

IN THE MATTER OF
GREAT LAKES CHEMICAL CORPORATION, ET. AL.

CONSENT ORDER IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF THE
FEDERAL COMMISSION ACT AND SEC. 7 OF THE CLAYTON ACT

Docket No. 9155. Complaint, June 23, 1981—Decision, May 23, 1984

This consent order requires the leading producer of elemental bromine and brominated flame retardants in the U.S., to grant PPG Industries, Inc. (PPG), according to a prescribed non-exclusive licensing agreement, all the latest technology and know-how on brominated flame retardants acquired from Velsicol Chemical Corp. The order also requires Great Lakes to enter into other agreements that would govern the operation and ownership rights of Arkansas Chemicals, Inc. (ACI), a joint bromine production venture between Great Lakes and PPG. The agreements eliminate certain restrictions on PPG's use of bromine purchased from ACI; permit PPG to sell elemental bromine in the merchant market; allow PPG to use ACI bromine in the production of all brominated compounds, including flame retardants; and require Great Lakes to purchase a specified amount of bromine from ACI annually. In addition to specific record keeping and reporting requirements, the order prohibits Great Lakes from acquiring any concern engaged in the production of elemental bromine or brominated flame retardants without prior Commission approval for a period of 10 years.

Appearances

For the Commission: *John V. Lacci*, Washington, D.C.

For the respondent: *Donald W. Ruppert, Dan Vittum, Donald G. Kempp, Jr., David B. Garten, Michael W. Vary, Richard W. Young, Kirkland & Ellis*, Chicago, Ill. and *Daniel F. Attridge, Kirkland & Ellis*, Washington, D.C. for respondent Great Lakes Chemical Corporation.

COMPLAINT

The Federal Trade Commission, having reason to believe that the above named respondents, Great Lakes Chemical Corporation ("Great Lakes"), Northwest Industries, Inc. ("Northwest"), and Velsicol Chemical Corporation ("Velsicol"), subject to the jurisdiction of the Commission, have agreed to an acquisition by Great Lakes of Velsicol's El Dorado, Arkansas facility ("El Dorado") and its bromine derivative technology and patents that, if consummated, would result in a violation of Section 7 of the Clayton Act, as amended (15 U.S.C. 18), and Section 5 of the Federal Trade Commission Act, as amended (15 U.S.C. 45); and it appearing that a proceeding by the Commission

in respect thereof would be in the public interest, the Commission hereby issues its Complaint, pursuant to Section 11 of the Clayton Act (15 U.S.C. 21) and Section 5(b) of the Federal Trade Commission Act (15 U.S.C. 45(b)), stating its charges as follows:

I. Definitions

1. For the purposes of this Complaint, the following definitions shall apply:

(a) *Elemental bromine* is a nonmetallic halogen found in natural brines, salt lakes, seas, and oceans;

(b) A *flame retardant* is a chemical compound which when added to, or reacted with, a specific polymer system (*e.g.*, a plastic) serves to reduce the flammability of the polymer system by making it more difficult to ignite or by making it burn more slowly;

(c) A *brominated flame retardant* is a flame retardant based on the element bromine; and

(d) *ACI* is Arkansas Chemicals, Inc., a 50-50% joint venture between Great Lakes and PPG Industries, Inc. engaged in the production of elemental bromine in El Dorado, Arkansas.

II. Great Lakes Chemical Corporation

2. Respondent Great Lakes Chemical Corporation is a Delaware corporation with its principal place of business in West Lafayette, Indiana. Great Lakes' major manufacturing facilities are located in El Dorado, Arkansas and Marysville, Arkansas.

3. Great Lakes is engaged in the production and sale of elemental bromine, brominated flame retardants, industrial and specialty chemicals (*e.g.*, water sanitizers and oil and gas drilling completion fluids), and agricultural pesticides. In 1980, Great Lakes had net sales of \$126.7 million and a net income of \$18.9 million.

4. Great Lakes is the leading producer and marketer of elemental bromine and brominated flame retardants in the United States.

5. Great Lakes is actively involved in the day-to-day management and business decisions of ACI, a major domestic producer of elemental bromine.

III. Northwest Industries, Inc.

6. Northwest Industries, Inc. is a Delaware corporation with its principal place of business in Chicago, Illinois. Northwest is a management and holding company whose operating units produce and sell industrial, consumer, and chemical products. In 1980, Northwest had net sales of \$2.8 billion and a net income of \$155.4 million.

IV. *Velsicol Chemical Corporation*

7. Velsicol Chemical Corporation, a wholly owned subsidiary of Northwest, is a Delaware corporation with its principal place of business in Chicago, Illinois. Velsicol was formed through the 1976 merger of the Michigan Chemical Corporation and the Velsicol Chemical Corporation, then both wholly owned subsidiaries of Northwest.

8. Velsicol is engaged in the production and sale of elemental bromine, brominated and non-brominated flame retardants, other specialty chemicals, and agricultural pesticides. All of Velsicol's elemental bromine and most of its flame retardants are produced at its El Dorado, Arkansas facility.

9. Velsicol is a leading domestic producer of brominated flame retardants and is a significant producer and marketer of elemental bromine in the United States.

V. *Jurisdiction*

10. At all times relevant herein, each of the companies named in this complaint has been engaged in or affected commerce as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. 12, and Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

VI. *The Proposed Acquisition*

11. On March 9, 1981, Great Lakes agreed to acquire Velsicol's elemental bromine and brominated flame retardant businesses for \$29.7 million. Among the assets included in the agreement are Velsicol's El Dorado elemental bromine and brominated flame retardant facility, all of Velsicol's bromine derivative research, technology, and patents developed at El Dorado and Velsicol's Ann Arbor, Michigan research facility, and Velsicol's bromine brine reserves.

VII. *Trade and Commerce*

12. The relevant product markets are the following:

(a) the production or sale of elemental bromine in the United States ("the elemental bromine market"); and

(b) the production or sale of brominated flame retardants in the United States. ("the brominated flame retardant market").

13. The relevant geographic market is the United States as a whole.

14. In 1980, approximately 371 million pounds of elemental bromine was produced in the United States for a total value of approximately \$90 million.

15. The United States elemental bromine market is a highly concentrated industry with a four-firm concentration ratio of approxi-

mately 94.6% based on industry production in 1980. The top two firms, Great Lakes and Dow Chemical Company, accounted for approximately 65.3% of industry production in 1980. Only five firms produced elemental bromine in the United States in 1980, and one of these firms, ACI, is 50% owned and actively managed in its day-to-day operations by Great Lakes.

16. There is a trend toward increasing concentration in the elemental bromine market and the proposed acquisition of Velsicol's assets by Great Lakes will increase the level of four firm concentration in the elemental bromine industry from approximately 94.6% to approximately 100%.

17. Barriers to entry into the elemental bromine market are substantial.

18. Great Lakes and Velsicol are substantial actual competitors in the elemental bromine market.

19. In 1980, Great Lakes was the largest U.S. producer of elemental bromine with a market share of approximately 33%. In addition, Great Lakes actively managed the operations of ACI, the fourth largest producer of elemental bromine, with approximately 8.4% of industry production in 1980.

20. In 1980, Velsicol ranked fifth in the production of elemental bromine in the U.S., with a market share of approximately 5%.

21. Both Great Lakes and Velsicol were leading marketers of elemental bromine in 1980.

22. In 1980, approximately 62.3 million pounds of brominated flame retardants were produced in the United States market. This production had a market value of approximately \$60 million.

23. The United States brominated flame retardant market is a highly concentrated industry with the top four firms accounting for approximately 87.7% of industry production in 1980.

24. Great Lakes' acquisition of Velsicol's brominated flame retardant assets will increase the already substantial levels of concentration in the industry. Great Lakes' acquisition will increase the four firm concentration in the brominated flame retardant market from approximately 87.7% to approximately 92.3% and the two firm ratio from approximately 68.9% to approximately 81.0%.

25. Barriers to entry into the brominated flame retardant market are substantial.

26. Great Lakes and Velsicol are substantial actual competitors in the brominated flame retardant market.

27. In 1980, Great Lakes was the leading U.S. producer of brominated flame retardants and accounted for over 50% of industry production.

28. In 1980, Velsicol ranked third in the brominated flame retardant market in the U.S. with a market share of approximately 12%.

VIII. *Effects of the Acquisition*

29. The effect of the proposed acquisition may be substantially to lessen competition or to tend to create a monopoly in the elemental bromine market and in the brominated flame retardant market in violation of Section 7 of the Clayton Act, as amended (15 U.S.C. 18), and Section 5 of the Federal Trade Commission Act, as amended (15 U.S.C. 45), in the following ways, among others:

(a) Substantial actual and potential competition between Great Lakes and Velsicol in the relevant markets will be eliminated;

(b) Substantial actual and potential competition between Velsicol and other companies engaged in the production or sale of relevant products will be eliminated;

(c) The ability of Great Lakes' competitors to compete in the elemental bromine market and the brominated flame retardant market will be substantially diminished;

(d) Great Lakes' substantial position in the elemental bromine market and its dominant position in the brominated flame retardant market may be further strengthened and entrenched at the expense of Great Lakes' actual and potential competitors;

(e) The already high levels of industry concentration in the relevant markets will be significantly increased and the trend toward concentration in these markets will be accelerated; and

(f) Barriers to entry in the relevant markets will be significantly raised.

IX. *Violations Charged*

The proposed acquisition constitutes a violation of Section 5 of the Federal Trade Commission Act, as amended (15 U.S.C. 45), and, if consummated, Section 7 of the Clayton Act, as amended (15 U.S.C. 18).

