant fiscal quarter, and such part of an order as is scheduled for delivery on any delivery date shall not be reduced or displaced by any conflicting order (whether or not for Foreign Requirements) received by TRC from another customer within 10 days prior to the respective delivery date. TRC shall promptly notify Sandoz if TRC shall be unable to accept, or to fill after acceptance, all or any part of an order for

Sandoz' Foreign Requirements. Any designation of "bottleneck" products shall be made by TRC not more frequently than once in each fiscal year, based on production capabilities and forecasts then available to it.

2. In the event all or any part of an order for Sandoz' Foreign Requirements is not accepted by TRC, or is not filled after acceptance, and Sandoz, after discussions with TRC, desires independent verification of the circumstances giving rise thereto, TRC shall, at the request of Sandoz, permit an independent public accountant, selected by Sandoz (except one to which TRC has some reasonable exception) to have access to and examine at Sandoz' expense, during ordinary business hours, such inventory and production control records of TRC directly related to the order in question as may be necessary to verify or determine compliance by TRC with the provisions of paragraph 1 hereof. Sandoz will discuss with TRC in advance of requesting any such inspection the circumstances giving rise to such request and will not in any case exercise such right of inspection in bad faith or more often than reasonably necessary to determine compliance by TRC with the provisions of paragraph 1 hereof. Such accountants shall not disclose to Sandoz any information relating to the business or affairs of TRC other than such information, if any, as may come to

its attention indicating noncompliance by TRC with the provisions of paragraph 1 hereof.

3. For all purposes of allocation pursuant to Section 5 of the Supply Contract, orders for Foreign Requirements shall be segregated from all other orders and the calculations under said Section 5 shall be made separately for Foreign Requirements and for orders other than Foreign Requirements. It shall be assumed for purposes of said Section 5 that all products purchased by Sandoz and TRC's other regular customers from TRC prior to the last day of fiscal 1973 were for other than its Foreign Requirements and, accordingly, that the principles set forth in subpart (c) of Section 5 shall be operative for the three year period commencing on the first day of fiscal 1974 with respect to Foreign Requirements.

4. The term "Affiliate" shall mean, when used in relation to either party, any individual or company (whether a corporation, partnership, joint venture or other form of business organization) (i) in which said party has a substantial ownership participation, or (ii) which, through ownership of voting stock (directly or through one or more intermediaries), management agreement or otherwise, is controlled by, under common control with, or in control of said party, the term "control" being used in the sense of power

to elect directors or designate managers or to direct business activities.

5. Except as herein expressly modified, the Supply Contract shall continue in full force and effect in accordance with its terms.

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

TOMS RIVER CHEMICAL CORPORATION,

by _____
President

Attest: _____
Secretary

SANDOZ-WANDER, INC.,

by _____
Executive Vice President

Attest: _____
Asst. Secretary

SUPPLY AGREEMENT dated March 27, 1981, between Toms River Chemical Corporation, a Delaware corporation, having its principal offices at Route 37, Toms River, New Jersey (hereinafter called "TRC"), and SANDOZ, Inc., a Delaware corporation, having its principal offices at Route 10, East Hanover, New Jersey (hereinafter called "SANDOZ").

WHEREAS, TRC has been selling dyestuffs to SANDOZ pursuant to a Supply Contract, dated as of October 1, 1971 (hereinafter called the "1971 Supply Contract");

WHEREAS, TRC has given notice terminating the 1971 Supply Contract, effective as of November 1, 1981; and this Agreement is intended to set forth the basis on which TRC will supply products to SANDOZ following the termination of such prior agreement.

NOW, THEREFORE, the parties hereto, each in consideration of the agreements of the other contained herein, agree as follows:

Section 1 - Definitions

As used in this Agreement, the following terms shall have the following meanings:

1.1 Agreement Products - All dyestuffs in Schedule A of the 1971 Supply Contract, as of November 1, 1981; all intermediates used by TRC in the manufacture of these dyestuffs; all dyestuffs which, on November 1, 1981, are Special Products of CIBA-GEIGY Corporation (hereinafter called "CIBA-GEIGY") under the 1971 Supply Contract upon the expiration of the patents thereon or upon the abandonment or final rejection of

the patent applications therefor, as the case may be; and, to the extent TRC is able to do so, any other dyestuffs or dyestuffs intermediates which SANDOZ asks TRC to manufacture if SANDOZ (1) provides TRC all necessary manufacturing technology, and, in such cases as TRC manufactures the dyestuffs or dyestuffs intermediates exclusively for Sandoz, (2) reimburses TRC for TRC's development and introduction costs.

1.2 Weighted Operation - An index number developed by TRC as a measure of one unit of TRC's production capacity. Weighted Operations are calculated by assigning proportional values to all major items of TRC's production equipment, including drying and standardization equipment, but excluding auxiliary facilities such as power plant and waste treatment facilities, on a uniform basis based upon the undepreciated current value of each such item of equipment, and multiplying these values by a time factor representing the length of time such major items of production equipment are used in the manufacture of a product or are rendered unavailable for other purposes as a result of such manufacture. For all purposes under this Agreement, the number of Weighted Operations required to manufacture a product shall be the number of Weighted Operations required to manufacture such product on November 1, 1981, or such later date as the product is first manufactured by TRC.

1.3 Current Value - The historical cost of any fixed asset in question, as adjusted by the indices in the Stevens

Valuation Quarterly, published by Marshall & Swift Publications Co.

1.4 Fiscal Year, Fiscal Quarter, Fiscal Month - The respective fiscal periods designated by TRC from time to time for its accounting purposes.

1.5 Variable Costs and Expenses - The following costs and expenses which are directly related to the manufacture of products:

(a) Costs of raw materials used in the manufacture of products (including freight, applicable duty costs and other direct costs of acquisition).

(b) Process labor costs incurred in the manufacture of products.

(c) The costs of shipping containers for products.

(d) The variable portion of the costs of process electricity and process steam.

The Variable Costs and Expenses of manufacturing Agreement Products in any Fiscal Quarter shall be determined by TRC prior to the beginning of such Fiscal Quarter on the basis of the Variable Costs and Expenses already known or reasonably expected for that Fiscal Quarter.

1.6 Interest Expense - The total amount of interest accrued by TRC whether expensed or capitalized.

1.7 Remaining Costs - All costs and expenses except for:

(a) Variable Costs and Expenses.

(b) Interest Expense.

(c) The costs and expenses of research and development.

(d) Expense or income, other than royalty income from product license agreements, classified as "Miscellaneous Income" and "Other Deductions" in TRC's Profit and Loss Statements under the 1971 Supply Contract.

(e) Any costs or expenses of TRC redistributed or allocated to CIBA-GEIGY Facilities at Toms River ("CGFTR") pursuant to the Operating Agreement between CIBA-GEIGY and TRC, dated as of October 18, 1962 (the "Operating Agreement").

Remaining Costs includes, but is not limited to, the costs of:

- repair and maintenance
- building overhead
- testing and handling
- product analysis
- environmental technology
- general overhead
- administration expenses
- warehousing finished goods

- net royalties from product license agreements, subject to obligations in effect on November 1, 1981
- Current Value depreciation of fixed assets less the Current Value depreciation of fixed assets redistributed or allocated to CGFTR

1.8 Profit - The "total provision for return on capital" for the entire Fiscal Year 1981, as calculated under Section 3 of the 1971 Supply Contract (a copy of which is attached hereto as Exhibit 1), plus $14,700,000 less the difference between

(i) TRC's depreciation expense, for the second and third quarter of 1981 converted to an annual basis, computed on the Current Value of its fixed assets for such quarters, not including Current Value depreciation on fixed assets redistributed or allocated to CGFTR, and

(ii) the corresponding depreciation expense computed on the historical value of such assets.

1.9 Base Price Assumptions -

(a) An annual product mix determined by computing the average product mix of all products sold by TRC for the Fiscal Years 1977, 1978 and 1979.

(b) A total annual capacity of 12,000,000 Weighted Operations.

1.10 Base Price Per Product - In respect of each Agreement Product manufactured by TRC on or prior to November 1, 1981, the sum of the following components per 100 pounds on November 1, 1981:

(a) Variable Cost Component, consisting of the Variable Costs and Expenses of manufacturing the Agreement Product.

(b) Interest Component, computed by converting TRC's Interest Expense for the second and third quarters of 1981 to an annual basis, subtracting therefrom $960,000, and allocating the difference among the Agreement Products in accordance with Base Price Assumptions in the same manner as the Interest Expense was allocated to products in Fiscal Year 1979 under the 1971 Supply Contract.

(c) Remaining Cost Component, computed by developing an annual total based upon the Remaining Costs incurred during the second and third quarters of 1981 and adjusting such total in accordance with Base Price Assumptions, and allocating this amount among the Agreement Products in accordance with the Base Price Assumptions in the same manner as the costs and expenses comprising the Remaining Costs were allocated to products in Fiscal Year 1979 under the 1971 Supply Contract.

For the purpose of determining the Remaining Costs under this subsection, the costs and expenses of TRC redistributed or allocated to CGFTR shall be computed by multiplying (1) CGFTR's average annual percentage of utilization of each of the Auxiliary Services (defined in Section 1(d) of the Operating Agreement, a copy of which is attached hereto as Exhibit 2) supplied to CGFTR for the Fiscal years 1977-1979 by (2) the related annualized cost or expense total for the respective Auxiliary Services determined from TRC's costs and expenses for the second and third quarters of 1981.

(d) Profit Component, determined by allocating the Profit among the Agreement Products in proportion to the Weighted Operations absorbed in accordance with Base Price Assumptions.

In respect of each Agreement Product first manufactured by TRC after November 1, 1981, the Base Price Per Product shall be the sum of the foregoing components per 100 pounds determined in accordance with the principles of Section 3.2 of this Agreement as of the date the Agreement Product is first manufactured by TRC.

1.11 Customers - SANDOZ and CIBA-GEIGY.

Section 2 - Quantity Obligations

2.1 SANDOZ shall order and TRC shall supply SANDOZ Agreement Products absorbing Weighted Operations within the limits of the minimum and maximum quantities for each category of Agreement Product as indicated below:

Time Period	Weighted Operations			
	Vat Dyes		Other Dyestuffs	
	minimum	maximum	minimum	maximum
November 1, 1981 to December 31, 1982	886,667	980,000	1,773,333	1,960,000
Fiscal Year 1983	760,000	840,000	1,474,400	1,629,600
Fiscal Year 1984	760,000	840,000	1,428,800	1,579,200

2.2 SANDOZ may order intermediates absorbing Weighted Operations up to the following quantities per annum in lieu of Vat Dyestuffs and Other Dyestuffs absorbing the same quantity of Weighted Operations:

Time Period	Weighted Operations	
	In lieu of Vat Dyestuffs	In lieu of Other Dyestuffs
November 1, 1981 to December 31, 1982	280,000	560,000
Fiscal Year 1983	240,000	465,600
Fiscal Year 1984	240,000	451,200

2.3 TRC shall have no obligation to supply SANDOZ Agreement Products which require more than the maximum quantities of Weighted Operations as provided in Section 2.1 of this Agreement. SANDOZ shall pay an Additional Charge, computed in accordance with Section 5 of this Agreement, if SANDOZ orders Agreement Products which require less Weighted Operations than the minimum quantities as provided in Section 2.1 of this Agreement.

Section 3 - Price

3.1 For Agreement Products ordered for delivery during the period November 1, 1981 through December 25, 1981, SANDOZ shall pay the Base Price Per Product.

3.2 Effective December 26, 1981, and on the first day of each Fiscal Quarter thereafter, TRC will change its prices for Agreement Products as follows:

(a) The Variable Cost Component for each Agreement Product will be adjusted by TRC to reflect the actual changes in the Variable Cost and Expenses already known or reasonably expected by TRC for that Fiscal Quarter.

Reduction of the Variable Cost Component due to process improvements resulting from TRC's or CIBA-GEIGY's research and development shall be made in the Fiscal Quarter following the successful implementation of the improvement in the production process.

(b) The Interest Component for each Agreement Product shall be proportionally divided into an amount attributable to interest owing on the Pollution Control Loan and the remainder. The amount attributable to interest owing on the Pollution Control Loan shall be adjusted to reflect actual changes in the interest rate of such loan. The remainder shall be adjusted in proportion to the percentage increase or decrease over the three Fiscal Months prior to the date of calculation in the daily average Prime Rate of the Chase Manhattan Bank (hereinafter the "Prime Rate"). For the purpose of this Agreement the Prime Rate used as the base for the adjustment to be effective on December 26, 1981 shall be the daily average Prime Rate of the second and third quarters of 1981, and the base for adjustment to be effective on the first day of each subsequent fiscal Quarter shall be the daily average Prime Rate which was computed for the prior Fiscal Quarter.

(c) The Remaining Cost Component for each Agreement Product shall be divided into two components, "Remaining Cost Component I" and "Remaining Cost Component II." "Remaining Cost Component I" shall be 60% of the Remaining Cost Component of each Agreement

Product as of the date it first becomes an Agreement Product. "Remaining Cost Component II" shall be 40% of the Remaining Cost Component of each Agreement Product as of the date it first becomes an Agreement Product. Thereafter each of these components shall be adjusted separately as follows. Remaining Cost Component I shall be adjusted in proportion to the average percentage increase or decrease over the most recent three Fiscal Months prior to the date of calculation for which there are published figures available in the index of Hourly Earnings, by Industry, Division, and Major Manufacturing Group for Chemicals and Allied Products, published by the United States Department of Labor (hereinafter called the "Hourly Earnings Index for Chemicals and Allied Products"); provided, however, that the Hourly Earnings Index for Chemicals and Allied Products used as the base for adjustment to be effective on December 26, 1981, shall be deemed to be the Hourly Earnings Index for Chemicals and Allied Products as of June 30, 1981, and the base for adjustment to be effective on the first day of each subsequent Fiscal Quarter shall be the average Hourly Earnings Index for Chemicals and Allied Products which was computed for the prior Fiscal Quarter. Remaining Cost Component II shall be adjusted in proportion to the average percentage

increase or decrease over the most recent three Fiscal Months prior to the date of calculation for which there are published figures available in the Consumer Price Index for Urban Wage Earners and Clerical Workers (U.S. city average, all items, published by the United States Department of Labor, hereinafter called the "CPI"); provided, however, that the CPI used as the base for the adjustment to be effective on December 26, 1981 shall be deemed to be the CPI as of June 30, 1981, and the base for the adjustment to be effective on the first day of each subsequent Fiscal Quarter shall be the average CPI which was computed for the prior Fiscal Quarter.

(d) The Profit Component for each Agreement Product shall be adjusted in proportion to the percentage increase or decrease in the "Profit Index". The Profit Index as of November 1, 1981 shall be 11.84. Thereafter, the Profit Index shall be the greater of 11 or .85A, where A shall be the amount obtained by dividing (1) the arithmetic average of the annual Net Profit after Taxes of "All Manufacturing" corporations for the most recent prior 12 quarters for which there are published data available by (2) the arithmetic average of the Stockholders' equity in such corporations at the end of each such quarter, both calculated from

the data published by the Federal Trade Commission in the "Quarterly Financial Report for Manufacturing, Mining and Trade Corporations."

In the event that the form in which the data on Net Profit After Taxes and Stockholders' equity are published by the Federal Trade Commission shall be changed, A shall be determined on the basis of the data as so published following the above-described formula as nearly as may be.

(e) There shall be added to the price per Agreement Product any additional costs and expenses including, without limitation, depreciation at Current Value, related to investments and safety, health and environmental studies which are reasonably undertaken after November 1, 1981 to comply with legal or regulatory requirements. These additional costs will be allocated in the Fiscal Quarter following the Fiscal Quarter in which they are first incurred among the Agreement Products in proportion to Weighted Operations absorbed in accordance with Base Price Assumptions, and added to the Remaining Cost Component. In making this addition to the Remaining Cost Component, 60% of the additional costs and expenses shall be added to the Remaining Cost Component I and 40% to the Remaining Cost Component II of each Agreement Product.

3.3 If TRC makes an improvement based on technology or know-how, constituting a proprietary right of CIBA-GEIGY which is licensed to TRC in a written agreement, which results in a reduction of the Variable Cost Component of any Agreement Product of at least 5%, there shall also be added to the price per 100 pounds of Agreement Product, as a percentage of the price thereof, royalties paid by TRC to CIBA-GEIGY. Such royalties shall be agreed to on a case by case basis between SANDOZ, TRC and CIBA-GEIGY, but shall approximate two-thirds of said cost reduction for each Agreement Product affected. Royalties established pursuant to this subsection shall be payable by SANDOZ beginning in the Fiscal Quarter following successful implementation of the improvement in the production process, and remain an additional component of the price of each such Agreement Product until the expiration of this Agreement.

Section 4 - Allocation

4.1 For the purpose of this Section, the following terms shall have the following meaning:

(a) Base Period - The three full Fiscal Years immediately preceding any period of TRC's inability to supply sufficient quantities of an Agreement Product or several different products ordered by its Customers.

(b) Base Period Proportion - A fraction, the denominator of which is the total number of Weighted

Operations required to manufacture the Agreement Product or several different products in short supply which were sold during the Base Period to the Customers, and the numerator of which is the total number of Weighted Operations required to manufacture the Agreement Product or several different Agreement Products in short supply, which were sold during the Base Period to SANDOZ; provided, however, that in determining the Base Period Proportion only Weighted Operations required to manufacture dyestuffs and dyestuffs intermediates shall be included.

4.2 If, during any Fiscal Month, because of a shortage or unavailability of production capacity, materials, supplies, intermediates, or other resources, TRC is unable to fill all of the orders of its Customers, TRC shall, in the first instance, give priority to filling the orders of its Customers for dyestuffs and dyestuffs intermediates.

4.3 If, during any Fiscal Month, because of a shortage or unavailability of production capacity, materials, supplies, intermediates or other resources, TRC is unable to fill:

(i) the orders of its Customers for a specific Agreement Product, TRC shall, subject to Section 4.2 of this Agreement, allocate to SANDOZ its Base Period Proportion of the total quantity of such

Agreement Product available from inventory and scheduled for production during such Fiscal Month;

(ii) the orders of its Customers for several different products, TRC shall, subject to Section 4.2 of this Agreement, allocate to SANDOZ Agreement Products utilizing SANDOZ's Base Period Proportion of the production capacity, materials, supplies, intermediates and other resources which are in short supply, except as otherwise provided in Section 4.4(b)(ii) of this Agreement.

4.4 If, during any Fiscal Month, TRC is unable to fill the orders of its Customers for products not sold to the Customers during the Base Period or products not available to SANDOZ during the Base Period, allocation shall be made, subject to Section 4.2 of this Agreement, as follows:

(a) For intermediates used in the manufacture of dyestuffs sold in the Base Period, SANDOZ shall be entitled to a quantity of such intermediates as are available in proportion to its Base Period Proportion of such dyestuffs, less the quantity of such intermediates used in the manufacture of dyestuffs which were ordered by SANDOZ for delivery during such Fiscal Month.

(b) For all other Agreement Products, SANDOZ shall be entitled to:

(i) 20% of the total quantity of an Agreement Product which is in short supply

in cases in which TRC is unable to fill the orders of its Customers for a specific Agreement Product; and

(ii) 20% of the production capacity, materials, supplies, intermediates and other resources needed to manufacture products ordered by Customers which are in short supply, in cases in which TRC is unable to fill the orders of its Customers for several different products.

4.5 Within a reasonably short period of time after TRC becomes aware of the need to allocate under this Section 4, TRC shall notify SANDOZ of such need to allocate.

4.6 All allocations made under this Section shall be made prospectively, on a mix to mix basis, from the date TRC notifies SANDOZ of the need for allocation until the end of the allocation period.

Section 5 - Additional Charge

5.1 For the purpose of this Section the period November 1, 1981 to December 31, 1982 shall be considered a Fiscal Year, and the following terms shall have the following meanings:

(a) Reference Quantity - The average annual quantity of a particular Agreement Product manufactured by TRC for SANDOZ during the three years, or during such lesser number of years as the Agreement Product is commercially available to SANDOZ, immediately prior to the Fiscal Year in which the Additional Charge is computed.

(b) Short-Fall - In any Fiscal Year, the amount by which the minimum Weighted Operations provided in Section 2.1 of this Agreement, for any category of Agreement Product, exceed the number of Weighted Operations required to fill orders by SANDOZ for such category of Agreement Products which are accepted by TRC for delivery in such Fiscal Year.

For the purposes of determining the Short-Fall, Weighted Operations required to fill orders placed by SANDOZ, in good faith, for Agreement Products not delivered by TRC in the Fiscal Year for which such orders were placed, shall be included, except to the extent such orders require Weighted Operations per Agreement Product in excess of SANDOZ' Reference Quantities.

(c) Average Fixed Cost Per Weighted Operation - An amount determined by dividing the aggregate Interest Components and Remaining Cost Components included in the price of the Agreement Products manufactured for SANDOZ for delivery in the applicable Fiscal Year by the total number of Weighted Operations required to manufacture such Agreement Products.

5.2 If in any Fiscal year, SANDOZ' orders result in a Short-Fall, SANDOZ shall pay TRC an "Additional Charge" which shall be computed by multiplying the aggregate Short-Fall by the Average Fixed Cost Per Weighted Operation.

Section 6 - Operating Procedure

6.1 SANDOZ shall place its orders for the period November 1, 1981 to December 25, 1981 at the same time it places its final orders for the fourth Fiscal Quarter under the 1971 Supply Contract.

6.2 On or about November 1, 1981, TRC shall transmit to SANDOZ a schedule, setting forth for all Agreement Product dyestuffs and those Agreement Product dyestuffs intermediates previously designated by SANDOZ:

(a) The Base Price Per Product, together with:

(i) The Variable Cost Component,

(ii) The Interest Component,

(iii) The Remaining Cost Component, and

(iv) The Profit Component.

(b) The number of Weighted Operations required for the production of 100 pounds.

(c) The minimum production quantity and batch size which TRC is able to manufacture in commercial quantities with reasonable efficiency.

(d) The lead time TRC reasonably requires to fill an order. Such lead time will not cause the period between TRC's receipt of SANDOZ' orders and TRC's delivery to SANDOZ of Agreement Products to deviate unreasonably from past experience during the years 1977 through 1981 under the 1971 Supply Contract.

6.3 On or about July 31, of each Fiscal Year, SANDOZ shall furnish to TRC an estimate of the quantity of each

product that it expects to order during the next Fiscal Year. Neither SANDOZ nor TRC shall have any responsibility for any inaccuracy in such estimate, the estimate being supplied solely for TRC's general information.

6.4 Within 15 days after each Fiscal Month, TRC will furnish to SANDOZ a detailed order work sheet setting forth in detail:

(a) SANDOZ' then outstanding orders and the Weighted Operations which will be required to fill them.

(b) For each Agreement Product affected, any change in the minimum production quantity and minimum batch size, and the effective date of such change.

(c) For each Agreement Product affected, any change in the lead time TRC requires to fill an order, and the effective date of such change.

Provided, however, that TRC shall notify SANDOZ, as soon as reasonably possible, of any changes in minimum production quantities, minimum batch sizes, and lead times.

6.5 At least 105 days prior to the beginning of each Fiscal Month, SANDOZ shall deliver to TRC written orders for the quantities of each Agreement Product that it wants TRC to deliver during such Fiscal Month. SANDOZ shall also deliver to TRC orders for delivery in succeeding months requiring more than three months lead time. Such orders shall specify requested delivery dates.

6.6 SANDOZ shall use its best reasonable efforts to order Agreement Products for delivery in each Fiscal Quarter,

which require, in the aggregate for each category of Agreement Products, as nearly as possible, the same number of Weighted Operations as are required to manufacture Agreement Products for delivery to SANDOZ in each of the other Fiscal Quarters in the Fiscal Year; provided, however, that if the distribution of SANDOZ orders during a Fiscal Year is consistent with its past practice during the years 1977 through 1979 under the 1971 Supply Contract, SANDOZ shall not be in breach of this Section.

6.7 TRC will manufacture an Agreement Product only (1) in whole batches and (2) when the aggregate orders for such Agreement Product equals or exceeds the minimum production quantity specified by TRC.

6.8 Sixty days prior to the beginning of each Fiscal Month, TRC will deliver to SANDOZ:

(a) a written delivery schedule reflecting TRC's commitment as to when SANDOZ' orders will be filled during such Fiscal Month. All orders specified on this schedule shall be deemed accepted orders binding upon SANDOZ and, subject to subsection 6.8(b) hereof; all orders not specified on this schedule shall be deemed rejected orders which shall not be binding upon SANDOZ. Subject to the maximum quantity limitations set forth in Section 2.3, TRC shall accept all orders for delivery, on or about their requested delivery dates, if delivery on such dates is not impracticable, unless:

(1) such orders, when combined with CIBA-GEIGY's orders, fail to satisfy TRC's minimum production or batch size requirements,

(2) such orders fail to satisfy TRC's lead time requirements, or

(3) there is a shortage or unavailability of production capacity, materials, supplies, intermediates or other resources needed to fill all of such orders, in which case the provisions of Section 4 of this Agreement shall govern allocation.

(b) A separate list of those rejected orders, if any, which TRC can accept for delivery on a different delivery date in a later Fiscal Month. If SANDOZ fails in writing to cancel such orders within fifteen days of its receipt of this list, such orders shall become binding for such future delivery dates.

(c) A separate list of those rejected orders which TRC cannot then accept for delivery on a different date, together with TRC's reasons for their rejection.

6.9 Fifteen days prior to the beginning of each Fiscal Quarter, TRC will deliver a price list of Agreement Products, which will become effective on the first day of the Fiscal Quarter, setting forth for each Agreement Product dyestuff, and each Agreement Product dyestuff intermediate designated by SANDOZ the Variable, Remaining Cost, Interest and Profit Components, Section 3.3 royalty, if any, and any additional costs anticipated as provided in Section 3.2(e) of this Agreement.

6.10 At any time SANDOZ may order Agreement Products on a spot basis which TRC will make its best efforts to manufacture if the manufacture of such Agreement Products (1) will not interfere with the manufacture of products previously ordered by the Customers, and (2) will not require Weighted Operations in excess of SANDOZ' entitlement under Section 2. SANDOZ may also order Agreement Products on a spot basis which require Weighted Operations in excess of SANDOZ' entitlement under Section 2, which TRC may manufacture, if the manufacture of such Agreement Products will not interfere with the manufacture of products previously ordered by the Customers. If TRC accepts orders on a spot basis from SANDOZ which require Weighted Operations in excess of SANDOZ' entitlement under Section 2, the terms for the sale of such Agreement Products shall be negotiated in good faith.

6.11 All Agreement Products will be delivered F.O.B. TRC's Plant, Toms River, New Jersey.

6.12 For the purpose of this Agreement, whenever TRC fails to ship Agreement Products, for which it has accepted an order, for a period of thirty days after the agreed upon delivery ~~date~~, the delivery of such Agreement Products shall be deemed late. All Agreement Products shipped before the expiration of this thirty-day period shall be deemed timely delivered. As soon as practicable, TRC shall notify SANDOZ of any expected late delivery, and, at such time, propose a new

delivery date. SANDOZ shall be obligated to take delivery and pay for Agreement Products which are timely delivered, whether or not such Agreement Products are allocated pursuant to Section 4 of this Agreement. With respect to Agreement Products subject to late delivery, SANDOZ may elect one of the following options:

(a) Option 1: SANDOZ may agree to the new delivery date, in which case the price charged for such Agreement Products will be the price in effect on the original agreed upon delivery date.

(b) Option 2: SANDOZ may have TRC halt production at a reasonable intermediate stage of manufacture, take delivery of and pay for the product at that stage, and receive credit against the minimum and maximum quantity limitations, provided in Section 2 of this Agreement, for the Weighted Operations required to manufacture the product through such intermediate stage.

(c) Option 3: SANDOZ may designate a different delivery date, subsequent to, but no later than three months after, the new delivery date proposed by TRC, in which case the price charged for such Agreement Products will be the price in effect on the delivery date designated by SANDOZ.

(d) Option 4: If the new delivery date proposed by TRC exceeds by more than sixty days the original agreed upon delivery date, SANDOZ may cancel delivery

of the Agreement Products and receive complete credit against the minimum and maximum quantity limitations, provided in Section 2 of this Agreement, for the Weighted Operations required to manufacture such Agreement Products.

If SANDOZ fails to make an election within fifteen days after it receives notice of an expected late delivery, SANDOZ will be deemed to have elected Option 1.

6.13 TRC will invoice SANDOZ for Agreement Products manufactured when they are actually shipped in accordance with their agreed upon delivery dates. The price charged for an Agreement Product will be the price in effect on the agreed upon delivery date. If, in the case of a late delivery, SANDOZ elects Option 3, pursuant to Section 6.12(c), the price charged for Agreement Products subject thereto, will be the price in effect on the delivery date designated by SANDOZ. SANDOZ will pay for goods within thirty days after the invoice date.

6.14 TRC will invoice SANDOZ for the Additional Charge computed pursuant to Section 5 of this Agreement, if any, within sixty days after the end of the Fiscal Year and SANDOZ will pay such Additional Charge after verification within thirty days after the invoice date.

Section 7 - Access to Information

7.1 TRC shall retain, for a period ending one year after the termination of this Agreement, records of the data

and computations used by TRC in making determinations hereunder, including, without limitation, determinations of Base Prices, price adjustments, royalties, Base Period Proportions, allocations and Additional Charges. TRC shall permit SANDOZ to examine such of these records as SANDOZ, from time to time, may reasonably request.

7.2 During the period TRC is computing the Base Prices of the Agreement Products, TRC will consult with representatives of SANDOZ concerning these computations. On or about November 1, 1981, TRC shall provide SANDOZ with a written report which explains, in reasonable detail, TRC's Base Price computations for all Agreement Products. During the three months thereafter, TRC will respond to any questions SANDOZ asks concerning this report. In addition, during this three-month period, TRC will permit independent certified public accountants retained by SANDOZ, at SANDOZ' expense, to conduct an audit of TRC's records and computations to confirm the accuracy of TRC's Base Prices. Any issue arising from this audit will be submitted to TRC's independent certified public accountants in accordance with Section 7.5 of this Agreement.

7.3 Within 90 days after the end of each Fiscal Year under this Agreement, TRC shall furnish SANDOZ a statement disclosing, in reasonable detail, the actual Variable Costs and Expenses incurred by TRC (i.e., material prices, labor rates, energy prices and container prices paid by TRC)

during such Fiscal Year in supplying Agreement Products to SANDOZ. During the three months thereafter, TRC will answer any questions SANDOZ asks concerning this statement.

7.4 In response to reasonable requests, TRC shall provide SANDOZ with information, mutually agreed upon, concerning the status of orders, truck contents, shipping schedules, and such other information as is necessary to enable SANDOZ to order Agreement Products in a reasonable manner.

7.5 In the event SANDOZ has any question as to any computation under this Agreement, TRC shall provide SANDOZ with any additional relevant information which SANDOZ reasonably requests and which TRC is free to provide. Such questions at SANDOZ' request and expense, may be referred to TRC's independent certified public accountants for determination (to the extent that such question shall be appropriate for determination by accountants). If TRC's independent certified public accountants determine that TRC made an erroneous computation under this Agreement, and TRC concurs, which concurrence shall not be unreasonably withheld, TRC shall correct the error, make appropriate adjustments and indemnify SANDOZ for the expense of referring its question to TRC's independent certified public accountants.

Section 8 - Warranties

TRC makes no warranty, express or implied, with respect to any Agreement Products manufactured for SANDOZ hereunder,

except that such Agreement Products shall conform to TRC's specifications therefor, and those of SANDOZ which are accepted by TRC, when tested in accordance with TRC's then applicable testing methods. TRC shall not unreasonably refuse to accept SANDOZ specifications. TRC expressly disclaims any warranty of merchantability or fitness for any particular purpose with respect to any Agreement Product. In the event of any breach of TRC's warranty hereunder or of any of TRC's other obligations hereunder, TRC shall have no responsibility except (a) to produce and deliver to SANDOZ products conforming to the standard set forth in the first sentence of this Section 8, and (b) for direct and consequential damages; provided, however, that TRC's liability for direct and consequential damages in the case of Agreement Products in powdered or granular form shall terminate 15 months after their shipment to SANDOZ, and in the case of all other Agreement Products nine months after their shipment to SANDOZ.

Section 9 - Prevention of Performance

Neither party shall be responsible or liable to the other hereunder for failure or delays in performance of any provision of this Agreement due to war, fire, flood, accidents, or other casualty, labor disputes, riots, delays of carriers, acts of God or government, requisitions, statutes, rules, regulations or requirements of government or any agencies or instrumentalities thereof, or any other contingencies beyond the

party's reasonable control. Nothing herein shall require TRC to settle any strike, negotiations, litigation or other dispute.

Section 10 - Waivers

No delay or omission by either party in the exercise of any right under this Agreement shall impair the right or be deemed to constitute a waiver of or acquiescence in any default or preclude any subsequent exercise of the right. No right under this Agreement shall be deemed to have been waived by either party unless the waiver be in writing and signed by such party. A waiver by either party of a breach of this Agreement shall not be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

Section 11 - Transferability

This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer its rights or obligations hereunder to another company or person.

Section 12 - Term of Agreement

This Agreement shall become effective on November 1, 1981, and remain in effect until December 28, 1984, when it shall terminate.

Section 13 - Termination of Existing Supply Contract -

Upon the taking effect of this Agreement the 1971 Supply Contract, having been superseded by the present Agreement, shall be deemed terminated as of November 1, 1981.

Section 14 - Governing Law

This Agreement shall be construed and the legal relations between the parties hereto determined in accordance with the laws of the State of New Jersey.

Section 15 - Complete Agreement

This Agreement constitutes the entire agreement between the parties and cannot be amended or changed unless by written instrument signed by both parties.

IN WITNESS WHEREOF the parties have executed this Agreement in duplicate as of the date first above written.

TOMS RIVER CHEMICAL CORPORATION

By _____

SANDOZ, Inc.

By _____

SUPPLY CONTRACT, dated as of October 1, 1971, between TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation having its principal offices at Route 37, Toms River, New Jersey (hereinafter called "TRC") and CIBA-GEIGY Corporation, a corporation having its principal offices at 444 Saw Mill River Road, Ardsley, New York (hereinafter called "CIBA-GEIGY").

PREAMBLE

1. TRC has for many years supplied a substantial part of the requirements for dyestuffs and certain other chemical products of CIBA-GEIGY, first from its Ohio facilities and later solely from its present New Jersey facilities. On December 1, 1952, TRC entered into a Supply Contract with CIBA-GEIGY concerning products produced at its Ohio plant. Said Supply Contract was subsequently superseded by the Supply Contract dated as of June 30, 1955, and as amended by agreements dated as of July 1, 1959 and March 18, 1964. It is desirable to further amend said Supply Contract and therefore the Supply Contract dated as of June 30, 1955 as amended, is hereby amended in its entirety and restated to read as hereinafter set forth.

2. TRC has its manufacturing plant near Toms River, New Jersey, designed primarily for the production of azo dyes, anthraquinone dyes and dye intermediates. The dyes that are being manufactured at such plant and which are available for sale to TRC's customers are listed on Schedule A annexed hereto.

It is anticipated that the manufacture of additional dyes may be undertaken in the future, some or all of which may be produced in accordance with processes obtained from CIBA-GEIGY's parent or subsidiary corporations under terms of license or other agreements between such corporations and TRC.

3. Pursuant to the Consent Judgment entered on September 8, 1970, in the United States District Court for the Southern District of New York in an action entitled United States of America v. CIBA Corporation, et al. (Civil Action No. 79 Civ. 3078) (hereinafter called the "Judgment"), CIBA-GEIGY transferred to Intracolor Corporation (hereinafter sometimes called "Intracolor"), its wholly owned subsidiary, certain properties and assets comprising the dyestuffs business of the former CIBA Corporation. In addition, the Judgment required that CIBA-GEIGY cause TRC to enter into a supply contract with Intracolor to supply it certain dyestuffs as more fully provided in Section IV(D) of the Judgment.

4. TRC desires to supply CIBA-GEIGY with a substantial portion of its requirements of dyes and also to supply Intracolor and Sandoz-Wander, Inc. (both Intracolor and Sandoz-Wander, Inc are hereinafter sometimes referred to as "TRC's other regular customers") a substantial portion of their respective requirements of dyes, CIBA-GEIGY and TRC's other regular customers, being desirous of assuring for themselves respectively a dependable source of supply of the dyes

covered hereby in the quantities and of the qualities needed by them and at the lowest practicable cost, are simultaneously entering into like agreements with TRC substantially in the form hereof.

Accordingly, the parties hereto, each in consideration of the agreements of the other herein contained, hereby agree as follows:

I. PRODUCTS COVERED

(a) The products covered by this Agreement shall be the dyes listed in Schedule A hereto, those that may hereafter be added thereto by mutual consent, and such additional dyes other than dyes coming within the definition of "Special Products" as hereinafter in Section 7 provided, as TRC may undertake to manufacture after the date hereof. TRC shall notify CIBA-GEIGY promptly after

(i) undertaking the commercial manufacture of any such additional dye, other than such a Special Product, or

(ii) the termination of the relevant patent coverage as a result of which any dye theretofore a Special Product under Section 7 shall cease to be such,

whereupon that dye will automatically be added to Schedule A.

(b) All the dyes now or hereafter included in Schedule A, the manufacture of which shall not have been discontinued as provided in paragraph (d) of Section 2, shall be available to CIBA-GEIGY under the terms of this Agreement.