DECISION AND ORDER

The Commission having heretofore issued its complaint charging respondents, Great Lakes Chemical Corporation, Northwest Industries, Inc., and Velsicol Chemical Corporation, with violation of Section 7 of the Clayton Act, as amended, and Section 5 of the Federal Trade Commission Act, as amended, and the respondents having been served with a copy of that complaint, together with a notice of contemplated relief; and

Respondent Great Lakes Chemical Corporation ("respondent"), its

attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Secretary of the Commission having thereafter withdrawn this matter from adjudication in accordance with Section 3.25(c) of its Rules; and

The Commission having considered the matter and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comments filed thereafter by interested persons pursuant to Section 3.25 of its Rules, now in further conformity with the procedure prescribed in Section 3.25(f) of its Rules, the Commission hereby makes the following jurisdictional findings and enters the following order:

1. Respondent Great Lakes Chemical Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at Highway 52 Northwest, in the City of West Lafayette, State of Indiana.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

For Purposes of this Order

(a) *PPG* means PPG Industries, Inc., a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business located at One Gateway Center, in the City of Pittsburgh, State of Pennsylvania;

(b) *ACI* means Arkansas Chemicals, Inc., a 50-50 percent joint venture between Great Lakes and PPG, and a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business located in the State of Arkansas;

(c) *bromine* means elemental bromine, atomic number 35, the non-metallic halogen found in natural brines, salt lakes, seas and oceans;

(d) *brominated flame retardants* mean flame retardants containing the element bromine;

(e) *brominated compounds* means chemical compounds, including flame retardants, containing the element bromine;

(f) *concern* means any company or corporation, its directors, officers, employees, and agents; its domestic and foreign predecessors, successors, divisions, subsidiaries, affiliates, and joint ventures (if the company owns or controls 10% or more of the joint venture); and the directors, officers, employees, and agents of the company's predecessors, successors, divisions, subsidiaries, affiliates, and joint venture partners as described above. The words *subsidiary* and *affiliate* refer to any partial as well as total ownership between corporations.

I.

It is ordered, That Great Lakes, its successors and assigns, and its officers, directors, agents, representatives and employees (hereinafter "Great Lakes") shall, upon written application, grant to PPG a non-exclusive license to produce and sell certain brominated compounds in the form of the non-exclusive license agreement set forth in Attachment A. Great Lakes shall remain in compliance with the agreement set forth in Attachment A, and, without prior approval of the Federal Trade Commission, shall not permit any modification, directly or indirectly, of any of the terms of the license agreement referred to in this paragraph.

II.

It is further ordered, That Great Lakes shall notify the Commission in writing of each PPG written request for technology pursuant to the license agreement set forth in Attachment A.

III.

It is further ordered, That Great Lakes shall enter into the agreements set forth in Attachment B, and Appendices 1 and 2 thereto, relating to the operation and ownership rights of ACI, its successors and assigns. Great Lakes shall remain in compliance with the agreements set forth in Attachment B, and the Appendices thereto, and, without prior approval of the Federal Trade Commission, shall not permit any modification, directly or indirectly, of any of the terms of the agreements referred to in this paragraph. In addition, prior to entering into dissolution as provided for in Section 3(b) of Appendix

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to Attachment B, Great Lakes shall use its best efforts to cause ACI to be sold as an ongoing entity.

IV.

It is further ordered, That, for a period of ten years from the date that this Order becomes final or the date at which all of its obligations under Attachment A cease, whichever is later, Great Lakes shall provide to the Commission copies of all proposed amendments or modifications which have been communicated by Great Lakes or PPG to the other party with respect to any of the terms contained in the agreement set forth in Attachment A. In addition, for a period of ten years from the date that this Order becomes final, Great Lakes shall provide to the Commission copies of all proposed amendments or modifications which have been communicated by Great Lakes or PPG to the other party with respect to any of the terms contained in the agreements set forth in Attachment B, or to any other agreement referenced therein.

V.

It is further ordered, That, Great Lakes shall provide to the Federal Trade Commission copies of all communications between Great Lakes and PPG regarding changes or alleged breaches of the agreements contained in Attachments A and B.

VI.

It is further ordered, That, for a period of ten (10) years from the date this Order becomes final, Great Lakes, its subsidiaries, affiliates, divisions, successors and assigns shall not, without the prior approval of the Federal Trade Commission, directly or indirectly, acquire any stock, share capital or equity interest in any concern engaged in, or the assets of any concern used in, the manufacture of elemental bromine or brominated flame retardants; *provided, however,* nothing in this Order shall prohibit Great Lakes from (1) engaging in any acquisition of a foreign concern that, in the calendar year of the proposed acquisition or in any of the five full calendar years immediately preceding the acquisition, has not manufactured or sold elemental bromine or brominated flame retardants in, or exported these products to, the United States, if, and only if, that foreign concern's worldwide production of elemental bromine did not exceed ten million pounds in any of the three full calendar years immediately preceding the acquisition and its total worldwide production of bromi-

nated flame retardants did not exceed four million pounds in any of the three full calendar years immediately preceding the acquisition; (2) becoming a licensee of any patents or technology from such concerns; or (3) making purchases or sales in the ordinary course of business. The application of this paragraph shall be construed to include the acquisition by Great Lakes of any stock or assets of ACI, its successors and assigns, except for adjustments of ownership in ACI as provided for in Paragraph 5 of Attachment B to this Order.

VII.

It is further ordered, That, commencing on the effective date of this Order, respondent Great Lakes shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, or any other proposed change in the corporation which may affect compliance obligations arising out of this Order.

NOTE: Portions of the attachments relating to the Decision and Order have been redacted because they are commercially sensitive. The bracketed words have been inserted by the Commission in some instances to describe the redacted information.

ATTACHMENT A

AGREEMENT

THIS AGREEMENT is made this September 16, 1983, between GREAT LAKES CHEMICAL CORPORATION, a Delaware corporation whose principal office address is P.O. Box 2200, West Lafayette, Indiana 47906, referred to herein as "Great Lakes"; and PPG INDUSTRIES, INC., a Pennsylvania corporation having its principal office at One Gateway Center, Pittsburgh, Pennsylvania 15222, referred to herein as "PPG"; and the same

WITNESSETH

A. PPG has for many years engaged in the manufacture and sale of ethylene dibromide. It has also engaged in the manufacture and sale of flame retardant chemicals which are not bromine based and has undertaken to develop bromine containing products including flame retardants.

B. PPG intends to enter into the manufacture and sale of bromine based flame retardant chemicals, and to that end it desires to obtain a non-exclusive license to use certain technology owned by Great Lakes which is useful in the production of certain bromine based flame retardant chemicals.

C. Great Lakes is willing to grant to PPG a non-exclusive license to said technology, upon the terms and subject to the conditions and limitations set out in this Agreement.

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TERMS

In consideration of the covenants and agreements hereinafter set forth, it is agreed between the parties hereto as follows:

I

General Provisions

1.01 *Scope of Agreement.* This Agreement looks to the grant by Great Lakes to PPG of a non-exclusive license to use certain technology owned by Great Lakes which is useful in the manufacture of certain bromine based flame retardant chemicals.

1.02 *Definitions.* As used herein, the following words and phrases have the following meanings:

- a. Product(s) means any one (1) or more of Group A Products and Group B Products.
- b. Group A Product means [any one or more of four brominated flame retardants based upon technology acquired from Velsicol Chemical Corporation without substantial modification by Great Lakes.]
- c. Group B Product means [any one or more of six brominated flame retardants based upon technology acquired from Velsicol Chemical Corporation with technological modifications made by Great Lakes.]
- d. Product Technology means, for each Product, all patent applications and registrations and all of the information relating to such Product disclosed by Great Lakes to PPG pursuant to its obligations under Articles II and III, but shall expressly exclude non-confidential information.
- e. Product Technology Conditional License Term, for each Product, means the period ending on the fifth (5th) anniversary of the date on which PPG first sells commercial quantities of such Product manufactured using Product Technology; provided, sales made for the primary purpose of starting the Term and not as the result of good faith best efforts to prosecute commercial production and marketing shall not be deemed the selling of commercial quantities for the purposes of this definition.
- f. Net Sales sold by PPG means the gross invoice price of Products less (i) freight charges and demurrages (if any), (ii) sales and use taxes or other governmental charges, taxes, or imposts on the sale or shipment of Products, and (iii) returns. Product used, consumed, or incorporated into another substance, by PPG (or an entity in which it is a participant) shall be deemed sold at the time of such use, consumption, or incorporation at a gross invoice price equal to the gross invoice price then being charged by PPG for the Product sold to others as such, unless the sales of the Product to others are so insubstantial that they do not truly reflect market forces, in which case the Product shall be deemed sold at the gross invoice price then being charged by Great Lakes on the sale of the same Product to third parties, and the Net Sales so generated shall be calculated accordingly. If there are no qualifying sales by either PPG or Great Lakes, the parties shall negotiate in good faith a constructive Net Sales for the Product so used, consumed, or incorporated, allowing for normal commercial margins and profits.
- g. Request Date, for each Group A Product, means the earlier of the date on which PPG makes the request for preliminary production data for such Product, as contemplated by Section 2.02, or the date on which PPG makes the request for Product Technology for such Product, as contemplated by Section 2.03. Request Date, for each Group B Product, means the earliest of the date on which PPG makes the request for preliminary production data for such Product, as contemplated by Section 3.02, the date on which PPG makes the request for acquired Product Technology for such Product, as contemplated by Section 3.03, or the date on which PPG makes its request for Product Technology for such Product, as contemplated by Section 3.04.

II

Group A Product Technology

2.01 *Non-Confidential Information.* Within 45 days after receipt of PPG's written request for the non-confidential information relating to a Group A Product, Great Lakes shall furnish to PPG, [upon payment of a negotiated amount,] all non-confidential and non-proprietary documentary information in its possession relating to each such Group A Product, such as publications, technical bulletins, technical service bulletins, and data sheets generally available to customers, and a list of all patent registrations then owned by Great Lakes and relating to such Group A Product. Upon request of PPG, Great Lakes shall provide PPG with Great Lakes' best estimate of the investment required to construct a plant for the manufacture of each Group A Product.

2.02 *Preliminary Production Data.* Within ninety (90) days after the receipt of PPG's request therefor, together with a payment of [a negotiated amount] per Product, Great Lakes will, as to each Group A Product, except [one of the Group A Products,] for which it receives such request and payment, furnish to PPG written documentation for such Group A Product consisting of:

- a. a list of major equipment necessary for the manufacture of such Group A Product, in sufficient detail for PPG to make accurate estimates of productivity and costs of procuring, assembling, and erecting the same in a condition suitable for the commercial production of such Group A Product;
 - b. a list of raw materials necessary for the manufacture of such Group A Product;
 - c. manpower and utility requirements;
 - d. a table of expected yields for such Group A Product;
 - e. a list of those items a. through d. in subsection 2.03(a) which will not be available;
- and
- f. a statement of the significant differences (if any) between the foregoing items a. through d. as practiced on the date of this Agreement and as practiced on the date of the request, in sufficient detail to allow PPG to evaluate a fair fee if one is to be negotiated pursuant to subsection 2.03(b).

As to each Group A Product, except [one of the Group A Products,] for which PPG does not make either a request and payment under this Section 2.02 or a request and payment under Section 2.03 on or before the fourth anniversary of the date of this Agreement, this Article II shall become void and of no further effect.

2.03 *Product Technology.* (a) Within ninety (90) days after the receipt of PPG's written request therefor, together with an additional payment of [a negotiated amount] per Group A Product, Great Lakes will, as to each Group A Product, except [one of the Group A Products,] for which it receives such request and payment, furnish to PPG the Product Technology owned or possessed by Great Lakes for such Group A Product, except [one of the Group A Products,] as such technology is practiced by Great Lakes on the date of this Agreement, including, without limitation, written documentation adequate for PPG to design, construct, and operate a plant for the manufacture on a commercial sale of such Product. Such Product Technology shall include such of the following items as are available with respect to such Product:

- a. process description;
- b. material balance;
- c. process and instrument flow diagram;
- d. equipment list and specifications;
- e. quality control methods;
- f. equipment layouts;
- g. raw material specifications;
- h. waste stream analysis and toxicity data;

- i. operations manuals;
- j. motor lists;
- k. instrument lists;
- l. raw material requirements;
- m. utility requirements;
- n. manpower requirements;
- o. maintenance equipment;
- p. Product application techniques.

With respect to [one of the Group A Products,] within ninety (90) days of receiving such a request and payment, Great Lakes will furnish to PPG the entire production technology of [one of the Group A Products] as acquired from Velsicol Chemical Corporation by Great Lakes on July 15, 1981. As to each Group A Product for which PPG does not make such written request and payment on or before the fifth anniversary of the date of this Agreement, Article II shall become void and of no further affect. If a request and payment is made under this Section 2.03 without a prior request as to that Group A Product under Section 2.02, Great Lakes shall not be obligated to make the disclosures required of it under Section 2.02 (except to the extent that they are embodied in the disclosures required of it by this Section 2.03) and PPG shall not be obligated to make the payment referred to in Section 2.02.

(b) Except with respect to [one of the Group A Products,] if the request given under subsection 2.03(a) above states that PPG desires the Product Technology to be as such technology is practiced by Great Lakes on the date the request is made, the parties shall promptly meet and negotiate in good faith the amount of the fee which PPG shall pay for such additional technology.

III

Group B Product Technology

3.01 *Non-Confidential Information.* Within 45 days after receipt of PPG's written request for the non-confidential information relating to a Group B Product, Great Lakes shall furnish to PPG, [upon payment of a negotiated amount,] all non-confidential and non-proprietary documentary information in its possession relating to such Group B Product, such as publications, technical bulletins, technical service bulletins, and data sheets generally available to customers, and a list of all patent registrations then owned by Great Lakes and relating to such Group B Product. Upon request of PPG, Great Lakes shall also provide PPG with Great Lakes' best estimate of the investment required to construct a plant for the manufacture of each Group B Product.

3.02. *Preliminary Production Data.* Within one hundred fifty (150) days after the receipt of PPG's request therefor, together with a payment of [a negotiated amount] per Product, Great Lakes will, as to each Group B Product for which it receives such request and payment, furnish to PPG (a) written documentation for each such Group B Product, based on the Product Technology for such Product as it existed on July 15, 1981, and (b) written documentation for each such Group B Product, based on the Product Technology for such Product as it existed on the date of this Agreement. In both cases, such written documentation shall consist of:

- a. a list of major equipment necessary for the manufacture of such Group B Product, in sufficient detail for PPG to make accurate estimates of productivity and costs of procuring, assembling and erecting the same in a condition suitable for the commercial production of such Group B Product;
- b. a list of raw materials necessary for the manufacture of such Group B Products;
- c. manpower and utility requirements;

- d. a table of expected yields for such Group B Product;
- e. a list of those items a. through p. referred to in subsection 2.03(a) which will not be available; and
- f. a statement of the significant differences (if any) between the foregoing items a. through d. as practiced on the date of this Agreement and as practiced on the date of the request, in sufficient detail to allow PPG to evaluate a fair fee if one is to be negotiated pursuant to subsection 3.05.

As to each Group B Product for which PPG does not make either a request and payment under this Section 3.02 or a request and payment under Section 3.03 or 3.04 on or before the fourth anniversary of the date of this Agreement, this Article III shall become void and of no further effect.

3.03 *Product Technology Acquired by Great Lakes.* Within one hundred and fifty (150) days after receipt of PPG's written request therefor, together with an additional payment of [a negotiated amount] per Group B Product, Great Lakes will, as to each Group B Product for which it receives such request and payment, furnish to PPG the entire Product Technology for such Group B Product acquired by Great Lakes from Velsicol Chemical Corporation, as such technology existed on July 15, 1981 (the date of such acquisition), including, without limitation, written documentation used for or intended for use in the manufacture of such Product and the design, construction and operation of a plant for the commercial manufacture, where applicable, of such Product. Such Product Technology shall include the items listed as items a. through p. of subsection 2.03(a) which are available with respect to such Product.

As to each Group B Product for which PPG does not make such written request and payment on or before the fifth anniversary of the date of this Agreement, Article III shall become void and of no further effect. If a request and payment is made under this Section 3.03 without a prior request as to that Group B Product under Section 3.02, Great Lakes shall not be obligated to make the disclosures required of it under Section 3.02 (except to the extent that they are embodied in the disclosures required of it by this Section 3.03) and PPG shall not be obligated to make the payment referred to in Section 3.02.

3.04 *Product Technology Developed by Great Lakes.* Within one hundred and eighty (180) days after receipt of PPG's written request therefor, together with the additional payment set out below, Great Lakes will, as to each Group B Product for which it receives such request and payment, furnish to PPG the entire Product Technology for such Group B Product, as such technology is practiced on the date of the Agreement, including, without limitation, written documentation used for or intended for use in the manufacture of such Product and the design, construction and operation of a plant for the commercial manufacture, where applicable, of such Group B Product. Such Product Technology shall include those of the items listed as items a. through p. of Section 2.03 which are available with respect to such Product.

The amount of the payment to be made is as follows:

[For each Group B Product, a negotiated amount.]

As to each Group B Product for which PPG does not make such written request and payment on or before the fifth anniversary of the date of this Agreement, Article III shall become void and of no further effect. If a request and payment is made under this Section 3.04 without a prior request as to that Group B Product under Section 3.02, Great Lakes shall not be obligated to make the disclosures required of it under Section 3.02 (except to the extent that they are embodied in the disclosures required of it by this Section 3.04) and PPG shall not be obligated to make the payment referred to in Sections 3.02.

3.05 *Later Development* If the request given under subsection 3.04 states that PPG desires the Product Technology to be as such Technology is practiced by Great Lakes

on the date the request is made, the parties shall promptly meet and negotiate in good faith the amount of the fee which PPG shall pay for such additional technology.

IV.

Licenses

4.01 *Group A Product Technology.* Upon the condition that (and only so long as) PPG makes timely payment of the royalty with respect to that Group A Product, as provided in Section 5.01, Great Lakes hereby grants to PPG the non-exclusive irrevocable right and license to use and practice, anywhere in the world, all Product Technology relating to such Group A Product furnished to PPG by Great Lakes pursuant to Article II.

4.02 *Group B Product Technology.* Upon the condition that (and only so long as) PPG makes timely payment of the royalty with respect to that Group B Product, as provided in Section 5.02, Great Lakes hereby grants to PPG the non-exclusive irrevocable right and license to use and practice, anywhere in the world, all Product Technology relating to that Group B Product furnished to PPG by Great Lakes pursuant to Article III.

4.03 *Provisions Common to Licenses.*

(a) Prior to the expiration of the Product Technology Conditional License Term for each Product for which Product Technology has been furnished pursuant to Articles II and III, the rights and licenses granted under sections 4.01 and 4.02 may not be assigned or sublicensed, in whole or in part, to any other legal entity except as and to the extent as may be expressly set out in this instrument. However, provided that such other legal entity first executes an instrument in form and content binding such other entity to all obligations of confidentiality agreed to by PPG in Section 8.01, PPG may, with respect to each Product, subject to the conditions hereafter set out, contract with no more than two entities for those entities to toll convert or custom manufacture for PPG each Product using Product Technology licensed to PPG hereunder; and PPG is hereby authorized to grant such a sublicense as may be strictly necessary for this purpose. The conditions of the preceding sentence are:

First- that for the purpose of selecting toll converters or custom manufacturers, PPG may disclose Product Technology under confidentiality obligations consistent with Section 8.01 to no more than four such potential toll converters or custom manufacturers.

Second - that PPG retain title to the entirety of the Product so manufactured or toll-converted or that the entirety of the Product so manufactured or toll-converted be sold by the manufacturer directly to PPG or to one of its wholly-owned subsidiaries.