2. PURCHASE AND SALES UNDERTAKING

(a) At least 45 days prior to the beginning of each fiscal quarter, (hereinafter sometimes referred to as "quarterly period") CIBA-GEIGY shall deliver to TRC written orders for the quantities of each dye that it desires to purchase from TRC (1) during such quarterly period (said orders are hereinafter sometimes referred to as "Class A-1 Orders") and (2) during the next following quarterly period (said orders are hereinafter sometimes referred to as "Class A-2 Orders"). The Class A-1 Orders shall be for quantities of each dye in addition to those quantities previously ordered as Class A-2 Orders and confirmed by TRC. Prior to the beginning of each quarterly period, TRC shall notify CIBA-GEIGY in writing of the quantities of each dye that TRC is prepared to supply against the Class A-1 Orders for that quarterly period and the Class A-2 Orders for the following quarterly period. Upon such notification and subject to the terms and conditions hereinafter set forth, CIBA-GEIGY will become obligated to take and TRC will become obligated to deliver all of the quantities of each dye so designated by TRC for delivery during such quarterly periods provided that CIBA-GEIGY may

decrease Class A-2 Orders for the amount of any individual dyes by 25% if said changes are submitted to TRC no later than 45 days prior to the beginning of the quarterly period in which the dye is to be delivered.

(b) In addition to orders placed pursuant to the preceding paragraph (a), CIBA-GEIGY may, at any time or from time to time place spot orders for additional quantities of any dye for immediate needs, which orders TRC shall not be obligated to accept, except and to the extent that TRC shall determine that it has or will have available supplies sufficient therefor after filling all Class A-1 and Class A-2 Orders. Orders for such additional quantities of dyes are hereinafter sometimes referred to as "Class B Orders". Such Class B Orders will not assume A-Order status at a future date.

(c) Subject to and in accordance with the further provisions of this Agreement, TRC will use its best efforts to supply the respective dyes from time to time ordered by CIBA-GEIGY under this Agreement so that CIBA-GEIGY may look to TRC as a dependable source of supply of the dyes covered by this Agreement of the qualities and in the quantities needed, it being understood however, that in order to have the best balanced production schedule, it may be necessary for TRC to establish minimum order quantities for various dyes from time to time.

(d) TRC reserves the right to discontinue for reasonable cause the manufacture of any dye covered by this Agreement upon six months' written notice to CIBA-GEIGY.

3. CHARGES FOR DYES DELIVERED

(a) At least 25 days prior to the beginning of each quarterly period, TRC shall mail to CIBA-GEIGY a list of charges, estimated by TRC to be the charges during the following quarterly period for the dyes covered by this Agreement. Within ten days thereafter, CIBA-GEIGY may cancel without penalty any A-1 and A-2 Orders for any dye placed with TRC for which TRC's prices have been increased more than 5% over the estimated price for the preceding quarter.

(b) The total of the charges for dyes covered by this Agreement delivered to CIBA-GEIGY hereunder during any fiscal year, commencing with the fiscal year 1971, shall not exceed the sum (herein referred to as the "Maximum Price") of (i) the aggregate costs (including depreciation, overhead and administrative expenses, interest charges and all other proper charges) allocable to the production and delivery thereof, as determined from time to time in accordance with generally accepted accounting principles approved by TRC's regular independent certified public accountants, and (ii) a supplementary amount equal to the "Return on Capital Employed" (hereinafter defined) in the production of such dyes.

(c) Within sixty days after the close of each quarterly period of any fiscal year, commencing with the quarterly period ending September 24, 1971, TRC shall determine the estimated Maximum Price for the dyes delivered to CIBA-GEIGY hereunder during such quarter, making such estimates of items of cost not then determined as shall be necessary, and if the Maximum Price so determined shall be less than the aggregate of the charges made for said dyes so delivered during such quarter, the difference shall forthwith be refunded to CIBA-GEIGY, on account, and subject to adjustment after the year-end, as hereinafter provided. As soon as practicable after the close of each fiscal year (commencing with the fiscal year 1971) and after all year-end adjustments shall have been made and the accounts of TRC shall have been audited by its regular independent certified public accountants, and in no event more than 90 days after the close of such year, TRC shall submit to CIBA-GEIGY a report certified by its said accountants, as to the Maximum Price for all dyes delivered to CIBA-GEIGY hereunder during said year. If such Maximum Price so certified shall be less than the aggregate of the charges made by TRC for dyes delivered to CIBA-GEIGY hereunder during such year, the difference shall be the definitive amount due CIBA-GEIGY as a refund of price hereunder for such year and the amount remaining due to CIBA-GEIGY on account of such refund shall

forthwith be paid by TRC or if payments of refunds previously made for such fisal year shall have exceeded the amount thus finally determined to be due, the excess payments shall be repaid by CIBA-GEIGY to TRC. In addition, as soon as practical at the close of each fiscal year, TRC shall submit to CIBA-GEIGY a report setting forth the price per hundred pounds, after giving effect to the refund provision, charged by TRC for each dye delivered to CIBA-GEIGY hereunder during said year.

(d) The "Return on Capital Employed" in the production of dyes delivered to CIBA-GEIGY hereunder during any fiscal year effective with the year 1971 shall be that part of the total provision for return on capital, determined as stated below, allocable to the production of such dyes as hereinafter provided. The total provision for return on capital for the purposes hereof in respect of any fiscal year shall be an amount equal to the Designated Percentage (as hereinafter defined) of the capital represented by the Common Stock of TRC outstanding during such year. For the purposes hereof (1) said total Return on Capital Employed in respect of any fiscal year shall be allocated among all dyes and other products manufactured by TRC during such year in the same manner and in the same proportions in all material respects as usage of manufacturing equipment (including equipment for drying and standardization but excluding

auxiliary facilities such as power plant and waste disposal facilities) is allocated among such dyes and other products respectively in determining product costs in accordance with TRC's regular accounting procedures, excluding, however, such facilities for Special Products referred to in Section 7 hereof, the cost of which shall have been provided otherwise than from TRC's general funds; and (2) the sum of the amounts so allocated to the respective dyes delivered to CIBA-GEIGY hereunder during any fiscal year shall be the "Return on Capital Employed" in the production of said dyes.

(e) The Designated Percentage in respect of each fiscal year shall be the greater of (a) 10% or (b) the percentage obtained by multiplying by 10% the quotient of $\frac{A}{B}$ where A shall be the amount obtained by dividing (1) the arithmetic average of the annual Net Profit After Taxes of all manufacturing corporations for the three fiscal years ended June 30 next preceding the subject fiscal year by (2) the arithmetic average of the Total Stockholders' Equity in such corporations at the end of each quarter during such three years, both calculated from the data published jointly by the Federal Trade Commission and Securities and Exchange Commission in the Quarterly Financial Report for Manufacturing Corporations, and B shall be the amount corresponding to A for the five calendar year period 1955-1959, inclusive,

namely 10.86%. In the event that the form in which the data on Net Profit After Taxes and Total Stockholders' Equity is published by the Federal Trade Commission and the Securities and Exchange Commission shall be changed after January 1, 1971, the Designated Percentage shall be determined on the basis of the data as so published following the above-described formula as nearly as may be. In the event the Federal income tax rates applicable to TRC in years subsequent to 1959 shall be increased above or decreased below the rates applicable for 1959, the Designated Percentage shall be increased or decreased so that the total amount of Return on Capital Employed shall, after Federal income taxes, be the same as such amount after said taxes at the rates applicable for 1959.

(f) TRC will at all times use its best efforts, to the same extent that it would if it were producing the dyes to be delivered hereunder for sale at a fixed price, to produce such dyes at the lowest practicable cost.

(g) In the event of any question or dispute between the parties as to the proper application of this Section or as to any computation thereunder, such question or dispute shall be referred to TRC's said independent certified public accountants for determination (to the extent that such question or dispute shall be appropriate for determination by accountants) and their determination in respect thereof shall be final and binding on the parties hereto.

(h) Anything herein contained to the contrary notwithstanding, in the event TRC shall sell any dye covered by this Agreement to any other purchaser at a price lower than the charge therefor computed as herein provided, CIBA-GEIGY shall be entitled to such lower price subject to the same terms and for the same quantities to which such lower price shall be applicable in respect of such sale to said other purchaser.

4. TERMS OF SALE

Subject to the further provisions of this Agreement, dyes delivered hereunder shall be subject to TRC's standard terms and conditions in effect at the date hereof, or as changed from time to time with the approval of CIBA-GEIGY. A copy of said terms and conditions as presently in effect is attached hereto as Schedule B.

5. ALLOCATION

(a) In any quarterly period during which TRC is unable to fill all Class A-1 and Class A-2 Orders for any dye placed with it by or confirmed to CIBA-GEIGY, and TRC's other regular customers under their respective Supply Contracts, TRC shall allocate its available supply of such dye in such manner and to such extent as practicable, as follows:

(i) Allocation at Time of Acceptance or Filling of Class A-1 Orders. In the acceptance or filling of Class A-1 Orders for any dye, TRC

shall allocate to CIBA-GEIGY its Base Period Proportion (as hereinafter defined) of the total quantity of such dye available from inventory and scheduled for production during such quarterly period over and above the quantity already committed based on prior confirmed Class A-2 Orders.

(ii) Allocation at Time of Acceptance and Filling of Class A-2 Orders. In the acceptance or filling of Class A-2 Orders for any dye, TRC shall allocate to CIBA-GEIGY its Base Period Proportion of the total quantity of such dye available from inventory and scheduled for production during such quarterly period. In case of a foreseen shortage for A-2 Orders for any dye, TRC shall promptly notify CIBA-GEIGY, if possible, three months in advance.

(iii) Class B Orders. After Class A-1 and Class A-2 Orders shall have been filled or provided for as aforesaid, in the event the remaining available supply of any dye or dyes shall be insufficient to enable TRC to fill all Class B Orders for such dye or dyes, as the case may be, TRC shall fill the Class B orders, in the order in which the Class B Orders were received. No allocation will be made.

(b) The "Base Period Proportion" in respect of any dye shall be that proportion which the total quantities sold to CIBA-GEIGY of such dye during the Base Period bear to TRC's total quantities sold of such dye during the base period to CIBA-GEIGY, Intracolor (including the quantities sold to its predecessor CIBA Corporation) and Sandoz-Wander, Inc. The "Base Period" in respect of any period of inability to supply such dye shall be the three full fiscal years immediately preceding the beginning of the quarterly period of inability to fill all Class A-1 and Class A-2 Orders placed pursuant to this Agreement for such dye.

(c) When allocating in accordance with the foregoing provisions of this Section 5, if any dye shall not have been available for sale in commercial quantities by CIBA-GEIGY throughout any Base Period, TRC shall allocate during the first three years after the dye is first available for sale in commercial quantities, the quantity available (which in the case of allocation of A-1 Orders, shall be after provision for prior confirmed A-2 Orders) as follows: (1) during the first year, CIBA-GEIGY shall be entitled to 1/3 of the available supply; (2) during the second year, CIBA-GEIGY shall be entitled to the proportion its purchases of the dye during the first year are to the total of the purchases of the dye from TRC by CIBA-GEIGY and TRC's other regular customers during the first year;

(3) during the third year, CIBA-GEIGY shall be entitled to the proportion its purchases of the dye during the first two years are to the total of the purchases of the dye from TRC by CIBA-GEIGY and TRC's other regular customers during the first two years. During the fourth year and thereafter, CIBA-GEIGY will be entitled to its Base Period Proportion.

6. SPECIAL SURPLUS ACCOUNT

All earnings and losses of TRC under this Agreement and under the similar agreement with TRC's other regular customers accruing after December 31, 1970, shall be credited or charged, as the case may be, by TRC to a special surplus account. Such credits and charges shall be made annually, as at the end of each fiscal year, after the final determination of the Maximum Price hereunder and under said agreement with TRC's other regular customers for such year and the making of any refunds required thereby. Any balance remaining in said special surplus account at the end of any fiscal year shall be distributed by TRC as a dividend on its common stock. Such obligation to pay common stock dividends shall be subject to the existence of earned surplus available for the payment of such dividend, to contractual obligations restricting the payment of dividends in TRC's loan agreements and to the right of the Board of Directors to postpone the payment of such dividend by the affirmative vote at any

meeting of the Board at which there is a quorum present, of at least a majority of the Directors present provided that such majority shall include at least one Director elected by each class of Common Stock of TRC at the time outstanding. For the purpose of this Section, the "earnings and losses" of TRC shall be the earnings and losses accrued after December 31, 1959, under this and said other similar agreements, separately calculated without reference to any other business of TRC, and shall be (i) net earnings after all taxes applicable thereto and after appropriate reductions of such taxes on the basis of prior losses or (ii) net losses after appropriate credit or reduction in or refund of taxes through the application of such losses to earnings theretofore and after December 31, 1959, accrued.

7. SPECIAL PRODUCTS

(a) TRC shall be entitled to enter into arrangements with its regular customers, or their respective affiliates, for the manufacture of any Special Product or Products as hereinafter defined, and for the sale of such Special Product exclusively to such customer or affiliate, at such price and on such other terms as shall be agreed upon between TRC and such customer or affiliate, as the case may be, but only subject to the conditions hereinafter set forth.

(b) The term "Special Product" as herein used shall mean:

(i) Any product other than a dye, and

(ii) Any dye the manufacture or sale of which by TRC would at the time, except for such arrangement, constitute an infringement (direct or contributory under Section 271 of the U.S. Patent Act of 1952) of one or more claims of any United States patent or pending application for such a patent owned by or licensed to the customer with whom TRC enters into such arrangement, or an affiliate of such customer (but only so long as such patent or application is not licensed to either or both of the other regular customers of TRC or any of their affiliates), excluding, however, (1) all vat dyes, and (2) each other dye which at any time shall have been customarily sold (other than on a dealers' basis) by one of TRC's regular customers or any of its affiliates to either or both of the other regular customers of TRC or any of their affiliates; the claim of any pending application being treated, for the purpose of the foregoing, as a valid claim of an issued patent until it shall have been finally rejected.

(c) In the event that the then existing production facilities of TRC (other than facilities financed solely by one customer) are to be used in whole or in material part in the manufacture of the Special Product the exclusive arrange-

ment provided for in this Section 7 with respect to such Special Product shall be entered into only subject to the following conditions:

(i) The manufacture of such Special Product shall be scheduled by TRC so as not to interfere with its regular dye manufacture and so as to give such regular dye manufacture full priority as to facilities, services, labor and materials.

(ii) All special manufacturing facilities required for the manufacture of such Special Product shall be financed by such customer in such a way as not to be a burden upon TRC and such customer shall indemnify TRC against any loss or unreimbursed expense in the manufacture and sale of such Special Product.

(iii) The price fixed by TRC for any Special Product or any group of Special Products shall, unless otherwise determined by vote of approval of TRC's Board of Directors as provided for below, be such that in the judgment of TRC's management, the profit margin to TRC thereon will ultimately be not less than its average profit margin on regular dyes;

provided, however, that TRC shall be entitled to enter into and perform in accordance with its terms any contract for the manufacture or sale of Special Products which shall be approved

by a vote of approval of the Board of Directors as hereinafter provided. For the purposes of this paragraph (c) a vote of approval of the Board of Directors shall be the affirmative vote at any meeting of the Board at which there is a quorum present, of at least a majority of the Directors present provided that such majority shall include at least one Director elected by each class of Common Stock of TRC at the time outstanding.

(d) Dyes constituting Special Products shall cease to be "Special Products" and shall be added to Schedule A hereto upon the expiration of the patent thereon or upon the abandonment or final rejection of the patent application with respect thereto, as the case may be. The price of Special Products shall not be subject to the Maximum Price provisions of Section 3. Profits and losses resulting from the manufacture and sale of Special Products shall not be credited to or charged against the Special Surplus Account provided for in Section 6.

(e) In compliance with the Judgment and notwithstanding the foregoing provisions of this Section 7 hereof, Intracolor may purchase, and TRC will sell to Intracolor, until ten years from the date of "Sale of New Company", as defined in the Judgment, certain Special Products (hereinafter called Designated Special Products), comprising all dyestuffs which have been or will be manufactured by TRC during the period commencing on March 19, 1970, and ending

ten years from the date of "Sale of New Company" and which are covered by one or more claims of any patent owned by any "Defendant", as defined in the Judgment and which have a Patent Issue Date prior to the expiration of five years subsequent to the "Sale of New Company", all at prices and upon terms and conditions no less favorable to Intracolor than those at which such products shall from time to time be sold by TRC to CIBA-GEIGY Corporation, Designated Special Products shall not cease to be Special Products under this Agreement or under any of the Supply Contracts with TRC's other regular customers for any reason except upon expiration of the patent thereon or upon the abandonment or final rejection of the patent application with respect thereto, as the case may be, anything contained herein or in any of the other Supply Contracts to the contrary notwithstanding.

8. PREVENTION OF PERFORMANCE

Neither party shall be responsible or liable to the other hereunder for failure or delays in performance of any provision of this Agreement due to war, fire, flood, accidents, labor disputes, riots, delays of carriers, acts of God or government, requisitions, statutes, rules, regulations or requirements of governments or any agencies or instrumentalities thereof, or any other contingencies beyond the party's reasonable control.

9. NOTICE

Any notice or other communication required or permitted to be given to a party under this Agreement shall be effectively given if sent by registered mail directed to such party at its address set forth at the head of this Agreement or at such other address as such party shall designate by notice to the other.

10. WAIVERS

No delay or omission by either party in the exercise of any right under this Agreement shall impair the right or be deemed to constitute a waiver or acquiescence in any default or preclude any subsequent exercise of the right. No right under this Agreement shall be deemed to have been waived by either party unless the waiver be in writing and signed by such party. A waiver by either party of a breach of this Agreement shall not be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

11. TRANSFERABILITY

This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer its rights or obligations hereunder to another company or person, except to a successor to substantially the whole of its business and then only subject to the terms and provisions hereof. Subject, as aforesaid, this

Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. TERM OF AGREEMENT

(a) This Agreement shall remain in effect until (1) December 31, 1980, or (2) the termination of the Supply Contract between Intracolor and TRC provided for in Section IV(D) of the Judgment, which Supply Contract shall terminate in any event no later than ten years from the "Sale of the-New Company" as defined in said Judgment, and thereafter from year to year, subject to the right of CIBA-GEIGY to terminate the same at its option at either date provided for in (1) or (2) above, or at any December 31st thereafter, by giving to TRC, at least five years prior to any intended termination date, written notice of intent to terminate, provided further however, that TRC shall have the right to terminate this Agreement ten years from the "Sale of New Company" or at any December 31st thereafter, by giving to CIBA-GEIGY, at least five years prior to any intended termination date, written notice of intent to terminate.

(b) In the event (i) that CIBA-GEIGY shall have given to TRC written notice of intent to terminate as provided in paragraph (a) of this Section 12, and (ii) that CIBA-GEIGY shall after the termination of this Agreement and during any one of the succeeding fiscal years order from

TRC less than 30% of CIBA-GEIGY's requirements of such dyestuffs which TRC during such year was manufacturing and willing to sell under this Agreement, and (iii) that TRC shall prior to the commencement of such year have given written warning to CIBA-GEIGY that TRC may exercise the option reserved under this paragraph (b), TRC shall have the right, at its option, by written notice to CIBA-GEIGY of exercise of such option given within six months after the close of such year, to purchase, on a date specified in such notice which shall be not less than six months and not more than twelve months following the close of such year, all but not less than all the shares of common stock of TRC then beneficially owned by CIBA-GEIGY and its affiliates. The purchase price for the common stock shall be the net book value thereof at the close of such fiscal year, as determined by TRC's regular certified public accountants in accordance with generally accepted accounting principles. If such written notice of the exercise of such option is given, TRC shall thereupon become obligated to purchase and CIBA-GEIGY and its affiliates to sell such shares at said prices and on said date. Otherwise such option, based upon CIBA-GEIGY's failure to purchase 30% of its requirements as aforesaid during the fiscal year in question, shall expire but the option reserved to TRC by this paragraph (b) shall continue in

effect with respect to any succeeding fiscal year to and including the fifth fiscal year after the termination of the Agreement.

CIBA-GEIGY shall, upon written request of TRC, deliver to TRC within two months after the end of each fiscal year with respect to which TRC shall have given the written warning referred to in (ii) above a statement certified by CIBA-GEIGY's regular certified public accountants as to whether or not CIBA-GEIGY shall have ordered in said fiscal year at least 30% of its requirements of dyestuffs which TRC was during such year manufacturing and willing to sell.

(c) In the event that TRC shall give to CIBA-GEIGY written notice of intent to terminate as provided in paragraph (a) of this Section 12, CIBA-GEIGY shall have the right at its option to require TRC to purchase, on the termination date specified in such notice, all but not less than all the shares of TRC common stock beneficially owned by CIBA-GEIGY and its affiliates at such termination date, at the net book value thereof at such termination date as determined by TRC's regular independent certified public accountants in accordance with generally accepted accounting principles. Such option may be exercised by CIBA-GEIGY by a written notice of exercise given not more than six months after the giving by TRC of such written notice of intent to terminate; provided however, that if

CIBA-GEIGY should give such written notice of intent to exercise such option, TRC shall have the right within 30 days after the receipt of such written notice, to notify CIBA-GEIGY in writing of the cancellation of its written notice of intent to terminate and, thereupon such written notice of termination on the part of TRC and such written notice of exercise of option on the part of CIBA-GEIGY shall be void and of no effect. If CIBA-GEIGY shall have given written notice of exercise of such option and TRC shall not have cancelled its notice of intent to terminate, TRC shall be obligated to purchase and CIBA-GEIGY shall be obligated to sell said shares at said price on such termination date.

13. TERMINATION OF EXISTING SUPPLY CONTRACT

Upon the taking effect of this Agreement the Supply Contract, as amended, between the parties entered into as of June 30, 1955, having been superseded by the present Agreement, shall be deemed terminated.

14. ARBITRATION

Except as otherwise provided in paragraph (g) of Section 3, any controversy which shall arise under this Agreement shall be settled by arbitration under the provisions of Article 75 of the New York Civil Practice Law and Rules in accordance with the rules then obtaining of the American Arbitration Association. The arbitration shall be

held in the City of New York or such other place as the parties hereto may agree upon. Judgment upon an award rendered may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement as the case may be.

15. FISCAL YEAR AND FISCAL QUARTER

The term "fiscal year" and "fiscal quarter" as used herein shall mean the respective fiscal periods designated by TRC from time to time for its accounting purposes, except as otherwise required by the context.

IN WITNESS WHEREOF the parties have executed this Agreement in duplicate as of the date first above written.

TOMS RIVER CHEMICAL CORPORATION

Attest:

By /s/ Philip Wehner
President

/s/ T. H. Saari
Secretary

CIBA-GEIGY CORPORATION

Attest:

By /s/ Richard Barth
Vice President

/s/ J. L. Wells
Secretary

SUPPLY CONTRACT

SCHEDULE B

Terms and Conditions of Sale of Dyes

1% discount on invoices dated 1st to 15th of month if paid by 28th of month and on invoices dated 16th to 31st of month if paid by 14th of following month. All invoices Net 30 days.

F.O.B. Seller's Works.

Seller shall be prepared to supply all Class A-1 and Class A-2 Orders for each dye ordered on the proportionate schedule of not less than 30%, 30% and 40% by the end of the 4th, 8th, and 13th week respectively of the relevant quarterly period and shall invoice Buyer according to said schedule at the charges set forth in TRC's list of charges for the quarterly period.

Seller agrees to store Class A-1 and Class A-2 Orders for Buyer's account in a warehouse on the TRC premises to the extent it has the capacity, said warehouse being covered against loss or damage by fire. Buyer shall pay its proper share of the costs of warehousing, including operating costs, property taxes, insurance and interest on the warehouse book value in accordance with TRC's regular accounting procedures. Buyer's portion of the total cost will be the

proportion which Buyer's usage of the facility bears to the total usage of the facility, such usage to be measured by factors such as quantities stored, length of storage period, and frequency of movement in and out of the warehouse. These costs shall not be deemed to be costs for purposes of determining the Maximum Price under Section 3.

Confirmed Class B orders will be invoiced to Buyer as soon as available for delivery although Seller agrees to store said orders at the above mentioned TRC warehouse under the same terms if there is sufficient warehousing capacity.

SUPPLEMENT dated as of December 28, 1973, to the Supply Contract dated as of October 1, 1971 (hereinafter called the Supply Contract), each between TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation, (hereinafter called TRC) and CIBA-GEIGY CORPORATION, a New York corporation (hereinafter called CIBA-GEIGY).

The Supply Contract provides, on the terms and conditions therein set forth, for the sale by TRC and the purchase by CIBA-GEIGY of products specified therein. The parties acknowledge that the Supply Contract does not in any way restrict or limit the persons to whom, or the manner in which, CIBA-GEIGY may sell or dispose of products purchased from TRC. CIBA-GEIGY recognizes, however, that TRC serves as a source of supply to satisfy primarily and as a matter of first priority the United States and Canadian market requirements of CIBA-GEIGY and TRC's other regular customers (as defined in the Supply Contract). TRC and CIBA-GEIGY desire to confirm certain understandings with respect to the priority of orders placed by CIBA-GEIGY under the Supply Contract and their respective obligations thereunder.

TRC is likewise confirming similar understandings with each of its other regular customers in respect of their Supply Contracts with TRC.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. CIBA-GEIGY shall, in connection with each order it submits to TRC under the Supply Contract after the date hereof, whether for Schedule A or Special Products (hereinafter referred to as orders), certify to TRC the quantity, if any, of the product covered by such order which is in excess of the requirements of CIBA-GEIGY of such product for sales to United States customers of CIBA-GEIGY and any of its Affiliates, and for export sales financed by the United States Agency for International Development, and for sales to Canadian customers of its Canadian Affiliate, including the maintenance of stocks adequate for the business of CIBA-GEIGY and its Canadian Affiliate relating to such sales (such excess being herein called CIBA-GEIGY's Foreign Requirements with respect to such product). Anything in the Supply Contract to the contrary notwithstanding, TRC shall not be obligated to accept or fill any order for or to supply CIBA-GEIGY with its Foreign Requirements of any product unless and until TRC shall have been able to schedule and fill all orders however designated for other than the Foreign Requirements of CIBA-GEIGY

and TRC's other regular customers and, except as stated below, regardless of when received. In order to implement the foregoing: (a) orders for Foreign Requirements from CIBA-GEIGY and TRC's other regular customers for such products as are manufactured by TRC in its "Anthraquinone Area" or are at the time designated "bottleneck" products by TRC shall be scheduled by TRC for delivery at the end of a fiscal quarter and a confirmed order for Foreign Requirements shall not be reduced or displaced by any conflicting order (whether or not for Foreign Requirements) received by TRC from another customer within 15 days prior to the end of the fiscal quarter within which the delivery date of such confirmed order for Foreign Requirements is scheduled; and (b) orders for Foreign Requirements from CIBA-GEIGY and TRC's other regular customers for such products as are manufactured by TRC in its "Azo Area" (other than "bottleneck" products as provided above) shall be scheduled by TRC for delivery as follows: Not less than 30%, 30% and 40% of such order by the end of the 4th, 8th, and 13th week, respectively, of the relevant fiscal quarter, and such part of an order as is scheduled for delivery on any delivery date shall not be reduced or displaced by any conflicting order (whether or

not for Foreign Requirements) received by TRC from another customer within 10 days prior to the respective delivery date. TRC shall promptly notify CIBA-GEIGY if TRC shall be unable to accept, or to fill after acceptance, all or any part of an order for CIBA-GEIGY's Foreign Requirements. Any designation of "bottleneck" products shall be made by TRC not more frequently than once in each fiscal year, based on production capabilities and forecasts then available to it.

2. In the event all or any part of an order for CIBA-GEIGY's Foreign Requirements is not accepted by TRC, or is not filled after acceptance, and CIBA-GEIGY, after discussions with TRC, desires independent verification of the circumstances giving rise thereto, TRC shall, at the request of CIBA-GEIGY, permit an independent public accountant, selected by CIBA-GEIGY (except one to which TRC has some reasonable exception) to have access to and examine at CIBA-GEIGY's expense, during ordinary business hours, such inventory and production control records of TRC directly related to the order in question as may be necessary to verify or determine compliance by TRC with the provisions of paragraph 1 hereof. CIBA-GEIGY will discuss with TRC in advance of requesting any such inspection the circumstances

giving rise to such request and will not in any case exercise such right of inspection in bad faith or more often than reasonably necessary to determine compliance by TRC with the provisions of paragraph 1 hereof. Such accountants shall not disclose to CIBA-GEIGY any information relating to the business or affairs of TRC other than such information, if any, as may come to its attention indicating noncompliance by TRC with the provisions of paragraph 1 hereof.

3. For all purposes of allocation pursuant to Section 5 of the Supply Contract, orders for Foreign Requirements shall be segregated from all other orders and the calculations under said Section 5 shall be made separately for Foreign Requirements and for orders other than Foreign Requirements. It shall be assumed for purposes of said Section 5 that all products purchased by CIBA-GEIGY and TRC's other regular customers from TRC prior to the last day of fiscal 1973 were for other than its Foreign Requirements and, accordingly, that the principles set forth in subpart (c) of Section 5 shall be operative for the three year period commencing on the first day of fiscal 1974 with respect to Foreign Requirements.

4. The term "Affiliate" shall mean, when used in relation to either party, any individual or company (whether

a corporation, partnership, joint venture or other form of business organization) (i) in which said party has a substantial ownership participation, or (ii) which, through ownership of voting stock (directly or through one or more intermediaries), management agreement or otherwise, is controlled by, under common control with, or in control of said party, the term "control" being used in the sense of power to elect directors or designate managers or to direct business activities.

5. Except as herein expressly modified, the Supply Contract shall continue in full force and effect in accordance with its terms.

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

TOMS RIVER CHEMICAL CORPORATION

Attest:

By _____
President

_____
Secretary

CIBA-GEIGY CORPORATION

Attest:

By _____
Vice-President

_____
Secretary

4

CIBA LIMITED

and

TOMS RIVER CHEMICAL CORPORATION

- -

AMENDED
SCIENTIFIC AND TECHNICAL
COLLABORATION AGREEMENT

- -

SCIENTIFIC AND TECHNICAL COLLABORATION AGREEMENT

dated as of June 30, 1955 between CIBA LIMITED, a Swiss corporation having its principal place of business in Basle, Switzerland (hereinafter referred to as "CIBA"), and TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation having its principal place of business in Toms River, New Jersey (whose corporate title was formerly "Toms River-Cincinnati Chemical Corporation", and which is hereinafter referred to as "TRC"), as amended herein as of July 1, 1959.

Preamble

1. CIBA has for many years engaged in the development, manufacture and sale on an extensive scale of dyes for the coloring of textiles and other materials and dye intermediates. It maintains and continuously develops research laboratories, analytical laboratories, factory laboratories, manufacturing and pilot plants, dye houses and standardization and engineering departments and has heretofore acquired in the past and expects to acquire in the future valuable scientific and technical information, including developments, secret processes, formulae, inventions, know-how, special apparatus and equipment, production and application techniques and data.

2. TRC is engaged in the manufacture of dyes and dye intermediates. It owns manufacturing plants and offices located in Ocean County, Dover Township, near Toms River, New Jersey, for the manufacture of such products.

3. TRC considers that the production of the dyes that it presently manufactures and may hereafter manufacture will be greatly facilitated in terms of both quality and economy by full and continuous scientific and technical collaboration between the parties in respect of such dyes. Accordingly, TRC desires to obtain the benefit of the latest and best manufacturing techniques, processes and equipment employed by CIBA in its manufacturing plants and laboratories relating to such dyes and other products as are within the field of this Agreement. TRC also desires to obtain the benefit of all improvements to its existing products, and all processes, inventions and scientific and technical information that CIBA may have already discovered, developed, or otherwise acquired or that it may hereafter discover, develop or otherwise acquire in the field of this Agreement and during the term thereof.

4. CIBA is willing to collaborate with TRC as aforesaid against payment of fair and adequate compensation and on the terms and

conditions set forth in this Agreement; and TRC has entered into substantially similar agreements with J.R. Geigy, S.A. (hereinafter referred to as "GEIGY") and Sandos Limited (hereinafter referred to as "SANDOZ").

NOW, THEREFORE, the parties hereto, each in consideration of the premises and the agreements of the other herein contained, hereby agree as follows:

Article I

Definitions

1. The term "field of this Agreement" means the following:

A. Each dye and pigment that TRC has manufactured prior to the date of this Agreement, is currently manufacturing (including products heretofore manufactured in the Toms River plant of Ciba States Limited), or may manufacture in the future with CIBA's consent during the term of this Agreement, except:

(a) Water-soluble enolic etherial salts of reduced cyclic ketones (Indigosols) which are the subject of an agreement dated June 1, 1954, between Durand & Huguenin A.G. and Ciba States Limited (to the rights and obligations of which TRC, as assignee of Ciba States

Limited and as successor to its entire dyestuffs business, has succeeded), and

(b) such other dyes or pigments as CIBA may designate, with the approval of GEIGY and SANDOZ.

B. Intermediates to the extent that they are suitable for use in the production of said dyes and pigments;

C. Processes and manufacturing techniques for producing said dyes, pigments or intermediates;

D. Designs of apparatus and equipment used in such processes;

E. Compositions of said dyes or pigments and other substances added for commercial purposes;

F. Such added substances and processes for producing them; and

G. The use of said dyes, pigments and compositions in dyeing and printing.

2. The term "United States" means the United States of America, its territories and possessions.

3. The term "third parties" means persons, firms, corporations or entities other than TRC and CIBA.

4. A "subsidiary" of a company that is a party to or referred to in this Agreement means any company not a party to this Agreement, a majority of whose voting stock is beneficially owned, directly or indirectly, by the said party or company referred to in this

Agreement.

5. A "Special Product" means any dye or pigment that is a so-called Special Product as defined in section 7 of the Supply Contracts dated as of June 30, 1955, between TRC and Ciba Company, Inc. and TRC and Geigy Chemical Corporation, as amended by the Supplemental Agreements thereto dated as of July 1, 1959, and as defined in section 6 of the similar supply contract of even date between TRC and Sandoz, Inc., as amended by the Supplemental Agreement thereto dated as of July 1, 1959.

6. A "Special Product of CIBA" means a "Special Product" to be sold exclusively by TRC to CIBA or its subsidiaries. A "Special Product of GEIGY" means a "Special Product" to be sold exclusively by TRC to GEIGY or its subsidiaries. A "Special Product of SANDOZ" means a "Special Product" to be sold exclusively by TRC to SANDOZ or its subsidiaries.

Article II

Scope of Scientific and Technical Collaboration: Royalties

1(a). CIBA agrees to disclose to TRC promptly after the execution of this Agreement, and to continue to disclose currently so long as this Agreement shall be in effect, all its scientific and technical information

relating to the field of this Agreement. Such of said scientific and technical information as shall be confidential and not generally available to the public is hereinafter sometimes referred to as confidential scientific and technical information.

1(b). Section 1(a) hereof shall not be applicable with regard to Special Products, but in lieu thereof it is agreed as follows: CIBA agrees to disclose to TRC in confidence promptly after the execution of this Agreement, and to continue to disclose currently and in confidence so long as this Agreement shall be in effect, all scientific, technical and operating information now or hereafter in CIBA's possession and which it shall be free to disclose, including design, process and engineering information, know-how, trade secrets and cost data, as CIBA shall deem requisite for the production by TRC of each Special Product of CIBA that shall hereafter be made the subject of a "Royalty Agreement (Special Product)" between CIBA and TRC in substantially the form annexed hereto, marked "EXHIBIT 1". Such information may be used by TRC in the manufacture and sale to any of its customers of any dyes or pigments, with the exception of Special Products of GEIGY. Nothing contained in this Section 1(b) shall be deemed to give TRC the right to sell to any customer other than CIBA or a subsidiary of CIBA, or to use itself, dyes or pigments which are Special Products of CIBA.

1(c). TRC shall use all reasonable efforts to protect the confidentiality of the information to be disclosed hereunder with regard to Special Products of CIBA. Without limiting the generality of the foregoing, TRC shall use all reasonable efforts to prevent unauthorized disclosure by its employees, and shall not without the prior written consent of CIBA disclose any of said information to any third party.

1(d). All improvements made or developed by TRC in Special Products of CIBA, and all scientific, technical or operating information discovered or developed by TRC relating thereto, may be used by TRC in connection with the manufacture for any of its customers of any dyes or pigments.

2(a). If CIBA shall specify at the time of disclosing any confidential scientific or technical information that no commercial use thereof may be made without its written consent, neither TRC nor any of its subsidiaries shall make any commercial use thereof until after (i) it shall have reached an agreement with CIBA regarding royalties, if any, to be paid to CIBA therefor, or (ii) such royalties shall have been determined by arbitration as hereinafter provided. Such royalties shall be negotiated separately between the parties in each instance, and shall be reasonable. In the event the parties shall be unable to agree upon any

such royalty, the amount or other terms thereof, as the case may be, shall be determined by arbitration. No royalties or other compensation shall be required to be paid under this Agreement with respect to any scientific or technical information required to be disclosed by either party under the agreement between the parties dated October 1, 1946, or under any license agreement made pursuant thereto.

2(b). Section 2(a) hereof shall not be applicable with regard to Special Products.

3(a). If the information referred to in Section 2(a) hereof shall be covered by the claims of any United States Patent or application therefor owned or controlled by CIBA or any of its subsidiaries, TRC and its subsidiaries shall, upon TRC's reaching an agreement with CIBA regarding royalties as aforesaid (or upon the determination thereof by arbitration in the event of failure so to agree), be deemed to have a non-exclusive and non-assignable license to manufacture in their own plants and sell all products, to practice in their own plants all processes, and to use in their own plants all equipment, covered by such claims and included within the field of this Agreement.