Third- that PPG (or its wholly owned subsidiary) shall not resell, directly or indirectly, more than ten percent (10%) of the Product so manufactured or toll-converted to the entity which manufactured or toll-converted it or to any entity which has any material equity in such custom manufacture or toll converter.

Fourth- that any sub-license granted by PPG pursuant to this Section 4.03 shall be exercisable by the grantee thereof only and solely for the purpose of toll converting or custom manufacturing the Product for PPG.

(b) In connection with the sale of a Product produced under a license granted under Sections 4.01 or 4.02, PPG may grant to its customers of that Product the non-exclusive, irrevocable label license to use and sell that Product under any patent owned by Great Lakes covering the use of that Product.

V

Royalties

5.01 *Royalties on Group A Products.* In consideration for the right and license granted by Great Lakes to PPG pursuant to Section 4.01, PPG shall pay to Great Lakes, at the

address designated by Great Lakes, a royalty calculated as [a negotiated percentage royalty] of the Net Sales of each Group A Product manufactured using Product Technology and sold during the Product Technology Conditional License Term for such Product.

5.02 Royalties on Group B Products. In consideration of the right and license granted by Great Lakes to PPG pursuant to Section 4.02, PPG shall pay to Great Lakes, at the address designated by Great Lakes, a royalty calculated as [a negotiated percentage royalty] of the Net Sales of each Group B Product manufactured using Product Technology, but not more than [a negotiated amount] for any one Group B Product.

5.03 Time of Payment. For purposes of Sections 5.01 and 5.02, a Product shall be deemed "sold" by PPG as of the date it is used, consumed, incorporated, shipped or invoiced, whichever is earlier. The royalties payable pursuant to Sections 5.01 and 5.02 shall be computed and paid quarterly. On or before the last day of each April, July, October, and January, PPG shall pay to Great Lakes the royalty contemplated by Sections 5.01 and 5.02 due and payable with respect to the immediately preceding calendar quarter.

5.04 Medium of Payment. All royalties due hereunder shall be paid in United States dollars. If sales are effected in a currency other than in United States dollars, then for the purpose of calculating the royalties payable hereunder, the rate of exchange between the United States dollars and the currency of sale shall be the average of the closing dollar buy and sell rates for such currency quoted by Chemical Bank, New York, New York, on the last New York City business day of the calendar quarter in which the sale occurs.

5.05 Unconditional License. Upon the expiration of the Product Technology Conditional License Term for each Product (so long as all royalties payable during said Term have been paid in full) PPG shall have an irrevocable non-exclusive transferable right and license in perpetuity to use, practice, license, assign, and sell the Product Technology as to each such Product anywhere in the world, and the provisions of Section 4.03 shall not apply.

5.06 Failure to Pay. In the event that PPG defaults by failing to pay, promptly when due, any installment of the royalties to be paid by it under this Article V with respect to any Product, or by failing to observe or perform any other obligation or condition to be observed or performed by it hereunder, Great Lakes may, at its option, give PPG written notice specifying the thing or matter in default. If the default is a delinquent payment it shall bear interest at the prime rate charged by the Chemical Bank in New York, plus two percent (2%). Unless such default is cured within two (2) months following receipt of such notice, or if such default cannot be cured within that time and PPG fails to diligently make efforts to cure the default, Great Lakes may give further written notice terminating this Agreement and all rights and licenses granted by it hereunder; provided, that Great Lakes gives the Federal Trade Commission two (2) months advance written notice that Great Lakes may terminate this Agreement pursuant to this provision. Said notice to the Federal Trade Commission may be given at the same time that Great Lakes gives PPG notice of the default. In the event it is impossible to cure the default, the parties shall (unless Great Lakes waives the default) enter into good faith negotiations to afford Great Lakes reasonable recourse, other than termination, for the default. Termination of this Agreement pursuant to this Section 5.06 shall not release PPG from its obligations to pay the royalties which have become payable to and including the date of termination. This remedy shall not be exclusive, but shall be in addition to any and all other remedies available to Great Lakes in the event of a default by PPG hereunder.

VI

Technical Assistance

6.01 *On-Site Demonstration.* Within ninety (90) days after it has furnished to PPG the Product Technology for a Group A Product, except [one of the Group A Product,] as provided in Section 2.03, or the Product Technology for a Group B Product, as provided in Section 3.04, Great Lakes shall invite PPG to send representatives to attend on-site demonstrations and to observe such actual operations and be adequately advised by Great Lakes with respect thereto as may be necessary or appropriate to facilitate exploitation by PPG of the Product Technology for such Product. The demonstrations and operations will be conducted at the office, laboratory, and manufacturing facility designated by Great Lakes. The demonstrations and operations contemplated by this Section will be completed within one hundred twenty (120) days after the date of Great Lakes' invitation to PPG.

6.02 *Start-Up Advice.* Except with respect to [one of the Group A Products] upon request of PPG, Great Lakes shall send to the manufacturing location designated by PPG one (1) or more experienced and qualified engineers to assist in the start-up of not more than one (1) of PPG's plants for the manufacture of each Product, so long as such start-up occurs within four (4) years after the Request Date; provided, that Great Lakes shall not be required by this Section 6.02 to provide assistance at more than an aggregate of three (3) plant sites. Said engineer(s) shall not be obligated to spend more than ten (10) man-days in assisting the start-up of any one such plant.

6.03 *Expenses.* PPG shall bear the entire cost it incurs in the sending of its representatives to attend demonstrations and observe operations pursuant to Section 6.01, including transportation, lodging, and meals. PPG will reimburse Great Lakes for the actual costs incurred by it in the sending of its personnel to assist in the start-up of a PPG manufacturing plant pursuant to Section 6.02. For purposes of this Section 6.03, "actual costs" means the reasonable amounts actually expended by Great Lakes for transporting, lodging, and feeding its engineers, together with a liquidated charge on account of salaries, of \$250 per man per day, escalated by the fraction $\text{CPR} - \text{CPO}$, where CPO is the All Urban Consumer Index (to the base year 1967 = 100) most recently published prior to the date hereof, and CPR is the value of the same index most recently published prior to the time the services are rendered.

6.04 *Further Assistance.* For a period of not more than one hundred eighty (180) days after start-up of any plant referred to in Section 6.02, provided such start-up shall have occurred within four (4) years after the Request Date, Great Lakes shall, at no charge to PPG, furnish PPG with such additional information as may reasonably be requested by PPG in order to give full effect of the intentions of the parties and the purposes of this Agreement: provided, however, that Great Lakes shall not be obligated to disclose (i) any information relating to a Group A Product, if such information is not included in that Product Technology which Great Lakes is obligated to furnish PPG pursuant to Section 2.03 for such Product practiced on the date of this Agreement, or (ii) any information relating to a Group B Product for which Great Lakes has furnished Product Technology pursuant to Section 3.03, if such information is not included in the Product Technology for such Product as it existed on July 15, 1981, or (iii) any information relating to a Group B Product for which Great Lakes has furnished Product Technology pursuant to Section 3.04, if such information is not included in the Product Technology for such Product practiced on July 15, 1983, or (iv) any information relating to [one of the Group A Products] which was not acquired from Velsicol Chemical Corporation by Great Lakes on July 15, 1981.

VII.

Technology

7.01 *Infringement.* If PPG should become aware of any infringement by a third person of any claim of any patent application or registration licensed or agreed to be licensed by Great Lakes hereunder, it shall notify Great Lakes and Great Lakes shall have the right, at its expense, to prosecute such infringement. If, within thirty (30) days after the date of such notice, Great Lakes has failed to commence prosecution of any such infringement, PPG shall be entitled by itself, at its own expense, to institute and prosecute, in the name (and with the approval) of Great Lakes, such proceedings as PPG may reasonably deem appropriate.

7.02 *Warranties.* Great Lakes hereby warrants and represents that:

a. The technology as used by Great Lakes on the date of this Agreement enables Great Lakes to manufacture such Product in accordance with the specifications set out in Schedule A annexed hereto;

b. All Product Technology, except that respecting [one of the Group A Products,] disclosed to PPG pursuant to Section 2.03 will be the entire technology practiced by Great Lakes on the date of this Agreement or on the date of the request, as the case may be;

c. All Product Technology disclosed to PPG under Section 3.03 will be the entire technology as it existed on July 15, 1981;

d. All Product Technology disclosed to PPG under Section 3.04 will be the entire technology as actually practiced by Great Lakes on the date of this Agreement or the date of the request, as the case may be; provided, that the technology for [one of the Group B Products] shall be that acquired from Velsicol Chemical Corporation on July 15, 1981, as subsequently improved by Great Lakes, and practiced by it on the date of this Agreement or the date of the request, as the case may be.

VIII.

Confidentiality

8.01 *Reciprocal Obligation.* Each of the parties hereby agrees with the other that it will keep confidential all Product Technology expressly stated to be confidential which is disclosed to it by the other hereunder or observed by it in the performance of the provisions of Article VI, except to the extent that Product Technology (i) is disclosed by PPG to one of its employees (so long as such disclosure is necessary for the performance of employment duties and so long as such employee is obligated to treat Product Technology so disclosed in the same manner as confidential and proprietary information of PPG, a bona fide architectural or engineering consultant or building contractor performing services for PPG (so long as such disclosure is necessary for the performance of such consulting or contracting duties and then only so long as such consultant or contractor first executes a written agreement corresponding to that made by PPG under this Section 8.01), or a subsidiary of PPG which is permitted to use and practice the Product Technology under the terms of the proviso to Section 4.03, (ii) is or becomes publicly known, (iii) is received by the party from a third person entitled to disclose the same, (iv) is known to the party prior to disclosure, or (v) is required to be disclosed by law or order of a court or other competent government agency. As so limited, the obligations of the parties under this Section 8.01 shall terminate January 1, 1994.

IX.