3(b). Section 3(a) hereof shall not be applicable with regard to Special Products, but in lieu thereof it is agreed as follows: If the information referred to in Section 1(b) hereof shall be covered by the claims of any United States patent or application therefor owned or controlled by CIBA or any of its subsidiaries, TRC and its subsidiaries shall, upon TRC's reaching an agreement with CIBA regarding reasonable royalties, if any, to be paid to CIBA therefor, be deemed to have a non-exclusive and non-assignable license to manufacture in their own plants and sell all products, to practice therein all processes, and to use therein all equipment, covered by such claims and included within the field of this Agreement, but only in connection with the manufacture and sale to any of its customers of any dyes or pigments, with the exception of Special Products of GEIGY. Nothing contained in this Section 3(b) shall be deemed to give to TRC the right to sell to any customer other than CIBA or a subsidiary of CIBA, or to use itself, dyes or pigments which are Special Products of CIBA.

4. The agreement between the parties dated October 1, 1946, shall not be deemed to apply to the present Agreement, nor to any scientific or technical information disclosed by CIBA to TRC hereunder, and such information and the rights and obligations of the parties in respect thereof shall be governed solely by the terms of this Agreement.

5(a). TRC agrees to make available to trustworthy representatives of CIBA, at TRC's plants or in some other reasonable manner, so long as this Agreement shall be in effect, all scientific and technical information within the field of this Agreement, whether such information shall have been discovered or developed by TRC itself or obtained by it from a third party, subject, in the case of information obtained from a third party, to any restrictions imposed upon the use thereof by such third party. If TRC shall specify at the time of disclosing any confidential scientific or technical information discovered or developed by it, that no commercial use thereof may be made without its written consent, neither CIBA nor any of its subsidiaries shall make any commercial use thereof until after (i) it shall have reached an agreement with TRC regarding royalties, if any, to be paid to TRC therefor, or (ii) such royalties shall have been determined by arbitration as hereinafter provided. Such royalties shall be negotiated separately between the parties in each instance, and shall be reasonable. In the event the parties shall be unable to agree upon any such royalty, the amount or other terms thereof, as the case may be, shall be determined by arbitration. Should TRC grant to any third party the right to make commercial use of such information on terms in respect thereof more favorable than those arrived at pursuant to the foregoing provisions of this paragraph, CIBA shall from and after the grant of such more favorable terms to said third party

be entitled to the benefit thereof.

5(b). Section 5(a) hereof shall not be applicable with regard to Special Products of GEIGY or SANDOZ or to any scientific or technical information received by TRC from GEIGY or SANDOZ or developed by TRC in connection with Special Products of GEIGY or SANDOZ. Section 5(a) shall be applicable to Special Products of CIBA, except that CIBA shall be entitled to the nonexclusive, nonassignable and royalty-free right and license to make commercial use of all scientific and technical information discovered or developed by TRC itself relating to Special Products of CIBA as are not covered, at the time and in the country in question, by patents of TRC.

6(a). TRC further agrees to offer to CIBA and its subsidiaries nonexclusive licenses under any United States patents that may be owned or controlled by TRC or any of its subsidiaries covering products included within the field of this Agreement, to use and sell (but not to manufacture) any such products, and nonexclusive licenses under any patents issued in countries other than the United States, and under any applications therefor, to manufacture, use and sell any products and to practice any processes covered by the claims of such patents or applications.

The royalties for such licenses shall be negotiated separately

between the parties in each instance and shall be reasonable. No royalties shall be payable with respect to products purchased by CIBA and its subsidiaries from TRC. In the event the parties shall be unable to agree upon any such royalty, the amount or other terms thereof, as the case may be, shall be determined by arbitration. Should TRC grant to any third party a license under any of such patents, or applications therefor, on terms more favorable than those arrived at pursuant to the foregoing provisions of this paragraph in respect of such patent for the country in question, CIBA shall from and after the grant of such more favorable license to said third party be entitled to the benefit of such more favorable terms.

6(b). Section 6(a) hereof shall not be applicable with regard to Special Products, but in lieu thereof it is agreed as follows: TRC shall offer to CIBA and its subsidiaries nonexclusive, nonassignable and royalty-free licenses under any United States or foreign patents that may be owned or controlled by TRC or any of its subsidiaries covering inventions dominated by any claim of any United States or foreign patent of CIBA, to manufacture, use and sell any products and to practice any processes covered by said dominated patents.

7(a). In order to promote full and continuous scientific and

technical collaboration between the parties, TRC agrees to supply CIBA with the data necessary to enable it to evaluate the results obtained by TRC from its manufacturing operations and to guide CIBA in research and investigation the results of which could assist TRC in making the most efficient use of its existing facilities or those it may acquire in the future. Such data shall include full information regarding manufacturing costs, availability of raw materials and equipment, the cost of operating particular equipment or conducting particular processes and other experience as to such equipment or processes and any changes in the line of products that may be proposed by the management.

7(b). Section 7(a) hereof shall not apply to Special Products of GEIGY or SANDOZ.

8(a). All information and techniques communicated by either party to the other pursuant to this Agreement and expressly designated as confidential shall be kept confidential, and shall not be disclosed to third parties without the prior written consent of the communicating party except pursuant to the provisions of the agreements mentioned in Section 4 of the Preamble hereto corresponding to the provisions of Section 5(a) of Article II of this Agreement, and except that such information and techniques may be disclosed by either party to its own directors, officers and trustworthy employees.

8(b). Section 8(a) hereof shall not apply to Special Products.

9. In the event that CIBA, at the request of TRC, performs engineering or other technical services in connection with the design, construction or operation of TRC's plants or equipment, TRC shall pay to CIBA on demand a fee equivalent to the reasonable cost to CIBA of performing such services, plus 15% thereof.

10. CIBA agrees to indemnify TRC and save it harmless against any and all liability with respect to claims for income taxes (including claims for interest and penalties thereon) that may be asserted against TRC by the United States or any State thereof by reason of any amounts paid to CIBA pursuant to this Agreement.

11(a). Nothing herein shall prevent the disclosure by either party to anyone of any scientific or technical information developed or discovered by it and not received from the other party hereto or of any information which shall be generally available to the public or of any information received from the other party more than ten years prior to the date of such disclosure.

11(b). Section 11(a) hereof shall not apply to Special Products.

ARTICLE III

Term of Agreement

1. Unless sooner terminated as hereinafter provided, this Agreement

shall remain in effect for an initial period of ten years from the date hereof, and shall remain in effect from year to year thereafter, subject to the right of either party to terminate the same at the end of any year after the expiration of said initial ten-year period by giving to the other party, at least five years prior to the termination date, written notice by mail or cable of intent to terminate. If either of the agreements mentioned in Section 4 of the Preamble hereto shall be terminated or if any of the respective Supply Contracts of even date herewith between TRC and Ciba Company, Inc., Geigy Chemical Corporation, and Sandos, Inc., respectively, shall be terminated, TRC shall promptly notify CIBA thereof. Upon receipt of such notification, CIBA may, at any time within one year thereafter, terminate this Agreement by giving to TRC written notice thereof, specifying a termination date which shall be not less than 30 days nor more than one year after the giving of such notice; whereupon this Agreement shall terminate on the date so specified.

In the event that this Agreement shall expire or be terminated as above provided, all rights herein granted shall cease on the expiration or termination date, as the case may be, except that the expiration or termination of this Agreement shall not affect (a) the right of either party to use any scientific or technical information theretofore disclosed to it hereunder subject to the provisions hereof respecting commercial use thereof or disclosure to third parties, or (b) any rights granted under patents or applications therefor, pursuant hereto, or (c) any rights

to royalties in accordance with the terms of any royalty arrangements entered into pursuant hereto, or (d) any right of any party in respect of any damages or loss resulting from any default under this Agreement or any liability under Section 10 of Article II hereof.

Article IV

Notices

Any notice provided for herein shall be sent by registered mail or cable addressed to the party for whom it is intended at the address set forth at the head of this Agreement, or at such other address as such party shall have specified for such purpose in a notice given to the other party. The mailing or dispatch of such notice shall be sufficient service of any notice provided for in this Agreement.

Article V

Waivers

No delay or omission by either party in the exercise of any right under this Agreement shall impair the right or be deemed to constitute a waiver of or acquiescence in any default, or preclude any subsequent exercise of the right; nor shall any right under this Agreement be deemed to have been waived unless the waiver is in writing and signed by the party waiving such right.

Article VI

Assignability

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but shall not otherwise be assigned or transferred by any party.

Article VII

Arbitration

All disputes in connection with this Agreement, and any other matter to be determined by arbitration as herein provided, shall be finally settled by arbitration. The arbitration shall be held in Basle, Switzerland, and shall be conducted in accordance with the Rules of the International Chamber of Commerce. Judgment upon the award rendered may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

Article VIII

Articles IV, V, VI and VII hereof apply also to Royalty Agreements (Special Product) concluded pursuant to this Agreement.

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

CIBA LIMITED

TOMS RIVER CHEMICAL CORPORATION

President

Attest:

Secretary

(EXHIBIT 1)

ROYALTY AGREEMENT (Special Product)

ROYALTY AGREEMENT NO. _____ dated _____, 19___, entered into between CIBA LIMITED, a Swiss corporation having its principal place of business in Basle, Switzerland (hereinafter referred to as "Licensor"), and TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation having an office at Toms River, New Jersey (hereinafter referred to as "Licensee"), pursuant to the Scientific and Technical Collaboration Agreement between the parties hereto dated as of June 30, 1955, as amended as of July 1, 1959.

WHEREAS the parties hereto have entered into a certain "Scientific and Technical Collaboration Agreement" dated as of June 30, 1955, as amended, which agreement is in full force and effect (hereinafter referred to as the STC Agreement), and

WHEREAS the parties hereto desire to enter into a Royalty Agreement pursuant to the STC Agreement:

ACCORDINGLY the parties hereto, each in consideration of the agreements of the other herein contained, hereby agree as follows:

1. Royalties

(a) Licensee shall pay royalties to Licensor at the rates set forth in Schedule A hereto in respect of the product or respective products covered by this Agreement; provided, however, that no royalty shall be payable hereunder with respect to any product unless Licensee or its subsidiaries shall have actually used in the manufacture thereof confidential scientific and technical information disclosed by Licensor hereunder or unless such product or the process or equipment used by Licensee or its subsidiaries in the manufacture thereof shall at the time of such manufacture be covered by a claim of a subsisting United States patent or pending application therefor licensed hereunder; and provided, further that no royalty shall be paid on the quantity of any intermediate used in any finished product upon which Licensee shall at the time be obligated to pay a royalty to Licensor hereunder or under any other agreement between Licensor and Licensee.

(b) Royalties with respect to any finished product covered hereby shall be payable from the first date on which a commercial batch thereof shall have been sold by Licensee until the termination of the royalty period for such product set forth in Schedule A hereto, and royalties with respect to any intermediate covered hereby shall be payable from the first date on which a commercial batch of a finished product in the manufacture of which such intermediate is used shall have been sold by Licensee until the termination of the royalty period for such intermediate set forth in Schedule A hereto.

CIB 009 0397

(c) Royalties shall be paid within 45 days after each June 30 and December 31 on the basis of sales of finished products effected or intermediates used during the semi-annual period ending on such June 30 or December 31, as the case may be. Sales shall be deemed to be effected when the finished products sold are delivered or paid for if paid for before delivery. Each payment of royalties shall be accompanied by a full and complete statement of information necessary to verify royalties payable hereunder. If for any reason Licensee shall have overpaid royalties due for any semi-annual period, it may thereafter deduct the amount of the overpayment from the royalties due for the semi-annual period during which the amount of the overpayment is determined.

(d) Royalty payments shall be made by Licensee to Licensor at Licensor's office in Basle. The liability for such payments shall accrue, and the amount thereof shall be computed in United States dollars and be converted, if requested by Licensor and if possible, into Swiss francs at the prevailing official rate for purposes of payments to Licensor. Licensee will use its best efforts to effect payment in Basle in Swiss francs and will execute all license applications or other documents required for that purpose. In the event that payment in Swiss francs shall be impossible, Licensee shall make payment in U.S. dollars at such bank in New York City as may be designated by Licensor (or in default of such designation to any bank in New York City) for credit to the account of Licensor.

CIB 009 0398

(e) Licensee shall keep full and accurate records of its sales and costs of products in respect of which royalties shall be payable hereunder, which shall be open to inspection during regular business hours by Licensor's accredited representatives at any time during the calendar year covered by such records and during three years thereafter.

2. Improvements

With respect to any product listed in Schedule A hereto as to which royalties shall be payable or shall have been paid hereunder, Licensee shall be entitled, subject to the restrictions set forth in said STC Agreement, to make commercial use, without payment of further royalty, of all improvements in, or scientific and technical information relating to, such product or any process for the manufacture thereof, provided that such improvements or such information (a) shall have been disclosed during or prior to the period in which Licensee shall have paid royalties hereunder with respect to such product, and (b) shall not constitute in substance a new or different product or process.

3. Duration of Licenses

The patent licenses herein granted shall continue for the respective lives of the patents in question, and the rights and licenses granted hereunder with respect to the commercial use of confidential scientific and technical information shall be perpetual.

4. Definitions

Whenever used in this Agreement, including Schedule A hereto:

CIB 009 0399

(a) The term "finished product" means any product sold by Licensee as such, whether a finished dyestuff in the technical sense or other chemical which may be used by the purchaser thereof in the manufacture of dyestuffs or other products.

(b) The term "intermediate" means any product not sold as such by Licensee but used by it in the manufacture of dyestuffs or other chemicals sold by Licensee.

(c) The term "net sales" means the aggregate of the prices for which finished products subject to royalties hereunder are sold in good faith by Licensee, less the sum of the following amounts applicable thereto:

i. Outward freight and express charged paid by Licensee;

ii. Cost of containers;

iii. Cash and volume discounts;

iv. Allowances actually made by Licensee on returned sales or by reason of defects or deficiencies in products sold; and

v. Sales taxes paid by Licensee.

(d) The term "cost price" means the total cost of manufacture of any intermediate, including factory overhead and general and administration expenses.

CIB 009 0400

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate as of the date first above written.

CIBA LIMITED

_____ _____

TOMS RIVER CHEMICAL CORPORATION

By_____
President

ROYALTY AGREEMENT (Special Product) NO. ____

SCHEDULE A

Product	Royalty Rate	Period of payment
_____	_____% of net sales	_____ years

If used as intermediate for manufacture of _____

_____ royalty rate shall be _____

_____, payable for _____ years.

CIBA LIMITED

TOMS RIVER CHEMICAL CORPORATION

By _____

EXHIBIT A (s)

TRC
PAPERS OF BOARD MEETING
No.
Date APR 22 1964

SCIENTIFIC AND TECHNICAL COLLABORATION AGREEMENT

dated as of June 30, 1955, between SANDOZ LIMITED, a Swiss corporation having its principal place of business in Basle, Switzerland (hereinafter referred to as "SANDOZ"), and TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation having its principal place of business in Toms River, New Jersey, (whose corporate title was formerly "Toms River-Cincinnati Chemical Corporation", and which is hereinafter referred to as "TRC"), as amended herein as of July 1, 1959.

Preamble

1. SANDOZ has for many years engaged in the development, manufacture and sale on an extensive scale of dyes for the coloring of textiles and other materials and dye intermediates. It maintains and continuously develops research laboratories, analytical laboratories, factory laboratories, manufacturing and pilot plants, dye houses and standardization and engineering departments and has heretofore acquired in the past and expects to acquire in the future valuable scientific and technical information, including developments, secret processes, formulae, inventions, know-how, special apparatus and equipment, production and application techniques and data.

2. TRC is engaged in the manufacture of dyes and dye intermediates. It owns manufacturing plants and offices located in Ocean County, Dover Township, near Toms River, New Jersey, for the manufacture of dyes and intermediates which have not previously been manufactured on a commercial scale by TRC.

3. TRC considers that the production of the dyes that it presently manufactures and may hereafter manufacture will be greatly facilitated in terms of both quality and economy by full and continuous scientific and technical collaboration between the parties in respect of such dyes. Accordingly, TRC desires to obtain the benefit of the latest and best manufacturing techniques, processes and equipment employed by SANDOZ in its manufacturing plants and laboratories relating to such dyes and other products as are within the field of this Agreement. TRC also desires to obtain the benefit of all improvements to its existing products, and all processes, inventions and scientific and technical information that SANDOZ may have already discovered, developed, or otherwise acquired or that it may hereafter discover, develop or otherwise acquire in the field of this Agreement and during the term thereof.

4. SANDOZ is willing to collaborate with TRC as aforesaid against payment of fair and adequate compensation and on the terms and conditions set forth in this Agreement; and TRC has entered into substantially similar agreements with J.R. Geigy, S.A. (hereinafter referred to as "GEIGY") and Ciba Limited (hereinafter referred to as "CIBA").

NOW, THEREFORE, the parties hereto, each in consideration of the premises and the agreements of the other herein contained, hereby agree as follows:

Article I

Definitions

1. The term "field of this Agreement" means the following:

A. Each dye and pigment that TRC has manufactured prior to the date of this Agreement, is currently manufacturing (including products heretofore manufactured in the Toms River plant of Ciba States Limited), or may manufacture in the future with SANDOZ' consent during the term of this Agreement, except:

(a) Water-soluble enolic etherial salts of reduced cyclic ketones (indigosols) which are the subject of an

agreement dated June 1, 1954, between Durand & Huguenin A.G. and Ciba States Limited (to the rights and obligations of which [illegible], as assignee of Ciba States Limited and as successor to its entire dyestuffs business, has succeeded), and

(b) Such other dyes or pigments as SANDOZ may designate, with the approval of GEIGY and CIBA.

B. Intermediates to the extent that they are suitable for use in the production of said dyes and pigments;

C. Processes and manufacturing techniques for producing said dyes, pigments or intermediates;

D. Designs of apparatus and equipment used in such processes;

E. Compositions of said dyes or pigments and other substances added for commercial purposes;

F. Such added substances and processes for producing them; and

G. The use of said dyes, pigments and compositions in dyeing and printing.

2. The term "United States" means the United States of America, its territories and possessions.

3. The term "third parties" means persons, firms, corporations or entities other than GRC and SANDOZ.

4. A "subsidiary" of a company that is a party to or referred to in this Agreement, means any company not a party to this Agreement, a majority of whose voting stock is beneficially owned, directly or indirectly, by the said party or company referred to in this Agreement.

5. A Special Product means any dye or pigment that is a so-called Special Product as defined in Section 6 of the Supply Contract dated as of June 30, 1955, between TRC and Sandoz, Inc., as amended by the Supplemental Agreement thereto dated as of July 1, 1959, and as defined in Section 7 of the similar Supply Contracts dated as of June 30, 1955 between TRC and Ciba Company, Inc., and TRC and Geigy Chemical Corporation, as amended by Supplemental Agreements thereto dated as of July 1, 1959.

6. A "Special Product of SANDOZ" means a "Special Product" to be sold exclusively by TRC to SANDOZ or its subsidiaries. A "Special Product of CIBA" means a "Special Product" to be sold exclusively by TRC to CIBA or its subsidiaries. A "Special Product of GEIGY" means a "Special Product" to be sold exclusively by TRC to GEIGY or its subsidiaries.

Article II

Scope of Scientific and Technical Collaboration: Royalties

1(a). SANDOZ agrees to disclose to TRC promptly after the execution of this Agreement, and to continue to disclose currently so long as this Agreement shall be in effect, all its scientific and technical information relating to the field of this Agreement. Such of said scientific and technical information as shall be confidential and not generally available to the public is hereinafter sometimes referred to as confidential scientific and technical information.

1(b). Section 1(a) hereof shall not be applicable with regard to Special Products, but in lieu thereof it is agreed as follows: SANDOZ agrees to disclose to TRC in confidence promptly after the execution of this Agreement, and to continue to disclose currently and in confidence so long as this Agreement shall be in effect, all scientific, technical and operating information now or hereafter in SANDOZ' possession and which it shall be free to disclose, including design, process and engineering information, know-how, trade secrets and cost data, as SANDOZ shall deem requisite for the production by TRC of each Special Product of SANDOZ that shall hereafter be made the subject of a "Royalty Agreement (Special Product)" between SANDOZ and TRC, in substantially the form

annexed hereto, marked "Exhibit 1". Such information may be used by TRC in the manufacture and sale to any of its customers of any dyes or pigments, with the exception of Special Products of GEIGY.

Nothing contained in this Section 1(b) shall be deemed to give TRC the right to sell to any customer other than SANDOZ or a subsidiary of SANDOZ, or to use itself, dyes or pigments which are Special Products of SANDOZ.

1(c). TRC shall use all reasonable efforts to protect the confidentiality of the information to be disclosed hereunder with regard to Special Products of SANDOZ. Without limiting the generality of the foregoing, TRC shall use all reasonable efforts to prevent unauthorized disclosure by its employees, and shall not without the prior written consent of SANDOZ disclose any of said information to any third party.

1(d). All improvements made or developed by TRC in Special Products of SANDOZ, and all scientific, technical or operating information discovered or developed by TRC relating thereto, may be used by TRC in connection with the manufacture for any of its customers of any dyes or pigments.

2(a). If SANDOZ shall specify at the time of disclosing any confidential scientific or technical information

that no commercial use thereof may be made without its written consent, neither TRC nor any of its subsidiaries shall make any commercial use thereof until after (i) it shall have reached an agreement with SANDOZ regarding royalties, if any, to be paid to SANDOZ therefor, or (ii) such royalties shall have been determined by arbitration as hereinafter provided. Such royalties shall be negotiated separately between the parties in each instance, and shall be reasonable. In the event the parties shall be unable to agree upon any such royalty, the amount or other terms thereof, as the case may be, shall be determined by arbitration. No royalties or other compensation shall be required to be paid under this Agreement with respect to any scientific or technical information required to be disclosed by either party under the agreement between the parties dated October 1, 1946, or under any license agreement made pursuant thereto.

2(b). Section 2(a) hereof shall not be applicable with regard to Special Products.

3(a). If the information referred to in Section 2(a) hereof shall be covered by the claims of any United States patent or application therefor owned or controlled by SANDOZ or any of its subsidiaries, TRC and its subsidiaries shall, upon TRC's reaching an agreement with SANDOZ regarding royalties

as aforesaid (or upon the determination thereof by arbitration in the event of failure so to agree), be deemed to have a non-exclusive and non-assignable license to manufacture in their own plants and sell all products, to practice in their own plants all processes, and to use in their own plants all equipment, covered by such claims and included within the field of this Agreement.

3(b). Section 3(a) hereof shall not be applicable with regard to Special Products, but in lieu thereof it is agreed as follows: If the information referred to in Section 1(b) hereof shall be covered by the claims of any United States patent or application therefor owned or controlled by SANDOZ or any of its subsidiaries, TRC and its subsidiaries shall, upon TRC's reaching an agreement with SANDOZ regarding reasonable royalties, if any, to be paid to SANDOZ therefor, be deemed to have a non-exclusive and non-assignable license to manufacture in their own plants and sell all products, to practice therein all processes, and to use therein all equipment, covered by such claims and included within the field of this Agreement, but only in connection with the manufacture and sale to any of its customers of any dyes or pigments with the exception of Special Products of GEIGY.

Nothing contained in this Section 3(b) shall be deemed to give TRC the right to sell to any customer other

than SANDOZ or a subsidiary of SANDOZ, or to use itself, dyes or pigments which are Special Products of SANDOZ.

4. The agreement between the parties dated October 1, 1946, shall not be deemed to apply to the present Agreement, nor to any scientific or technical information disclosed by SANDOZ to TRC hereunder, and such information and the rights and obligations of the parties in respect thereof shall be governed solely by the terms of this Agreement.

5(a). TRC agrees to make available to trustworthy representatives of SANDOZ, at TRC's plants or in some other reasonable manner, so long as this Agreement shall be in effect, all scientific and technical information within the field of this Agreement, whether such information shall have been discovered or developed by TRC itself or obtained by it from a third party, subject, in the case of information obtained from a third party, to any restrictions imposed upon the use thereof by such third party. If TRC shall specify at the time of disclosing any confidential scientific or technical information discovered or developed by it, that no commercial use thereof may be made without its written consent, neither SANDOZ nor any of its subsidiaries shall make any commercial use thereof until after (i) it shall have reached an agreement with TRC regarding royalties, if any, to be paid to TRC therefor,

or (ii) such royalties shall have been determined by arbitration as hereinafter provided. Such royalties shall be negotiated separately between the parties in each instance, and shall be reasonable. In the event the parties shall be unable to agree upon any such royalty, the amount or other terms thereof, as the case may be, shall be determined by arbitration. Should TRC grant to any third party the right to make commercial use of such information on terms in respect thereof more favorable than those arrived at pursuant to the foregoing provisions of this paragraph, SANDOZ shall from and after the grant of such more favorable terms to said third party be entitled to the benefit thereof.

5(b). Section 5(a) hereof shall not be applicable with regard to Special Products of CIBA or GEIGY or to any scientific or technical information received by TRC from CIBA or GEIGY or developed by TRC in connection with Special Products of CIBA or GEIGY. Section 5(a) shall be applicable to Special Products of SANDOZ, except that SANDOZ shall be entitled to the non-exclusive, non-assignable and royalty-free right and license to make commercial use of all scientific and technical information discovered or developed by TRC itself relating to Special Products of SANDOZ as are not covered, at the time and in the country in question, by patents of TRC.

6(a). TRC further agrees to offer to SANDOZ and its subsidiaries non-exclusive licenses under any United States patents that may be owned or controlled by TRC or any of its subsidiaries covering products included within the field of this Agreement, to use and sell (but not to manufacture) any such products, and non-exclusive licenses under any patents issued in countries other than the United States, and under any applications therefor, to manufacture, use and sell any products and to practise any processes covered by the claims of such patents or applications.

The royalties for such licenses shall be negotiated separately between the parties in each instance and shall be reasonable. No royalties shall be payable with respect to products purchased by SANDOZ and its subsidiaries from TRC. In the event the parties shall be unable to agree upon any such royalty, the amount or other terms thereof, as the case may be, shall be determined by arbitration. Should TRC grant to any third party a license under any of such patents, or applications therefor, on terms more favorable than those arrived at pursuant to the foregoing provisions of this paragraph in respect of such patent for the country in question, SANDOZ shall from and after the grant of such more favorable license to said third party be entitled to the benefit of such more favorable terms.

6(b). Section 6(a) hereof shall not be applicable with regard to Special Products, but in lieu thereof it is agreed as follows: TRC shall offer to SANDOZ and its subsidiaries non-exclusive, non-assignable and royalty-free licenses under any United States or foreign patents that may be owned or controlled by TRC or any of its subsidiaries covering inventions dominated by any claim of any United States or foreign patent of SANDOZ, to manufacture, use and sell any products and to practice any processes covered by said dominated patents.

7(a). In order to promote full and continuous scientific and technical collaboration between the parties, TRC agrees to supply SANDOZ with the data necessary to enable it to evaluate the results obtained by TRC from its manufacturing operations and to guide SANDOZ in research and investigation the results of which could assist TRC in making the most efficient use of its existing facilities or those it may acquire in the future. Such data shall include full information regarding manufacturing costs, availability of raw materials and equipment, the cost of operating particular equipment or conducting particular processes and other experience as to such equipment or processes and any changes in the line of products that may be proposed by the management.

7(b). Section 7(a) hereof shall not apply to Special Products of CIBA or GEIGY.

8(a). All information and techniques communicated by either party to the other pursuant to this Agreement and expressly designated as confidential shall be kept confidential, and shall not be disclosed to third parties without the prior written consent of the communicating party except pursuant to the provisions of the agreements mentioned in Section 4 of the Preamble hereto corresponding to the provisions of Section 5(a) of Article II of this Agreement, and except that such information and techniques may be disclosed by either party to its own directors, officers and trustworthy employees.

8(b). Section 8(a) hereof shall not apply to Special Products.

9. In the event that SANDOZ, at the request of TRC, performs engineering or other technical services in connection with the design, construction or operation of TRC's plants or equipment, TRC shall pay to SANDOZ on demand a fee equivalent to the reasonable cost to SANDOZ of performing such services, plus 15% thereof.

10. SANDOZ agrees to indemnify TRC and save it harmless against any and all liability with respect to claims for income

taxes (including claims for interest and penalties thereon) that may be asserted against TRC by the United States or any State thereof by reason of any amounts paid to SANDOZ pursuant to this Agreement.

11(a). Nothing herein shall prevent the disclosure by either party to anyone of any scientific or technical information developed or discovered by it and not received from the other party hereto or of any information which shall be generally available to the public or of any information received from the other party more than ten years prior to the date of such disclosure.

11(b). Section 11(a) hereof shall not apply to Special Products.

Article III

Term of Agreement

1. Unless sooner terminated as hereinafter provided, this Agreement shall remain in effect for an initial period of ten years from the date hereof, and shall remain in effect from year to year thereafter, subject to the right of either party to terminate the same at the end of any year after the expiration of said initial ten-year period by giving to the other party, at least five years prior to the termination date,

written notice by mail or cable of intent to terminate. If either of the agreements mentioned in Section 4 of the Preamble hereto shall be terminated or if any of the respective Supply Contracts of even date herewith between TRC and Ciba Company, Inc., Geigy Chemical Corporation, and Sandoz, Inc., respectively, shall be terminated, TRC shall promptly notify SANDOZ thereof. Upon receipt of such notification, SANDOZ may, at any time within one year thereafter, terminate this Agreement by giving to TRC written notice thereof, specifying a termination date which shall be not less than 30 days nor more than one year after the giving of such notice; whereupon this Agreement shall terminate on the date so specified.

In the event that this Agreement shall expire or be terminated as above provided, all rights herein granted shall cease on the expiration or termination date, as the case may be, except that the expiration or termination of this Agreement shall not affect (a) the right of either party to use any scientific or technical information theretofore disclosed to it hereunder subject to the provisions hereof respecting commercial use thereof or disclosure to third parties, or (b) any rights granted under patents or applications therefor, pursuant hereto, or (c) any rights to royalties in accordance with the terms of any royalty arrangements entered into pursuant hereto, or (d) any right of any party in respect of

any damages or loss resulting from any default under this Agreement or any liability under Section 10 of Article II hereof.

ARTICLE IV

Notices

Any notice provided for herein shall be sent by registered mail or cable addressed to the party for whom it is intended at the address set forth at the head of this Agreement, or at such other address as such party shall have specified for such purpose in a notice given to the other party. The mailing or dispatch of such notice shall be sufficient service of any notice provided for in this Agreement.

ARTICLE V

Waivers

No delay or omission by either party in the exercise of any right under this Agreement shall impair the right or be deemed to constitute a waiver of or acquiescence in any default, or preclude any subsequent exercise of the right; nor shall any right under this Agreement be deemed to have been waived unless the waiver is in writing and signed by the party waiving such right.

Article VI

Assignability

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but shall not otherwise be assigned or transferred by any party.

Article VII

Arbitration

All disputes in connection with this Agreement, and any other matter to be determined by arbitration as herein provided, shall be finally settled by arbitration. The arbitration shall be held in Basle, Switzerland, and shall be conducted in accordance with the Rules of the International Chamber of Commerce. Judgment upon the award rendered may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

Article VIII

Articles IV, V, VI and VII hereof apply also to Royalty Agreements (Special Product) concluded pursuant to this Agreement.

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

SANDOZ LIMITED

_____

TOMS RIVER CHEMICAL CORPORATION

_____
President

Attest:

_____
Secretary

(EXHIBIT 1)

ROYALTY AGREEMENT (Special Product)

ROYALTY AGREEMENT NO. _____ dated _____ , 19___, entered into between SANDOZ LIMITED, a Swiss corporation having its principal place of business in Basle, Switzerland (hereinafter referred to as "Licensor"), and TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation having an office at Toms River, New Jersey (hereinafter referred to as "Licensee"), pursuant to the Scientific and Technical Collaboration Agreement between the parties hereto dated as of June 30, 1955, as amended as of July 1, 1959.

WHEREAS the parties hereto have entered into a certain "Scientific and Technical Collaboration Agreement" dated as of June 30, 1955, as amended, which agreement is in full force and effect (hereinafter referred to as the STC Agreement); and

WHEREAS the parties hereto desire to enter into a Royalty Agreement pursuant to the STC Agreement:

ACCORDINGLY the parties hereto, each in consideration of the agreements of the other herein contained, hereby agree as follows:

1. Royalties

(a) Licensee shall pay royalties to Licensor at the rates set forth in Schedule A hereto in respect of the product or respective products covered by this Agreement; provided,

however, that no royalty shall be payable hereunder with respect to any product unless Licensee or its subsidiaries shall have actually used in the manufacture thereof confidential scientific and technical information disclosed by Licensor hereunder or unless such product or the process or equipment used by Licensee or its subsidiaries in the manufacture thereof shall at the time of such manufacture be covered by a claim of a subsisting United States patent or pending application therefor licensed hereunder; and provided, further, that no royalty shall be paid on the quantity of any intermediate used in any finished product upon which Licensee shall at the time be obligated to pay a royalty to Licensor hereunder or under any other agreement between Licensor and Licensee.

(b) Royalties with respect to any finished product covered hereby shall be payable from the first date on which a commercial batch thereof shall have been sold by Licensee until the termination of the royalty period for such product set forth in Schedule A hereto, and royalties with respect to any intermediate covered hereby shall be payable from the first date on which a commercial batch of a finished product in the manufacture of which such intermediate is used shall have been sold by Licensee until the termination of the royalty period for such intermediate set forth in Schedule A hereto.

(c) Royalties shall be paid within 45 days after each June 30 and December 31 on the basis of sales of finished products effected or intermediates used during the semi-annual period ending on such June 30 or December 31, as the case may be. Sales shall be deemed to be effected when the finished products sold are delivered or paid for if paid for before delivery. Each payment of royalties shall be accompanied by a full and complete statement of information necessary to verify royalties payable hereunder. If for any reason Licensee shall have overpaid royalties due for any semi-annual period, it may thereafter deduct the amount of the overpayment from the royalties due for the semi-annual period during which the amount of the overpayment is determined.

(d) Royalty payments shall be made by Licensee to Licensor at Licensor's office in Basle. The liability for such payments shall accrue, and the amount thereof shall be computed in United States dollars and be converted, if requested by Licensor and if possible, into Swiss francs at the prevailing official rate for purposes of payments to Licensor. Licensee will use its best efforts to effect payment in Basle in Swiss francs and will execute all license applications or other documents required for that purpose. In the event that payment in Swiss francs shall be impossible, Licensee shall make payment in U. S. dollars at such bank in New York City

as may be designated by Licensor (or in default of such designation to any bank in New York City) for credit to the account of Licensor.

(e) Licensee shall keep full and accurate records of its sales and costs of products in respect of which royalties shall be payable hereunder, which shall be open to inspection during regular business hours by Licensor's accredited representatives at any time during the calendar year covered by such records and during three years thereafter.

2. Improvements

With respect to any product listed in Schedule A hereto as to which royalties shall be payable or shall have been paid hereunder, Licensee shall be entitled, subject to the restrictions set forth in said STC Agreement, to make commercial use, without payment of further royalty, of all improvements in, or scientific and technical information relating to, such product or any process for the manufacture thereof, provided that such improvements or such information (a) shall have been disclosed during or prior to the period in which Licensee shall have paid royalties hereunder with respect to such product, and (b) shall not constitute in substance a new or different product or process.

3. Durat[illegible] [illegible] Licenses

The patent licenses herein granted shall continue for the respective lives of the patents in question, and the rights

and licenses granted hereunder with respect to the commercial use of confidential scientific and technical information shall be perpetual.

4. Definitions

Whenever used in this Agreement, including Schedule A hereto:

(a) The term "finished product" means any product sold by Licensee as such, whether a finished dyestuff in the technical sense or other chemical which may be used by the purchaser thereof in the manufacture of dyestuffs or other products.

(b) The term "intermediate" means any product not sold as such by Licensee but used by it in the manufacture of dyestuffs or other chemicals sold by Licensee.

(c) The term "net sales" means the aggregate of the prices for which finished products subject to royalties hereunder are sold in good faith by Licensee, less the sum of the following amounts applicable thereto:

i. Outward freight and express charges paid by Licensee;

ii. Cost of containers;

iii. Cash and volume discounts;

iv. Allowances actually made by Licensee on returned sales or by reason of defects or deficiencies in products sold; and

v. Sales taxes paid by Licensee.

(d) The term "cost price" means the total cost of manufacture of any intermediate, including factory overhead and general and administration expenses.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate as of the date first above written.

SANDOZ LIMITED

_____

TOMS RIVER CHEMICAL CORPORATION

by_____
President

SCHEDULE A

(- Special Product)
ROYALTY AGREEMENT NO. _____

SCHEDULE A

Product	Royalty Rate	Period of payment
_____	____% of net sales	_____ years

If used as intermediate for manufacture of

_____ royalty rate shall be _____

_____, payable for _____ years.

SANDOZ LIMITED

TOMS RIVER CHEMICAL CORPORATION

SCIENTIFIC AND TECHNICAL COLLABORATION AGREEMENT

dated as of June 30, 1955, between J. R. GEIGY S.A., a Swiss corporation having its principal place of business in Basle, Switzerland (hereinafter referred to as "GEIGY"), and TOMS RIVER-CINCINNATI CHEMICAL CORPORATION, a Delaware corporation having an office at 1055 Laidlaw Avenue, Cincinnati, Ohio (hereinafter referred to as "TRC").

Preamble

1. GEIGY has for many years engaged in the development, manufacture and sale on an extensive scale of dyes for the coloring of textiles and other materials and dye intermediates. It maintains and continuously develops research laboratories, analytical laboratories, factory laboratories, manufacturing and pilot plants, dye houses and standardization and engineering departments and has heretofore acquired in the past and expects to acquire in the future valuable scientific and technical information, including developments, secret processes, formulae, inventions, know-how, special apparatus and equipment, production and application techniques and data.

2. TRC is engaged in the manufacture of dyes and dye intermediates. It owns manufacturing plants and offices located in or near the City of Cincinnati, and has acquired a modern and extensive plant in Ocean County, Dover Township, near Toms River, New Jersey, for the manufacture of dyes and

intermediates which have not previously been manufactured on a commercial scale by TRC.

3. TRC considers that the production of the dyes that it presently manufactures and may hereafter manufacture will be greatly facilitated in terms of both quality and economy by full and continuous scientific and technical collaboration between the parties in respect of such dyes. Accordingly, TRC desires to obtain the benefit of the latest and best manufacturing techniques, processes and equipment employed by GEIGY in its manufacturing plants and laboratories relating to such dyes and other products as are within the field of this Agreement. TRC also desires to obtain the benefit of all improvements to its existing products, and all processes, inventions and scientific and technical information that GEIGY may have already discovered, developed, or otherwise acquired or that it may hereafter discover, develop or otherwise acquire in the field of this Agreement and during the term thereof.

4. GEIGY is willing to collaborate with TRC as aforesaid against payment of fair and adequate compensation and on the terms and conditions set forth in this Agreement; and TRC has entered into or is about to enter into similar agreements with Ciba Limited and Sandoz Limited.

NOW, THEREFORE, the parties hereto, each in consideration of the premises and the agreements of the other herein contained, hereby agree as follows:

Article I

Definitions

1. The term "field of this Agreement" means the following:

A. Each dye and pigment that TRC has manufactured prior to the date of this Agreement, is currently manufacturing (including products heretofore manufactured in the Toms River plant of Ciba States Limited), or may manufacture in the future with GEIGY's consent during the term of this Agreement, except:

(a) Water-soluble enolic etherial salts of reduced cyclic ketones (Indigosols) which are the subject of an agreement dated June 1, 1954 between Durand & Huguenin A.G. and Ciba States Limited (to the rights and obligations of which TRC, as assignee of Ciba States Limited and as successor to its entire dyestuffs business, has succeeded), and

(b) Such other dyes or pigments as GEIGY may designate, with the approval of Ciba Limited and Sandoz Limited.

B. Intermediates to the extent that they are suitable for use in the production of said dyes and pigments;

C. Processes and manufacturing techniques for producing said dyes, pigments or intermediates;

D. Designs of apparatus and equipment used in such processes;

E. Compositions of said dyes or pigments and other substances added for commercial purposes;

F. Such added substances and processes for producing them; and

G. The use of said dyes, pigments and compositions in dyeing and printing.

2. The term "United States" means the United States of America, its territories and possessions.

3. The term "third parties" means persons, firms, corporations or entities other than TRC and GEIGY.

4. A "subsidiary" of a party means any company not a party to this Agreement, a majority of whose voting stock is beneficially owned, directly or indirectly, by a party to this Agreement.

Article II

Scope of Scientific and Technical Collaboration; Royalties.

1. GEIGY agrees to disclose to TRC promptly after the execution of this Agreement, and to continue to disclose currently so long as this Agreement shall be in effect, all its scientific and technical information relating to the field of this Agreement. Such of said scientific and technical information as shall be confidential and not generally available to the public is hereinafter sometimes referred to as confidential scientific and technical information.

2. If GEIGY shall specify at the time of disclosing any confidential scientific or technical information that no commercial use thereof may be made without its written consent, neither TRC nor any of its subsidiaries shall make any commercial use thereof until after (i) it shall have reached an agreement with GEIGY regarding royalties, if any, to be paid to GEIGY therefor, or (ii) such royalties shall have been determined by arbitration as hereinafter provided. Such royalties shall be negotiated separately between the parties in each instance, and shall be reasonable. In the event the parties shall be unable to agree upon any such royalty, the amount or other terms thereof, as the case may be, shall be determined by arbitration. No royalties or other compensation shall be required to be paid under this Agreement with

respect to any scientific or technical information required to be disclosed by either party under the agreement between the parties dated October 1, 1946, or under any license agreement made pursuant thereto.

3. If such information shall be covered by the claims of any United States patent or application therefor owned or controlled by GEIGY or any of its subsidiaries, TRC and its subsidiaries shall, upon TRC's reaching an agreement with GEIGY regarding royalties as aforesaid (or upon the determination thereof by arbitration in the event of failure so to agree), be deemed to have a non-exclusive and non-assignable license to manufacture in their own plants and sell all products, to practice in their own plants all processes, and to use in their own plants all equipment, covered by such claims and included within the field of this Agreement.

4. The agreement between the parties dated October 1, 1946 shall not be deemed to apply to the present Agreement, nor to any scientific or technical information disclosed by GEIGY to TRC hereunder, and such information and the rights and obligations of the parties in respect thereof shall be governed solely by the terms of this Agreement.

5. TRC agrees to make available to trustworthy representatives of GEIGY, at TRC's plants or in some other reasonable manner, so long as this Agreement shall be in

effect, all scientific and technical information within the field of this Agreement, whether such information shall have been discovered or developed by TRC itself or obtained by it from a third party, subject, in the case of information obtained from a third party, to any restrictions imposed upon the use thereof by such third party. If TRC shall specify at the time of disclosing any confidential scientific or technical information discovered or developed by it, that no commercial use thereof may be made without its written consent, neither GEIGY nor any of its subsidiaries shall make any commercial use thereof until after (i) it shall have reached an agreement with TRC regarding royalties, if any, to be paid to TRC therefor, or (ii) such royalties shall have been determined by arbitration as hereinafter provided. Such royalties shall be negotiated separately between the parties in each instance, and shall be reasonable. In the event the parties shall be unable to agree upon any such royalty, the amount or other terms thereof, as the case may be, shall be determined by arbitration. Should TRC grant to any third party the right to make commercial use of such information on terms in respect thereof more favorable than those arrived at pursuant to the foregoing provisions of this paragraph, GEIGY shall from and after the grant of such more favorable terms to said third party be entitled to the benefit thereof.

6. TRC further agrees to offer to GEIGY and its subsidiaries non-exclusive licenses under any United States patents that may be owned or controlled by TRC or any of its subsidiaries covering products included within the field of this Agreement, to use and sell (but not to manufacture) any such products, and non-exclusive licenses under any patents issued in countries other than the United States, and under any applications therefor, to manufacture, use and sell any products and to practice any processes covered by the claims of such patents or applications.

The royalties for such licenses shall be negotiated separately between the parties in each instance and shall be reasonable. No royalties shall be payable with respect to products purchased by GEIGY and its subsidiaries from TRC. In the event the parties shall be unable to agree upon any such royalty, the amount or other terms thereof, as the case may be, shall be determined by arbitration. Should TRC grant to any third party a license under any of such patents, or applications therefor, on terms more favorable than those arrived at pursuant to the foregoing provisions of this paragraph in respect of such patent for the country in question GEIGY shall from and after the grant of such more favorable license to said third party be entitled to the benefit of such more favorable terms.

7. In order to promote full and continuous scientific and technical collaboration between the parties, TRC agrees to supply GEIGY with the data necessary to enable it to evaluate the results obtained by TRC from its manufacturing operations and to guide GEIGY in research and investigation the results of which could assist TRC in making the most efficient use of its existing facilities or those it may acquire in the future. Such data shall include full information regarding manufacturing costs, availability of raw materials and equipment, the cost of operating particular equipment or conducting particular processes and other experience as to such equipment or processes and any changes in the line of products that may be proposed by the management.

8. All information and techniques communicated by either party to the other pursuant to this Agreement and expressly designated as confidential shall be kept confidential, and shall not be disclosed to third parties without the prior written consent of the communicating party except pursuant to the provisions of the agreements mentioned in Section 4 of the Preamble hereto corresponding to the provisions of Section 5 of Article II of this Agreement, and except that such information and techniques may be disclosed by either party to its own directors, officers and trustworthy employees.

9. In the event that GEIGY, at the request of TRC,

performs engineering or other technical services in connection with the design, construction or operation of TRC's plants or equipment, TRC shall pay to GEIGY on demand a fee equivalent to the reasonable cost to GEIGY of performing such services, plus 15% thereof.

10. GEIGY agrees to indemnify TRC and save it harmless against any and all liability with respect to claims for income taxes (including claims for interest and penalties thereon) that may be asserted against TRC by the United States or any State thereof by reason of any amounts paid to GEIGY pursuant to this Agreement.

11. Nothing herein shall prevent the disclosure by either party to anyone of any scientific or technical information developed or discovered by it and not received from the other party hereto or of any information which shall be generally available to the public or of any information received from the other party more than ten years prior to the date of such disclosure.

Article III

Term of Agreement

1. Unless sooner terminated as hereinafter provided, this Agreement shall remain in effect for an initial period of ten years from the date hereof, and shall remain in effect from year to year thereafter, subject to the right of

either party to terminate the same at the end of any year after the expiration of said initial ten year period by giving to the other party, at least five years prior to the termination date, written notice by mail or cable of intent to terminate. If either of the agreements mentioned in Section 4 of the Preamble hereto shall be terminated or if any of the respective Supply Contracts of even date herewith between TRC and Ciba Company, Inc., Geigy Chemical Corporation, and Sandoz Chemical Works, Inc., respectively, shall be terminated, TRC shall promptly notify GEIGY thereof. Upon receipt of such notification, GEIGY may, at any time within one year thereafter, terminate this Agreement by giving to TRC written notice thereof, specifying a termination date which shall be not less than 30 days nor more than one year after the giving of such notice; whereupon this Agreement shall terminate on the date so specified.

In the event that this Agreement shall expire or be terminated as above provided, all rights herein granted shall cease on the expiration or termination date, as the case may be, except that the expiration or termination of this Agreement shall not affect (a) the right of either party to use any scientific or technical information theretofore disclosed to it hereunder subject to the provisions hereof respecting commercial use thereof or disclosure to third

parties, or (b) any rights granted under patents or applications therefor, pursuant hereto, or (c) any rights to royalties in accordance with the terms of any royalty arrangements entered into pursuant hereto, or (d) any right of any party in respect of any damages or loss resulting from any default under this Agreement or any liability under Section 10 of Article II hereof.

Article IV

Notices

Any notice provided for herein shall be sent by registered mail or cable addressed to the party for whom it is intended at the address set forth at the head of this Agreement, or at such other address as such party shall have specified for such purpose in a notice given to the other party. The mailing or dispatch of such notice shall be sufficient service of any notice provided for in this Agreement.

Article V

Waivers

No delay or omission by either party in the exercise of any right under this Agreement shall impair the right or be deemed to constitute a waiver of or acquiescence in any default, or preclude any subsequent exercise of the right;

nor shall any right under this Agreement be deemed to have been waived unless the waiver is in writing and signed by the party waiving such right.

Article VI

Assignability

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but shall not otherwise be assigned or transferred by any party.

Article VII

Arbitration

All disputes in connection with this Agreement, and any other matter to be determined by arbitration as herein provided, shall be finally settled by arbitration. The arbitration shall be held in Basle, Switzerland, and shall be conducted in accordance with the Rules of the International Chamber of Commerce. Judgment upon the award rendered may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

IN WITNESS WHEREOF, the parties have executed this Agreement in two counterparts as of the day and year

first above written.

J. R. GEIGY S.A.,

C. Koechlin Dr. H. Koechlin

TOMS RIVER-CINCINNATI CHEMICAL CORPORATION,

By David B. Dyche
President

Attest:

T. H. Saari
Secretary

[Corporate Seal]

5

TOMS RIVER CHEMICAL CORPORATION PRODUCTION ADVISORY COMMITTEE

cc: Mr. Lefri
Dr. Lieber
Dr. Lehner
6/4/68
ok 6/4/68

N O T E No. 37

on the Meeting held on May 3, 1968

Present : Dr. H. Buess
Dr. S-P. Jacot (for agenda 2 a)
Dr. R. Monnier
Dr. R. Scheitlin

Agenda : 1. Supply Agreement

2. Credits

a) Solvent Recovery Project
Expansion South Dyes Area

b) Building 203 - Expansion of Maintenance and Repair and Engineering Facilities (step I)

c) Installation of Additional Aqualators - Waste Treatment Plant 721

d) Concrete Roof Plank Replacement and Installation of Roof Exhaust Fans - Building 104

e) Various

1. Supply Agreement

The Committee was informed that CIBA recently had installed capacity in Basle for the production of

Deorlene Brilliant Yellow 5G (Genacryl Yellow 5GF (GAF)
Deorlene Brilliant Red 4G (Sevron Brilliant Red 4G (DuP)

products which were considered by TRC for inclusion in the TRC range of products. However, were these colors to be manufactured by TRC, part of the Basle capacity would become redundant and it is therefore proposed by CIBA to supply ex Basle Deorlene Brilliant Yellow 5G and Deorlene Brilliant Red 4G to the U.S. selling companies of the other two shareholders at prices not higher than TRC's estimated selling prices.

Both, Dr. Buess and Dr. Scheitlin agreed that, especially in view of the anticipated shortage of capacity at TRC, CIBA's proposal would lead to more rational production and promised to comment on it after having consulted their respective sales organisations.

2. Credits

a) Solvent Recovery Project - Extension South Dyes Area

Although the results of the market survey for products likely to be produced in the South Dyes Area have not yet been received and evaluated by the shareholders, the Committee was informed on the preliminary studies which were made in cooperation with Mr. Petri and Dr. Sieber of TRC, in order to find ways and means to create additional production capacities for profitable products likely to be in demand in the next few years. This study was carried out based on the idea that by eliminating

a) low volume products or
b) products with low profit contribution

from the TRC range of colors, manufacturing capacities would become available to accomodate the sales program as it may result from the market forecast presently being conducted.

This preliminary survey has revealed that approximately 15 items in the present range and all pigments presently manufacted in the South Dyes Area fail to produce an adequate return (<60 % contribution / sales amount) and it is therefore suggested that the selling companies examine how they would be affected were these products eliminated from the TRC range. It goes without saying that a certain sacrifice is unavoidable in this respect but such economies would ultimately work out in the interest of all concerned.

As soon as consolidated sales forecasts will be available, this survey will be carried out in detail so that all implications can be calculated, i.e.

1. Equipment occupancy for production program for forecasted dyes. Detection of "bottle necks"
2. Effect of proposed deletion list on equipment occupancy and "bottle necks"
3. Financial effect of described measures.

The members of the Committee decided to follow up the proposals (especially the elimination of the pigment range) with their respective selling companies and agreed to further discuss the matter prior to the Board meeting in September.

b. <u>Building 101 - Expansion of Maintenance and Repair and Engineering Facilities</u>

The Committee discussed the request for an appropriation in the amount of $ 752.000.- received from the TRC management concerning the first step of the project to enlarge the engineering facilities. In its entirety the project will cost $ 1.705.000.-.

It was the consensus of opinion of the meeting that, in order for TRC to remain competitive, investments, especially those that are unproductive, should be judged with the utmost reserve. As the advantages derived from the execution of this project at first sight seem to be out of proportion to the cost, the Committee agreed to avail itself of the opportunity of Dr. Sponagel's impending visit to Basle to discuss the project with him.

c) Installation of Additional Aqualators - Waste Treatment Plant 721

The Committee agreed to recommend to the Board of Directors to appropriate the sum of

$ 64.000.-

for the installation of these additional aqualators for the waste treatment plant.

d) Concrete Roof Plank Replacements and Installations of Roof Exhaust Fans - Building 104

The Committee agreed to recommend to the Board of Directors that a credit in the amount of

$ 43.900.-

be granted for the replacements of concrete roof planks and the installation of roof exhaust fans, building 104.

e) [illegible] Slaking Equipment - Building 712 - Overrun

The Committee learned with disappointment of the overrun in the amount of $ 25.645.- incurred in the execution of appropriation No. 2698 of which $ 17.100. [illegible] not covered by contingencies.

The Committee agreed to recommend to the Board that the amount of

$ 17.100.-

be granted to cover the overrun but at the same time expressed its hope that estimates be prepared more carefully in the future.

f) Replacement of Skylight Glass - Building 306

The Committee agreed to recommend to the Board of Directors to appropriate the amount of

$ 26.000.-

for replacement of the skylight glass in building 306 by corrugated [illegible].

TOMS RIVER CHEMICAL CORPORATION

MINUTES OF THE 355TH MEETING OF THE BOARD OF DIRECTORS HELD
WEDNESDAY, MAY 22, 1968

A regular meeting of the Board of Directors of Toms River Chemical Corporation was held at Toms River, New Jersey, on Wednesday, May 22, 1968, at 10:30 o'clock in the forenoon.

Present:
Mr. T. O. Boucher
Dr. H. Buess
Dr. J. W. Luthy
Mr. A. M. MacKinnon
Mr. R. T. Parker
Dr. R. Scheitlin
Dr. R. K. Sponagel
Mr. C. O. Stevenson
Mr. C. A. Suter

constituting a quorum.

Absent:
Dr. E. Bernasconi
Dr. M. Brunner
Dr. R. Monnier
Prof. Dr. M. Staehelin
Dr. V. H. Umbricht

Also present by invitation of the Board were:

Dr. A. Kaufmann, Deputy Manager, Dyestuffs Marketing, Sandoz, Ltd.
Mr. J. C. Petri, Treasurer
Dr. P. Wehner, Vice President - Research & Development.

In the absence of the Chairman of the Board, Mr. Boucher, Vice Chairman, presided over the meeting, and Mr. T. H. Saari, Corporate Secretary, acted as Secretary of the meeting and took the minutes thereof.

The Secretary presented a copy of the notice of meeting mailed to each Director on May 9, 1968, which was ordered filed in the minute book.

WELCOME BY CHAIRMAN

The Chairman extended a welcome on behalf of the other members of the Board to Dr. H. Buess and Dr. A. Kaufmann on their visit, and to Dr. R. Scheitlin and Mr. C. O. Stevenson on their attendance for the first time as Directors of the Corporation.

APPROVAL OF MINUTES OF APRIL MEETING

Upon motion duly made and seconded, the minutes of the April 23, 1968, meeting of the Board of Directors were unanimously approved.

REPORT ON ELECTION OF MR. C. O. STEVENSON AS DIRECTOR

The Secretary reported that a consent of the holder of all of the Class A stock of the Corporation to the election to the Board of Directors of Mr. C. O. Stevenson had been filed on April 23, 1968, the effective date of his term as a Director.

REPORT OF THE TREASURER

The Treasurer presented a report on operations of the Corporation for April, which was discussed and ordered filed with the papers of the meeting. During the discussion of the report the following additional points were noted:

1) The average overhead absorption per day, which is indicative of plant production has been as follows since the beginning of the year:

January	$68,700
February	$70,300
March	$72,500
April	$73,600

2) Research and development expenses of $88,000 for April were abnormally low in comparison to an average of $128,000 per month for the

first quarter. The reduction resulted primarily from credits to pilot plant operations for manufactured products transferred to inventory accounts and from a clean-up program in which various chemical raw materials, which had been previously expensed, were returned to stock.

3) April miscellaneous income of $34,000 includes $18,000 representing an adjustment of charges to CIBA in 1967 for auxiliary services. This adjustment is made annually based upon computations made after the year end, comparing actual costs allocable to CIBA under the CIBA-TRC Operating Agreement with amounts billed during 1967.

4) The changes in the report, with respect to the amount or timing of expenditures on various capital projects, reflect a reduction from $1,800,000 to $1,500,000 in the estimated cost of the proposed new Research & Development Building and Equipment, and the deferral by one or two years of expenditures on three major projects; the Solvent Recovery Building, the Research & Development Building, and the Engineering Building. Shifts in timing of projects and changes in amounts have reduced the projected capital expenditure total for 1968 from $7,413,000 (assumed in the long range Cash Forecast presented to the Board in September 1967), to $2,588,000 currently. Capital expenditures for the general maintenance of the plant and production are not affected, however.

5) The short range forecast assumes that the production rate, which currently is higher than the rate of sales, will be reduced later in the year if an inventory build up is to be avoided. Also, the level of sales estimated for the third quarter includes some forward buying as a hedge against possible labor difficulties. Sales for the fourth quarter are assumed to be lower as a result.

REPORT OF CHAIRMAN OF MANAGEMENT COMMITTEE

Dr. Sponagel, Chairman of the Management Committee, submitted on its behalf a report on operations of the Corporation. The following additional comments were noted:

a) The shortage of Chrome Black TN is attributable to a sudden and unexpected resurgence of demand for this product which was not in production.

b) Dr. Wehner reported the acceptance of the Inventory Improvement Program by all of the customers except that the Sandoz representatives recommended that orders for six months be firm orders, instead of orders for three months and estimates for three months.

After further consideration of the matter, it was agreed that the Program as outlined by Dr. Wehner be given a one year trial.

c) The report on recommendations for the basis of coordination of research and development efforts and programs between TRC and the Basle firms will be submitted to the Board at either the June or August meeting. It will propose a limit of 4% of sales as the amount to be spent on research and development work, including the operation of the Pilot Plant, and a limit of 20% of the chemists' time to be devoted to new Schedule A products initiated by the Company, exclusive of counter offerings requested by the contract customers. It will also recommend increased exchange of pertinent information with the parent companies on a quarterly basis.

Amended 6/19/68

CONSIDERATION OF APPROPRIATION REQUESTS

The Chairman stated that it would be in order to consider the requests for appropriations included in the agenda for this meeting and of which the Directors

FORM 83—M S—GOLDSMITH 77 NASSAU ST., NEW YORK 8, N Y

had been informed by Dr. Sponagel's letters dated April 10 and April 30, 1968.

Dr. Sponagel reported that a recommendation for approval of the appropriations had been received from the Production Advisory Committee.

After discussion and upon motion duly made and seconded, the following resolutions were unanimously adopted:

> RESOLVED, That there be and hereby is appropriated the sum of $64,000 for the Installation of Additional Aqualators-WTP 721 (Common Facilities), as set forth in Appropriation Request No. 2834, and that such additional equipment is required for the purpose of providing Auxiliary Service to the TRC Plant and no part thereof is classified as a "CIBA Addition" within the meaning of the Operating Agreement dated October 18, 1962, between this Corporation and CIBA Corporation.
>
> RESOLVED, That there be and hereby is appropriated the sum of $43,900 for Concrete Roof Plank Replacement and Installation of Roof Exhaust Fans - Building 104, as set forth in Appropriation Request No. 2846.
>
> RESOLVED, That there be and hereby is appropriated the sum of $17,100 to cover additional costs for the Installation of Lime Slaking Equipment - Building 712 (Common Facilities) as set forth in Appropriation Request No. 2698-1 and, as in the case of the original appropriation of which this is a supplement, no part of said appropriation request be classified as a "CIBA Addition" within the meaning of the Operating Agreement dated October 18, 1962, between this Corporation and CIBA Corporation.
>
> RESOLVED, That there be and hereby is appropriated the sum of $26,000 to cover the expense of Replacement of Skylight Glass - Building 306 as set forth in Appropriation Request No. 2853.

Copies of Appropriation Requests Nos. 2834, 2846, 2698-1 and 2853 were ordered filed with the papers of the meeting.

ANNUAL REPORT ON CIBA-TRC COMBINED RETIREMENT PLAN

Mr. MacKinnon presented for the information of the Directors the Eleventh Annual Statement of the Pension Trust Fund for the CIBA-TRC Combined Retirement

Plan as of December 31, 1967. He also summarized the results of the annual review with the Trustee, Bankers Trust Company, of the performance of the fund during the year.

Copies of the statement and review were ordered filed with the papers of the meeting.

AUTHORIZATION TO CLOSE OUT COMPLETED APPROPRIATIONS

Dr. Sponagel reported that three projects for which the Board had appropriated funds have been completed and necessitate the approval of an over-expenditure on one project and the cancellation of under-expenditures on two projects.

Upon motion duly made and seconded, it was unanimously

RESOLVED, That the following appropriations be and they hereby are closed with appropriate approval of the overrun or cancellation of the unexpended balance:

Appropriation Request No.	Description of Project	(Unexpended) Overrun
2601	Benzidine Slurry Facilities-Bldg. 305	$2,450
2696	River Cooling Water Main	($1,687)
2736	Replacement of Hot Water Piping - Building 200B	($ 520)

Details of the explanations of the foregoing were ordered filed with the papers of the meeting.

REPORT ON ADDITIONS TO COMMON FACILITIES FOR QUARTER ENDED MARCH 31, 1968

The Treasurer presented for the information of the Directors a report on Additions to Common Facilities for the Quarter Ended March 31, 1968, setting forth four appropriations under $25,000 aggregating $13,902, and one appropriation over $25,000 the total capitalized Common Facility portion of which was $36,313.

REPORT ON COMPUTER EQUIPMENT PLANS

The Treasurer recalled that at the February 21, 1968, meeting of the Board a report was made on the Company's plans to exchange the present IBM 1440 computer for a new and more advanced model with greater capabilities. At that time a tentative order for an IBM 360 Computer Model 30 had been placed for delivery in August, 1968.

Since February considerable time has been spent in evaluating two newly-announced systems: NCR Century 200 Computer and IBM 360 Model 25. Discussions on the relative merits of the competitive computers have been held with representatives of the various affiliated organizations as well as with a computer specialist from Lybrand, Ross Bros. & Montgomery.

The NCR machine appears to have greater capacity and flexibility for future applications at a lower cost than the competing IBM equipment .. annual savings in rental cost could range from $12,000 to $20,000. However, offsetting disadvantages (or risk factors) - such as possible equipment and software problems, later delivery date, and less experienced local technical help - may very well lead to selection of the IBM Model 25 despite the higher cost. Estimated delivery date for the IBM Model 25 is March or April, 1969; and for the NCR machine May, 1969.

After discussion, it was the consensus of the Board that the IBM equipment should be ordered.

EFFLUENT TREATMENT FACILITIES

Dr. Sponagel, in response to a question raised by Dr. Buess, reviewed briefly the scope and the magnitude of expenditures that might be required for effluent treatment facilities over the long term. He stated that urgent projects

include the facilities for sludge separation and BOD and color removal equipment. The timing of expenditures will depend on the growth of output of the Toms River Plant.

GENERAL COMMENT

The consensus was that the outlook for the remainder of the year continues favorable and that the selling companies expect to meet their individual sales forecasts.

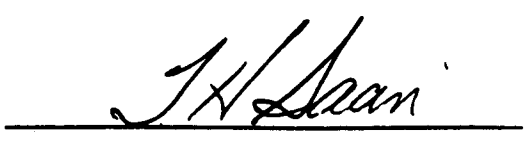
The Chairman stated that the Company's sales forecast represents a reduction in sales of over $3,000,000 from the total of the purchase estimates supplied by the three contract customers. Since each of the contract customers anticipates meeting its estimate, the sales of the Company for 1968 could be higher than the current forecast of $37,500,000. In view of this apparent discrepancy, the Treasurer was asked to review the estimates and outlook for the year.

TIME AND PLACE OF NEXT MEETING

The next regular meeting of the Board will be held at 18 East 72nd Street, New York, New York, on Wednesday, June 19, 1968, at 10:30 o'clock in the forenoon.

ADJOURNMENT

There being no further business to come before the meeting, it was, on motion duly made and seconded, adjourned.



TOMS RIVER CHEMICAL CORPORATION

NOTICE

NOTICE IS HEREBY GIVEN of a Regular Meeting of the Board of Directors of TOMS RIVER CHEMICAL CORPORATION to be held at Toms River, New Jersey, on Wednesday, May 22, 1968, at 10:30 o'clock in the forenoon.

Secretary

May 9, 1968

TOMS RIVER CHEMICAL CORPORATION

BOARD OF DIRECTORS MEETING: No. 355

Held on: May 22, 1968

LIST

of

PAPERS OF MEETING

Notice - dated 5/9/68

Agenda - dated 5/9/68

~~Revised Agenda - dated 5/22/68~~

April Financial Data - April 30, 1968

Report for the Board of Directors, May 22, 1968 , Dr. R. K. Sponagel

Appro. Request 2834 - Additional Aqualators-WTP 721

Appro. Request 2846 - Concrete Roof Plank Replacement & Installation of Exhaust Fans - Bldg. 104

Appro. Request 2698-1 - Lime Slaking Equipment, Bldg. 712

Appro. Request 2853 - Skylight Glass - Bldg. 306

Letter dated April 10, 1968 - R. K. Sponagel re above appropriations and No. 2679-1 (see below)*

Letter dated April 30, 1968 - R. K. Sponagel re above appropriations.

11th Annual Statement of Pension Trust Fund (12/31/67) and Review of Fund (Combined Retire. Plan)

A. R. No. 2601 - Approval of Overrun $2,450

A. R. No. 2696 - Cancellation of Underrun $1,687

A. R. No. 2736 - Cancellation of underrun $520

Additions to Common Facilities, Quarter Ended 3/31/68

Production Advisory Committee Note No. 37 re items on Agenda

* Letter - R. K. Sponagel - dated May 10, 1968 re postponement of No. 2679-1

TOMS RIVER CHEMICAL CORPORATION

Production Advisory Committe

Note 54

On the PAC decision arrived at by circulation

June 29, 1971

Credits

High Energy Scrubber

Dense white smoke emanating from Building 104 is, at present being discharged into the atmosphere causing air pollution problems in the vicinity. To comply with the N.J. Air Pollution Control Code it is proposed to install a High Energy Scrubber with which noxious waste gases can be absorbed.

The Committee felt that the Company had no choice but to comply with the state regulations and therefore agreed to recommend to the Board of Directors that the sum of

$ 212'500

be appropriated for the installation of the proposed "High Energy Venturi" scrubber.

TOMS RIVER CHEMICAL CORPORATION

Minutes of the 385th Meeting of the Board of Directors, Held

Wednesday, June 30, 1971

A regular meeting of the Board of Directors of Toms River Chemical Corporation was held at Sandoz-Wander, Inc., 59 Route 10, Hanover, New Jersey on Wednesday, June 30, 1971, at 10:30 o'clock in the forenoon.

Directors present:

Dr. G. Ferguson
Dr. J. W. Luthy
Mr. R. T. Parker
Dr. J. Schneller
Mr. C. O. Stevenson
Dr. P. Wehner

constituting a quorum.

Absent were:

Dr. M. Brunner
Dr. B. Fischer
Dr. H. P. Koechlin
Dr. R. P. Monnier
Dr. R. Scheitlin
Dr. R. K. Sponagel

Also present by invitation of the Board was

Mr. J. C. Petri, Treasurer

Mr. Parker, Chairman of the Board, presided and Mr. T. H. Saari, Secretary of the Corporation, acted as Secretary of the meeting and took the minutes thereof.

The Secretary presented a copy of the notice of the meeting

mailed to each Director on June 11, 1971, which was ordered filed in the minute book.

APPROVAL OF MINUTES OF MAY MEETING

Upon motion duly made and seconded, the minutes of the May 26, 1971 meeting of the Board of Directors were unanimously approved.

REPORT OF THE TREASURER

The Treasurer presented a report on operations of the Corporation for May, which was discussed and ordered filed with the papers of the meeting. During the discussion the following additional points were noted:

a) Factory expense spending totaled $1,559,000 for May as compared with the standard of $1,640,000 for the month and absorption of $1,672,000.

b) The May daily production rate (in terms of standard cost of production per day) was the highest of any of the first five months of 1971. The May rate of $146,000 per day compares with $144,000 in April, and $134,000 for March.

c) The year-to-date provision for supply contract refunds was adjusted downward in May based upon a new annual estimate of $1,200,000 and the reduced 1971 sales estimate of $41,770,000. The previous estimates indicated refunds of $1,800,000 for the year based upon annual sales of $43,167,000.

d) Standard costs will not be revised during the remainder of the year to reflect the effect of the revaluation of the Swiss franc.

e) The most recent inventory projection of $20,700,000 for the year-end compares with the 1971 year-end budget of $20,750,000. The latter total, however, should be reduced by approximately $550,000 because of the reduction in inventory related to the discontinuance of benzidine dyes.

f) The pace of capital expenditures over the remainder of the year is presently forecast at an average of $600,000 to $650,000 per month.

REPORT OF CHAIRMAN OF MANAGEMENT COMMITTEE

Dr. Wehner, Chairman of the Management Committee, submitted on its behalf a report on operations of the Corporation. The following additional comments were noted:

a) Sales of Disperse dyes in dollars which for five months are 17.7% ahead of 1970, are approximately equal to budget.

b) Actual vat dye A orders for the third quarter are approximately $600,000 less than the estimates previously submitted by the customers.

c) The automatic system for blending of Disperse dye "M" granules at the spray dryers is not yet operative; the result is an increase in work-in-process inventories and the necessity of operating the NDA standardization equipment, where the blending is done on a temporary basis, at 100% of seven-day week capacity.

d) The low levels of mercury allowed in effluent requires additional

"scavenging" steps in the production of anthraquinone sulfonic acids, which has the effect of cutting production capacity for these intermediates. The preliminary Sandoz Limited nitration process, a batch process, has been received and is being studied, as well as other processes for the elimination of mercury in production.

e) Inventories of vat dyes covered by unreleased firm orders on hand at the end of May totaled 422,000 pounds whereas shipments during the month totaled only 176,000 pounds; similar inventories of Disperse dyes totaled 1,262,000 pounds compared to shipments of 1,123,000 pounds. It is Management's concern that the 90% "take down" requirement for the quarter might be applied primarily against Disperse dyes leaving an even heavier inventory of vat dyes in relation to current sales.

In this connection, the Chairman reported on a proposed revision of the Supply Contracts with customers which among other changes would require that accepted A orders be available from TRC, and be taken by the customers on the schedule for each individual product of 30%, in each of the first two months of each quarter and 40% in the third month. This will enable TRC to schedule production more efficiently and economically and will allow a more balanced inventory to be achieved, although possibly at a higher level of investment.

In the ensuing discussion it was the sense of the meeting that pending approval and execution of the revised Supply Contracts,

as a stop-gap measure, the 90% "take down" requirement be applied by product effective for the third quarter of 1971. The revised Supply Contracts in final draft form will be forwarded to the customers by the end of the week.

f) If the anthraquinone plant is operated at its annual capacity of 3,000,000 pounds and Allied Chemical exercises its option to obtain 400,000 pounds, TRC will have 1,100,000 to 1,200,000 pounds available for sale, present internal usage being approximately 1,500,000 pounds annually.

g) The complete elimination of arsenic in production of amino-anthraquinone by substitution of the Revatol process is not expected to be as significant on final product cost as the increase in Cost I of 1-amino-anthraquinone (from $230.23/100 pounds to $308.00/100 pounds). However, fourth quarter prices may reflect an increase in products presently utilizing aresenic-based intermediates.

h) The regional enforcement officer of the Environmental Protection Agency has set a limit for the present of 1/10th pound per day of mercury in the plant's effluent discharge. A letter of intent from the Company indicating compliance by August 15th was accepted. A further reduction in the allowable limit to "100th's" of a pound will be imposed subsequently, probably by January. The final effluent must be sampled six times daily and a composite of each day's samples analyzed for mercury. The results of these daily analyses must be submitted

to the Agency every two weeks. The limits are applicable on a per-diem basis not on an average over one or more weeks.

DECLARATION OF DIVIDEND

The Chairman stated that it would be in order at this time to consider the quarterly dividend. He thereupon proposed a dividend of fifty cents per share, equal to $239,800 on the 479,600 shares outstanding, to be paid from the surplus profits of the Corporation.

After discussion and upon motion duly made and seconded, the following resolution was unanimously adopted:

> RESOLVED that there be and hereby is declared from the surplus profits of the Corporation a dividend of Fifty Cents ($0.50) per share on the Common Stock of the Corporation payable on the 6th day of July, 1971, to holders of record of said stock at the close of business on the 30th day of June, 1971, and that the Treasurer is hereby directed and authorized to cause the same to be paid on the date specified.

CONSIDERATION OF APPROPRIATION REQUEST

The Chairman stated that it would be in order to consider the request for an appropriation for the installation of a High Energy Scrubber included in the agenda for this meeting and of which the Directors had been informed by Dr. Wehner's letter of May 3, 1971.

Dr. Wehner reported that a recommendation for approval of the appropriation had been received from the Production Advisory Committee. He added that the unit will enable the Company to comply with new and pending State regulations governing "white smoke" and other particulates.

After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED that there be, and hereby is, appropriated the sum of $212,500 for the installation of a High Energy Scrubber-Building 104 as set forth in Appropriation Request No. 3175-1.

A copy of the foregoing Appropriation Request was ordered filed with the papers of the meeting.

CONSIDERATION OF THE DELETION OF THIRTY-FIVE DYES AND TWENTY-EIGHT PIGMENTS FROM SCHEDULE A

The Chairman stated that it would be in order to consider the proposed deletions from the line of products which were listed in the Notice and Agenda for the meeting.

Dr. Wehner reported that the proposed deletions were acceptable to the contract customers.