Other Velsicol Products

9.01 *Disclosure.* Upon request of PPG at any time within two (2) years following the date of this Agreement, and upon payment by PPG to Great Lakes of a fee of Ten Thousand Dollars (\$10,000.00), Great Lakes will conduct a one or two day seminar for not more than ten (10) employees and representatives of PPG, at which knowledgeable Great Lakes employees will give a verbal explanation of the technology of all brominated products which it acquired from Velsicol Chemical Corporation in 1981 other than Group A and Group B Products. The seminar will be held in West Lafayette, Indiana. The travel expenses incurred by PPG's employees and representatives will be borne by PPG. Each of PPG's employees and representatives will be required to execute a confidentiality agreement relating to the technology to be disclosed at said seminar.

9.02 *Negotiation for License.* Upon request of PPG at any time within one (1) year following the date of the seminar referred to in Section 9.01, Great Lakes will enter into negotiation of a non-exclusive license to use any part of the technology discussed at said seminar in which PPG has an interest, and will bargain in good faith to arrive at a mutually acceptable license agreement.

X.

General Provisions

10.01 *Maintenance of Records.* PPG shall, and shall cause those assignees and sublicensees permitted hereunder, to maintain accurate and complete records relating to the manufacture and sale of Products using Product Technology. Such records shall be adequate to permit royalties to be readily computed in accordance with Article V. PPG agrees, at the request of Great Lakes, to permit an independent certified public accountant selected by Great Lakes, except one to whom PPG has some reasonable objection, to have access during ordinary business hours to such records as may be necessary (a) to determine in respect to any calendar quarter year, ending not more than two (2) calendar years prior to the date of such request, the correctness of any report or payment made under this Agreement, or (b) to obtain information as to the royalties payable for any such period in case of failure of PPG to report or pay pursuant to the terms of this Agreement. Such accountant shall not disclose to Great Lakes any information relating to the business of PPG, except that which should properly have been contained in any report hereunder.

10.02 *Governing Law.* This Agreement is made in the State of Indiana, and all questions relating to its validity, construction, and enforcement shall be governed by the law of that State.

10.03 *Amendment.* No amendment of, or addition to, this Agreement will be binding upon either party hereto unless it has been reduced to writing and duly executed by both parties.

10.04 *Prohibition Against Assignment.* Prior to the expiration of the Product Technology Conditional License Term for each Product for which Product Technology has been furnished pursuant to Articles II and III, the rights to the Product Technology for each such Product created under this Agreement may not be assigned by PPG except to a single business entity which is one of the following: (a) a domestic U.S. entity in which PPG possesses more than fifty percent (50%) of both the equity and the voting control; or (b) a corporation growing out of or surviving a consolidation or acquisition by or merger with PPG; or (c) a non-U.S. entity in which PPG possesses of both the equity and the voting control the lesser of forty percent (40%) or the maximum permitted by the laws of the foreign jurisdiction; or (d) a successor or purchaser of the entire brominated flame retardant chemicals business of PPG. After the expiration of the

Product Technology Conditional License Term for each Product for which Product Technology has been furnished pursuant to Articles II and III, the rights to the Product Technology for each such Product created under this Agreement may be assigned to any entity that accepts the remaining obligations, if any, to maintain records and pay royalties pursuant to section 10.01 and Article V, respectively.

10.05 *More Favorable Grant.* In the event Great Lakes shall grant another rights and licenses respecting any Product for which PPG has elected under Section 2.03, 3.02, 3.03, or 3.04 to obtain Product Technology under financial terms (including payments and royalties) less than those imposed upon PPG under this Agreement, Great Lakes shall forthwith offer PPG such financial terms with respect to each and every such Product.

10.06 *Waiver.* The waiver, express or implied, by either party of any right hereunder or of any breach by the other party will not be deemed a waiver of any other right or breach, either of a similar or dissimilar nature.

10.07 *Complete Agreement.* This Agreement supersedes all other communications between the parties regarding, and constitutes their sole and exclusive agreement with respect to, the subject matter of this Agreement.

10.08 *Effective Date.* References herein to "the date of this Agreement" and similar references shall be construed for all purposes as references to the effective date of this Agreement. The effective date of this Agreement shall be the date it becomes effective pursuant to the terms of a certain Memorandum Agreement of even date.

MADE on the date first above written.

GREAT LAKES CHEMICAL CORPORATION

by: _____

PPG INDUSTRIES, INC.

by: _____

SCHEDULE A

PRODUCT SPECIFICATIONS

All percentages by weight unless otherwise stated

PH-73

Assay	99.5%	min.
HBr	0.3%	max.
H ₂ O	0.5%	max.
Melting Point	92°	C
APHA Sol. Color (MeOH)	200	max.
Sol. Color (MeCl)	200	max.
Sol. Color (NaOH)	300	max.
Appearance	Light cream to tan	flake
Dibromophenol	0.5%	max.

FF-680

Appearance	Off-white to light tan
Odor	Characteristic

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Br	68.5% min.
NaBr	0.5% max.
H ₂ O	0.15% max.
Color Gardner "L"	88 min.
Loss on Drying	0.3% max.
Melting Point	223°C min.

PHT4

Appearance	Free flowing light tan powder
APHA color	100 max.
Neutral equiv.	228 min.
Sulphate	0.3% max.
Melting Point	270°C min.
Moisture	0.4% max.

FM-100

Melting Point	185°-195°C
Br	72% min.
Volatiles	1.0% max.
APHA Color	60 max.
Solubility in styrene	5%
Sieve through #60	80% min.
Sieve through #100	45% min.

PHT4-Diol

Acid No.	0.25 max.
APHA Color	Visual pass/fail
H ₂ O	.20% max.
Hydroxyl No.	200-235
Br	43.2% min.
Viscosity	80-100 Cps (target)
Diethylene glycol	8.5% max. (target)

PO-64P

Volatiles	1.0% max.
Br	63%-65.5%
NaBr	.15% max.
Melting Range	210°-240°C
Tribromophenol	.15% max.
Alkalinity	.01 m.eq.

ATTACHMENT B

PPG - GREAT LAKES

Third Supplemental Agreement

Made the 16th day of September, 1983, between PPG INDUSTRIES, INC., a Pennsylvania corporation ("PPG"); and GREAT LAKES CHEMICAL CORPORATION, a Delaware corporation ("Great Lakes").

Whereas, PPG is the successor by merger to Houston Chemical Corporation, a Texas corporation ("Houston"); and Great Lakes is the successor by merger to Great Lakes Chemical Corporation, a Michigan corporation ("Great Lakes - Michigan"); and as such successors PPG and Great Lakes are seized, possessed, and entitled to all the rights, titles, benefits, and interests, and are bound by and limited to the obligations, limitations, and covenants, of Houston and Great Lakes - Michigan, respectively, in the following listed written contracts, viz:

- A. Uncaptioned, dated July 19, 1960, between Houston and Great Lakes - Michigan;
- B. Houston - Great Lakes Supplemental Agreement, dated July 28, 1964, between Houston and Great Lakes - Michigan;
- C. Houston - Great Lakes Second Supplemental Agreement, dated March 21, 1968, between Houston and Great Lakes - Michigan;
- D. Arkansas - Great Lakes Bromine Sales Agreement, dated July 31, 1964, between Arkansas Chemicals, Inc. (hereinafter "ACI") and Great Lakes - Michigan.
- E. Arkansas - Houston Bromine Sales Agreement, dated July 31, 1964, between ACI and Houston;
- F. Amendment and Extension of Arkansas - Great Lakes Bromine Sales agreement, dated March 21, 1968, between ACI and Great Lakes - Michigan; and
- G. Amendment and Extension of Arkansas - Houston Bromine Sales Agreement, dated March 21, 1968, between ACI and Houston; and

Whereas, PPG and Great Lakes wish to further amend and change the said contracts between themselves and with ACI in certain particulars;

Now, therefore, in consideration of the premises and of the covenants set forth below the parties do covenant and agree as follows:

- 1. Effective as of the date of this Third Supplemental Agreement, the parties hereby amend the prior agreements between them as follows:

- a. From the first sentence of Section 2 of the uncaptioned agreement of July 19, 1960 (item A above) the last fifteen (15) words are deleted.

- b. The words "and the identity of the proposed purchaser" shall be inserted immediately following the words "including the number of shares involved" in the first sentence of paragraph (c) of section 8 of the said agreement of July 19, 1960 (item A above).

- c. The words "and with the proposed purchaser" shall be inserted immediately after the word "shares" and before the word "set" in the second sentence of paragraph (c) of section 8 of the said agreement of July 19, 1960 (item A above).

- d. Section 2 of the Supplemental Agreement of July 28, 1964 (item B above) is deleted in its entirety.

- e. Section 2 of the Second Supplemental Agreement of March 21, 1968 (item C above) is deleted in its entirety.

- 2. Great Lakes will sign and deliver to ACI, and the parties will cause ACI to sign and deliver to Great Lakes, an agreement in the words and form attached hereto as Appendix 1.

- 3. PPG will sign and deliver to ACI, and the parties will cause ACI to sign and deliver to PPG, an agreement in the words and form attached hereto as Appendix 2.