Upon motion duly made and seconded, the following products were approved for deletion:

from Schedule A of the Supply Contracts:

Code No.	Product
1114 00	Polar Orange R
1117 00	Polar Red G
1118 00	Polar Red R
2004 00	Benzo Orange R
2011 00	Chloramine Red B
2017 00	Chlor Brown BRLL
2036 00	Chrysamine K
2056 00	Congo Red
2067 00	Direct Black E
2068 00	Direct Black ECW
2070 00	Direct Black 3G
2071 90	Direct Black 3GR
2072 90	Direct Black GX
2073 90	Direct Black GXR
2075 00	Direct Black W
2078 00	Direct Blue 2B
2084 00	Direct Brown CT
2086 00	Direct Brown M
2087 00	Direct Brown MR

Code No.	Product
2089 92	Direct Brown 3RB
2090 00	Direct Brown RG
2091 00	Direct Brown T
2095 00	Direct Green DCW
2096 00	Direct Green D
2117 00	Direct Red F
2133 00	Direct Garnet 2RB
2134 00	Direct Green BB
2135 00	Direct Green BP
2136 00	Direct Green BY
2137 00	Direct Green GB
2160 00	Direct Violet Black
2173 00	Paper Orange R
2182 00	Direct Brown BP
2191 00	Zambesi Black BHR
2232 00	Direct Black EN
6001 0C	Pigment Brilliant Orange RKB Cake
6001 1C	Pigment Brilliant Orange RKB Toner
6002 0C	Pigment Brilliant Orange RKY Cake
6002 1C	Pigment Brilliant Orange RKY Toner
6030 0C	Pigment Blue GCD Cake
6030 1C	Pigment Blue GCD Toner
6034 0C	Pigment Blue GF Cake
6034 1C	Pigment Blue GF Toner
6042 0C	CPC Blue Base DE Grd
6066 0C	Pigment Fast Blue BCFN Cake
6066 1C	Pigment Fast Blue BCFN Toner
6066 2C	Pigment Fast Blue BCFN Paste A
6066 3C	Pigment Fast Blue BCFN Lake
6066 5C	Pigment Fast Blue BCFN Lake 10
6069 0C	Pigment Fast Green GF Cake
6069 1C	Pigment Fast Green GF Toner
6069 2C	Pigment Fast Green GF Paste
6069 3C	Pigment Fast Green GF Lake
6069 5C	Pigment Fast Green GF Dry
6087 2C	Microsol Blue G Paste
6091 1C	Pigment Fast Green GFS Toner

and, the following Special Pigment Mixtures/Variations and Experimental Products

6066 52	Pigment Fast Blue BCFN Lake 10 MB
6066 24	Pigment Fast Blue BCFN Paste A (Material packed in containers with bung and vent in head)
6098 14	Graphtol Green 5875-0 (In unpainted drums)

Code No.	Product
6062 0C	Pigment Yellow HH Cake
6062 1C	Pigment Yellow HH Toner
6105 1C	Pigment Yellow GU Toner (or Cake)
	Flavanthrone Crude
6106 2C	Pigment Brilliant Orange GR Paste

RESIGNATION OF DR. BRUNNER

The Secretary presented to the meeting the resignation of Dr. M. Brunner effective as of June 30, 1971 as a Director elected by the holder of the Class C Common Stock of this Corporation, the announcement of which he had made while attending the March meeting.

The Secretary was ordered to insert the resignation in the minute book.

ELECTION OF DR. U. OPPIKOFER

The Chairman stated that pursuant to Section 5 of Article IV of the By-laws Saul & Co., nominee of the Sandoz Trust, beneficial owner of the Class C Common Stock, had elected Dr. U. Oppikofer a director to fill the vacancy created by the resignation of Dr. M. Brunner by filing with the Secretary of the Corporation its written consent.

The Secretary was ordered to insert the consent in the minute book.

GENERAL COMMENTS

There was a brief discussion of business conditions in the dye consuming industries; demand for Disperse dyes continues high but vat dye sales continue depressed. In respect of the latter class Dr. Wehner reported

that Management is reviewing their production with the view toward the reduction in the line being offered to improve its profitability. Since it is believed that the basic technology of many of the vat processes is out-of-date the review will concern itself with approaches open to the Company to remain in the vat dye business.

POLICY ON RESEARCH AND DEVELOPMENT

Dr. Wehner in response to a question by Mr. Stevenson stated that the policy being pursued by the Company with respect to research and development provides that 50% to 60% of the effort is devoted to process and quality improvement and the balance to new products and counterofferings. There will be no major change in one-third of the latter, to which INTRA-COLOR is now entitled, when ownership of that Company changes.

SPECIAL JULY MEETING

The Chairman called for a special meeting of the Board of Directors to be held on Wednesday, July 14, 1971 at 10:30 a.m. to consider among other matters the approval of the Supply Contracts in revised form and review the status of negotiations with the Ocean County Sewerage Authority.

SEPTEMBER MEETING

The next regular meeting of the Board will be held at Toms River. New Jersey, on Wednesday, September 29, 1971, at 10:00 o'clock in the forenoon.

ADJOURNMENT

There being no further business to come before the meeting, it was, on motion duly made and seconded, adjourned.

T. H. Saari

T. H. Saari, Secretary

TOMS RIVER CHEMICAL CORPORATION

BOARD OF DIRECTORS MEETING: No. 385

Held on: June 30, 1971

LIST OF PAPERS OF MEETING

NOTICE

AGENDA

MAY FINANCIAL DATA

REPORT OF CHAIRMAN OF MANAGEMENT COMMITTEE FOR MAY 1971

TRC APPROPRIATION REQUEST NO. 3175-1

PRODUCTION ADVISORY COMMITTEE---Note 54 dated June 29, 1971

LETTER--dated March 3, 1971, Dr. P. Wehner, re: Adjustment to TRC Line of Products

LETTERS--dated May 4, May 6, and May 26, 1971, Dr. P. Wehner, re: Adjustment to TRC Line of Dyes

LETTER--dated June 7, 1971, Dr. P. Wehner to Directors, re: Adjustment to TRC Line of Dyes

TOMS RIVER CHEMICAL CORPORATION

NOTICE

Notice is hereby given of a Regular Meeting [No. 385] of the Board of Directors of Toms River Chemical Corporation to be held at Sandoz-Wander, Inc., 59 Route 10, Hanover, New Jersey, on Wednesday, June 30, 1971 at 10:30 o'clock in the morning to consider among other matters the deletion of the following Dyes and Pigments from the line of Products included in Schedule A:

Code No.	Product
1114 00	Polar Orange R
1117 00	Polar Red G
1118 00	Polar Red R
2004 00	Benzo Orange R
2011 00	Chloramine Red B
2017 00	Chlor Brown BRLL
2036 00	Chrysamine K
2056 00	Congo Red
2067 00	Direct Black E
2068 00	Direct Black ECW
2070 00	Direct Black 3G
2071 90	Direct Black 3GR
2072 90	Direct Black GX
2073 90	Direct Black GXR
2075 00	Direct Black W
2078 00	Direct Blue 2B
2084 00	Direct Brown CT
2086 00	Direct Brown M
2087 00	Direct Brown MR
2089 92	Direct Brown 3RB
2090 00	Direct Brown RG
2091 00	Direct Brown T
2095 00	Direct Green DCW
2096 00	Direct Green D
2117 00	Direct Red F
2133 00	Direct Garnet 2RB

Code No.	Product
2134 00	Direct Green BB
2135 00	Direct Green BP
2136 00	Direct Green BY
2137 00	Direct Green GB
2160 00	Direct Violet Black
2173 00	Paper Orange R
2182 00	Direct Brown BP
2191 00	Zambesi Black BHR
2232 00	Direct Black EN
6001 0C	Pigment Brilliant Orange RKB Cake
6001 1C	Pigment Brilliant Orange RKB Toner
6002 0C	Pigment Brilliant Orange RKY Cake
6002 1C	Pigment Brilliant Orange RKY Toner
6030 0C	Pigment Blue GCD Cake
6030 1C	Pigment Blue GCD Toner
6034 0C	Pigment Blue GF Cake
6034 1C	Pigment Blue GF Toner
6042 0C	CPC Blue Base DE Grd
6066 0C	Pigment Fast Blue BCFN Cake
6066 1C	Pigment Fast Blue BCFN Toner
6066 2C	Pigment Fast Blue BCFN Paste A
6066 3C	Pigment Fast Blue BCFN Lake
6066 5C	Pigment Fast Blue BCFN Lake 10
6069 0C	Pigment Fast Green GF Cake
6069 1C	Pigment Fast Green GF Toner
6069 2C	Pigment Fast Green GF Paste
6069 3C	Pigment Fast Green GF Lake
6069 5C	Pigment Fast Green GF Dry
6087 2C	Microsol Blue G Paste
6091 1C	Pigment Fast Green GFS Toner
6066 52	Pigment Fast Blue BCFN Lake 10 MB
6066 24	Pigment Fast Blue BCFN Paste A (Material packed in containers with bung and vent in head)
6098 14	Graphtol Green 5875-0 (In unpainted drums)
6062 0C	Pigment Yellow HH Cake
6062 1C	Pigment Yellow HH Toner
6105 1C	Pigment Yellow GU Toner (or Cake) Flavanthrone Crude
6106 2C	Pigment Brilliant Orange GR Paste

June 11, 1971

T. H. Saari
Secretary

TOMS RIVER CHEMICAL CORPORATION

AGENDA

385th Meeting of Board of Directors

Date: June 30, 1971

Time: 10:30 a.m.

Place: Sandoz-Wander, Inc.
59 Route 10
Hanover, New Jersey

1. Approval of Minutes of Meeting No. 384 held May 26, 1971

2. Report of Treasurer

3. Report of Chairman of Management Committee

4. Consideration of Dividend

5. Appropriation Request

   AR #3175-1 High Energy Scrubber - Bldg. 104 $227,500

   (Information on the above was forwarded by Dr. Wehner under letter dated May 3, 1971)

6. Consideration of the Deletion of the following Dyes and Pigments from the line of Products included in Schedule A:

Code No.	Product
1114 00	Polar Orange R
1117 00	Polar Red G
1118 00	Polar Red R
2004 00	Benzo Orange R
2011 00	Chloramine Red B
2017 00	Chlor Brown BRLL
2036 00	Chrysamine K
2056 00	Congo Red
2067 00	Direct Black E
2068 00	Direct Black ECW

Code No.	Product
2070 00	Direct Black 3G
2071 90	Direct Black 3GR
2072 90	Direct Black GX
2073 90	Direct Black GXR
2075 00	Direct Black W
2078 00	Direct Blue 2B
2084 00	Direct Brown CT
2086 00	Direct Brown M
2087 00	Direct Brown MR
2089 92	Direct Brown 3RB
2090 00	Direct Brown RG
2091 00	Direct Brown T
2095 00	Direct Green DCW
2096 00	Direct Green D
2117 00	Direct Red F
2133 00	Direct Garnet 2RB
2134 00	Direct Green BB
2135 00	Direct Green BP
2136 00	Direct Green BY
2137 00	Direct Green GB
2160 00	Direct Violet Black
2173 00	Paper Orange R
2182 00	Direct Brown BP
2191 00	Zambesi Black BHR
2232 00	Direct Black EN
6001 0C	Pigment Brilliant Orange RKB Cake
6001 1C	Pigment Brilliant Orange RKB Toner
6002 0C	Pigment Brilliant Orange RKY Cake
6002 1C	Pigment Brilliant Orange RKY Toner
6030 0C	Pigment Blue GCD Cake
6030 1C	Pigment Blue GCD Toner
6034 0C	Pigment Blue GF Cake
6034 1C	Pigment Blue GF Toner
6042 0C	CPC Blue Base DE Grd
6066 0C	Pigment Fast Blue BCFN Cake
6066 1C	Pigment Fast Blue BCFN Toner
6066 2C	Pigment Fast Blue BCFN Paste A
6066 3C	Pigment Fast Blue BCFN Lake
6066 5C	Pigment Fast Blue BCFN Lake 10
6069 0C	Pigment Fast Green GF Cake
6069 1C	Pigment Fast Green GF Toner
6069 2C	Pigment Fast Green GF Paste

Code No.	Product
6069 3C	Pigment Fast Green GF Lake
6069 5C	Pigment Fast Green GF Dry
6087 2C	Microsol Blue G Paste
6091 1C	Pigment Fast Green GFS Toner
6066 52	Pigment Fast Blue BCFN Lake 10 MB
6066 24	Pigment Fast Blue BCFN Paste A (Material packed in containers with bung and vent in head)
6098 14	Graphtol Green 5875-0 (In unpainted drums)
6062 0C	Pigment Yellow HH Cake
6062 1C	Pigment Yellow HH Toner
6105 1C	Pigment Yellow GU Toner (or Cake) Flavanthrone Crude
6106 2C	Pigment Brilliant Orange GR Paste

(Information on the foregoing was forwarded by Dr. Wehner under letters dated March 3 and May 4, 1971)

7. Resignation of Dr. M. Brunner as a Director

8. Election of Dr. U. Oppikofer as a Director by Consent of Holder of Class C Common Stock

9. Other business

10. Time and Place of Next Meeting - September 29, 1971

11. Adjourn

Dr. Welcher

TOMS RIVER CHEMICAL CORPORATION

PRODUCTION ADVISORY COMMITTEE

Note 65

On the PAC decision arrived at by circulation

November 23, 1972

Dr. H.P. Koechlin
Dr. R.P. Monnier
Dr. R. Scheitlin

1. Credits

1.1. Purchase of Building 100

It is proposed by the Management to purchase the office/laborator building 100 which, at present, is owned by the Ciba-Geigy Facilities at Toms River, but which is no longer required by the latt

On the other hand, TRC is in urgent need of additional laboratory and office space and, building 100 which is ideally located near the entrance of the complex and also in respect to the other administrative and service buildings would provide a welcome solution to TRC's space problems.

The following activities are proposed to be transferred to building 100:

i) Analytical facilities which at present are scattered throughout buildings 200 and 200 b, the R & D and coloristic laboratory buildings, respectively. The analytical services will be called upon to carry out TRC's additional work in connection with pollution abatement programs and, therefore, will need more working space. It is planned to consolidate all of the analytical facilities in building 100.

ii) Crowded office conditions exist in building 201 with respect to the purchasing-, traffic-, finance control- and personnel departments. Building 100 would be suitable to house the entire traffic department, thus freeing space in building 201 for expansion of the other departments mentioned.

iii) Crowded conditions also prevail in building 200, where the technical library and the R & D are faced with impossible space problems. Relocating the analytical laboratories to building 100 will alleviate the library and R & D situation in building 200 for some years to come.

The Committee appreciated the cost advantages the purchase of building 100 would offer as compared to the previously considered project for the construction of an annex to building 200 which would have cost 1,5 to 2,0 million Dollars. The Committee, therefore, was unanimous in its decision to recommend to the Board of Directors the purchase of CGFTR Building 100 at a price of

$ 707'000 ± 10'000

which represents the depreciated replacement cost ($ 1'439'000) of said building.

The Committee was aware of the fact that alteration- and moving expenses in this connection would require an additional $ 150'000.

1.2. Pilot Plant Studies for treatment of aqueous wastes

Following the indictment of TRC last summer by the U.S. attorney with respect to TRC's waste disposal practices, TRC has sought advice from the consultant firm AWARE, Prof. Eckenfelder being the chief advisor.

Prof. Eckenfelder has urgently suggested to TRC that his recommendations be subjected to large scale pilot studies, and it is considered essential that these studies be started during the cold weather season so that the efficacy of the activated sludge treatment can be assessed under adverse conditions.

It was the Committee's consensus of opinion that TRC is left no alternative than to carry out the suggested pilot studies and, therefore, agreed to recommend to the Board of Directors that the sum of

$ 150'000

be appropriated for large scale pilot studies on TRC's aquous wastes.

cc: Mr. T.H. Sarai
Sr Curry
Mr. Estek
Mr Petri

ok 11/23/72

TOMS RIVER CHEMICAL CORPORATION

Minutes of the 400th Meeting of the Board of Directors Held Wednesday, November 29, 1972

A regular meeting of the Board of Directors of Toms River Chemical Corporation was held at Sandoz-Wander, Inc., 59 Route 10, Hanover, New Jersey, on Wednesday, November 29, 1972, at 10:30 o'clock in the forenoon.

Directors present:

Dr. H. P. Koechlin
Dr. J. W. Luthy
Mr. R. T. Parker
Dr. J. Schneller
Dr. P. Wehner

constituting a quorum.

Absent were:

Dr. G. R. Ferguson
Dr. B. Fischer
Mr. A. M. MacKinnon
Dr. R. P. Monnier
Dr. U. Oppikofer
Dr. R. Scheitlin
Mr. E. A. Schlaginhaufen
Dr. R. K. Sponagel
Dr. O. Sturzenegger
Mr. E. Zangger

Also present by invitation of the Board was:

Mr. J. C. Petri, Treasurer

Mr. Parker, Chairman of the Board, presided and Mr. T. H. Saari, Secretary of the Corporation, acted as Secretary of the meet-

ing and took the minutes thereof.

The Secretary presented a copy of the notice of the meeting forwarded to each Director on November 8, 1972, which was ordered filed in the minute book.

Welcome to Dr. Koechlin

The Chairman welcomed Dr. H. P. Koechlin, CIBA-GEIGY Limited, Basle, upon the occasion of his visit to the United States.

Approval of Minutes of September and October Meetings

Upon motion duly made and seconded, the minutes of the September 27, and October 26, 1972 meetings of the Board of Directors were unanimously approved.

Report of Treasurer

The Treasurer presented a report on operations of the Corporation for October which was discussed and ordered filed with the papers of the meeting. During the discussion the following additional points were noted:

a) Including the effect of the October 1 price adjustments, the realized average price increase over the February 29, 1972 level was 4.4% for October as compared with 3.0% for September, 3.9% for

August and 1.8% for the period March-October inclusive.

b) The favorable overhead variance for October reflects the effect of the increased production rate in both areas. Overhead absorbed per day, based on regular work days, was $95,500 for October vs. $88,000 for September and an average of $82,400 for the first nine months.

c) The annual refund estimate of $2,200,000, used for the refund provision in the September report, was again used as the basis for the October refund provision.

The estimate assumes a very favorable fourth quarter in that 34% of the annual profit before refunds is projected to be earned in the quarter as compared with 18% used for budget purposes. Sales for the fourth quarter are estimated at $13,382,000 or 26.5% of the current annual estimate of $50,466,000.

d) The projected increase of $200,000 in inventories as of December 29 and March 30 over the amounts shown in the September report is partially attribut-

able to a build-up of vat dye intermediates.

e) Present indications based on 1973 First Quarter A Orders are that projected sales of $12,865,000 for the quarter will be exceeded.

Report of Chairman of Executive Committee

Dr. Wehner, Chairman of the Executive Committee, submitted on its behalf a report on operations of the Corporation. The following additional comments were noted:

a) The autoclaves and cast iron reactors in Building 104 are not fully utilized because of product mix and for ecological reasons.

b) Several factors contribute to the difficulties in obtaining qualified operators; the make-up of the local labor market which in recent years has seen an influx of older people, the high rate of housing construction and its attractions for labor, and the fact that by terms of the Union contract experienced operators must start at TRC at the rates for inexperienced men.

c) There is some reserve capacity in the Standardization Area if a seventh day is worked utilizing a staggered shift and it is planned to move to a

staggered shift basis of operations in Building 51 in the near future.

d) The situation with respect to the availability of A-1 orders for vat dyes is expected to improve after the first quarter of 1973 with the build-up of inventories of intermediates.

e) The supply problem with respect to Disperse Yellow 3G is now in part due to manufacturing difficulty in achieving the proper shade.

f) The levels of mercury currently in the final effluent are being achieved with full production of the intermediates which utilize this catalyst.

g) Notice of Arraignment has been received from the United States Attorney requiring the appearance of representatives of the Company on December 4, 1972. A preliminary informal meeting with the United States Attorney has been arranged for December 1, 1972.

h) Full utilization is being made of CIBA-GEIGY Limited's expertise in studying safety measures, test results and other significant safety information.

Appropriation Requests

The Chairman stated that it would be in order to consider the requests for the two appropriations included in the agenda for this meeting and of which Directors had been informed by Dr. Wehner's letters dated October 5, and November 22, 1972 as well as the proposal to purchase Building 100 from CIBA-GEIGY Corporation.

Dr. Wehner presented to the meeting a memorandum on "TRC Acquisition and Use of Building 100" and noted that the matter under consideration at this time involved only the acquisition of the Building and the land which it occupies and that a request will be presented at a later date for funds to modify the building for TRC's use. He recommended the purchase noting that the acquisition of this former CGFTR facility would solve TRC's long range requirements of this nature. He added that a booklet describing the project and summarizing the economic evaluation of it will be forwarded to members of the Board of Directors in due course.

Dr. Wehner reported that recommendations for approval of the three appropriations had been received from the Production Advisory Committee.

After discussion and upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED that there be, and hereby is, appropriated the sum of $79,700 for the purchase and installation of the Maracarb Storage and Distribution System - Building 103, as set forth in Appropriation Request No. 3358-1.

RESOLVED that there be, and hereby is, appropriated the additional sum of $150,000 for a large scale four to six months pilot plant study of the selected activated sludge system as set forth in Appropriation Request No. 3395-3, Waste Water Treatment Pilot Plant Study (Common Facilities).

RESOLVED that there be, and hereby is, appropriated the sum of $702,212 for the purchase of Building 100 and the land which it occupies from CIBA-GEIGY Corporation as set forth in the memorandum "TRC Acquisition and Use of Building 100, Capital Expenditure Project 71-811, Appropriation Request No. 3547".

Copies of the foregoing Appropriation Requests were ordered filed with the papers of the meeting.

Consideration of the Addition of Three Dyes to the Line of Products for Manufacture and Addition to Schedule A of the Supply Contracts

The Chairman stated that it was in order to consider the proposed additions to the line of products which were listed in the notice and agenda for the meeting and of which the directors had been informed by Dr. Wehner's letter dated September 26, 1972.

Dr. Wehner reported that the Production Advisory Committee recommends the addition of the three products.

Upon motion duly made and seconded, the following products

were approved for manufacture and addition to the list of products on Schedule A of the Supply Contracts:

Code No.	Product
4095 40	Disperse Blue BG Granules
4102 20	Disperse Blue ERE Paste
4103 20	Disperse Black ERT Paste

Procedure for Additions to the Product Line of TRC

Dr. Wehner presented to the meeting a memorandum on "Procedure for Additions to the Product Line of TRC".

Consideration of the memorandum was deferred to the meeting of the Board of Directors scheduled to be held December 27, 1972.

Consideration of Annual Bonuses

The Chairman stated that it was in order to consider the payment of annual bonuses. The Treasurer reported on the amount spent in 1971 as follows:

	Number of Employees	Appro-priation	Actual Expenditure	Over (Under) Expended
Monthly Payroll	247	$142,000	$141,372	($ 628)
Weekly & Hourly Payroll	1042	364,000	359,977	(4,023)
	1289	$506,000	$501,349	($4,651)

After consideration and upon motion duly made and seconded,

the following resolution was unanimously adopted:

> RESOLVED that the unexpended $4,651 of the $506,000 appropriated for payment of bonuses in 1971 be, and it hereby is, cancelled.

The Chairman proposed that, in view of uncertainty as to time and eventual basis for concluding the union contract negotiations now in progress, only the customary 1972 bonuses to monthly and non-union weekly paid personnel be considered at this time and that the Chairman and the President in their discretion determine the policy to be pursued and the amount to be paid to union employees.

The Treasurer reported that the amount required to pay bonuses to monthly and non-union weekly paid personnel on the same basis as the 1971 bonuses would be as follows:

	Number of Employees	Appropriation
Monthly Payroll	246	$149,600
Non-Union Weekly Payroll	122	41,000
	368	$190,600

It was noted that the average 1972 bonus for monthly-paid employees is estimated at $608 as compared with $572 paid in 1971 an increase of 6.3%, the increase being due largely to increased salaries effective January 1, 1972. The average bonus for non-union weekly personnel is estimated at $336 as compared with $311 paid in

1971, the increase of 8% being attributable primarily to higher salary and wage rates.

After discussion and upon motion duly made and seconded, the following resolutions were unanimously adopted:

> RESOLVED that the sum of $149,600 is hereby appropriated for distribution as a bonus for the current year to 246 employees on the monthly payroll, to be distributed in accordance with Schedule A attached to these minutes, the maximum bonus being two weeks' salary.
>
> RESOLVED that the sum of $41,000 is hereby appropriated for distribution as a bonus to 122 non-union employees on the weekly payroll, to be distributed in accordance with Schedule B attached to these minutes, the maximum bonus being two weeks' salary or wages.
>
> RESOLVED that the payment of the above bonuses be made to employees who are employed as of December 15, 1972, and to those on the monthly payroll who retired during the year.
>
> RESOLVED that the employment by an affiliated company shall be included in determining the date of employment.
>
> RESOLVED that the Chairman of the Board and the President be, and they hereby are, authorized in their discretion to determine the amount, basis for payment, and date of payment of annual bonuses for the year 1972 to union employees of the Corporation and to cause such bonuses to be paid.

Consideration of Salary Adjustments

Dr. Wehner reported that the annual review of salaries of supervisory personnel has been completed and increases are pro-

posed that are in keeping with the guidelines set by the Pay Board, for fourteen employees in salary levels above $25,000 which require approval of this Board. The proposed increases for these employees total $22,550, an average increase of approximagely 5.4%. As a group, the salaries of 132 supervisory employees, including those whose salaries are less than $25,000, but excluding the President, would be increased by 5.5% as follows:

Number in Group		% of Average Increase
3	Executive Committee (excluding President)	5.52
11	Administrative Services	5.49
6	Environmental Technology	5.85
11	Financial Control	5.81
4	Inventory & Production Control	5.36
24	Production Department	5.35
6	Purchasing Department	5.67
9	Coloristic Laboratory	5.61
32	Engineering Department	5.50
3	Planning & Special Studies	6.55
23	R&D/Analytical	5.29
132		5.50

After discussion and upon motion duly made and seconded, the following resolution was unanimously adopted:

> RESOLVED that effective January 1, 1973, the salaries of the following employees shall be fixed at the amounts appearing under their respective names in the Compensation Record maintained by the Company and as set forth in the schedules dated November 16, 1972 and November 27, 1972 for the Professional and Administrative Staff (Levels $25,000 and Above), and for the Executive Commit-

tee, Excluding President, respectively, presented to this meeting and filed with the papers of this meeting:

TRC Executive Committee, Excluding the President

Name	Position
Curry, R. P.	Technical Director
Ertel, J. W.	Vice President and Manager of Production
Petri, J. C.	Treasurer

TRC Professional and Administrative Staff

Meier, J. A.	Manager, Administrative Services
Kendrick, J. R.	Manager, Inventory & Production Control
Bruderer, R. E.	Manager, Process Engineering & Design
Koeppel, F. A.	Director of Engineering
Fitzpatrick, J. W., Jr.	Admin. Mgr. Bldg. 200 & Group Leader Vat R&D Lab
Zahuta, J.	Chief Analytical Chemist
O'Neal, G. M.	Manager, Research & Development
Higgins, T. P.	Manager, Coloristic Lab
Ehrlich, R. O.	Assistant Manager of Production
Winkler, J.	Assistant Manager of Production
Lienesch, E. F.	Assistant Manager of Production

Consideration of Salary of President

The Chairman reported on the rate of compensation proposed for Dr. Wehner for the year 1973 which rate was thereupon approved by the Board to be entered in the Compensation Record maintained

by the Company.

Authorization to Close Out Completed Appropriations

The Treasurer reported that five projects for which the Board of Directors had appropriated funds have been completed which would require the approval of overruns for two projects and the cancellation of the unexpended balances for three projects.

After discussion and upon motion duly made and seconded, the following resolution was unanimously adopted:

> RESOLVED that the closing of the following appropriations by approval of the overruns and the cancellation of the unexpended balances, as indicated, be, and hereby is, ratified, approved and confirmed:

Appropriation No.		(Unexpended) Overrun
3085	Engineering Building Expansion - Building 203	$ 7,818
3135	Plant Water Supply Well - Building 504	$ 7,864
3191	Installation of $4m^3$ Glass Lined Jacketed Vessel - Building 306	($11,983)
3229	Installation of Two Venuleths - Building 306	($17,008)
3297	New Chemical Dump - Building 735	($11,269)

Details of the explanations of the foregoing were ordered filed with the papers of the meeting.

Report on Additions to Common Facilities

The Treasurer submitted for the information of the Board a report on "Additions to Common Facilities" for the quarter ended September 29, 1972. There were nine projects under $50,000, aggregating $46,781 and two projects over $50,000, aggregating $655,383 including one partial previous closing of $519,875, leaving a balance reported at this time of $135,508.

Status of Labor Negotiations

Dr. Wehner reported on the labor negotiations under way with the Oil Chemical and Atomic Workers International Union. He noted that with wage increases controlled by Wage/Price Regulations the Union will probably seek greater benefits including bonuses and an improved health care package and also place greater stress on safe working conditions.

Amendment to Operating Agreement with CIBA-GEIGY Corporation

The Secretary presented to the meeting an amendment dated October 2, 1972 to the Operating Agreement dated October 18, 1962 between CIBA-GEIGY Corporation and TRC which conforms the original agreement to the change by TRC from a calendar year basis to a fiscal year basis. The Chairman recommended approval of the

amendment.

After discussion and upon motion duly made and seconded, the following resolution was unanimously adopted:

> RESOLVED that the Agreement dated October 2, 1972 to the Operating Agreement dated October 18, 1962 between CIBA-GEIGY Corporation and Toms River Chemical Corporation be, and it hereby is, ratified, approved and confirmed.

Time and Place of Next Meeting

The next regular meeting of the Board will be held at 444 Saw Mill River Road, Ardsley, New York, on Wednesday, December 27, 1972, at 10:30 o'clock in the forenoon.

Adjournment

There being no further business to come before the meeting, it was, on motion duly made and seconded, adjourned.

J. H. Stern

Secretary

TOMS RIVER CHEMICAL CORPORATION

Board of Directors Meeting No. 400
November 29, 1972 SCHEDULE A

Christmas Bonus for Monthly Salaried Employees

If a year-end bonus is approved by the Board of Directors in any given year, it will be paid on the following basis:

a. Maximum bonus if the employee is on the Corporation's payroll on or before the first working day of the calendar year in which such bonus is granted.

b. If employed after the first working day of the calendar year in which the bonus is granted, the following will apply:

If employed in	% of Maximum Bonus
January	95
February	90
March	80
April	70
May	60
June	50
July	40
August	30
September	20
October	10
November	7
*December	4

*Must be before date bonus is paid.

c. Employees who have retired during the year will be paid 1/12th of the maximum bonus approved by the Board of Directors for each full month worked. Payment will be made at the same time that checks are distributed to active employees. If the retired employee is no longer living, the bonus will be paid to his beneficiary as stated in his Group Life Insurance.

This will not apply to employees who left the Company for reasons other than retirement.

TOMS RIVER CHEMICAL CORPORATION

NOTICE

Notice is hereby given of a Regular Meeting (No. 400) of the Board of Directors of Toms River Chemical Corporation to be held at Sandoz-Wander, Inc., 59 Route 10, Hanover, New Jersey, on Wednesday, November 29, 1972 at 10:30 o'clock in the morning to consider among other matters the addition of the following dyes to the line of products for manufacture:

Code No.	Product
4095 40	Disperse Blue BG Granules
4102 20	Disperse Blue ERE Paste
4103 20	Disperse Black ERT Paste

T. H. Saari
Secretary

November 8, 1972

TOMS RIVER CHEMICAL CORPORATION

AGENDA

400th Meeting of the Board of Directors

Date: Wednesday, November 29, 1972

Time: 10:30 a.m.

Place: Sandoz-Wander, Inc.
59 Route 10
Hanover, New Jersey

1. Approval of Minutes of Meetings No. 398 and 399 held September 27, and October 26, 1972, respectively

2. Report of Treasurer

3. Report of Chairman of Executive Committee

4. Appropriation Request

   3358-1 Maracarb Storage and Distribution System - Building 103 - $79,700

   [Information forwarded by Dr. P. Wehner under letter dated October 5, 1972]

5. Consideration of the Addition of the Following Dyes to the Line of Products Included in Schedule A of the Supply Contracts:

Code No.	Product
4095 40	Disperse Blue BG Granules
4102 20	Disperse Blue ERE Paste
4103 20	Disperse Black ERT Paste

   [Information forwarded by Dr. P. Wehner under letter dated September 26, 1972]

6. Rules and Procedures for Adding New Products

7. Consideration of Annual Bonuses

8. Consideration of Salary Adjustments

9. Authorization to Close Out Completed Appropriations

10. Report on Additions to Common Facilities, Quarter Ended September 30, 1972

11. Consideration of Purchase of Building 100 from CIBA-GEIGY Corporation

12. Other Business

13. Time and Place of Next Meeting [December 27, 1972]

14. Adjourn

November 8, 1972

TOMS RIVER CHEMICAL CORPORATION

Notice of Additional Agenda Item

In addition to the matters listed on the Agenda for the Board of Directors meeting scheduled to be held on November 29, 1972, it is proposed to consider the following:

Appropriation Request

3395-3	Waste Water Treatment Pilot Plant Study (Common Facilities)	$150,000
Operations by AWARE		88,000
Equipment and Installation		45,000
Contingency		17,000

This matter was previously discussed at the October 26, 1972 meeting (page six).

T. H. Saari
Secretary

November 22, 1972

TOMS RIVER CHEMICAL CORPORATION

BOARD OF DIRECTORS MEETING No. 400

Held On November 29, 1972

LIST OF PAPERS OF MEETING

NOTICE

AGENDA

NOTICE OF ADDITIONAL AGENDA ITEM

OCTOBER FINANCIAL DATA

REPORT OF CHAIRMAN OF EXECUTIVE COMMITTEE FOR OCTOBER 1972

INDICTMENT NOTICE, UNITED STATES DISTRICT COURT, DISTRICT OF NEW JERSEY

FINAL PROJECT---Maracarb Storage and Distribution System - Building 103 [Appropriation Request No. 3358-1]

TRC APPROPRIATION REQUEST No. 3358-1

LETTER---dated November 22, 1972, Dr. P. Wehner to Directors, re TRC Appropriation Request No. 3395-3, Wastewater Treatment Pilot Plant Study (Common Facilities)

TRC APPROPRIATION REQUEST No. 3395-3

TRC APPROPRIATION REQUEST No. 3457

PRODUCTION ADVISORY COMMITTEE---Note 65, dated November 23, 1972, re Purchase of Building 100

TRC ACQUISITION AND USE OF BUILDING 100, Capital Expenditure Project 71-811, Appropriation Request No. 3457

LETTERS---dated September 26, 1972, Dr. P. Wehner to Directors, re Approval of the Addition of Three Dyes to the TRC Line of Products

PRODUCTION ADVISORY COMMITTEE---Note 64, dated October 31, 1972, re Additions to the Line of Products

MEMORANDUM---[with attachment] dated November 10, 1972, Mr. J. C. Petri to Mr. T. H. Saari, re 1972 Bonuses

SALARY ADJUSTMENTS---January 1, 1973, TRC Professional and Administrative Staff (Excluding President)

SALARY ADJUSTMENTS---January 1, 1973, TRC Professional and Administrative Staff, Individuals Earning $25,000/yr or More, Excluding Executive Committee

SALARY ADJUSTMENTS---January 1, 1973, TRC Executive Committee, Excluding the President

REQUESTS FOR APPROVAL OF OVERRUNS ON Appropriation Requests No. 3085, 3135 and 3191

REQUESTS FOR CANCELLATION OF UNDERRUNS ON Appropriation Requests No. 3229 and 3297

ADDITIONS TO COMMON FACILITIES, Quarter Ended September 29, 1972

DRAFT AMENDMENT AGREEMENT---dated September 24, 1972 to the Operating Agreement between CIBA-GEIGY Corporation and TRC dated October 18, 1962

6

Consent Judgment

United States of America
v.
CIBA Corporation,
Geigy Chemical Corporation,
CIBA Limited,
J. R. Geigy S. A., and
Geigy International A. G.

Entered
September 8, 1970
United States District Court
for the Southern District of New York

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA, Plaintiff, v. CIBA CORPORATION, GEIGY CHEMICAL CORPORATION, CIBA LIMITED, J. R. GEIGY S.A., and GEIGY INTERNATIONAL A. G. Defendants.	CIVIL ACTION No. 70 Civ. 3078 U.S. DISTRICT COURT FILED SEP 8 1970 S.D. OF N.Y.

FINAL JUDGMENT

Plaintiff, United States of America, having filed its complaint herein on July 17, 1970, and defendants having appeared and plaintiff and defendants by their respective attorneys having consented to the entry of this Final Judgment:

NOW, THEREFORE, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein and without this Final Judgment constituting any evidence or admission by any party hereto with respect to any such issue, and upon consent of all parties hereto, it is hereby,

ORDERED, ADJUDGED AND DECREED as follows:

I

This Court has jurisdiction of the subject matter of this action. This Court has jurisdiction over defendants CIBA Corporation and Geigy Chemical Corporation. Defendants CIBA Limited, Geigy International A. G. and J. R. Geigy S.A., while denying that this Court would have jurisdiction over them in the absence of their voluntary submission to its jurisdiction, appear generally and, solely for all purposes of this case, voluntarily submit to the jurisdiction of this Court and consent to the entry of this Final Judgment. The complaint states claims under which relief may be granted against defendants under Section 7 of the Act of Congress of October 15, 1914, as amended, entitled "An act to supplement existing laws against unlawful restraints and monopolies and for other purposes", commonly known as the Clayton Act.

II

As used in this Final Judgment:

(A) "CIBA" shall mean the defendant CIBA Corporation, a Delaware corporation;

(B) "Geigy" shall mean the defendant Geigy Chemical Corporation, a New York corporation;

(C) "CIBA–Geigy" shall mean the corporation or corporations formed by a merger of CIBA and Geigy, or CIBA and Geigy, respectively, in the event they do not merge or have not merged;

(D) "Merger" shall mean the merger referred to in (C) above or any merger of CIBA Limited and J. R. Geigy S.A.;

(E) "CIBA–Geigy (Basle)" shall mean CIBA Ltd., a corporation of Switzerland, J. R. Geigy S.A., a corporation of Switzerland, and any corporation or corporations formed as a result of a merger of said CIBA Ltd. and said J. R. Geigy S.A., and each of them;

(F) "Defendants" shall mean CIBA, Geigy, CIBA–Geigy, CIBA Limited, J. R. Geigy S.A., CIBA–Geigy (Basle) and Geigy International A.G. as may be applicable and shall mean "New Company" as hereinafter defined until sold pursuant to Section VI of this Final Judgment;

(G) "Domestic patents" shall mean United States Letters Patent (and all reissues, divisions and extensions thereof) and all applications for domestic patents, and patents issued thereon, owned or controlled by any defendant or TRC on March 19, 1970;

(H) "TRC" shall mean Toms River Chemical Corporation, a Delaware corporation;

(I) "New Company" shall mean the corporation formed by defendants as ordered in Section IV hereof and its successors, including any purchaser of its stock, business or assets pursuant to Section VI hereof;

(J) "Sale of New Company" shall mean the sale of all of the stock, or the business and related assets, of New Company as hereinafter required by Section VI hereof;

(K) "Eligible Purchaser" shall mean any one or

CIB 009 0503

more persons approved by plaintiff or this Court if plaintiff fails so to approve after notice to plaintiff and opportunity to be heard;

(L) "Person" shall mean an individual, partnership, association, firm, corporation or any other legal entity.

III

The provisions of this Final Judgment applicable to any defendant shall apply to such defendant, its officers, directors, agents, employees, subsidiaries, successors and assigns, and to those other persons in active concert or participation with any defendant who receive actual notice of this Final Judgment by personal service or otherwise. Any person not a defendant herein who acquires by purchase, grant, exchange or otherwise any assets pursuant to this Final Judgment shall not by such acquisition be considered to be a successor bound by this Final Judgment.

IV

Defendants are ordered and directed not later than sixty (60) days following the date of the Merger as follows:

(A) Defendant CIBA–Geigy shall establish a new corporation (hereinafter referred to as New Company) and shall transfer, sell and assign to New Company the dyestuffs and detergent optical brightening agents businesses of CIBA as listed in Appendix A hereto in order to constitute New Company as a fully operative, viable, going business;

(B) Defendant CIBA–Geigy shall transfer to New Company, when formed, personnel theretofore engaged in the dyestuffs and optical brightening agents for the detergent and textile trades businesses of CIBA in the United States, such personnel to include salesmen, technicians, administrative and other personnel to the extent necessary for New Company to be a fully operative, viable, going business, and shall grant to any such transferred personnel rights and benefits substantially similar to or better than those to which they would have been entitled had they remained CIBA employees. For three (3) years following the formation of New Company, defendants are enjoined and restrained from employing or offering to employ any of such transferred personnel except with the prior consent of plaintiff or this Court if plaintiff fails so to consent;

(C) Defendant CIBA–Geigy shall furnish to New Company, when formed, and continuing until the date of Sale of New Company, such supplementary accounting, data processing and other services (including computer time) as New Company may request, without retaining any information resulting from furnishing such services after Sale of New Company;

(D) Defendant CIBA–Geigy shall cause TRC to enter into a contract with New Company, when formed, to supply to it for a period, unless sooner terminated pursuant to Section IV(F) hereof, continuing (i) until ten (10) years from Sale of New Company unpatented dyestuffs which have been or will be manufactured by TRC for its customers during the period commencing on March 19, 1970, and ending ten (10) years from Sale of New Company, and (ii) until five (5) years from Sale of New Company, defendants' patented dyestuffs which have been or will be manufactured by TRC during the period commencing on March 19, 1970, and ending five (5) years from Sale of New Company, all at prices and upon terms and conditions no less favorable to New Company than those of the contracts between TRC and its other customers on March 19, 1970, including the right to have patented products of New Company manufactured by TRC for New Company until ten (10) years after Sale of New Company;

(E) Defendants shall sell to New Company, when formed, or otherwise make available, under appropriate supply contracts as provided in Section V of this Final Judgment, for a period of five (5) years after Sale of New Company, any and all patented and unpatented dyestuffs not supplied to New Company by TRC pursuant to subsection (D) above and any and all types of textile auxiliary products sold in the United States by any defendant during said period at prices and upon terms and conditions as provided in Section V hereof. As used herein and in Appendix A hereto, the term "textile auxiliary products" means leveling agents, dispersing agents, wetting agents, coacivating agents, softeners, scouring agents, printing assistants and fixing agents used or useful in the process of dyeing textiles;

(F) Upon notice from New Company within five (5) years from date of Sale of New Company that it has a bona fide interest in producing in the United States the types of dyestuffs manufactured by TRC, defendant CIBA–Geigy shall make available to New Company (i) such information technical or otherwise as may be required in order for New Company to decide whether so to produce such

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dyestuffs; and if within one (1) year thereafter New Company decides to so produce, then defendant CIBA–Geigy shall make available to New Company (ii) such technical information, design and engineering data which CIBA–Geigy or TRC has and which either at that time may lawfully disclose, as may be needed by New Company for the production of such dyestuffs or the construction of such a dyestuffs plant, and (iii) such manufacturing know-how and technical information which CIBA–Geigy or TRC has and which either at that time may lawfully disclose, as may be needed by New Company for the production of the unpatented dyestuffs then being produced by TRC:

Any and all information furnished hereunder shall be furnished and used only for such production of dyestuffs by or for New Company. In the event New Company decides not to produce dyestuffs after receipt of the information furnished pursuant to (i) above and/or in the event New Company does not produce dyestuffs after receipt of information furnished pursuant to (ii) and (iii) above, New Company shall keep all such information confidential and shall return all such information to CIBA–Geigy. In the event New Company constructs and operates such a dyestuffs plant, or so produces dyestuffs, TRC's supply obligations under Section IV(D) hereof shall terminate one (1) year from the start-up of such plant or production.

New Company shall reimburse CIBA–Geigy for its costs and expenses in furnishing the above technical information, designs, engineering data and manufacturing know-how.

(G) Defendant CIBA–Geigy shall

(1) sell to, or procure for, New Company when formed and continuing for a period of three (3) years from the date of Sale of New Company under appropriate supply contracts at prices and upon terms and conditions as provided in Section V hereof all of the detergent optical brightening agents being sold in the United States by defendant CIBA on March 19, 1970, or the chemical compounds necessary for formulating any of such products; and

(2) sell to, or procure for, New Company when formed and continuing for a period of ten (10) years from the date of Sale of New Company under appropriate supply contracts at prices and upon terms and conditions as provided in Section V hereof all of the textile optical brightening agents being sold in the United States by defendant CIBA on March 19, 1970.

(H) Defendants shall grant to or obtain for New Company, when formed, an unrestricted, nonexclusive license to make, have made, use and sell dyestuffs under any, some or all, as New Company may request, domestic patents relating to any dyestuffs manufactured in the United States on March 19, 1970, by or for CIBA or Geigy together with manufacturing and technical information relating thereto, provided, however,

(1) licensor shall not include any restriction whatsoever in any patent license granted to New Company pursuant to this subsection (H) except:

(a) a reasonable royalty may be charged and collected, which royalty shall be finally determined at the time of Sale of New Company pursuant to Section VI;

(b) reasonable provision may be made for periodic royalty reports by New Company and inspection of the relevant books and records of New Company by an independent auditor or other person acceptable to the licensor and New Company (or, in the absence of agreement, a person appointed by the Court), who shall report to the licensor defendant only the amount of the royalty due and payable;

(c) reasonable provision may be made for cancellation of the license upon failure of New Company to make the reports, pay the royalties, or permit the inspection of its books and records as hereinabove provided;

(d) the license shall provide that New Company may cancel the license as to any, some or all specified patents at any time after one (1) year from the date of Sale of New Company pursuant to Section VI of this Final Judgment by giving thirty (30) days' notice in writing to the licensor.

(2) if such licensor and the purchaser of New Company are unable to agree upon reasonable royalties at the time of Sale of New Company, such purchaser or the

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licensor may, upon notice to plaintiff, apply to this Court for the determination of (1) reasonable royalties and (2) such reasonable interim royalties (pending the completion of any such proceeding) as the Court may deem appropriate. In any such proceeding, the burden of proof shall be upon such licensor to establish the reasonableness of the royalties requested by it. Pending the completion of negotiations or any such proceedings, such purchaser shall have the right to make, have made, use and sell under the patent or patents to which its patent license pertains, subject to the payment of reasonable interim royalties. A final Court determination of reasonable royalties shall be applicable to such purchaser from the date of Sale of New Company. If such purchaser fails to accept a license, such purchaser shall pay any royalties found by the Court to be due to licensor and such costs as the Court may determine to be just and reasonable;

(3) nothing in this subsection (H) shall prevent the licensee from attacking, in the aforesaid proceedings or in any other controversy, the validity or scope of any patent or patents, nor shall this Final Judgment be construed as imputing any validity to any of said patents;

(4) no defendant shall make any sale or other disposition of any patent to which this subsection (H) may apply which deprives it of the power or authority to grant licenses in accordance with the provisions hereof, unless the purchaser, transferee or assignee shall file with this Court, prior to the consummation of said transaction, an undertaking to be bound by its provisions.

V

The supply contracts required by this Final Judgment shall be subject to termination by New Company at any time on nine (9) months' notice; shall be between New Company and CIBA–Geigy or, in the case of products not manufactured by CIBA–Geigy, may be between New Company and the manufacturer of such products; shall be on a nonexclusive basis; and shall not require any supplier to continue production of any product which, absent this Final Judgment, it would otherwise discontinue. Sales pursuant to such contracts shall be at reasonable, non-discriminatory prices, terms and conditions, provided that (i) in the case of products supplied to CIBA–Geigy by CIBA–Geigy (Basle) or other third parties, the prices and terms and conditions of sales shall be no less favorable to New Company than those at or upon which such products are, from time to time, supplied to CIBA–Geigy, and (ii) in the case of products manufactured by CIBA–Geigy and sold to third parties, the prices and other terms and conditions of sale shall be no less favorable to New Company than those at or upon which such products are, from time to time, so sold to third parties on the same functional level as New Company. Subject as aforesaid, in the event the parties to any such contract shall be unable to agree on any price, term or provision thereof, the same shall be determined by arbitration within the standards set forth above.

VI

Defendant CIBA–Geigy is ordered and directed, within two (2) years following the date of the Merger, to sell all of the stock of New Company to an Eligible Purchaser, or business and related assets of New Company to a single Eligible Purchaser, provided that the detergent optical brightening agent business may be sold to another Eligible Purchaser.

VII

(A) Defendant CIBA–Geigy is ordered and directed, within two years from the date of the Merger, to sell to a single Eligible Purchaser the following pharmaceutical assets (hereinafter referred to as Pharmaceutical Assets):

(1) the following United States Letters Patents:
No. 2,700,671 (sulfinpyrazone), No. 3,055,904 (chlorthalidone), No. 2,648,682 (acenocoumarol), No. 2,745,783 (oxyphenbutazone), No. 2,948,718 (carbamazepine) and No. 3,415,937 (clortermine hydrochloride); reserving, however, and subject to, a nonexclusive, royalty-free, license to CIBA–Geigy for the respective lives thereof to make, have made, use and sell the products, and to practice the methods, covered by all of the claims of such patents;

(2) the following United States trademarks: "Hygroton", Registration No. 437,263, and "Regroton", Registration No. 748,677;

(3) (a) All of CIBA–Geigy's right, title, interest and privileges with respect to the "FDA materials" (hereinafter defined) relating to all of the pharmaceutical

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products listed in paragraphs (1) and (3) of Appendix B hereto, so that such FDA materials shall be the sole property of and controlled exclusively by such Eligible Purchaser, together with copies of all such materials and all necessary authorizations or approvals for the development, manufacture, sale or distribution of all of such pharmaceutical products, subject, however, to a continuing right of CIBA–Geigy to use, have access to, refer to and authorize the FDA to refer to such FDA materials in connection with the development, manufacture, sale or distribution of pharmaceutical products by CIBA–Geigy;

The term "FDA materials" as used herein means all applications, notices, data and information relating to all of the pharmaceutical products listed in Appendix B hereto and filed (and any relevant information available but not filed) before the date of the Merger by CIBA–Geigy with the United States Food and Drug Administration. "FDA materials" concerning the Geigy owned pharmaceutical products specifically identified as Hygroton and Regroton in paragraph (1) of Appendix B hereto shall also include applications, notices, data and information filed by Geigy or available but not filed for a period of five (5) years following the date of the Merger.

(b) The right to use, have access to, refer to and authorize the FDA to refer to the FDA materials (as above defined) relating to the licensed pharmaceutical product described in paragraph (2) of Appendix B hereto, in connection with the development, manufacture, sale or distribution thereof by the purchaser, together with copies of all such materials and all necessary authorizations or approvals as such purchaser may request;

(4) manufacturing know-how, technical information and customer lists and sales records with respect to the pharmaceutical products described in Appendix B hereto, and information regarding their manufacture, use and application, to the extent that CIBA–Geigy now has or shall have after the Merger the right to do so;

(B) Defendants are ordered and directed to sell to the purchaser of the Pharmaceutical Assets, or procure for such purchaser, under appropriate supply contracts and at prices and upon terms and conditions as provided in Section V hereof, the active ingredients for or formulations of all of the pharmaceutical products described in Appendix B hereto. Such obligation shall continue for five (5) years from the date of the sale of the Pharmaceutical Assets. Each such supply contract shall be subject to termination by the purchaser at any time on nine (9) months' notice and shall obligate the manufacturer of such products to continue deliveries notwithstanding that it might otherwise discontinue production;

(C) (1) At the time of the sale of the Pharmaceutical Assets, CIBA–Geigy is ordered and directed to grant to the purchaser thereof an option to purchase the Geigy plant at Cranston, Rhode Island, described in Appendix C hereto. Such option shall be exercisable at any time during the period of four (4) years from the date of sale of the Pharmaceutical Assets upon at least eighteen (18) months' notice prior to the expiration of the option. In the event such option shall be exercised, the transfer of the Geigy Cranston plant pursuant thereto need not include any manufacturing know-how, technical information or patent rights with respect to any product or patents not otherwise covered by this Final Judgment other than patents on machinery and equipment incorporated in said plant. In the event CIBA–Geigy and the purchaser cannot agree upon the price, terms or conditions for the sale of the Geigy Cranston plant, the same shall be determined by arbitration on a fair and reasonable basis;

(2) In the event said option shall be exercised, CIBA–Geigy is ordered and directed to make available for selection and employment by the purchaser personnel theretofore engaged in the operation and management of said plant to the extent requested by the purchaser, on condition that the purchaser offers to such personnel employee rights and benefits substantially similar to or better than those to which they would have been entitled as CIBA–Geigy employees. For three (3) years following the employment of any such personnel by the purchaser, defendants are enjoined and restrained from employing any of such transferred personnel except with the prior consent of plaintiff or this Court if the plaintiff fails so to consent;

(3) Pending the exercise or expiration of said option, CIBA–Geigy and the purchaser of the

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Pharmaceutical Assets shall have co-manufacturing rights at said Geigy Cranston plant with respect to such of the Geigy pharmaceutical products as shall have been manufactured at said plant on March 19, 1970. Such co-manufacturing rights shall entitle such purchaser to have its requirements of the respective products manufactured at said plant. In the event CIBA–Geigy and said purchaser shall be unable to agree upon the price, terms or conditions of such co-manufacturing rights, the same shall be determined by arbitration on a fair and reasonable basis.

(D) Upon request by the purchaser of the Pharmaceutical Assets, CIBA–Geigy is ordered and directed to provide to such purchaser co-manufacturing rights at the Geigy pharmaceutical formulation plant at Suffern, New York, with respect to all of the pharmaceutical products described in Appendix B hereto, for a period of five (5) years following purchase of such Pharmaceutical Assets. Such co-manufacturing rights shall entitle such purchaser to have said products formulated at said plant and shall be subject to termination by the purchaser at any time on six months' notice. In the event CIBA–Geigy and said purchaser shall be unable to agree upon the price, terms or conditions of such co-manufacturing rights, the same shall be determined by arbitration on a fair and reasonable basis.

(E) The purchaser of the Pharmaceutical Assets shall have the right to select and employ up to 50% of the personnel to be equitably selected in each job classification and rating engaged in the marketing of Geigy pharmaceutical products in each marketing district in the United States at the time of such purchase on condition that such purchaser offers to such personnel employee rights and benefits substantially similar to or better than those to which they would have been entitled as CIBA–Geigy employees. For three (3) years following the employment of any such personnel by the purchaser, defendants are enjoined and restrained from employing any of such transferred personnel, except with the prior consent of plaintiff or this Court if the plaintiff fails so to consent.

VIII

(A) CIBA–Geigy is ordered and directed, within two (2) years from the date of the Merger, to grant to a single Eligible Purchaser rights and licenses with respect to the CIBA agrochemical products described in Appendix D hereto ("CIBA agrochemical products"), as follows:

(1) an unrestricted and nonexclusive license, under any, some or all, as the Eligible Purchaser may request, of the patents referred to in said Appendix D (including patents which may be issued on patent applications referred to in said Appendix), to make, have made, use and sell CIBA agrochemical products, and to practice the methods, covered by the claims of said patents. Any such patent license shall be subject to all of the provisions of subsection (H) of Section IV of this Final Judgment with appropriate substitutions so that said provisions shall apply to the aforesaid license;

(2) manufacturing know-how and technical information with respect to CIBA agrochemical products and information regarding their use and application; and

(3) a nonexclusive right to use, have access to and refer to, materials filed by CIBA prior to the date of the Merger with the U.S. Food and Drug Administration and the U.S. Department of Agriculture and any relevant information available but not filed relating to any of the CIBA agrochemical products. CIBA–Geigy shall authorize specific reference by departments or agencies of the Federal Government to such materials and any label registrations issuing thereon as such purchaser may request in connection with the development, manufacture, sale or distribution of the above-mentioned products.

(B) Defendants are ordered and directed, upon written request of the purchaser of the CIBA agrochemical products, to sell to, or procure for, such purchaser said products or the chemical compounds necessary for formulating the same, under appropriate supply contracts and at prices and upon terms and conditions as provided in Section V hereof. Any such supply contract shall be for a period of three years from the date of the grant referred to in subsection (A) of this Section VIII;

(C) CIBA–Geigy is ordered and directed to furnish upon request to such purchaser copies of CIBA's customer lists and sales records relating to the sale of CIBA agrochemical products;

(D) CIBA–Geigy shall make available for employment by such purchaser personnel engaged in the marketing of CIBA agrochemical products in the United States to the extent requested by the purchaser, on condition that purchaser offers such personnel, employee rights and benefits substantially similar to or better than those to which they would have been entitled as CIBA–Geigy employees. For three (3) years following the employment of any such personnel by the purchaser, defendants are enjoined and restrained from employing any of such

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transferred personnel, except with the prior consent of plaintiff or this Court if plaintiff fails so to consent.

(E) At the time of the grant referred to in subsection (A) of this Section VIII, CIBA–Geigy is ordered and directed to grant to the purchaser an option to purchase the CIBA agrochemical testing facilities at Vero Beach, Florida, as described in Appendix E hereto. Such option shall be exercisable at any time within two (2) years from the date of the grant upon at least six (6) months' notice prior to the expiration of the option. In the event CIBA–Geigy and the purchaser cannot agree upon the price, terms or conditions for the purchase of said facilities, the same shall be determined by arbitration on a fair and reasonable basis.

IX

If CIBA–Geigy shall not have sold or otherwise disposed of any of the assets to be sold or disposed of pursuant to Sections VI, VII and VIII hereof within two (2) years from the date of the merger or any extension of said period pursuant to Section XVIII hereof, at any time thereafter, upon reasonable notice to CIBA–Geigy and opportunity to be heard, plaintiff may move this Court for an order requiring a trustee to be appointed by this Court, at the cost and expense of CIBA–Geigy, to sell such assets to an Eligible Purchaser at the best offer obtainable at a public or private sale, as this Court shall determine, provided that if any such sale requires registration under the Securities Act of 1933, as amended, the cost of such registration shall be borne by the purchaser.

X

All sales pursuant to this Final Judgment shall be made in good faith and shall be absolute and unqualified; provided, however, that if any assets sold or transferred are not simultaneously paid for in full, nothing herein shall prohibit CIBA–Geigy from retaining, accepting and enforcing a bona fide lien, mortgage, deed of trust or other form of security other than voting stock on such assets for the purpose of securing to CIBA–Geigy full payment of the price at which such assets are sold; and provided further that if, after bona fide disposal pursuant to this Final Judgment, CIBA–Geigy by enforcement or settlement of a bona fide lien, mortgage, deed of trust or other form of security regains ownership or control of any such assets, CIBA–Geigy shall, subject to the provisions of this Final Judgment, dispose of any such assets thus regained within two years from the time of reacquisition.

XI

None of the assets to be sold or otherwise disposed of pursuant to this Final Judgment shall be directly or indirectly sold or otherwise disposed of to any person, other than an Eligible Purchaser, who at that time is an officer, director or employee of any defendant or any of its subsidiaries or affiliates, or is acting for or under the control of any of them, or in which they or any of them own or control beneficially more than one percent of the voting securities (including securities convertible into voting securities).

XII

Until the sale or disposition of any asset required by this Final Judgment is accomplished, defendants shall not knowingly take any action which impairs the value of such asset or defendants' ability to accomplish such sale or disposition.

XIII

(A) Whenever CIBA-Geigy is required to furnish manufacturing know-how and technical information to an Eligible Purchaser with respect to any product or its use or application, such know-how and information shall include (i) all manufacturing know-how and technical information which CIBA–Geigy has and which it may at that time lawfully disclose for use in the manufacture of such product, and (ii) such additional technical information relating to the use and application of such product as CIBA-Geigy then furnishes to its customers in the United States.

(B) As a condition to furnishing any manufacturing know-how or technical information, CIBA-Geigy may require the Eligible Purchaser to whom it is furnished to agree in writing to use such technical information only in connection with the production of such products in the United States by or for the Eligible Purchaser.

(C) Except as in this Final Judgment expressly provided or as provided by law, no license or right under any patent or to use any trademark or company or trade name with respect to any product shall be granted or implied in connection with any transaction pursuant hereto.

XIV

Nothing contained in this Final Judgment shall be deemed:

(A) to prohibit any person from

(1) performing any act in any foreign country which is required of it under the law of such foreign country, or

(2) refraining from any act in any foreign

country which would be illegal under the law of such foreign country; or

(B) to require any person to accept employment with New Company or an Eligible Purchaser if he shall be unwilling to do so.

XV

Any sale or other disposition of any asset required by this Final Judgment to be made to an Eligible Purchaser other than a single Eligible Purchaser, may be made to two or more eligible Purchasers if approved by plaintiff or this Court if plaintiff fails so to approve after notice to plaintiff and opportunity to be heard.

XVI

Any matters to be determined by arbitration pursuant to this Final Judgment shall be determined, upon notice to the plaintiff, under the provisions of Articles 75 and 76 of the New York Civil Practice Law and Rules in accordance with the rules then obtaining of the American Arbitration Association, and in the event of such arbitration the periods of time provided herein concerning the duration of the rights and obligations of the parties to the matters being arbitrated shall be extended for a period of time equalling the period required for such arbitration.

XVII

Except as to matters to be arbitrated pursuant to this Final Judgment, any disagreement as to the prices, terms or conditions of any transaction under this Final Judgment shall be determined by this Court upon written application of either party to the transaction and after notice to the plaintiff. Pending the completion of any such proceeding, this Court may determine interim terms, which may be adjusted retroactively at the time of the final determination. In any such proceeding the burden of proof shall be upon the defendant to establish that any price, term or condition requested by it conforms to the requirements of this Final Judgment. In the event of any proceeding concerning the prices, terms or conditions in contracts of supply as required herein, the periods provided herein concerning the duration of such contracts shall be extended for a period of time equalling that from when an application is made and this Court determines interim terms.

XVIII

(A) Following the entry of this Final Judgment, CIBA–Geigy shall render reports quarter-annually to the Assistant Attorney General in charge of the Antitrust Division, outlining in reasonable detail the efforts made by CIBA–Geigy to comply with the provisions of Sections IV, VI, VII and VIII of this Final Judgment. Such reports shall be deemed confidential and shall not be disclosed to others than members of the staff of the Department of Justice, except upon order of this Court or in any proceeding arising out of this Final Judgment.

(B) The complete details of any contemplated sale or other disposition of any assets required by this Final Judgment shall be submitted to plaintiff by CIBA–Geigy. Following the receipt of such information, plaintiff shall have sixty (60) days in which to object thereto by written notice to CIBA–Geigy. If plaintiff does not object, the transaction may be consummated, but if there is objection by the plaintiff, the transaction shall not be consummated until CIBA–Geigy obtains the approval of this Court or until plaintiff withdraws its objection; provided, however, that in case plaintiff objects, the period set forth herein within which the assets in question must be sold or otherwise disposed of shall be extended by agreement with plaintiff, and if the parties cannot agree, the period of extension shall be determined by this Court after notice to plaintiff and opportunity to be heard.

XIX

For a period of five (5) years after the date of entry of this Final Judgment, the Defendants are enjoined and restrained from acquiring directly or indirectly any other person engaged in the United States in any of the same lines of commerce as CIBA–Geigy, except upon fifteen (15) days' prior notice to the plaintiff. If within such fifteen (15) day period plaintiff requests information authorized by the Antitrust Civil Process Act relating to the proposed transaction, then such transaction shall not be consummated prior to the expiration of sixty (60) days following the submission to the plaintiff of such information.

XX

(A) For the purpose of securing compliance with this Final Judgment, and for no other purpose duly authorized representatives of the Department of Justice shall, upon written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to CIBA–Geigy, made to its principal office, and subject to any legally recognized privilege, be permitted:

(1) access during regular office hours to all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of CIBA–Geigy relating to any matter contained

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in this Final Judgment; and

(2) subject to the reasonable convenience of CIBA–Geigy, and without restraint or interference from it, to interview officers or employees of CIBA–Geigy, who may have counsel present, regarding any such matters.

(B) Upon such written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, CIBA–Geigy shall submit such reports in writing with respect to the matters contained in this Final Judgment as from time to time may be requested.

(C) No information obtained by the means provided in this Section XX shall be divulged by any representative of the Department of Justice, to any person other than a duly authorized representative of the Executive Branch of plaintiff, except in the course of legal proceedings to which the United States of America is a party for the purpose of securing compliance with this Final Judgment or as otherwise required by law.

XXI

Jurisdiction is retained for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for construction, carrying out, modification, termination or enforcement of or compliance with the provisions of this Final Judgment and for the punishment of violations thereof.

Dated: September 8, 1970

/s/ Marvin E. Frankel

United States District Judge

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APPENDIX A

CIBA Dyestuff Assets

(1) Inventories of dyestuffs wherever located owned by CIBA at the date of transfer to the New Company.

(2) Inventories of textile auxiliary products wherever located owned by CIBA at the date of transfer to the New Company.

(3) Central headquarters and main office buildings and facilities held by CIBA under lease, located on Route 208, Fair Lawn, New Jersey, comprising office buildings, laboratories, warehouse and mixing facilities (approximately 61,000 sq. ft.), including the relevant machinery and equipment located in these premises.

(4) Branch offices and facilities, including the relevant machinery and equipment located in these premises as follows:

- (a) Dalton, Georgia, 1815 South Hamilton Avenue, comprising buildings (approximately 16,000 sq. ft.) and land (approximately five acres) owned by CIBA, in fee;
- (b) Charlotte, North Carolina, 3001 North Graham Street, comprising buildings (approximately 95,000 sq. ft.) and land (approximately 18 acres) owned by CIBA in fee;
- (c) Philadelphia, Pennsylvania, 4241 North Second Street, comprising buildings (approximately 10,000 sq. ft.) held by CIBA under lease;
- (d) Rumford, Rhode Island, 331 North Broadway, comprising buildings (approximately 15,000 sq. ft.) held by CIBA under lease;
- (e) City of Commerce, California, 6279 East Slauson Avenue, comprising buildings (approximately 2,000 sq. ft.) held by CIBA under lease; and
- (f) Skokie, Illinois, 7535 Lincoln Avenue, comprising buildings (approximately 12,000 sq. ft.) held by CIBA under lease.

(5) Dyestuffs accounts receivable and customer orders in process and customer contracts held by CIBA as at the date of the transfer to the New Company.

(6) Originals and all copies (retaining none) of books, records and customer and statistical data relevant to the dyestuffs business being transferred.

CIBA Detergent Optical Brightening Agents

The CIBA detergent optical brightening agents known as Uvitex SOF and Uvitex SK and related assets, as follows:

(1) the unrestricted transfer of United States patents No. 2,995,564, and No. 2,842,545 and any United States patents that may issue on application No. 3567-S-CIP3, reserving, however, a nonexclusive royalty-free license to manufacture, use and sell the textile optical brightening agents Uvitex EBF and Uvitex ERN;

(2) a nonexclusive royalty-free license under United States patents No. 2,995,605, No. 3,076,812, and No. 3,095,421;

(3) the exclusive right to use the United States trademark "Uvitex" in combination with the letters "SOF" and "SK";

(4) manufacturing know-how and technical information with respect to Uvitex SOF and Uvitex SK and regarding their use and application;

(5) detergent optical brightening agents accounts receivable and customer orders in process and customer contracts held by CIBA as at the date of the transfer to the New Company; and

(6) originals and all copies (retaining none) of books, records and customer and statistical data relevant to the detergent optical brightening agents business being transferred.

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APPENDIX B

Pharmaceutical Products

(1) Geigy Owned Pharmaceutical Products

Generic Name	Trademark
Sulfinpyrazone	Anturane
Phenylbutazone	Butazolidin
Combination of phenylbutazone, aluminum hydroxide and magnesium trisilicate	Butazolidin alka
Crotamiton	Eurax
Chlorthalidone	Hygroton
Heptabarbital	Medomin
Combination of chlorthalidone and reserpine	Regroton
Acenocoumarol	Sintrom
Combination of phenylbutazone, prednisone, aluminum hydroxide and magnesium trisilicate	Sterazolidin
Chlorquinaldol	Sterosan
Combination of chlorquinaldol and hydrocortisone	Sterosan-hydrocortisone
Oxyphenbutazone	Tandearil
Carbamazepine	Tegretol
Imipramine hydrochloride	Tofrānil

(2) Licensed Pharmaceutical Product

Desipramine hydrochloride*	Pertofrane

(3) CIBA Owned Pharmaceutical Product

Clortermine hydrochloride	Voranil

* Under license from Colgate-Palmolive Company.

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APPENDIX C

Geigy Cranston Plant

(1) The site comprising approximately 40 acres of land owned by Geigy in fee in the cities of Cranston and Warwick, Rhode Island, together with the buildings located thereon, which include production facilities (approximately 141,000 sq. ft.), pilot plants (approximately 23,000 sq. ft.), laboratories (approximately 30,000 sq. ft.), office facilities (approximately 11,000 sq. ft.), and other supporting facilities, including shipping and receiving, locker room and cafeteria, warehouse, etc. (approximately 169,000 sq. ft.). A portion of the site is comprised of private dwellings purchased by Geigy for expansion purposes which have not yet been converted to industrial use.

(2) Machinery and equipment owned by Geigy and located on the site described above.

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APPENDIX D

CIBA Agrochemical Products

Generic Name	Number of Relevant U.S. Patent or Application
Chloroxuron	Patent No. 3,060,235
Flurodifen	Patents Nos. 3,420,892 and 3,322,525
Fluometuron	Patent No. 3,134,665
Metobromuron	Patents Nos. 3,223,721 (in interference) and 3,288,851
Chlorbromuron	Patent No. 3,497,541 and Application No. 4826-E-CIP/10/DIV
Chlorphenamidine	Patents Nos. 3,284,289 and 3,487,156 and Application No. 5,041-E-DIV/CIP/Cont.

CIB 009 0515

APPENDIX E

CIBA Agrochemical Testing Facilities at Vero Beach, Florida

(1) The site comprising approximately 168 acres of land owned by CIBA in fee located on North Winter Beach Road and Kings Highway, Vero Beach, Florida, together with the buildings located thereon. Such buildings, which together occupy approximately five acres, include a main building containing offices, laboratories and accessory sample storage and preparation facilities (approximately 10,000 sq. ft.), four greenhouses (approximately 4,000 sq. ft.), three storage buildings for machinery, pesticides and solvents, respectively (approximately 6,000 sq. ft., total), a pilot plant formulation building and a three bedroom guesthouse. Of the remaining 163 acres, approximately 75 acres are occupied by experimental field plots, approximately 50 acres are occupied by animal experimental pastures, and approximately 38 acres are held in reserve for future expansion. There are two irrigation ponds (approximately two surface acres each), 2 artesian wells and an irrigation system covering the experimental field plots.

(2) Machinery and equipment owned by CIBA and located on the site described above.

CIB 009 0516

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ASSIGNMENT AND AGREEMENT dated as of October 21, 1970, among TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation (hereinafter called TRC), CIBA-GEIGY CORPORATION, a New York corporation (hereinafter called Seller), successor by merger of CIBA CORPORATION, a Delaware corporation (hereinafter called CIBA) and INTRACOLOR CORPORATION, a Delaware corporation (hereinafter called Purchaser).

Pursuant to the Consent Judgment entered on September 8, 1970, in the United States District Court for the Southern District of New York in an action entitled United States of America v. CIBA Corporation, et al. (Civil Action No. 70 Civ. 3078) (hereinafter called the Judgment), CIBA has transferred to Purchaser (a wholly owned subsidiary of Seller) certain properties and assets comprising its dyestuffs business. In addition, the Judgment requires that Toms River Chemical Corporation, a Delaware corporation (hereinafter called TRC), enter into a contract with Purchaser to supply it certain dyestuffs as more fully provided in Section IV(D) of the Judgment. Seller desires to assign to Purchaser, as successor to CIBA's dyestuffs business,

certain of Seller's rights under the contract (herein called the Contract) described below and to make certain amendments thereto.

TRC and Seller (under its then name Geigy Chemical Corporation) and TRC and Sandoz, Inc., a New York corporation (hereinafter called Sandoz), have also entered into supply contracts of the same date and supplemented by agreements and amendments of the same dates and containing substantially the same provisions as the Contract (hereinafter called the Geigy Contract and the Sandoz Contract, respectively, and together with the Contract, hereinafter collectively sometimes referred to as the Supply Contracts).

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Subject to the further provisions hereof, Seller hereby assigns and transfers to Purchaser all of Seller's right, title and interest in and to the Supply Contract dated as of June 30, 1955 (herein called the Contract), between TRC (under its then name, Toms River-Cincinnati Chemical Corporation) and CIBA (under its then name, Ciba Company, Inc.), as amended, to the end that Purchaser shall have and enjoy all the rights of Seller under the Contract as the

successor to CIBA's dyestuffs business; provided, however, that this instrument shall not transfer to Purchaser any right under the provisions of Section 7 of the Contract or otherwise for Purchaser to purchase (a) any Special Product (as defined in said Section 7) which is subject to arrangements in effect on the date hereof between Seller and TRC pursuant to said Section 7 or (b) any other Special Product covered, or the use of which is covered, by any patents or patent applications owned by or licensed to Seller or any affiliate of Seller, except patents or patent applications owned by or expressly licensed to Purchaser.

2. Seller, Purchaser and TRC shall make such modifications in the Contract or enter into such further or additional agreements as, in the opinion of counsel for Seller, may be necessary or appropriate in order that Seller may fully comply with the Judgment.

3. This instrument shall not transfer to Purchaser any interest in the Geigy Contract.

4. Purchaser hereby accepts this assignment of the Contract subject to the provisions set forth herein and assumes all the obligations of CIBA and/or Seller under the Contract, as amended, arising on and after the date hereof. TRC hereby releases Seller from all obligations so assumed by Purchaser.

5. In compliance with the Judgment and notwithstanding the provisions of Section 1 hereof, Purchaser may purchase, and TRC will sell to Purchaser, until five years from the date of "Sale of New Company", as defined in the Judgment, certain Special Products (hereinafter called Designated Special Products), comprising all dyestuffs which have been or will be manufactured by TRC during the period commencing on March 19, 1970, and ending five years from the date of "Sale of New Company" and which are covered by one or more claims of any patent owned by any "Defendant", as defined in the Judgment, all at prices and upon terms and conditions no less favorable to Purchaser than those at which such products shall from time to time be sold by TRC to Seller. Designated Special Products shall not cease to be Special Products under any of the Supply Contracts for any reason except upon expiration of the patent thereon or upon the abandonment or final rejection of the patent application with respect thereto, as the case may be, anything contained in any of the Supply Contracts to the contrary notwithstanding.

6. Section 11 of the Contract is hereby deleted in its entirety and the following substituted therefor:

> "This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer its rights or obligations hereunder to another company or person, except to a

successor to substantially the whole of its business and then only subject to the terms and provisions hereof. Subject, as aforesaid, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns."

7. Section 12 of the Contract is hereby deleted in its entirety and the following substituted therefor:

"This Agreement may be terminated at any time by Purchaser upon nine months' prior written notice to TRC, and unless so terminated shall in any event terminate one year from the earlier of (i) the start-up of a dyestuffs plant, if any, constructed by Purchaser as contemplated in Section IV(F) of the Consent Judgment entered on September 8, 1970, in the United States District Court for the Southern District of New York in an action entitled United States of America v. CIBA Corporation, et al. (Civil Action No. 70 Civ. 3078) (the 'Judgment') or (ii) the start-up of production, if any, by Purchaser of dyestuffs as contemplated in said Section IV(F). If not terminated as provided in the foregoing sentence, this Agreement shall in any event terminate ten years from the date of 'Sale of New Company', as defined in the Judgment."

8. Section 14 of the Contract is hereby deleted in its entirety and the following substituted therefor:

"Except as otherwise provided in paragraphs (e) and (h) Section 3, any controversy which shall arise under this Agreement shall be settled by arbitration under the provisions of Article 75 of the New York Civil Practice Law and Rules in accordance with the rules then obtaining of the American Arbitration Association. The arbitration shall be held in the City of New York or such other place as the parties hereto may agree upon. Judgment upon any award rendered may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be."