- 4. To the extent that from facilities in place at ACI's plant on the date of this Third Supplemental Agreement, in the condition in which they then are or may be put without capital expenditures, and from facilities installed or improved by capital expenditures funded by contributions from the parties hereto, proportionate to the then relative equity interest in ACI of each of the parties hereto, up to an actual bromine production capacity of [the approximate nameplate capacity in pounds] per annum of mutually funded capacity, the bromine produced by ACI shall be allocated to Great Lakes and PPG pursuant to the provisions of the Bromine Sales Agreements between ACI and Great Lakes, and ACI and PPG, in the forms attached hereto, respectively, as Appendices 1 and 2. With respect to all mutually funded expansion of ACI's actual

bromine production capacity above [the approximate nameplate capacity in pounds] of mutually funded capacity, each party shall in each calendar year have a call upon and right to the said excess (above [the approximate nameplate capacity in pounds]) proportioned to its relative equity interest in ACI; provided, however, the foregoing shall not include or cover any actual bromine production capacity resulting from facilities installed or improved by capital expenditures funded after the execution of this Third Supplemental Agreement by contributions from only one of the parties hereto under Section 5 hereof. All of the additional bromine resulting from a unilaterally funded expansion in ACI's actual bromine production capacity will be made available to and for the sole contributing party, unless otherwise mutually agreed to in writing by such contributing party and ACI, notwithstanding any provision herewith contained in the aforementioned ACI agreements with Great Lakes and PPG. The parties will cause the said agreements to be administered (and if necessary, amended when appropriate) to give full effect to the intentions of the parties in this Section 4.

5. (a) If, in order to maintain or increase the actual bromine production ability of ACI, a party wishes ACI to make a capital expenditure for the improvement of existing facilities or for the construction or other acquisition of additional facilities; but the other party (upon written request from the first) does not in writing agree within 20 business days with respect to a total funding of \$125,000 or less, or within 30 business days with respect to a total of \$500,000 or less, or within 50 business days with respect to all other fundings to contribute a share, proportionate to its then relative equity interest, of the capital contributions necessary to fund such improvements, construction, or acquisition; then the instigating party may make the necessary or appropriate capital contribution to ACI, and the declining party shall as a shareholder cooperate with the instigating party in taking such actions and in causing ACI directors to take such action as may be appropriate to have the improvements, constructions, or acquisitions so funded to be made and done. Upon the making of such capital contributions, the equity interest of the contributing party shall be increased by the issuance to the contributing party of additional shares of the contributing party's class of stock of ACI reflective of the amount of contribution, the amount of such additional stock to be issued ("Later Shares") being equal to $C \times TS \div SE$, wherein C means the amount of the contribution, SE means the aggregate shareholder equity (the difference between total assets and total liabilities) in ACI as of the date of contribution excluding consideration of the subject contribution, and TS means the total shares of ACI authorized and issued as of the date of contribution. The following hypothesis will illustrate the intended application of this section:

(b) If any asset purchased by a capital contribution for which Later Shares were issued is destroyed or otherwise damaged so as to be rendered useless and such asset is not subsequently replaced or repaired, any insurance proceeds obtained therefor as well as any salvage value of such asset shall be applied by ACI to the repurchase by ACI of Later Shares which were issued for such asset. The number of Later Shares to be so repurchased shall be determined based upon the value which had been originally computed pursuant to subsection 5(a) above for each Later Share pertaining to such asset. The parties hereto as shareholders of ACI shall take such actions to cause ACI directors to take such actions as may be required and appropriate to repurchase such Later Shares.

6. (a) If at any time prior to the ninth (9th) anniversary of the date hereof, a notice is given by PPG to Great Lakes pursuant to Section 8(c) of the uncaptioned agreement of July 19, 1960 between Houston Chemical Corporation, a Texas corporation, and Great Lakes Chemical Corporation, a Michigan corporation, Great Lakes may elect either to exercise its rights of first refusal as stated in said section 8(c) or to purchase the shares referred to in such notice at a price computed in accordance with subsection 6(b) below; provided, that Great Lakes right and PPG's obligation to consummate such

a purchase because of such an election shall be subject to and conditioned upon Great Lakes obtaining within the time specified in Section 6(c) below Federal Trade Commission approval for the acquisition.

(b)(i) It shall conclusively be deemed that the first five thousand shares of ACI capital stock transferred by PPG, whether to Great Lakes or a third party, are those five thousand shares owned by PPG at the time of the execution of this Agreement. These shares are hereinafter referred to as "Original Shares". All shares transferred by PPG after it has transferred five thousand shares shall be conclusively deemed not to be Original Shares; and they are hereinafter referred to as "Later Shares". The total purchase price paid by Great Lakes for shares transferred to it shall be the sum of two increments; the first increment being the total incremental price for all transferred Original Shares (if any) and the second increment being the total incremental price for all transferred Later Shares (if any).

(ii) The incremental price for each Original Share shall be equal to [a value based upon a negotiated formula.]

(iii) The incremental price of each Later Share shall be equal to [a value based upon a negotiated formula.]

(c) The parties understand that, pursuant to the 10 year ban provision contained in the Consent Order in FTC Docket 9155, any purchase of PPG's interest in ACI by Great Lakes within ten years of the final Commission order must first be approved by the Federal Trade Commission, and that the Federal Trade Commission has not, by incorporating this Agreement in its Consent Order, either expressly or implicitly approved or indicated that it would approve any such transaction. The parties therefore agree that the closing of any proposed sale of PPG's interest in ACI to Great Lakes shall be deferred as long as required (but not more than 135 days) to obtain such Federal Trade Commission or any other necessary governmental approval. If the Federal Trade Commission disapproves the proposed sale of PPG's interest in ACI to Great Lakes or if the Federal Trade Commission or other necessary approval cannot be obtained within 135 days, then for a period of one (1) year from the date of the Federal Trade Commission disapproval or the expiration of the 135 day period, whichever is earlier, it shall be conclusively deemed that Great Lakes has waived all rights under said Section 8(c) and this Section 6 and that PPG shall be free to sell its interest in ACI to any party. Despite the expiration of a one year waiver with respect to any proposed sale, the provisions of this Section 6 shall remain in effect with respect to a possible future sale of PPG's interest in ACI.

(d) All rights and obligations of PPG as a shareholder in ACI, including but not limited to all obligations assumed on behalf of ACI as a guarantor, shall terminate upon the closing if as a result of the closing PPG owns no more ACI stock. If necessary to give effect to the termination of such obligations, Great Lakes shall assume any obligation undertaken with the prior knowledge and approval of Great Lakes.

7. The uncaptioned agreement of July 19, 1960, the Supplemental Agreement, the Second Supplemental Agreement (the foregoing being items A, B, and C above) and this Third Supplemental Agreement shall hereafter be construed and enforced according to the laws of the State of Arkansas.

8. References herein to "the date of this Agreement" and similar references shall be construed as references to the effective date of this Agreement. The effective date of this Agreement shall be the date it becomes effective pursuant to the terms of a certain Memorandum Agreement of even date.

PPG INDUSTRIES, INC.

By _____

GREAT LAKES CHEMICAL CORPORATION

By _____

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APPENDIX 1

to

ATTACHMENT B

BROMINE SALES AGREEMENT

between

GREAT LAKES CHEMICAL CORPORATION

and

ARKANSAS CHEMICALS, INC.

Made the 16th day of September 1983, by and between ARKANSAS CHEMICALS, INC., a Delaware corporation, herein called Seller; and GREAT LAKES CHEMICAL CORPORATION, a Delaware corporation, herein called Buyer.

1. That certain contract dated July 31, 1964, between Arkansas Chemicals, Inc. and Great Lakes Chemical Corporation (a Michigan corporation) captioned *Arkansas - Great Lakes Bromine Sales Agreement* and that certain contract dated March 21, 1968, between the same parties, captioned *Amendment and Extension of Arkansas - Great Lakes Bromine Sales Agreement* are hereby terminated, and shall have no force, effect, or application to sales of bromine not delivered prior to the date of this Agreement.

2. This Agreement shall continue until December 31, 1993, and continue thereafter unless and until terminated by either party by not less than 24 full calendar months prior written notice of termination given by either party to the other, provided, however, such notice of termination may not be given prior to December 31, 1991.

3. (a) Except as it may be limited by its ability to produce bromine and by its commitment to sell bromine to PPG Industries, Inc. ("PPG"), Seller will sell and deliver to Buyer all bromine ordered from it by Buyer. Buyer will purchase, accept, and pay for not less than [an economical amount] of bromine in each calendar year (or, in the first and last partial calendar years of this Agreement, the proportionate fraction of such quantity) for the price and upon the terms and conditions herein set forth; provided, that Buyer's obligation to purchase in any one year shall be reduced to the extent that in the same year Seller sells bromine to another customer other than PPG.

(b) For the limited purchase of application of the rights set forth in this subsection 3(b) and not for the purposes of pricing bromine to be sold under this Agreement, Seller shall during each December and June during the term hereof calculate a *pro forma* price per pound of bromine (i) based on a projected maximum operating capacity of Seller for the next twelve (12) months, and (ii) which would yield for such twelve (12) months a pretax return [at a negotiated rate sufficient to provide bromine at an economical cost.] The parties agree that for the first twelve (12) months of this Agreement Seller's maximum operating capacity shall be conclusively presumed to be not less than [an economical amount] annually. If the *pro forma* price per pound so calculated by Seller is greater than Buyer's volume weighted average price for bromine sold in bulk by Buyer F.O.B. El Dorado, Arkansas during the preceding two (2) calendar months. Buyer shall have the right exercisable by written notice to Seller within the thirty (30) days after the calculated *pro forma* price has been communicated to Buyer to terminate its purchase obligations under this Agreement effective the date of Buyer's notice. In calculating Buyer's volume weighted average price, sales by Buyer to any of its subsidiaries and sales by Buyer to any other party for which part of the consideration is a return of a by-product generated by the use of the bromine so sold

shall be disregarded. Buyer agrees that in its capacity as manager of Seller it will not commit an act or omission designed or calculated to lower the operating capacity of Seller for the purpose of bringing into effect the provisions of this subsection 3(b). In the event Buyer elects to terminate its purchase obligations under this Agreement pursuant to its rights under this subsection 3(b), Buyer will promptly initiate and take such action and cause its directors on Seller's Board to take such action to accomplish the liquidation and dissolution of Seller as soon as possible after the termination of Buyer's purchase obligation under this Agreement. It is understood and agreed by Buyer that if it can, but does not, exercise its right to terminate its purchase obligations under this Agreement as provided for in this subsection 3(b), Buyer shall remain obligated thereafter to purchase the quantities required under this Agreement, unless and until it may exercise a subsequent right of termination under this subsection 3(b).

(c) If PPG properly files a valid petition with the Court of Chancery of Delaware pursuant to section 273 of the Delaware Corporation Law, and if at the time of filing Buyer is in breach of its obligation under subsection 3(a) above, or if Buyer has failed in any period of six (6) consecutive months to purchase one half of its annual obligation under section 3(a) pertinent to those months and has not cured that default within sixty (60) days after PPG by written notice calls upon Buyer to cure the default, then Buyer shall and does hereby waive the periods of three (3) months and one year referred to in subsection (b) of said section 273, and shall and does hereby consent that proceedings of dissolution may go forward as if such periods had expired.

4. Seller shall ship the bromine in liquid form by tank truck or tank car as specified by Buyer from time to time; and Seller shall deliver the bromine to Buyer's continental U.S. plants or to Buyer's customers at places in the continental U.S. designated by Buyer from time to time. Freight will be charged to Buyer's account. Buyer will aid and facilitate unloading of the bromine promptly upon its arrival at the plant of Buyer or its designated customer. If in any month during the term hereof Seller's tank car and tank truck fleet is not sufficient to deliver the combined quantities of bromine ordered by Buyer and PPG for delivery in that month, and Seller is unable to lease sufficient additional equipment, Seller shall allocate the fleet capacity in such a way as to endeavor to make deliveries of the quantities ordered by Buyer and PPG, respectively, in a ratio which is the greater of: ONE - the ratio of delivered to them in the next preceding 12 calendar months; or TWO - [a negotiated ratio.]

5. For each sale of bromine hereunder Seller shall invoice a preliminary net price per pound F.O.B. Seller's plant equal to Seller's best estimate for the then current calendar year of the price necessary to yield for that year a pretax return [at a negotiated rate sufficient to provide bromine at an economical cost] during such year. As soon as practicable after the end of the calendar year Seller shall calculate the net price per pound it should have charged for all bromine sold to Buyer and PPG in that year in order to achieve the said pretax return; and will either refund the excess charges to Buyer if the calculated price is less than the actual charges, or invoice Buyer for the appropriate additional amount, if the calculated price is greater than the actual charges. Buyer will pay all invoices within 30 days of the date thereof.

6. Not later than October of each year Buyer shall give Seller in writing Buyer's best estimate of the total quantity of bromine Buyer will require in the ensuing calendar year. Not later than the 15th day of every calendar month, Buyer shall give Seller in writing Buyer's best estimate of its requirements in each of the ensuing three calendar months. While it will attempt to accept and fill all Buyer's orders, in no calendar month shall Seller be obligated to sell and deliver a quantity greater than the lesser of (i) 110% of the latest estimate for that month, or (ii) [a specified amount of bromine.]

7. If in any month during the term hereof the quantity of bromine which Seller has available out of production at Seller's plant for delivery to customers is less than the combined quantities that Buyer and PPG require to be delivered to them during such

month pursuant to this contract and a contract of even date herewith between Seller and PPG, Seller shall pro rate deliveries of the quantity so available between Buyer and PPG in a ratio which is the greater of: ONE - the ratio of delivered to them in the preceding 12 calendar months; or TWO - [a negotiated ratio.] To the extent that the bromine delivered by Seller in any one month to Buyer or for its account is less than Buyer's orders for that month, Buyer's purchase obligations under section 3 shall be reduced by the same amount.

8. The bromine sold and delivered by Seller to Buyer hereunder shall conform to the following specifications and standards of quality:

[Product Specification]

9. This Agreement may not be assigned except to (i) a business entity in which Buyer possesses more than fifty percent (50%) of both the equity and of the voting control, or (ii) to a corporation growing out of or surviving a consolidation or acquisition by or merger with Buyer, or (iii) to the purchaser of all Buyer's shares of the capital stock of Seller.

10. Seller shall warrant only that the bromine delivered to Buyer hereunder shall comply with specifications expressed in this contract. SELLER MAKES NO OTHER WARRANTIES; AND DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR THE INTENDED PURPOSE. Any claim relating to quantity, quality, weight, condition, loss or damage, of or to the bromine shipped hereunder, shall be conclusively deemed waived unless made within fifteen (15) business days after the arrival of the shipment at its intended destination. If Buyer rejects all or a part of a shipment hereunder, Seller shall have the right to cure any claimed defects by delivering conforming bromine within a reasonable time.

11. Nothing herein contained shall obligate Seller to increase its bromine production capacity nor to make any capital expenditures to maintain existing production capacity; and so long as Seller complies with the allocation provisions of section 7 hereof, a failure of Seller to deliver bromine which it would otherwise be obligated to deliver hereunder shall not be deemed a violation of this Agreement provided such failure results at least in part from limitations in Seller's ability to produce bromine. Seller's failure or inability to make, or Buyer's failure or inability to take, any delivery or deliveries when due, or the failure or inability of either party to effect timely performance of any other obligation required of it hereunder, if caused by force majeure as hereinafter defined, shall not constitute a default hereunder or subject the party affected by force majeure to any liability to the other; provided, however, the party so affected shall promptly notify the other of the existence thereof and of its expected duration and the estimated effect thereof upon its ability to perform its obligations hereunder. Such party shall promptly notify the other party when such force majeure circumstance has ceased to affect its ability to perform its obligations hereunder. The quantity to be delivered hereunder shall be reduced to the extent of the deliveries omitted for such cause or causes, unless both parties agree that the total quantity to be delivered hereunder shall remain unchanged. During the time that Seller is unable to make deliveries or otherwise perform, it shall not be obligated to procure, or to use its best efforts to procure, any quantity of product sold hereunder from any alternate producer or supplier. As used herein, the term "force majeure" shall mean and include any act of God, nature, or the public enemy, accident, explosion, operation malfunction or interruption, fire, storm, earthquake, flood, drought, perils of the sea, strikes, lock-outs, labor disputes, riots, sabotage, embargo, war (whether or not declared and whether or not the United States is a participant), Federal, State, or Municipal legal restriction or limitation or compliance therewith, failure or delay of transportation, shortage of or inability to obtain raw materials, supplies, equipment, fuel, power, labor,

or other operational necessity, interruption or curtailment of power supply, or any other circumstance of a similar or different nature beyond the reasonable control of the party affected thereby including the loss, lack, failure, or damage to any of Buyer's plant, equipment or facilities. In this connection a party shall not be required to resolve labor disputes or disputes with suppliers of raw materials, supplies, equipment, fuel, or power, except in accordance with such party's business judgment as to its best interest.

12. Except in respect of Section 3(c) hereof, as used in this Agreement references to "PPG" shall mean the "Buyer" under Seller's Bromine Sales Agreement of even date with PPG Industries, Inc. This Agreement shall be construed and enforced in accordance with the law of Arkansas.

13. References herein to "the date of this Agreement" and similar references shall be construed as references to the effective date of this Agreement. The effective date of this Agreement shall be the date it becomes effective pursuant to the terms of a certain Memorandum Agreement of even date.

ARKANSAS CHEMICALS, INC. GREAT LAKES CHEMICAL CORPORATION

by _____

by _____

APPENDIX 2

to

ATTACHMENT B

BROMINE SALES AGREEMENT

between

PPG INDUSTRIES, INC.

and

ARKANSAS CHEMICALS, INC.

Made the 16th day of September 1983, by and between ARKANSAS CHEMICALS, INC., a Delaware corporation, herein called Seller; and PPG INDUSTRIES, INC., a Pennsylvania corporation, herein called Buyer.

1. That certain contract dated July 31, 1964, between Arkansas Chemicals, Inc., and Houston Chemical Corporation (a Texas corporation) captioned *Arkansas - Houston Bromine Sales Agreement* and that certain contract dated March 21, 1968, between the same parties, captioned *Amendment and Extension of Arkansas - Houston Bromine Sales Agreement* are hereby terminated, and shall have no force, effect, or application to sales of bromine not delivered prior to the date of this Agreement.

2. This Agreement shall continue until December 31, 1993, and continue thereafter unless and until terminated by either party by not less than 24 full calendar months prior written notice of termination given by either party to the other, provided, however, such notice of termination may not be given prior to December 31, 1991; provided, further, that Buyer's purchase obligations hereunder shall terminate forthwith upon termination of the purchase obligations of Great Lakes Chemical Corporation under its Bromine Sales Agreement with Seller of even date pursuant to subsection 3(b) of that Agreement. Buyer agrees to take action and cause its directors on Seller's Board to take action to cooperate with and join in the liquidation and dissolution of Seller referred to in said subsection 3(b) of said Bromine Sales Agreement between Seller and Great Lakes Chemical Corporation.

3. Seller will sell and deliver and Buyer will purchase, accept, and pay for all Buyer's requirements of bromine up to but not in excess of [a specified amount] of bromine in each calendar year (or, in the first and last partial calendar years of this Agreement, the proportionate fraction of such quantity) for the price and upon the terms and conditions herein set forth.

4. Seller shall ship the bromine in liquid form by tank truck or tank car as specified by Buyer from time to time; and Seller shall deliver the bromine to Buyer's continental U.S. plants or to Buyer's customers at places in the continental U.S. designated by Buyer from time to time. Freight will be charged to Buyer's account. Buyer will aid and facilitate unloading of the bromine promptly upon its arrival at the plant of Buyer or its designated customer. If in any month during the term hereof Seller's tank car and tank truck fleet is not sufficient to deliver the combined quantities of bromine ordered by Great Lakes Chemical Corporation ("Great Lakes") and Buyer for delivery in that month, and Seller is unable to lease sufficient additional equipment, Seller shall allocate the fleet capacity in such a way as to endeavor to make deliveries of the quantities ordered by Great Lakes and Buyer, respectively, in a ratio which is the greater of: ONE - the ratio of deliveries to them in the next preceding 12 calendar months; or TWO - [a negotiated ratio.]