9. The Contract is hereby amended

(a) by deleting in its entirety the caption and substituting therefor:

> "SUPPLY CONTRACT, dated as of June 30, 1955, between TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation, having a post office address at Box 71, Toms River, New Jersey 08753 (hereinafter called 'TRC') and INTRACOLOR CORPORATION, a Delaware corporation, having an office at Route 208, Fair Lawn, New Jersey 07410 (hereinafter called 'Purchaser'), successor hereunder to CIBA CORPORATION, a Delaware corporation (hereinafter called 'CIBA').";

(b) by substituting the term "Purchaser" for the term "CIBA" or "CIBA Corporation" wherever such term appears, except in the caption, the first sentence of paragraph 1 of the preamble and the first sentence of paragraph 2 of the preamble; and

(c) by deleting in its entirety the second sentence of paragraph 3 of the preamble.

10. This Agreement shall be construed and the legal relationships among the parties hereto determined in accordance with the laws of the State of New York.

11. Any controversy which shall arise under this Agreement shall be settled by arbitration as provided in the Contract, as amended.

12. CIBA-GEIGY hereby consents to the execution and delivery by TRC of an Agreement dated the date hereof with Sandoz, Inc. relating to the Sandoz Contract.

IN WITNESS WHEREOF, the parties have executed

this Assignment and Agreement as of the date first above written.

TOMS RIVER CHEMICAL CORPORATION,

by _____

Attest:

_____
Secretary

CIBA-GEIGY CORPORATION,

by _____

Attest:

_____
Secretary

INTRACOLOR CORPORATION,

by _____

Attest:

_____
Secretary

TOMS RIVER → INTRACOL.

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SUPPLY CONTRACT, dated as of October 1, 1971 between TOMS RIVER CHEMICAL CORPORATION, a Delaware corporation having its principal offices at Route 37, Toms River, New Jersey (hereinafter called "TRC") and INTRACOLOR CORPORATION, a Delaware corporation having its principal offices at Route 208, Fair Lawn, New Jersey, (hereinafter called "Intracolor").

PREAMBLE

1. TRC has for many years supplied a substantial part of the requirements for dyestuffs and certain other chemical products of CIBA Corporation (hereinafter called "CIBA"), the predecessor of Intracolor, first from its Ohio facilities and later solely from its present New Jersey facilities. On December 1, 1952, TRC entered into a Supply Contract with CIBA concerning products produced at its Ohio plant. Said Supply Contract was subsequently superseded by the Supply Contract dated as of June 30, 1955, and as amended by agreements dated as of July 1, 1959, March 18, 1964, and October 21, 1970. It is desirable to further amend said Supply Contract and therefore the Supply Contract dated as of June 30, 1955 as amended, is hereby amended in its entirety and restated to read as hereinafter set forth.

2. TRC has its manufacturing plant near Toms River, New Jersey, designed primarily for the production of azo dyes, anthraquinone dyes and dye intermediates. The dyes that are being manufactured at such plant and which are available for sale to TRC's customers are listed on Schedule A annexed hereto. It is anticipated that the manufacture of additional dyes may be undertaken in the future, some or all of which may be produced in accordance with processes obtained from Intracolor's parent or subsidiary corporations under terms of license or other agreements between such corporations and TRC.

3. Pursuant to the Consent Judgment entered on September 8, 1970, in the United States District Court for the Southern District of New York in an action entitled United States of America v. CIBA Corporation, et al. (Civil Action No. 79 Civ. 3078) (hereinafter called the Judgment), CIBA-GEIGY Corporation (hereinafter called CIBA-GEIGY) transferred to Intracolor certain properties and assets comprising the dyestuffs business of CIBA. In addition, the Judgment required that CIBA-GEIGY cause TRC to enter into a supply contract with Intracolor to supply it certain dyestuffs as more fully provided in Section IV(D) of the Judgment. Therefore, on October 21, 1970, the Supply Contract dated as of June 30, 1955, as amended, between CIBA and TRC was further amended and assigned to Intracolor.

4. TRC desires to supply Intracolor with a substantial portion of its requirements of dyes and also to supply Sandoz-Wander, Inc., and CIBA-GEIGY (both Sandoz-Wander, Inc., and CIBA-GEIGY are hereinafter sometimes referred to as "TRC's other regular customers") a substantial portion of their respective requirements of dyes, Intracolor and TRC's other regular customers, being desirous of assuring for themselves respectively a dependable source of supply of the dyes covered hereby in the quantities and of the qualities needed by them and at the lowest practicable cost, are simultaneously entering into like agreements with TRC substantially in the form hereof.

Accordingly, the parties hereto, each in consideration of the agreements of the other herein contained, hereby agree as follows:

1. PRODUCTS COVERED

(a) The products covered by this Agreement shall be the dyes listed in Schedule A hereto, those that may hereafter be added thereto by mutual consent, and such additional dyes other than dyes coming within the definition of "Special Products" as hereinafter in Section 7 provided, as TRC may undertake to manufacture after the date hereof. TRC shall notify Intracolor promptly after

(i) undertaking the commercial manufacture of any such additional dye, other than such a Special Product, or

(ii) the termination of the relevant patent coverage as a result of which any dye theretofore a Special Product under Section 7 shall cease to be such,

whereupon that dye will automatically be added to Schedule A.

(b) All the dyes now or hereafter included in Schedule A, the manufacture of which shall not have been discontinued as provided in paragraph (d) of Section 2, shall be available to Intracolor under the terms of this Agreement.

2. PURCHASE AND SALES UNDERTAKING

(a) At least 45 days prior to the beginning of each fiscal quarter, (hereinafter sometimes referred to as "quarterly period") Intracolor shall deliver to TRC written orders for the quantities of each dye that it desires to purchase from TRC (1) during such quarterly period (said orders are hereinafter sometimes referred to as "Class A-1 Orders") and (2) during the next following quarterly period (said orders are hereinafter sometimes referred to as "Class A-2 Orders"). The Class A-1 Orders shall be for quantities of each dye in addition to those quantities previously ordered as Class A-2 Orders and confirmed by TRC.

prior to the beginning of each quarterly period, TRC shall notify Intracolor in writing of the quantities of each dye that TRC is prepared to supply against the Class A-1 Orders for that quarterly period and the Class A-2 Orders for the following quarterly period. Upon such notification and subject to the terms and conditions hereinafter set forth, Intracolor will become obligated to take and TRC will become obligated to deliver all of the quantities of each dye so designated by TRC for delivery during such quarterly periods provided that Intracolor may decrease Class A-2 Orders for the amount of any individual dyes by 25% if said changes are submitted to TRC no later than 45 days prior to the beginning of the quarterly period in which the dye is to be delivered.

(b) In addition to orders placed pursuant to the preceding paragraph (a), Intracolor may, at any time or from time to time place spot orders for additional quantities of any dye for immediate needs, which orders TRC shall not be obligated to accept, except and to the extent that TRC shall determine that it has or will have available supplies sufficient therefore after filling all Class A-1 and Class A-2 Orders. Orders for such additional quantities of dyes are hereinafter sometimes referred to as "Class B Orders". Such Class B Orders will not assume A-Order status at a future date.

(c) Subject to and in accordance with the further provisions of this Agreement, TRC will use its best efforts to supply the respective dyes from time to time ordered by Intracolor under this Agreement so that Intracolor may look to TRC as a dependable source of supply of the dyes covered by this Agreement of the qualities and in the quantities needed, it being understood however, that in order to have the best balanced production schedule, it may be necessary for TRC to establish minimum order quantities for various dyes from time to time.

(d) TRC reserves the right to discontinue for reasonable cause the manufacture of any dye covered by this Agreement upon six months' written notice to Intracolor.

3. CHARGES FOR DYES DELIVERED

(a) At least 25 days prior to the beginning of each quarterly period, TRC shall mail to Intracolor a list of charges, estimated by TRC to be the charges during the following quarterly period for the dyes covered by this Agreement. Within ten days thereafter, Intracolor may cancel without penalty any A-1 and A-2 Orders for any dye placed with TRC for which TRC's prices have been increased more than 5% over the estimated price for the preceding quarter.

(b) The total of the charges for dyes covered by this Agreement delivered to Intracolor hereunder during any fiscal year, commencing with the fiscal year 1971, shall not exceed the sum (herein referred to as the "Maximum Price") of (i) the aggregate costs (including depreciation, overhead and administrative expenses, interest charges and all other proper charges) allocable to the production and delivery thereof, as determined from time to time in accordance with generally accepted accounting principles approved by TRC's regular independent certified public accountants, and (ii) a supplementary amount equal to the "Return on Capital Employed" (hereinafter defined) in the production of such dyes.

(c) Within sixty days after the close of each quarterly period of any fiscal year, commencing with the quarterly period ending December 31, 1971, TRC shall determine the estimated Maximum Price for the dyes delivered to Intracolor hereunder during such quarter, making such estimates of items of cost not then determined as shall be necessary, and if the Maximum Price so determined shall be less than the aggregate of the charges made for said dyes so delivered during such quarter, the difference shall forthwith be refunded to Intracolor, on account, and subject to adjustment after the year-end, as hereinafter provided. As soon as practicable after the close of each fiscal year (commencing with the fiscal year 1971) and after all year-end adjustments shall have been

made and the accounts of TRC shall have been audited by its regular independent certified public accountants, and in no event more than 90 days after the close of such year, TRC shall submit to Intracolor a report certified by its said accountants, as to the Maximum Price for all dyes delivered to Intracolor hereunder during said year. If such Maximum Price so certified shall be less than the aggregate of the charges made by TRC for dyes delivered to Intracolor hereunder during such year, the difference shall be the definitive amount due Intracolor as a refund of price hereunder for such year and the amount remaining due to Intracolor on account of such refund shall forthwith be paid by TRC or if payments of refunds previously made for such fiscal year shall have exceeded the amount thus finally determined to be due, the excess payments shall be repaid by Intracolor to TRC. In addition, as soon as practical after the close of each fiscal year, TRC shall submit to Intracolor a report setting forth the price per hundred pounds, after giving effect to the refund provision, charged by TRC for each dye delivered to Intracolor hereunder during said year.

(d) The "Return on Capital Employed" in the production of dyes delivered to Intracolor hereunder during any fiscal year effective with the year 1971 shall be that part of the total

provision for return on capital, determined as stated below, allocable to the production of such dyes as hereinafter provided. The total provision for return on capital for the purposes hereof in respect of any fiscal year shall be an amount equal to the Designated Percentage (as hereinafter defined) of the capital represented by the Common Stock of TRC outstanding during such year. For the purposes hereof (1) said total Return on Capital Employed in respect of any fiscal year shall be allocated among all dyes and other products manufactured by TRC during such year in the same manner and in the same proportions in all material respects as usage of manufacturing equipment (including equipment for drying and standardization but excluding auxiliary facilities such as power plant and waste disposal facilities) is allocated among such dyes and other products respectively in determining product costs in accordance with TRC's regular accounting procedures, excluding, however, such facilities for Special Products referred to in Section 7 hereof, the cost of which shall have been provided otherwise than from TRC's general funds; and (2) the sum of the amounts so allocated to the respective dyes delivered to Intracolor hereunder during any fiscal year shall be the "Return on Capital Employed" in the production of said dyes.

(e) The Designated Percentage in respect of each fiscal year shall be the greater of (a) 10% or (b) the percentage obtained by multiplying by 10% the quotient of $\frac{A}{B}$ where A shall be the amount obtained by dividing (1) the arithmetic average of the annual Net Profit after Taxes of all manufacturing corporations for the three fiscal years ended June 30 next preceding the subject fiscal year by (2) the arithmetic average of the Total Stockholders' Equity in such corporations at the end of each quarter during such three years, both calculated from the data published jointly by the Federal Trade Commission and Securities and Exchange Commission in the Quarterly Financial Report for Manufacturing Corporations, and B shall be the amount corresponding to A for the five calendar year period 1955-1959, inclusive, namely 10.86%. In the event that the form in which the data on Net Profit After Taxes and Total Stockholders' Equity is published by the Federal Trade Commission and the Securities and Exchange Commission shall be changed after January 1, 1971, the Designated Percentage shall be determined on the basis of the data as so published following the above-described formula as nearly as may be. In the event the Federal income tax rates applicable to TRC in years subsequent to 1959 shall be increased above or decreased below the rates applicable for 1959, the Designated Percentage shall be increased or decreased so that the total amount of Return on Capital Employed shall, after Federal income taxes, be the same as such amount after said taxes at the rates applicable for 1959.

(f) TRC will at all times use its best efforts, to the same extent that it would if it were producing the dyes to be delivered hereunder for sale at a fixed price, to produce such dyes at the lowest practicable cost.

(g) In the event of any question or dispute between the parties as to the proper application of this Section or as to any computation thereunder, such question or dispute shall be referred to TRC's said independent certified public accountants for determination (to the extent that such question or dispute shall be appropriate for determination by accountants), and their determination in respect thereof shall be final and binding on the parties hereto.

(h) Anything herein contained to the contrary notwithstanding, in the event TRC shall sell any dye covered by this Agreement to any other purchaser at a price lower than the charge therefor computed as herein provided, Intracolor shall be entitled to such lower price subject to the same terms and for the same quantities to which such lower price shall be applicable in respect of such sale to said other purchaser.

4. TERMS OF SALE

Subject to the further provisions of this Agreement, dyes delivered hereunder shall be subject to TRC's standard terms and conditions in effect at the date hereof, or as changed from

time to time with the approval of Intracolor. A copy of said terms and conditions as presently in effect is attached hereto as Schedule B.

5. ALLOCATION

(a) In any quarterly period during which TRC is unable to fill all Class A-1 and Class A-2 Orders for any dye placed with it by or confirmed to Intracolor, and TRC's other regular customers under their respective Supply Contracts, TRC shall allocate its available supply of such dye in such manner and to such extent as practicable, as follows:

(i) Allocation at Time of Acceptance or Filling of Class A-1 Orders. In the acceptance or filling of Class A-1 Orders for any dye, TRC shall allocate to Intracolor its Base Period Proportion (as hereinafter defined) of the total quantity of such dye available from inventory and scheduled for production during such quarterly period over and above the quantity already committed based on prior confirmed Class A-2 Orders.

(ii) Allocation at Time of Acceptance and Filling of Class A-2 Orders. In the acceptance or filling of Class A-2 Orders for any dye, TRC shall allocate to Intracolor its Base Period Proportion of the total quantity of such dye available from inventory and scheduled for production during such quarterly period. In case of a foreseen shortage for A-2 Orders for any dye, TRC shall promptly notify Intracolor, if possible, three months in advance.

(iii) Class B Orders. After Class A-1 and Class A-2 Orders shall have been filled or provided for as aforesaid, in the event the remaining available supply of any dye or dyes shall be insufficient to enable TRC to fill all Class B Orders for such dye or dyes, as the case may be, TRC shall fill the Class B Orders, in the order in which the Class B Orders were received. No allocation will be made.

(b) The "Base Period Proportion" in respect of any dye shall be that proportion which the total quantities sold to Intracolor (including the quantities sold to its predecessor CIBA Corporation) of such dye during the Base Period bear to TRC's total quantities sold of such dye during the base period to Intracolor,

(including the quantities sold to its predecessor CIBA Corporation), Sandoz-Wander, Inc., and CIBA-GEIGY. The "Base Period" in respect of any period of inability to supply such dye shall be the three full fiscal years immediately preceding the beginning of the quarterly period of inability to fill all Class A-1 and Class A-2 Orders placed pursuant to this Agreement for such dye.

(c) When allocating in accordance with the foregoing provisions of this Section 5, if any dye shall not have been available for sale in commercial quantities by Intracolor throughout any Base Period, TRC shall allocate during the first three years after the dye is first available for sale in commercial quantities, the quantity available (which, in the case of allocation of A-1 Orders, shall be after provision for prior confirmed A-2 Orders) as follows: (1) during the first year, Intracolor shall be entitled to 1/3 of the available supply; (2) during the second year, Intracolor shall be entitled to the proportion its purchases of the dye during the first year are to the total of the purchases of the dye from TRC by Intracolor and TRC's other regular customers during the first year; (3) during the third year, Intracolor shall be entitled to the proportion its purchases of the dye during the first two years are to the total of the purchases of the dye from TRC by Intracolor and TRC's other regular customer during the first two years. During the

fourth year and thereafter, Intracolor will be entitled to its Base Period Proportion.

6. SPECIAL SURPLUS ACCOUNT

All earnings and losses of TRC under this Agreement and under the similar agreement with TRC's other regular customers accruing after December 31, 1970, shall be credited or charged, as the case may be, by TRC to a special surplus account. Such credits and charges shall be made annually, as at the end of each fiscal year, after the final determination of the Maximum Price hereunder and under said agreement with TRC's other regular customers for such year and the making of any refunds required thereby. Any balance remaining in said special surplus account at the end of any fiscal year shall be distributed by TRC as a dividend on its common stock. Such obligation to pay common stock dividends shall be subject to the existence of earned surplus available for the payment of such dividend, to contractual obligations restricting the payment of dividends in TRC's loan agreements and to the right of the Board of Directors to postpone the payment of such dividend by the affirmative vote at any meeting

of the Board at which there is a quorum present, of at least a majority of the Directors present provided that such majority shall include at least one Director elected by each class of Common Stock of TRC at the time outstanding. For the purpose of this Section, the "earnings and losses" of TRC shall be the earnings and losses accrued after December 31, 1959, under this and said other similar agreements, separately calculated without reference to any other business of TRC, and shall be (i) net earnings after all taxes applicable thereto and after appropriate reductions of such taxes on the basis of prior losses or (ii) net losses after appropriate credit or reduction in or refund of taxes through the application of such losses to earnings theretofore and after December 31, 1959, accrued.

7. SPECIAL PRODUCTS

(a) TRC shall be entitled to enter into arrangements with its regular customers, or their respective affiliates, for the manufacture of any Special Product or Products as hereinafter defined, and for the sale of such Special Product exclusively to such customer or affiliate, at such price and on such other terms as shall be agreed upon between TRC and such customer or affiliate, as the case may be, but only subject to the conditions hereinafter set forth.

(b) The term "Special Product" as herein used shall mean:

(i) Any product other than a dye, and

(ii) Any dye the manufacture or sale of which by TRC would at the time, except for such arrangement, constitute an infringement (direct or contributory under Section 271 of the U.S. Patent Act of 1952) of one or more claims of any United States patent or pending application for such a patent owned by or licensed to the customer with whom TRC enters into such arrangement, or an affiliate of such customer (but only so long as such patent or application is not licensed to either or both of the other regular customers of TRC or any of their affiliates), excluding, however, (1) all vat dyes, and (2) each other dye which at any time shall have been customarily sold (other than on a dealers' basis) by one of TRC's regular customers or any of its affiliates to either or both of the other regular customers of TRC or any of their affilities; the claim of any pending application being treated, for the purpose of the foregoing, as a valid claim of an issued patent until it shall have been finally rejected.

(c) In the event that the then existing production facilities of TRC (other than facilities financed solely by one customer) are to be used in whole or in material part in the manufacture of the Special Product the exclusive arrangement

provided for in this Section 7 with respect to such Special Product shall be entered into only subject to the following conditions:

(i) The manufacture of such Special Product shall be scheduled by TRC so as not to interfere with its regular dye manufacture and so as to give such regular dye manufacture full priority as to facilities, services, labor and materials.

(ii) All special manufacturing facilities required for the manufacture of such Special Product shall be financed by such customer in such a way as not to be a burden upon TRC and such customer shall indemnify TRC against any loss or unreimbursed expense in the manufacture and sale of such Special Product.

(iii) The price fixed by TRC for any Special Product or any group of Special Products shall, unless otherwise determined by vote of approval of TRC's Board of Directors as provided for below, be such that in the judgment of TRC's management, the profit margin to TRC thereon will ultimately be not less than its average profit margin on regular dyes;

Provided, however, that TRC shall be entitled to enter into and perform in accordance with its terms any contract for the

manufacture or sale of Special Products which shall be approved by a vote of approval of the Board of Directors as hereinafter provided. For the purposes of this paragraph (c) a vote of approval of the Board of Directors shall be the affirmative vote at any meeting of the Board at which there is a quorum present, of at least a majority of the Directors present provided that such majority shall include at least one Director elected by each class of Common Stock of TRC at the time outstanding.

(d) Dyes constituting Special Products shall cease to be "Special Products" and shall be added to Schedule A hereto upon the expiration of the patent thereon or upon the abandonment or final rejection of the patent application with respect thereto, as the case may be. The price of Special Products shall not be subject to the Maximum Price provisions of Section 3. Profits and losses resulting from the manufacture and sale of Special Products shall not be credited to or charged against the Special Surplus Account provided for in Section 6.

(e) In compliance with the Judgment and notwithstanding the foregoing provisions of this Section 7 hereof, Intracolor may purchase, and TRC will sell to Intracolor, until ten years from the date of "Sale of New Company", as defined in the Judgment, certain Special Products (hereinafter called Designated Special Products), comprising all

dyestuffs which have been or will be manufactured by TRC during the period commencing on March 19, 1970, and ending ten years from the date of "Sale of New Company" and which are covered by one or more claims of any patent owned by any "Defendent", as defined in the Judgment and which have a Patent Issue Date prior to the expiration of five years subsequent to the "Sale of New Company", all at prices and upon terms and conditions no less favorable to Intracolor than those at which such products shall from time to time be sold by TRC to CIBA-GEIGY Corporation. Designated Special Products shall not cease to be Special Products under this Agreement or under any of the Supply Contracts with TRC's other regular customers for any reason except upon expiration of the patent thereon or upon the abandonment or final rejection of the patent application with respect thereto, as the case may be, anything contained herein or in any of the other Supply Contracts to the contrary notwithstanding.

8. PREVENTION OF PERFORMANCE

Neither party shall be responsible or liable to the other hereunder for failure or delays in performance of any provision of this Agreement due to war, fire, flood, accidents, labor disputes, riots, delays of carriers, acts

of God or government, requisitions, statutes, rules, regulations or requirements of governments or any agencies or instrumentalities thereof, or any other contingencies beyond the party's reasonable control.

9. NOTICE

Any notice or other communication required or permitted to be given to a party under this Agreement shall be effectively given if sent by registered mail directed to such party at its address set forth at the head of this Agreement or at such other address as such party shall designate by notice to the other.

10. WAIVERS

No delay or omission by either party in the exercise of any right under this Agreement shall impair the right or be deemed to constitute a waiver or acquiescence in any default or preclude any subsequent exercise of the right. No right under this Agreement shall be deemed to have been waived by either party unless the waiver be in writing and signed by such party. A waiver by either party of a breach of this Agreement shall not be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

11. TRANSFERABILITY.

This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer its rights or obligations hereunder to another company or person, except to a successor to substantially the whole of its business and then only subject to the terms and provisions hereof. Subject, as aforesaid, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. TERM OF AGREEMENT

This Agreement may be terminated at any time by Intracolor upon nine months prior written notice to TRC; and upon written notice to Intracolor, this Agreement may be terminated by TRC as contemplated in Section 5(a) of the Agreement dated July 27, 1971, between CROMPTON & KNOWLES CORPORATION and CIBA-GEIGY Corporation. TRC agrees to become bound by the provisions of such Section 5(a) insofar as they relate to information and assistance to be furnished by TRC. If not terminated as provided above, this Agreement shall in any event terminate ten years from the date of "Sale of New Company", as defined in the Judgment.

13. TERMINATION OF EXISTING SUPPLY CONTRACT

Upon the taking effect of this Agreement the Supply Contract, as amended, and assigned to Intracolor under the Assignment and Agreement dated as of October 21, 1970, among TRC, CIBA-GEIGY Corporation and Intracolor, has been superseded. Intracolor hereby acknowledges that the prices, terms and conditions set forth in this Agreement are no less favorable to it than those of said Supply Contract, as amended.

14. ARBITRATION

Except as otherwise provided in paragraph (g) of Section 3, any controversy which shall arise under this Agreement shall be settled by arbitration under the provisions of Article 75 of the New York Civil Practice Law and Rules in accordance with the rules then obtaining of the American Arbitration Association. The arbitration shall be held in the City of New York or such other place as the parties hereto may agree upon. Judgment upon any award rendered may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

15. FISCAL YEAR AND FISCAL QUARTER

The terms "fiscal year" and "fiscal quarter" as used herein shall mean the respective fiscal periods designated by TRC from time to time for its accounting purposes, except as otherwise required by the context.

IN WITNESS WHEREOF the parties have executed this Agreement in duplicate as of the date first above written.

TOMS RIVER CHEMICAL CORPORATION

BY _____
President

Attest:

_____
Secretary

INTRACOLOR CORPORATION

BY _____
President

Attest:

_____
Secretary

SUPPLY CONTRACT

SCHEDULE B

Terms and Conditions of Sale of Dyes

1% discount on invoices dated 1st to 15th of month if paid by 28th of month and on invoices dated 16th to 31st of month if paid by 14th of following month. All invoices Net 30 days.

F.O.B. Seller's Works.

Seller shall be prepared to supply all Class A-1 and Class A-2 Orders for each dye ordered on the proportionate schedule of not less than 30%, 30% and 40% by the end of the 4th, 8th, and 13th week respectively of the relevant quarterly period and shall invoice Buyer according to said schedule at the charges set forth in Seller's list of charges for the quarterly period.

Seller agrees to store Class A-1 and Class A-2 Orders for Buyer's account in a warehouse on Seller's premises to the extent it has the capacity, said warehouse being covered against loss or damage by fire. Buyer shall pay its proper share of the costs of warehousing, including operating costs, property taxes, insurance and interest on the warehouse book value in accordance with Seller's regular accounting procedures. Buyer's portion of the

total cost will be the proportion which Buyer's usage of the facility bears to the total usage of the facility, such usage to be measured by factors such as quantities stored, length of storage period, and frequency of movement in and out of the warehouse. These costs shall not be deemed to be costs for purposes of determining the Maximum Price under Section 3.

Confirmed Class B Orders will be invoiced to Buyer as soon as available for delivery although Seller agrees to store said orders at the above mentioned TRC warehouse under the same terms if there is sufficient warehousing capacity.

TOMS RIVER CHEMICAL CORPORATION

LIST OF DYESTUFFS
SCHEDULE A & VARIATIONS

May 21, 1971

TRC LIST OF DYESTUFFS

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME
ACID	
1181 00	ACID BLUE 3BLF
1182 00	ACID BLUE GLF
1002 00	ACID BLUE NGB
1072 00	ACID BLUE BLACK B
1004 00	ACID GREEN
1071 00	ACID GREEN V
1076 00	ACID GREEN BLACK B
1053 00	ACID ORANGE 2G
1009 00	ACID ORANGE NR
1010 00	ACID ORANGE 2R
1195 00	ACID ORANGE 3RN
1171 00	ACID ORANGE SLF
1003 00	ACID PURE BLUE G
1052 00	ACID RED B
1192 00	ACID RED 3B
1196 00	ACID RED 2BS
1011 00	ACID RED 3NB
1172 00	ACID RUBINE 5BLF
1013 00	ACID VIOLET 6B
1055 00	ACID YELLOW C173
1175 00	ACID YELLOW FLW
1056 00	ACID YELLOW 2G
1058 90	ACID YELLOW 3G
1190 00	ACID YELLOW 6GN
1057 00	ACID YELLOW 2GP
1199 00	ACID YELLOW 4R
1198 00	ACID YELLOW WGL
1016 00	ALIZARINE BLUE 2A
1185 00	ALIZARINE BLUE AR
1017 00	ALIZARINE BLUE B
1020 00	ALIZARINE BLUE BCP
1031 00	ALIZARINE BLUE BL
1022 00	ALIZARINE BLUE 4GL
1179 40	ALIZARINE BLUE GSSK GRANULES
1023 00	ALIZARINE BLUE SE
1187 00	ALIZARINE GREEN GNA
1015 00	ALIZARINE GREEN GNN
1025 00	ALIZARINE GREY 2BLW
1027 00	AZO EOSINE G
1028 00	AZO RHODINE 6B
1029 00	AZO RHODINE 2G
1030 00	AZO RUBINOLE 3GP
1186 00	CIBALAN BLACK BGL
1036 00	CIBALAN BORDEAUX GRL
1038 00	CIBALAN BROWN BL
1040 00	CIBALAN GREY BL
1149 00	CIBALAN OLIVE 3BL
1037 00	CIBALAN YELLOW 3GL
1041 00	CIBALAN YELLOW FGL

T R C L I S T O F D Y E S T U F F S

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME
ACID-CONTINUED	
1191 00	CLOTH BLUE R
1045 00	CROCEIN SCARLET FL
1046 00	CROCEIN SCARLET MOO
1062 00	IRGALAN BROWN 2RL
1063 00	IRGALAN GREY BL
1064 00	IRGALAN ORANGE RL
1065 00	IRGALAN YELLOW GL
1178 00	IRGALAN YELLOW 2GL
1059 00	JASMINE G
1150 00	LANASYN BROWN RL
1069 00	MAUVE
1070 00	METANIL YELLOW
1079 00	NEOLAN BLACK WA
1080 00	NEOLAN BLACK WAL
1165 00	NEOLAN BLACK WAN
1081 00	NEOLAN BLACK WAO
1082 00	NEOLAN BLUE 2G
1086 00	NEOLAN BORDEAUX RM
1087 00	NEOLAN GREEN D
1090 00	NEOLAN ORANGE G
1091 00	NEOLAN ORANGE GRE
1092 00	NEOLAN ORANGE R
1097 00	NEOLAN RED BRE
1098 00	NEOLAN RED GREC
1102 00	NEOLAN YELLOW BE
1104 00	NEOLAN YELLOW GR
1106 00	NEROL 2B
1107 00	NEROL 4B
1108 00	NEUTRAL BROWN R
1109 00	NEW COCCINE
1111 00	ORANGE Y
1114 00	POLAR ORANGE R
1115 00	POLAR RED B
1116 00	POLAR RED 3B
1117 00	POLAR RED G
1118 00	POLAR RED R
1119 00	POLAR RED RS
1120 00	POLAR YELLOW 2G
1121 00	POLAR YELLOW 5G
1122 00	POLAR YELLOW R
1123 00	RESORCINE BROWN G
1124 00	RESORCINE BROWN R
1127 00	ROCCELINE 2S
1131 00	SILK RED B
1135 90	SYNLAN BLACK J
1138 00	TARTRAZINE
1161 00	TORACYL OLIVE G

T R C L I S T O F D Y E S T U F F S

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME
ACID-CONTINUED	
1194 00	TORILAN ORANGE R
1140 00	TORILAN YELLOW NW
1141 00	VICTORIA VIOLET 4BS
1141 50	VICTORIA VIOLET 4BSR
1144 00	XYLENE BLUE GL

CIB 009 0554

TRC LIST OF DYESTUFFS

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME	
DIRECT		
001 00	ART SILK BLACK G	
004 00	BENZO ORANGE R	
005 00	BENZO PURPURINE 4BMP	
003 00	BENZO YELLOW RL	
007 00	CHLORAMINE ORANGE RS	
011 00	CHLORAMINE RED B	
012 00	CHLORAMINE RED 3B	
013 00	CHLOR BLUE 2GL	
014 00	CHLOR BLUE 4GL	
015 00	CHLOR BLUE 3RL	
017 00	CHLOR BROWN BRLL	
019 00	CHLOR GREEN BLL	
020 00	CHLOR GREEN 5GLL	
022 00	CHLOR ORANGE TGLL	
022 5B	CHLOR ORANGE TGLLC	SCH. A-SPECIAL CUT
025 00	CHLOR RED 5BL	
026 00	CHLOR RED 6BLL	
027 00	CHLOR TURQUOISE VLL	
236 00	CHLOR TURQUOISE VLS	
028 00	CHLOR VIOLET 5BLL	
029 00	CHLOR VIOLET 2RLL	
092 00	CHLOR YELLOW FF	
030 00	CHLOR YELLOW 5GL	
030 5B	CHLOR YELLOW 5GLC	SCH. A-SPECIAL CUT
030 6B	CHLOR YELLOW 5GLG	SCH. A-SPECIAL CUT
033 00	CHLOR YELLOW 2GLL	
036 00	CHRYSAMINE K	
037 00	CHRYSOPHENINE	
056 00	CONGO RED	
241 00	CUPROPHENYL BLACK RL	
238 00	CUPROPHENYL NAVY BLUE RL	
047 00	DIAZO BLUE B	
058 00	DIAZO BLUE BR	
060 00	DIAZO BLUE 2RW	
050 00	DIAZO BROWN R	
178 00	DIAZO ORANGE R	
179 00	DIAZO ORANGE RD	
247 00	DIAZOPHENYL GREEN GLN	
051 00	DIAZO RED 2B	
053 00	DIAZO SCARLET RPC	
064 00	DIPHENYL BLUE GREEN BL	
065 00	DIPHENYL GREY B	
099 00	DIRECT BLACK BS	
067 00	DIRECT BLACK E	
068 00	DIRECT BLACK ECW	
032 00	DIRECT BLACK EN	
070 00	DIRECT BLACK 3G	

TRC LIST OF DYESTUFFS

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME	
DISPERSE-CONTINUED		
4009 00	DISPERSE SCARLET B	
4009 40	DISPERSE SCARLET B GRANULES	
4047 00	DISPERSE SCARLET 2GH	
4047 40	DISPERSE SCARLET 2GH GRANULES	
4022 00	DISPERSE TURQUOISE ALF	
4022 40	DISPERSE TURQUOISE ALF GRANULES	
4022 20	DISPERSE TURQUOISE ALF PASTE	
4082 20	DISPERSE TURQUOISE G PASTE	
4023 00	DISPERSE TURQUOISE LFG	
4023 40	DISPERSE TURQUOISE LFG GRANULES	
4025 00	DISPERSE TURQUOISE LF2G	
4025 40	DISPERSE TURQUOISE LF2G GRANULES	
4025 20	DISPERSE TURQUOISE LF2G PASTE	
4059 00	DISPERSE VIOLET B	SCH. A-VARIATION
4059 40	DISPERSE VIOLET B GRANULES	
4077 40	DISPERSE VIOLET B 200 PCT GRANULES	SCH. A-VARIATION
4010 00	DISPERSE VIOLET 2R	
4010 40	DISPERSE VIOLET 2R GRANULES	
4011 00	DISPERSE YELLOW CW	
4011 40	DISPERSE YELLOW CW GRANULES	
4011 20	DISPERSE YELLOW CW PASTE	
4013 00	DISPERSE YELLOW G	
4013 40	DISPERSE YELLOW G GRANULES	
4013 20	DISPERSE YELLOW G PASTE	
4039 00	DISPERSE YELLOW 3G	
4039 40	DISPERSE YELLOW 3G GRANULES	
4052 00	DISPERSE YELLOW GLF	
4052 40	DISPERSE YELLOW GLF GRANULES	
4024 00	DISPERSE YELLOW GN	
4024 50	DISPERSE YELLOW GNSC	SCH. A-VARIATION
4024 40	DISPERSE YELLOW GN GRANULES	
4026 00	DISPERSE YELLOW GSC	SCH. A-VARIATION
4067 00	DISPERSE YELLOW 4RL	SCH. A-VARIATION
4067 40	DISPERSE YELLOW 4RL GRANULES	
4064 20	DISPERSE YELLOW SCL PASTE	
4005 00	FORON ORANGE E RFL	
4005 40	FORON ORANGE E RFL GRANULES	
4005 20	FORON ORANGE E RFL PASTE	
4036 00	FORON YELLOW SE 2GL	
4036 40	FORON YELLOW SE 2GL GRANULES	
4056 20	TERASIL BROWN 3R PASTE	

T R C L I S T O F D Y E S T U F F S

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME	
BASIC		
5015 00	BASIC PINK FBB	
5016 00	BASIC PINK G	
5017 00	BASIC RED 2B	
5018 00	BASIC YELLOW 3GL	
5001 00	BISMARK BROWN G	
5002 00	BISMARK BROWN R	
5002 5B	BISMARK BROWN RC	SCH. A-SPECIAL CUT
5002 6B	BISMARK BROWN RG	SCH. A-SPECIAL CUT
5003 00	CHRYSOIDINE G	
5004 00	CHRYSOIDINE R	
5012 00	MAXILON RED BL	
5019 20	PAPER TURQUOISE S LIQUID	

TRC LIST OF DYESTUFFS

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME
PIGMENT	
6042 0C	CPC BLUE BASE DE GRD
6087 2C	MICROSOL BLUE G PASTE
6030 0C	PIGMENT BLUE GCD CAKE
6030 1C	PIGMENT BLUE GCD TONER
6034 0C	PIGMENT BLUE GF CAKE
6034 1C	PIGMENT BLUE GF TONER
6001 0C	PIGMENT BRILLIANT ORANGE RKB CAKE
6001 1C	PIGMENT BRILLIANT ORANGE RKB TONER
6002 0C	PIGMENT BRILLIANT ORANGE RKY CAKE
6002 1C	PIGMENT BRILLIANT ORANGE RKY TONER
6066 0C	PIGMENT FAST BLUE BCFN CAKE
6066 3C	PIGMENT FAST BLUE BCFN LAKE
6066 2C	PIGMENT FAST BLUE BCFN PASTE A
6066 1C	PIGMENT FAST BLUE BCFN TONER
6066 5C	PIGMENT FAST BLUE BCFN LAKE 10
6069 0C	PIGMENT FAST GREEN GF CAKE
6069 3C	PIGMENT FAST GREEN GF LAKE
6069 2C	PIGMENT FAST GREEN GF PASTE
6069 1C	PIGMENT FAST GREEN GF TONER
6069 5C	PIGMENT FAST GREEN GF DRY
6091 1C	PIGMENT FAST GREEN GFS TONER

SCH. A-VARIATIO

CIB 009 0558

TRC LIST OF DYESTUFFS

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME	
VAT		
	VAT BLACK 2B DOUBLE PASTE	
7001 00	VAT BLACK BGN DOUBLE PASTE	
7119 00	VAT BLACK 2BN DOUBLE PASTE	
7053 00	VAT BLACK DN DOUBLE PASTE	
7002 00	VAT BLACK DPN DOUBLE PASTE	
7052 00	VAT BLACK DRB PASTE	
7003 00	VAT BLACK NBA DOUBLE PASTE	
7117 00	VAT BLACK NBA SEMI-FIN PASTE	
7117 20	VAT BLACK PBT DOUBLE PASTE	
7135 00	VAT BLUE GCDN DOUBLE PASTE	
7004 00	VAT BLUE GF CAKE	
7005 10	VAT BLUE GF DOUBLE PASTE	
7005 00	VAT BLUE GF GRANULES	
7005 40	VAT BLUE GF SND PASTE	SCH. A-VARIATION
7181 00	VAT BLUE GFND PASTE	SCH. A-VARIATION
7146 00	VAT BLUE GFSND DOUBLE PASTE	SCH. A-VARIATION
7177 00	VAT BORDEAUX 2R DOUBLE PASTE	
7057 00	VAT BRILLIANT GREEN 2BF DOUBLE PASTE	
[illegible] 00	VAT BRILLIANT GREEN BFD DOUBLE PASTE	
[illegible] 00	VAT BRILLIANT GREEN BFD GRANULES	
7097 40	VAT BRILLIANT ORANGE GRND PASTE	SCH. A-VARIATION
7168 00	VAT BROWN BG PASTE	SCH. A-VARIATION
7159 00	VAT BROWN BG DOUBLE PASTE	
7013 00	VAT BROWN BGM DOUBLE PASTE	
7014 00	VAT BROWN BGND PASTE	SCH. A-VARIATION
7176 00	VAT BROWN BRND PSTE	SCH. A-VARIATION
7174 00	VAT BROWN GRND DOUBLE PASTE	SCH. A-VARIATION
7147 00	VAT BROWN HRND PASTE	SCH. A-VARIATION
7149 00	VAT BROWN HRR PASTE	
7176 00	VAT DARK BLUE BO PASTE	
7020 00	VAT DARK BLUE BO SEMI-FIN PASTE	
7020 20	VAT GOLDEN ORANGE G DOUBLE PASTE	
7021 00	VAT GOLDEN ORANGE 3G PASTE	
7022 00	VAT GOLDEN ORANGE 3G CAKE	
7022 10	VAT GOLDEN ORANGE 5G SEMI-FIN PASTE	
7069 20	VAT GOLDEN ORANGE 5 GND DOUBLE PASTE	SCH. A-VARIATION
7169 00	VAT GOLDEN ORANGE 2R PASTE	
7023 00	VAT GREY 2G DOUBLE PASTE	
7115 00	VAT GREY N DOUBLE PASTE	
7178 00	VAT GREY P2RND DOUBLE PASTE	SCH. A-VARIATION
7172 00	VAT NAVY BLUE 2BND DOUBLE PASTE	SCH. A-VARIATION
7148 00	VAT NAVY BLUE RA DOUBLE PASTE	
7029 00	VAT NAVY BLUE RA SEMI FIN PASTE	SCH. A-VARIATION
[illegible] 20	VAT OLIVE 2BN DOUBLE PASTE	
00	VAT OLIVE 2BN CAKE	
7065 10	VAT OLIVE 2BND DOUBLE PASTE	SCH. A-VARIATION
7142 00	VAT OLIVE 2RN PASTE .	SCH. A-VARIATION
7142 00		

TRC LIST OF DYESTUFFS

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME	
VAT-CONTINUED		
7165 00	VAT OLIVE 2RND DOUBLE PASTE	SCH. A-VARIATION
7150 00	VAT OLIVE SND PASTE	SCH. A-VARIATION
7035 00	VAT OLIVE SRR PASTE	
7133 00	VAT RED 5B PASTE	
7036 00	VAT RED 6B PASTE	
7039 00	VAT RED BROWN RRT PASTE	
7040 00	VAT VIOLET 6B PASTE	
7041 10	VAT VIOLET BNA CAKE	
7041 00	VAT VIOLET BNA DOUBLE PASTE	
7042 00	VAT VIOLET 4R DOUBLE PASTE	
7043 00	VAT VIOLET 4RP DOUBLE PASTE	
7044 10	VAT YELLOW GC CAKE	
7044 40	VAT YELLOW GC GRANULES	
7044 00	VAT YELLOW GC PASTE	
7164 00	VAT YELLOW 2GND PASTE	SCH. A-VARIATION
7047 00	VAT YELLOW PGA DOUBLE PASTE	
7180 00	VAT YELLOW PGND DOUBLE PASTE	SCH. A-VARIATION
7163 00	VAT YELLOW P2GND DOUBLE PASTE	SCH. A-VARIATION

CIB 009 0560

Effective July 1, 1971, the following dyestuffs were deleted from Schedule A:

Code No.	Product
1114.00	Polar Orange R
1117 00	Polar Red G
1118 00	Polar Red R
2004 00	Benzo Orange R
2011 00	Chloramine Red B
2017 00	Chlor Brown BRLL
2036 00	Chrysamine K
2056 00	Congo Red
2067 00	Direct Black E
2068 00	Direct Black ECW
2070 00	Direct Black 3G
2071 90	Direct Black 3GR
2072 90	Direct Black GX
2073 90	Direct Black GXR
2075 00	Direct Black W
2078 00	Direct Blue 2B
2084 00	Direct Brown CT
2086 00	Direct Brown M
2087 00	Direct Brown MR
2089 92	Direct Brown 3RB
2090 00	Direct Brown RG
2091 00	Direct Brown T
2095 00	Direct Green DCW
2096 00	Direct Green D
2117 00	Direct Red F
2133 00	Direct Garnet 2RB
2134 00	Direct Green BB
2135 00	Direct Green BP
2136 00	Direct Green BY
2137 00	Direct Green GB
2160 00	Direct Violet Black
2173 00	Paper Orange R
2182 00	Direct Brown BP
2191 00	Zambesi Black BBR
2232 00	Direct Black EN
6001 0C	Pigment Brilliant Orange RKB Cake
6001 1C	Pigment Brilliant Orange RKB Toner
6002 0C	Pigment Brilliant Orange RKY Cake
6002 1C	Pigment Brilliant Orange RKY Toner
6030 0C	Pigment Blue GCD Cake
6030 1C	Pigment Blue GCD Toner
6034 0C	Pigment Blue GF Cake
6034 1C	Pigment Blue GF Toner
6042 0C	CPC Blue Base DE Grd
6066 0C	Pigment Fast Blue BGFN Cake
6066 1C	Pigment Fast Blue BGFN Toner

Code No.	Product
6066 2C	Pigment Fast Blue BCFN Paste A
6066 3C	Pigment Fast Blue BCFN Lake
6066 5C	Pigment Fast Blue BCFN Lake 10
6069 0C	Pigment Fast Green GF Cake
6069 1C	Pigment Fast Green GF Toner
6069 2C	Pigment Fast Green GF Paste
6069 3C	Pigment Fast Green GF Lake
6069 5C	Pigment Fast Green GF Dry
6087 2C	Microsol Blue G Paste
6091 1C	Pigment Fast Green GFS Toner
6066 52	Pigment Fast Blue BCFN Lake 10 MB
6066 24	Pigment Fast Blue BCFN Paste A (Material packed in containers with bung and vent in head)
6098 14	Graphtol Green 5875-0 (In unpainted drums)
6062 0C	Pigment Yellow HII Cake
6062 1C	Pigment Yellow HII Toner
6105 1C	Pigment Yellow GU Toner (or Cake) Flavanthrone Crude
6106 2C	Pigment Brilliant Orange GR Paste

TRC LIST OF DYESTUFFS

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME	
DIRECT-CONTINUED		
2071 90	DIRECT BLACK 3GR	SCH. A-VARIATION
2072 90	DIRECT BLACK GX	SCH. A-VARIATION
2073 90	DIRECT BLACK GXR	
2075 00	DIRECT BLACK W	
2078 00	DIRECT BLUE 2B	
2079 00	DIRECT BLUE 3B	
2153 00	DIRECT BLUE 5B	
2159 00	DIRECT BLUE 6B	
2106 00	DIRECT BLUE FF	
2080 00	DIRECT BORDEAUX 6B	SCH. A-VARIATION
2080 20	DIRECT BORDEAUX 6B LIQUID	
2182 00	DIRECT BROWN BP	SCH. A-SPECIAL CUT
2182 5B	DIRECT BROWN BPC	SCH. A-SPECIAL CUT
2182 6B	DIRECT BROWN BPG	SCH. A-SPECIAL CUT
2182 53	DIRECT BROWN BPS	
2084 00	DIRECT BROWN CT	
2086 00	DIRECT BROWN M	
2090 00	DIRECT BROWN RG	
2091 00	DIRECT BROWN T	
2133 00	DIRECT GARNET 2RB	
2134 00	DIRECT GREEN BB	
2135 00	DIRECT GREEN DP	
2136 00	DIRECT GREEN BY	
2096 00	DIRECT GREEN D	
2095 00	DIRECT GREEN DCW	
2137 00	DIRECT GREEN GB	
2107 00	DIRECT ORANGE 4G	
2109 00	DIRECT ORANGE 3LWF	
2112 00	DIRECT ORANGE 2R	
2113 00	DIRECT ORANGE SE	
2114 00	DIRECT ORANGE SW	
2115 00	DIRECT RED 8BL	
2117 00	DIRECT RED F	
2118 00	DIRECT SCARLET 4BA	
2119 00	DIRECT SCARLET 8BA	
2120 00	DIRECT SCARLET 4BN	
2121 00	DIRECT SCARLET 4BSW	
2123 00	DIRECT SCARLET SE	
2081 00	DIRECT VIOLET B	
2160 00	DIRECT VIOLET BLACK	
2124 00	DIRECT YELLOW AG	
2082 00	DIRECT YELLOW C	SCH. A-VARIATION
2082 20	DIRECT YELLOW C LIQUID	
2125 00	DIRECT YELLOW LFC	
2126 00	DIRECT YELLOW G	
2128 00	DIRECT YELLOW 3GP	
2129 00	DIRECT YELLOW 6GP	
2253 20	DIRECT YELLOW GXG LIQUID	
2248 00	DIRECT YELLOW R	

TRC LIST OF DYESTUFFS

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME	
DIRECT-CONTINUED		
2250 00	DIRECT YELLOW RB	
2249 00	DIRECT YELLOW 3 RT	SCH. A-VARIATION
2165 00	FORMAL BLACK G	
2139 00	LUMISOL BLUE BL	
2142 00	LUMISOL BLUE 6GL	
2144 00	LUMISOL BLUE L	
2145 00	LUMISOL BLUE RL	
2146 00	LUMISOL BLUE VG	
2146 20	LUMISOL BLUE VG LIQUID	SCH. A-VARIATION
2255 00	LUMISOL GREY LVL	
2233 00	PAPER BLUE VG	
2173 00	PAPER ORANGE R	
2229 00	PAPER YELLOW AA	
2174 00	PAPER YELLOW CD	
2237 00	PAPER YELLOW CHP	
2230 00	PAPER YELLOW DM	
2208 50	PAPER YELLOW GS	SCH. A-VARIATION
2208 00	PAPER YELLOW G	
2235 00	PAPER YELLOW 3R	
2235 20	PAPER YELLOW 3R LIQUID	SCH. A-VARIATION
2243 00	SOLOPHENYL TURQUOISE GRL	
2191 00	ZAMBESI BLACK BHR	

TRC LIST OF DYESTUFFS

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME
CHROME	
3023 00	CHROME BLACK TN
3023 40	CHROME BLACK TN GRANULES
3041 00	CHROME BLACK TO
3024 00	CHROME BLUE BLACK B
3025 00	CHROME BLUE BLACK R SOL.
3028 00	CHROME BLUE BLACK RZN
3019 00	CHROME BROWN AEB
3035 00	CHROME BROWN 3GL
3004 00	CHROME BROWN O
3030 00	CHROME BROWN R
3036 00	CHROME BROWN RLL
3032 00	CHROME FLAVINE A
3008 00	CHROME ORANGE FR
3038 00	CHROME ORANGE ML
3012 00	CHROME ORANGE R
3033 00	CHROME RED S
3040 00	CHROME YELLOW ME

TRC LIST OF DYESTUFFS

SCHEDULE A & VARIATIONS 05/21/71

CODE NO	PRODUCT NAME	
DISPERSE		
4032 00	CIBACETE BRILLIANT PINK FG	
4032 40	CIBACETE BRILLIANT PINK FG GRANULES	
4033 00	CIBACETE DARK BLUE RB	
4033 40	CIBACETE DARK BLUE RB GRANULES	
4033 20	CIBACETE DARK BLUE RB PASTE	
4035 00	CIBACETE ORANGE 3RL	
4035 40	CIBACETE ORANGE 3RL GRANULES	
4037 00	DISPERSE BLUE B	
4037 40	DISPERSE BLUE B GRANULES	
4002 00	DISPERSE BLUE DL	
4002 40	DISPERSE BLUE DL GRANULES	
4012 00	DISPERSE BLUE FFR	
4012 40	DISPERSE BLUE FFR GRANULES	
4003 40	DISPERSE BLUE ZB GRANULES	
4040 00	DISPERSE BLUE 4R	
4040 40	DISPERSE BLUE 4R GRANULES	
4075 20	DISPERSE BROWN 5RS PASTE	
4078 40	DISPERSE DIAZO BLACK RB GRANULES	SCH. A-VARIATION
4078 00	DISPERSE DIAZO BLACK RGN	SCH. A-VARIATION
4078 40	DISPERSE DIAZO BLACK RGN GRANULES	SCH. A-VARIATION
4057 20	DISPERSE GREEN BWL PASTE	
4073 20	DISPERSE NAVY 1974 PASTE	
4074 20	DISPERSE ORANGE 2609 PASTE	
4004 00	DISPERSE ORANGE GR	
4004 40	DISPERSE ORANGE GR GRANULES	
4048 00	DISPERSE ORANGE 2R	SCH. A-VARIATION
4048 40	DISPERSE ORANGE 2R GRANULES	
4030 40	DISPERSE PINK R GRANULES	
4034 00	DISPERSE PINK RF	SCH. A-VARIATION
4034 40	DISPERSE PINK RF GRANULES	
4006 00	DISPERSE RED B	
4006 40	DISPERSE RED B GRANULES	
4051 00	DISPERSE RED MG	
4051 40	DISPERSE RED MG GRANULES	
4007 00	DISPERSE RED R	
4007 40	DISPERSE RED R GRANULES	
4076 20	DISPERSE RED RB PASTE	
4060 00	DISPERSE RUBINE S-2BFL	
4060 40	DISPERSE RUBINE S-2BFL GRANULES	
4060 20	DISPERSE RUBINE S-2BFL PASTE	
4021 00	DISPERSE SAPPHIRE 294	
4021 40	DISPERSE SAPPHIRE 294 GRANULES	
4021 20	DISPERSE SAPPHIRE 294 PASTE	CIB 009 0566
4020 00	DISPERSE SAPPHIRE G	
4020 40	DISPERSE SAPPHIRE G GRANULES	
4020 50	DISPERSE SAPPHIRE G SC	SCH. A-VARIATION

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CIBA-GEIGY CORPORATION

Response to EPA
Request for Information

Request No. 1

State the names and addresses of all parties who maintained an ownership interest in the Toms River Chemical Company ("TRC") located in Toms River, New Jersey from 1952 to the present.

Response to Request No. 1

The Toms River Chemical Corporation ("TRC") can trace its corporate history back to the Cincinnati Chemical Works, Inc., which began dye manufacturing operations in 1920 for its owners, Society of Chemical Industry, Basle ("CIBA"), J. R. Geigy, S.A., Basle ("Geigy"), and Chemical Works, formerly Sandoz ("Sandoz").[1] From 1952 through November 1981, TRC and its predecessors were jointly owned by Sandoz, CIBA and Geigy. (The U.S. subsidiaries of CIBA and GEIGY merged to become CIBA-GEIGY Corporation ("CIBA-GEIGY") on October 21, 1970.) During this twenty-nine year period, beneficial ownership of TRC and its predecessors remained in Sandoz, CIBA, Geigy, and CIBA-GEIGY, although nominal ownership of TRC passed between affiliates and agents of the owners.[2] CIBA's ownership varied

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[1]Society of Chemical Industry, Basle ("CIBA"), CIBA States Limited and CIBA Corporation, will be referred to as "CIBA". J. R. Geigy, S.A., Basle, and Geigy Chemical Corporation will be referred to as "Geigy". Chemical Works, Formerly Sandoz was the predecessor of Sandoz Limited, which together with Sandoz Chemical Works, Inc. and Sandoz-Wander, Inc. will be referred to as "Sandoz".

[2]CIBA States, Limited and CIBA Corporation were among the holders of CIBA's shares of TRC stock. J. R. Geigy, S.A., Geigy Chemical Corporation and a trustee, Greenwich Trust Company, were among the holders of the Geigy shares. Various trustees and nominees held Sandoz' shares, including Saul & Company, Sandoz Holding Limited, Sandoz Overseas Limited and Sandoz Finance, N.V., in addition to Sandoz Limited.

between 52% and 58%, Sandoz' ownership varied between 20% and 24%, and Geigy's ownership varied between 21% and 24%. After CIBA and Geigy merged, CIBA-GEIGY owned 79%, and later 80%, of TRC's stock, until November 2, 1981, when Sandoz' 20% interest was transferred to CIBA-GEIGY.

The last known addresses for the beneficial owners of stock in TRC are as follows:

(i) Sandoz Limited
Basle, Switzerland

Sandoz Limited has subsidiaries in the United States which had dyestuffs made by TRC, or whose predecessors had dyestuffs made by TRC:

Sandoz Pharmaceuticals
59 Route 10
East Hanover, New Jersey 07936

Sandoz Chemicals
4000 Monroe Road
Charlotte, North Carolina 28205

(ii) CIBA-GEIGY Corporation
444 Saw Mill River Road
Ardsley, New York 10502-2699

Request No. 2

Explain the business arrangement by which TRC operated as a toll manufacturer for all parties who maintained ownership interests in TRC. Include all evidence documenting the arrangement.

Response to Request No. 2

TRC was conceived, established, and operated by its initial owners (CIBA, Sandoz and Geigy) for the purpose of supplying them with dyestuffs in the United States. As TRC's By-laws stated:

"Policy

"It shall be the policy of the Corporation to manufacture dyes and dye intermediates primarily for sale to the respective sales subsidiaries in the United States of the stockholders of the Corporation, so that said subsidiaries may look to the Corporation as a dependable source of supply of such products in the quantities and of the qualities required and at the lowest practicable cost."

As the information provided in Response to Request No. 1 reflects, TRC was a corporation whose beneficial owners comprised three interests: a CIBA interest; a Geigy interest; and a Sandoz interest.[3] For ease of reference here, the CIBA, Geigy, and Sandoz interests will be referred to collectively as the "Owners".

The business arrangement whereby the Owners created and operated TRC for the stated purpose was in every respect a joint venture, in the form of a Delaware corporation.[4]

TRC's status as a joint venture is demonstrated by the Owners' operation of TRC as equals and by consensus. Indeed, during the period of joint ownership and operation, the annual reports of one of the three Owners -- Sandoz -- regularly referred to TRC as a joint operation.[5]

The rights and obligations of the parties to the joint venture were manifest in many documents over time including (1) Articles of Incorporation; (2) By-laws; (3) Supply Contracts executed between TRC and each of the three Owners' United States subsidiaries on June 30, 1955, as amended from time to time thereafter; (4) Supply Contracts executed between TRC and Sandoz, and TRC and CIBA-GEIGY in 1971; and (5) Scientific and Technical Collaboration Agreements ("STC Agreements") executed between TRC and the Swiss parent companies of the Unites States

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[3]The companies held their interests in various ways over time: for example, the CIBA interest in TRC was always held by a United States subsidiary; the Geigy and Sandoz interests were first held by the Swiss parent companies, later by trusts for the parents, and in the case of Geigy, later by the United States subsidiary.

[4]The documents evidencing the corporate arrangement are TRC's Certificate of Incorporation and By-laws as those were amended from time to time. Copies of those documents are submitted herewith in Appendices 1 and 2 respectively.

[5]For example, in the French version of its Annual Report of 1967, Sandoz lists TRC as an "usine exploitee en commun", a jointly exploited (operated) plant, rather than as a "societe affiliee", an affiliate. And in the German version of its Annual Report of 1956 (at 14), among others, Sandoz lists TRC as one of the "Gemeinschaftswerke", a joint plant or joint manufacture with CIBA and Geigy (at 17), rather than as one of the Tochtergesellschaften, a subsidiary, or as one of the Beteiliungen, a participation (or affiliate). Accord Annual Reports: 1963 at 14; 1968 at 10, 16; 1970 at 18; 1976 at 15. In the English version of the 1973 Annual Report (at 18), Sandoz reports on the two jointly owned plants at Toms River.

subsidiaries on June 30, 1955 as amended from time to time thereafter. Copies of all such Supply Contracts and STC Agreements are submitted herewith in Appendices 3 and 4 respectively. These documents embodied the joint venture philosophy and purpose of TRC by safeguarding the minority Owners, affording equal rights to and imposing equal obligations on each Owner, assuring to each a fair share of the costs and profits of the operation, and ensuring each Owner equal access to TRC's production capacity, Schedule A Products (see discussion infra) and know-how.

The TRC Board of Directors

The Certificate of Incorporation ("CI") guaranteed each Owner representation on TRC's board of directors (the "board") through a system of voting in which there were three classes of common stock, and each class was entitled to elect a specified number of directors.[6] CI Art. 4. This provision of the CI could not be amended without the consent of the owner of each class of common stock (id.), and each Owner held a separate class of stock. While CIBA, by virtue of its larger equity interest, had a majority on the board, in practice board decisions were made by consensus and, with only one exception during the entire history of TRC,[7] action was taken only if and when unanimity was achieved after full and open discussion; if no consensus was reached, no action was taken.

Every expenditure of any significance, including expenditures for waste treatment and disposal facilities and operations, came to the attention of and was approved by the board.

The By-laws insured all directors equal access to product, financial, and other information about TRC's operations. By-laws Art. IV. The By-laws also gave TRC the right of first refusal to purchase shares of stock that an Owner wanted to transfer; if TRC did not exercise its option the remaining Owners were given an option to purchase those shares. By-laws

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[6]Each minority Owner always had two or three seats depending on the size of the board as it varied from time to time.

[7]That occasion related to the termination, in November of 1981, of the 1971 Sandoz Supply Contract, coincident with CIBA-GEIGY's purchase of Sandoz' shares of TRC stock. Note that notwithstanding the termination of the 1971 Supply Contract, CIBA-GEIGY and Sandoz agreed to a supply contract which guaranteed Sandoz rights to be supplied products which were manufactured at the Toms River plant until December 28, 1984.

Art. VIII, §2. Thus CIBA-GEIGY could not sell its share in TRC to anyone else without first offering them to TRC and Sandoz.

The TRC Production Advisory Committee

In addition to the control exercised by the board, each of the Owners exercised considerable control over TRC through its representation on the Production Advisory Committee ("PAC"). This committee, which was established by the By-laws, was comprised of one representative, a high-ranking executive, of each Owner. The PAC performed two important functions vis a vis the day-to-day operation of TRC. First, the PAC for all practical purposes determined TRC's product line: TRC's By-laws provided that all product changes required board approval and that all changes were first required to be "consider[ed]" and "recommend[ed]" by the PAC. By-laws Art. IV, §1. Second, the PAC "consider[ed]" and "recommend[ed]" all capital expenditures of any size before the board could consider them. By-laws Art. IV.

The PAC, like the board, did not function via the exercise of voting rights. Rather, the PAC operated by achieving consensus and acting unanimously. If consensus could not be achieved, the proposed action was not sent to the board for action. Thus, at the PAC level the Owners exercised equal control and equal veto power over the two most important operational areas -- product line and capital expenditures, including expenditures for waste disposal facilities.

Each Owner's control over TRC can be traced through its PAC representative to the PAC, and then to the board of directors. Approval of TRC's significant environmental actions follow this pattern. For example, the May 3, 1968 PAC minutes recommend an appropriation of $64,000 for additional aqualators for the waste treatment plant, and the board of directors gave its approval as reflected in the minutes of its May 22, 1968 meeting. The PAC members recommended the installation of a scrubber to comply with the New Jersey Air Pollution Control Code on June 29, 1971, and the board approved a $212,500 appropriation for that purpose on June 30, 1971. On November 23, 1972, the PAC members, acting by consensus, recommended the appropriation of $150,000 for large scale pilot studies of aqueous waste systems, and the board appropriated that amount on November 29, 1972. The PAC minutes and board minutes referred to are annexed as Appendix 5.

Supply Contracts With TRC's Owners

The Supply Contracts ensured equal opportunity for access, irrespective of shareholder stake, to TRC's services and facilities. In fact, in situations of short supply or limited capacity, allocation of production capacity, finished product and raw materials was made based on past off-take, not ownership share. During the period 1970 to 1979 Sandoz'

off-take typically was 30-40% of TRC's dyestuff production. Products were sold to the customers on a cost-plus basis; that is, the cost of production, plus a formula-determined profit.

The main provisions of the 1971 Supply Contracts, which utilize concepts from the 1955 Supply Contracts, are summarized below. The Owners, either directly or through their U.S. subsidiaries were the customers under the Supply Contracts, and are referred to as customers in those contracts. Indeed, the Owners were the sole customers of TRC's dyestuffs through 1970.[8]

(a) Purpose. The Contracts recited that TRC desires to supply the Customer with a substantial portion of its dye requirements and that the Customer desires to assure for itself a dependable source of supply of dyes in the quantities and qualities required at the lowest practicable cost.

(b) Products. The Contracts covered the manufacture and sale of "Schedule A Products" and "Special Products". Schedule A Products were unpatented dyestuffs designated by all Owners for production by TRC and available for sale to all Customers.

"Special Products" included any product other than a dye and (with limited exceptions) any dye covered by a patent or license owned by a Customer. Special Products were available only to the Customer holding the patent or license, unless that Customer gave its consent to another (see footnote 8 supra).

(c) Orders and Allocation. The Contracts set forth procedures for the Owners to place orders for products and for TRC to notify the Owners of the orders it was prepared to supply.

The Contracts provided a method whereby TRC would allocate production capacity (including waste disposal facility capacity), raw materials, and finished product among the Owners, in the event that the sum of their orders exceeded the available supply in a given period. The allocation was to be in proportion to each Owner's purchases of the product during the "Base Period", which was the three full calendar years

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[8] In 1970, Intracolor Corporation was assigned CIBA's rights under its Supply Contract and given the right to purchase CIBA and Geigy's patented products under specified circumstances. See Response to Request No. 3, infra. After CIBA and Geigy's merger in 1971, TRC sold dyestuffs exclusively to CIBA-GEIGY, Sandoz and Intracolor, which was purchased by Crompton & Knowles Corporation.

preceding the period of short supply. Thus, historical off-take, and not proportional equity interest, controlled.

(d) Pricing of Schedule A Products. The Contracts set forth a pricing mechanism which limited the "Maximum Price" that TRC could charge for any Schedule A dye to the sum of the cost plus a profit margin (called the "Return on Capital Employed"), which was fixed by a formula set forth in the Contracts. TRC issued quarterly price lists calculated according to this mechanism and throughout the year the Owners purchased goods at the listed prices. At year end, a calculation was made and to the extent that on the annual basis the price charged for any Schedule A Product exceeded the Maximum Price, the Owner was entitled to and received a refund. On a quarterly and year-end basis each Owner paid the same prices on the same terms and conditions for Schedule A Products.

(e) Special Surplus Account. TRC's earnings and losses were required to be credited or charged to a Special Surplus Account. Any balance remaining at year-end was to be distributed to the Owners as a dividend on TRC's common stock. Any postponement of the payment of such dividend required the unanimous consent of the board, which included representatives of the Owners.

(f) Special Products. Each of the Owners had Special Products produced by TRC. TRC produced large volumes of Foron Navy Blue and other Forons exclusively for Sandoz, which Sandoz marketed in the U.S. Similarly, CIBA-GEIGY had a number of patented IRGALAN® dyes made at TRC, which it marketed in the U.S.

(i) TRC was permitted to fill orders for Special Products for its Customers only to the extent that the manufacture of such products would not interfere with the manufacture of Schedule A Products and so long as the manufacture of Schedule A Products was given full priority to production facilities, services, labor, and materials.

(ii) Prices for Special Products were to be set so that TRC's profit margin on such products was not less than its average profit margin on Schedule A Products, unless otherwise determined by unanimous vote of the board. Thus, exceptions could not be made for CIBA-GEIGY or Sandoz without the other's consent.

(iii) Patented Special Products would become Schedule A Products available to all Customers upon expiration of the patent.

(iv) Profits and losses on Special Products were not included in the Special Surplus Account (i.e., they did not

become part of the pool for distribution of dividends on common stock to all Owners).

(v) Special manufacturing facilities required for production of Special Products were to be financed in such a way as not to burden TRC (i.e., built into the cost and paid for by the Special Product Customer).

Even after Sandoz sold its TRC stock to CIBA-GIEGY in 1981, it continued to have products manufactured for it at TRC under a Supply Contract. On March 27, 1981 Sandoz and TRC entered into a Supply Contract that continued in effect until December 28, 1984. See Appendix 3.

The Scientific And Technical Collaboration Agreements

The Scientific and Technical Collaboration Agreements required each Owner to provide TRC with scientific and technical information, and to transfer processes and products to TRC.[9] If an Owner provided any engineering or technical services in connection with TRC's plant or equipment, it was entitled to receive fees equal to the reasonable cost of the services, plus 15% thereof. The STC Agreements also provided for the payment of royalties for any patents or confidential information used by TRC.

In addition, the STC Agreements required TRC to make available to each Owner all scientific and technical information covered by the STC Agreement "whether such information shall have been discovered or developed by TRC itself or obtained by it from a third party [i.e., another shareholder or affiliate thereof]"[10] and to offer each Owner non-exclusive licenses under any United States patents that TRC owned or controlled on products covered by the STC Agreement to use and to sell such products, and non-exclusive licenses under any patents issued in other countries to manufacture, to use, and to sell any products and to practice any processes covered

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[9] TRC was required to make available to each Owner complete data necessary to enable it to evaluate results TRC obtained from the manufacturing processes transferred.

[10] Of course, such transfers were subject to any restrictions imposed on the use of patents held by the third party. The STC Agreements also afforded TRC the right to require the Owners to pay TRC royalties on their commercial use of confidential information. In the event that TRC exercised that right and granted any Owner the right to make commercial use of such information, TRC was required to grant the same right to every other Owner on equally favorable terms.

by such patents. TRC was required to grant such licenses to all Owners on equally favorable terms.

Separate Land Ownership at TRC

Land ownership also impacted the business relationship of TRC's Owners. Sandoz and CIBA, and later CIBA-GEIGY, individually owned tracts of land at the TRC site. The purpose of this individual ownership of land was to allow for construction of separate production facilities. CIBA did construct a plant on its tract of land. Although Sandoz did not build on its tract of over 120 acres, it held title for approximately fourteen years, from about 1967 to 1981.

* * * * *

As set forth above, each of the parties to the TRC joint venture had significant indicia of of ownership: each Owner owned its own class of stock in TRC; each Owner had equal rights to production capacity, products, and know-how; each shared costs in proportion to its off-take, including costs for TRC's liabilities, and each participated in the profits; each owned land on which it could build production facilities; each was guaranteed membership on the board and on the PAC which guided all phases of the joint venture's activities; each had a right of first refusal, after TRC, to purchase the others' shares of stock; each had the right to inspect TRC's books and records; and each had equal power to veto any amendments to the CI or By-laws that would alter the balance of control over TRC. When taken together, these elements of ownership and control constitute the business arrangement by which TRC operated.

Request No. 3

Explain the business relationship existing between CIBA-GEIGY Corporation and Crompton and Knowles from 1971 through 1981 whereby TRC acted as a "toll manufacturer" for Crompton and Knowles. Include all evidence documenting the relationship.

Response to Request No. 3

TRC was, in practice, a supplier of dyestuffs and know-how to Crompton & Knowles Corporation. This relationship arose from a consent judgment in an action brought by the United States under the Clayton Act, entitled United States v. CIBA-GEIGY Corporation, et al., 70 Civ. 3078 (SDNY Sept. 8, 1970). A copy of the consent judgment is submitted as Appendix 6.

As a condition of the merger the consent judgment required CIBA-GEIGY[11] to form a new corporation, transfer to it CIBA's U.S. dyestuff and optical brightening agents for the detergent business, and sell such new corporation to a third party that would become a competitor in the dyestuffs business. CIBA-GEIGY Corporation formed the new company, Intracolor Corporation, on October 21, 1970, which was the date of CIBA and Geigy's merger.

With the express consent of Sandoz, CIBA-GEIGY Corporation transferred CIBA's rights under its TRC supply contract to Intracolor pursuant to the consent judgment, on October 21, 1970. A copy of this agreement is submitted as part of Appendix 7. TRC and Intracolor entered into a new supply contract dated October 1, 1971, which was virtually identical to new Supply Contracts which TRC entered into with CIBA-GEIGY and Sandoz at the same time. A copy of the 1971 supply contract is submitted as part of Appendix 7. The 1971 supply contract with Intracolor provided for Intracolor's purchase of dyes that TRC made available to all its regular customers. TRC agreed to manufacture certain patented dyes for Intracolor only, under specified conditions. See Intracolor supply contract §7(c)-(e). These provisions tracked the provisions in TRC's Supply Contracts with TRC's Owners. The supply contract with Intracolor also provided for the sale to Intracolor of CIBA-GEIGY's patented dyestuffs for a period of ten years. This was five years longer than the time period required by the consent judgment, and was a term for which Intracolor negotiated with CIBA-GEIGY.

The consent judgment required CIBA-GEIGY to sell the new company within two years of CIBA and Geigy's merger. Accordingly, CIBA-GEIGY sold Intracolor to Crompton & Knowles on November 1, 1971. By its terms, the supply contract with Intracolor expired ten years after the sale of Intracolor to Crompton & Knowles.

Request No. 4

Explain any operating interest by Crompton and Knowles in the TRC facility at any time from 1971 through 1981. Include all evidence documenting any operating interest.

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[11] CIBA and Geigy had not yet merged at the time of the consent judgment. "CIBA-GEIGY" was defined as CIBA Corporation, Geigy Chemical Corporation, the corporation resulting from their merger and various other related entities.

Response to Request No. 4.

Neither Intracolor nor Crompton & Knowles acquired an equity or operating interest in TRC. Crompton & Knowles was given extensive rights to know-how, such that at the end of its ten year supply contract with TRC it would be in a position to build a plant and compete with CIBA-GEIGY and Sandoz.

Request No. 5

State the names and addresses of all parties who contributed outside waste streams to any TRC waste water treatment facilities in operation from 1952 to the present.

Response to Request No. 5.

The names and last known addresses, if any, of all parties who contributed outside waste streams to any TRC wastewater treatment facilities in operation from 1952 to the present are as follows:

1. CIBA-GEIGY
   Suffern, NY

2. Sandoz
   Hanover, NJ or East Hanover, NJ

3. Bowman Development Corp.
   Warren Grove, NJ

4. AMF Head Division
   Princeton, NJ

5. Hightstown Boro Water
   Hightstown, NJ

6. Hoffman-LaRoche
   Nutley, NJ and Belvidere, NJ

7. Coca-Cola
   Hightstown, NJ

8. Nestle Wastewater known as "Carver-Greenfield"
   61 Jerseyville Avemue, Freehold, NJ

9. R.J.R. Foods (Pineapple Concentrates)

10. N.J. Natural Gas Co.

11. Lambertville Water Co.
    Lambertville, NJ

12. Engel Van Lines

13. Kolmar Laboratories
    Port Jervis, NY

14. Summit Laboratories

15. Keansburg Municipality Utility Authority

16. Wickhen Products, Inc.

17. A.E. Staley Company

18. Fowler Ink Corp.

19. Brockway Glass
    Freehold, NJ

20. Lilly Tulip Corp.

21. Earle Naval Weapons Station
    Colts Neck, NJ

22. Aberdeen Backwash Wastewater
    Aberdeen, NJ

23. Union Beach Water Co.

24. Ocean County College Chemistry Lab
    Toms River, NJ

25. Jilco Products

26. "Deal" Sewer Water
    Boro of Deal

27. Monmouth Consol. Water Co.

28. A.C. Shultes Co.

29. Denzer & Schaffer
    Berkeley Township, NJ

30. Matawan
    Matawan, NJ

31. Paco Labs

32. Kuttner Print
    Lyndhurst, NJ

33. Evergreen Industries
    Elizabeth, NJ

34. Potable Water Purveyors

35. Valley Industry

36. Waste Conversion
    Hatfield, PA

CIBA-GEIGY has the following addresses for several of the companies listed above, which it has been unable to confirm:

N.J. Natural Gas Company
Toms River, NJ

Engel Van Lines
Elizabeth, NJ

A.E. Staley Company
Bellmawr, NJ

Union Beach Water Company
Union Beach, NJ

Valley Industry
Jackson, NJ

CIBA-GEIGY CORPORATION

Dated: June 21, 1988

By: _____
John Simas
Plant Manager

P.O. Box 71
Toms River, New Jersey 08753
(201) 349-5200

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