5. For each sale of bromine hereunder Seller shall invoice a preliminary net price per pound F.O.B. Seller's plant equal to Seller's best estimate for the then current calendar year of the price necessary to yield for that year a pretax return [at a negotiated rate sufficient to provide bromine at an economical cost] during such year. As soon as practicable after the end of the calendar year Seller shall calculate the net price per pound it should have charged for all bromine sold to Buyer and Great Lakes in that year in order to achieve the said pretax return; and will either refund the excess charges to Buyer if the calculated price is less than the actual charges, or invoice Buyer for the appropriate additional amount, if the calculated price is greater than the actual charges. Buyer will pay all invoices within 30 days of the date thereof.

6. Not later than October of each year, Buyer shall give Seller in writing Buyer's best estimate of the total quantity of bromine Buyer will require in the ensuing calendar year. Not later than the 15th day of every calendar month, Buyer shall give Seller in writing Buyer's best estimate of its requirements in each of the ensuing three calendar months. While it will attempt to accept and fill all Buyer's orders, in no calendar month shall Seller be obligated to sell and deliver a quantity greater than the lesser of (a) 100% of the latest estimate for that month or (b) [a specified amount of bromine.]

7. If in any month during the term hereof the quantity of bromine which Seller has available out of production at Seller's plant for delivery to customers is less than the combined quantities that Great Lakes and Buyer require to be delivered to them during such month pursuant to this contract and a contract of even date herewith between Seller and Great Lakes, Seller shall prorate deliveries of the quantity so available between Great Lakes and Buyer in a ratio which is the greater of: ONE - the ratio of deliveries to them in the next preceding 12 calendar months; or TWO - [a negotiated ratio.]

8. The bromine sold and delivered by Seller to Buyer hereunder shall conform to the following specifications and standards of quality:

[Product Specification]

9. This Agreement may not be assigned except to (i) a business entity in which Buyer possesses more than fifty percent (50%) of both the equity and of the voting control, or (ii) to a corporation growing out of or surviving a consolidation or acquisition by or merger with Buyer, or (iii) to the purchaser of all Buyer's shares of the capital stock of Seller.

10. Seller shall warrant only that the bromine delivered to Buyer hereunder shall

comply with specifications expressed in this contract. SELLER MAKES NO OTHER WARRANTIES; AND DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR THE INTENDED PURPOSE. Any claim relating to quantity, quality, weight, condition, loss, or damage, of or to the bromine shipped hereunder, shall be conclusively deemed waived unless made within fifteen (15) business days after the arrival of the shipment at its intended destination. If Buyer rejects all or a part of a shipment hereunder. Seller shall have the right to cure any claimed defects by delivering conforming bromine within a reasonable time.

11. Nothing herein contained shall obligate Seller to increase its bromine production capacity nor to make any capital expenditures to maintain existing production capacity; and so long as Seller complies with the allocation provisions of Section 7 hereof, a failure of Seller to deliver bromine which it would otherwise be obligated to deliver hereunder shall not be deemed a violation of this Agreement provided such failure results at least in part from limitations in Seller's ability to produce bromine. Seller's failure or inability to make, or Buyer's failure or inability to take, any delivery or deliveries when due, or the failure or inability of either party to effect timely performance of any other obligation required of it hereunder, if caused by "force majeure" as hereinafter defined, shall not constitute a default hereunder or subject the party affected by force majeure to any liability to the other; provided, however, the party so affected shall promptly notify the other of the existence thereof and of its expected duration and the estimated effect thereof upon its ability to perform its obligations hereunder. Such party shall promptly notify the other party when such force majeure circumstance has ceased to affect its ability to perform its obligations hereunder. The quantity to be delivered hereunder shall be reduced to the extent of the deliveries omitted for such cause or causes, unless both parties agree that the total quantity to be delivered hereunder shall remain unchanged. During the time that Seller is unable to make deliveries or otherwise perform, it shall not be obligated to procure, or to use its best efforts to procure, any quantity of product sold hereunder from any alternate producer or supplier. As used herein, the term "force majeure" shall mean and include any act of God, nature or the public enemy, accident, explosion, operation malfunction or interruption, fire, storm, earthquake, flood, drought, perils of the sea, strikes, lock-outs, labor disputes, riots, sabotage, embargo, war (whether or not declared and whether or not the United States is a participant), Federal, State or Municipal legal restriction or limitation or compliance therewith, failure or delay of transportation, shortage of, or inability to obtain raw materials, supplies, equipment, fuel, power, labor, or other operational necessity, interruption or curtailment of power supply, or any other circumstance of a similar or different nature beyond the reasonable control of the party affected thereby including the loss, lack, failure, or damage of any of Buyer's plant, equipment or facilities. In this connection a party shall not be required to resolve labor disputes or disputes with suppliers of raw materials, supplies, equipment, fuel, or power, except in accordance with such party's business judgment as to its best interest.

12. As used in this Agreement references to "Great Lakes" shall mean the "Buyer" under Seller's Bromine Sales Agreement of even date with Great Lakes Chemical Corporation. This Agreement shall be construed and enforced in accordance with the law of Arkansas.

13. References herein to "the date of this Agreement" and similar references shall be construed as references to the effective date of this Agreement. The effective date of this Agreement shall be the date it becomes effective pursuant to the terms of a certain Memorandum Agreement of even date.

Decision and Order

103 F.T.C.

ARKANSAS CHEMICALS, INC.

By _____

PPG INDUSTRIES, INC.

By _____

AMENDED MEMORANDUM AGREEMENT

Amended Memorandum Agreement made this February 1, 1984, between GREAT LAKES CHEMICAL CORPORATION and PPG INDUSTRIES, INC.

Recitals

A. Great Lakes Chemical Corporation ("Great Lakes") is one of the respondents in an Administrative Complaint being prosecuted by the Federal Trade Commission staff before an Administrative Law Judge employed by the Commission. In that proceeding, the Commission Staff is contesting the legality of Great Lakes' acquisition of certain assets from Velsicol Chemical Corporation on July 15, 1981.

B. Great Lakes and the Commission staff have had, and will in all likelihood continue to have, discussions looking to a voluntary settlement of the Administrative Complaint.

C. Great Lakes and PPG Industries, Inc. ("PPG") have entered into the following agreements, each of which is legally binding on the parties on the date on which they are signed by Great Lakes and PPG and each of which is dated the date hereof. They are collectively referred to herein as the "Agreements":

i. A production technology disclosure and licensing Agreement (Attachment A to the proposed Consent Order in the above referenced proceeding);

ii. A Third Supplemental Agreement between Great Lakes and PPG with respect to the operation of Arkansas Chemicals, Inc., being Attachment B to said proposed Consent Order (which includes a Bromine Sales Agreement between Great Lakes and Arkansas Chemicals, Inc. as Appendix 1 and a Bromine Sales Agreement between PPG and Arkansas Chemicals, Inc., as Appendix 2).

D. The Agreements, and the transactions contemplated thereby, constitute an element in the settlement which Great Lakes will propose to the Commission staff.

E. The parties hereto entered into a Memorandum Agreement on September 16, 1983, which they desire to amend by this Amended Memorandum Agreement, said amendments relating only to the term of this Amended Memorandum Agreement.

It is therefore agreed:

1. In the event that, on or before [a specified date] the Federal Trade Commission shall have issued final approval under Section 3.25(f) of the Commission's Rules of Practice to the proposed settlement of the Administrative Complaint presently pending against Great Lakes before the Commission, without requiring a hearing or trial thereof, of which proposed settlement the Agreements are a part, the said Agreements shall become effective as of the date of such approval, and the parties shall proceed to perform their respective obligations thereunder.

2. In the event that the Federal Trade Commission shall not have issued said final approval on or before [a specified date] each of the Agreements shall be null and void *ab initio*.

3. Great Lakes shall forthwith notify PPG in writing of the Commission's acceptance or rejection of the proposed settlement.

4. Until the earlier of a [specified date] or the approval or rejection by the Federal Trade Commission of the proposed settlement, neither Great Lakes nor PPG shall take any action which would substantially interfere with or render impossible its ability to

perform the obligations to be performed by it under the Agreements.

GREAT LAKES CHEMICAL CORPORATION

by _____

PPG INDUSTRIES, INC.

by _____

IN THE MATTER OF

GREAT LAKES CHEMICAL CORPORATION, ET AL.

DISMISSAL ORDER, ETC. IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF
THE FEDERAL TRADE COMMISSION ACT AND SEC. 7 OF THE CLAYTON ACT

Docket 9155. Complaint June 23, 1981—Decision and Order May 23, 1984.*

The Federal Trade Commission has dismissed the proceedings against Northwest Industries, Inc. and Velsicol Chemical Corp.

Appearances

For the Commission: *John V. Lacci.*

For the respondent: *William Fifield, Christian L. Campbell, Sidley & Austin*, Chicago, Ill. and *William G. Schaefer, Jr., Sidley & Austin*, Washington, D.C. for Northwest, Industries, Inc. and Velsicol Chemical Corporation.

DECISION AND ORDER

The Commission having heretofore issued its complaint charging respondents, Great Lakes Chemical Corporation, Northwest Industries, Inc., and Velsicol Chemical Corporation, with violation of Section 7 of the Clayton Act, as amended, and Section 5 of the Federal Trade Commission Act, as amended, and the respondents having been served with a copy of that complaint, together with a notice of contemplated relief; and

Respondents Northwest Industries, Inc. and Velsicol Chemical Corporation ("respondents"), their attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint, a statement that the signing of said agreements is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Secretary of the Commission having thereafter withdrawn this matter from adjudication in accordance with Section 3.25(c) of its Rules; and

The Commission having considered the matter and having thereupon accepted the executed consent agreement and placed such

* Complaint previously published at 103 F.T.C. 467.