



PPG Industries, Inc.
One PPG Place Pittsburgh, Pennsylvania 15272 USA

Law Department
Telecopy No.: (412) 434-4291
Writer's Direct Dial No.:
412-434-2465

November 14, 1995

VIA OVERNIGHT MAIL

Joseph Cosentino, OSC
Removal Action Branch
Emergency and Remedial Response Division
U.S. Environmental Protection Agency, Region II
2890 Woodbridge Avenue
Edison, NJ 08837

NOV 14 1995

**Re: Bayonne Barrel & Drum Superfund Site
150-154 Baymond Boulevard
Newark, Essex County, New Jersey**

Dear Mr. Cosentino:

PPG Industries, Inc. hereby submits its response to the United States Environmental Protection Agency's (USEPA) Request for Information pursuant to Section 104(e) of CERCLA, 42 U.S.C. Section 9604(e), regarding the Bayonne Barrel & Drum Superfund Site (Site), located in Newark, New Jersey. As you recall, PPG was granted an extension until November 15, 1995 to respond to this Request.

INFORMATION REQUESTED

1. GENERAL INFORMATION ABOUT THE COMPANY

a. State the correct legal name of the Company.

RESPONSE: PPG Industries, Inc.

b. Identify the legal status of the Company (corporation, partnership, sole proprietorship, specify if other) and the state in which the Company was organized.

RESPONSE: PPG is a Corporation. PPG was incorporated in the Commonwealth of Pennsylvania.

c. State the name(s) and address(es) of the President and the Chairperson of the Board of the Company.

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RESPONSE:

Jerry E. Dempsey,
Chairman of the Board and Chief Executive Officer
PPG Industries, Inc.
One PPG Place
Pittsburgh, PA 15272

- d. If the Company has subsidiaries or affiliates, or is a subsidiary of another organization, identify these related companies and state the name(s) and address(es) of the President(s) and the Chairperson(s) of the Board of those organizations. Provide such information for any further parent/subsidiary relationships.

RESPONSE: PPG is not a subsidiary of any other organization. PPG has over 100 subsidiaries and affiliates, none of which appear to be relevant to this Site. PPG will provide this information if it becomes relevant to the Site.

- e. If the Company is a successor to, or has been succeeded by, another company, identify such other company and provide the same information requested above for the predecessor or successor company.

RESPONSE: Prior to 1968, PPG was known as Pittsburgh Plate Glass Company.

- f. If the Company transacted business with Bayonne Barrel & Drum in the name of an entity not disclosed above, give the name of such entity and state its relationship to the Company.

RESPONSE: Not Applicable

2. COMPANY'S RELATIONSHIP TO BAYONNE BARREL & DRUM

- a. State whether the Company or any Company facility transacted any business with Bayonne Barrel & Drum for the disposal, treatment, or storage of any barrels, drums, or other containers (hereinafter collectively referred to as "Containers.")

RESPONSE: PPG has received information from USEPA which suggests that drums associated with PPG were sent to Bayonne Barrel & Drum Company (Bayonne) between October 1980 to July 1981.

- i. If so, describe the relationship (nature of services rendered or products sold to the Company) between the Company and Bayonne Barrel & Drum;

RESPONSE: Mr. Salvatore Valvano, a retired PPG employee, recalls that PPG's Newark facility used Bayonne as a drum recycler and reconditioner, from time to time, between 1957 and 1971, when the Newark facility was sold. According to Mr. Valvano, Bayonne would maintain an inventory of drums at the Site for PPG and PPG would call when they needed reconditioned drums. Mr. Valvano

was unable to estimate the frequency of shipments or the number of drums per shipment. Mr. Valvano also recalls that PPG stenciled "Property of PPG -- Return to Bayonne Barrel & Drum" on many of the product drums that originated from the Newark facility

In addition, please see attached which was provided to PPG from USEPA.

- ii. Provide copies of any contracts or agreements between the Company and Bayonne Barrel & Drum;

RESPONSE: A diligent review of PPG's records and interviews with PPG employees has disclosed no documents or other information responsive to this question. PPG has attached hereto a copy of the information which was provided to PPG from USEPA relating to Bayonne.

- iii. For each such facility, state the nature of the operations conducted at the facility, including the time period in which the facility operated; and

RESPONSE: PPG manufactured paint, varnish and resins at its Newark Paint Plant during the relevant period. Raw materials were mixed to produce paints, cooked to produce varnish or reacted to produce resins, which were then used in paints. Finished products were shipped in tankwagons, drums or smaller containers. PPG operated the Newark Paint Plant from 1902 until 1971, when the plant was sold. PPG has no information and EPA did not provide any documentation to PPG which indicates that PPG shipped directly to the Site from any facility owned or operated by PPG.

- iv. For each such facility, state its name, address, and current RCRA Identification Number.

RESPONSE: PPG's Newark Paint Plant was located at 29 Riverside Avenue, Newark, New Jersey. It had no RCRA Identification Number, as it closed in 1971, before RCRA was enacted.

- b. In addition, if the Company transacted business with Bayonne Barrel & Drum, provide the following information for each transaction:

- i. Identify the specific dates of each transaction. Where an exact date cannot be provided for a transaction, provide an approximation by month and year;

RESPONSE: PPG does not have any information responsive to this question other than to state that, according to Mr. Valvano, PPG used Bayonne as a drum recycler and reconditioner, from time to time, between 1957 and 1971. Neither PPG nor Mr. Valvano has knowledge as to whether Bayonne was used prior to 1957.

Please see the attached information for specific dates of transactions which allegedly occurred between October 1980 to July 1981, after the Newark facility was sold.

A diligent review of PPG's records and interviews with PPG employees has disclosed no information which suggests that any PPG related drums went to Bayonne between 1971 and 1980.

- ii. Identify the number of Containers that were the subject of each such transaction;

RESPONSE: PPG is unable to estimate the number of containers allegedly involved in transactions involving the former Newark Paint Plant. Please see the attached information provided to PPG from USEPA for an estimate of the alleged transactions which occurred between October 1980 to July 1981.

- iii. Generically describe each Container that was the subject of each such transaction (example: closed-head steel drums, etc.);

RESPONSE: Containers typically would involve closed head or open head 55 gallon steel drums.

- iv. Identify the intended purpose of each such transaction;

RESPONSE: See response to 2.a.i. above.

- v. State whether each Container that was the subject of the transaction contained any substance at the time of the transaction. As to each Container that contained any substance:

RESPONSE: PPG has no information about the contents of the returned product drums that allegedly originated from the Newark Paint Plant. Typically, however, the drums would have been empty since the contents would have been used by the customer prior to returning the drums to Bayonne for recycling and reconditioning.

Please see the attached documents which imply that the drums were typically empty paint thinner drums or empty ELPO paint drums. ELPO was a waterbased paint used for automobile primer. More specific information is not available.

- (1) Identify each such substance, including its chemical content, physical state, quantity by volume and weight, and other characteristics; and

RESPONSE: A diligent review of PPG's records and interviews with PPG employees has disclosed no documents or other information responsive to this question.

- (2) Provide all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance;

RESPONSE: A diligent review of PPG's records and interviews with PPG employees has disclosed no documents or other information responsive to this question.

- vi. If you contend that any such Container did not contain any substance at the time of the transaction:
 - (1) State whether such Container had previously been used by the Company to contain any substance, and if so:
 - (a) Identify all substances previously contained within such Container, including its chemical content, physical state, and other characteristics; and
 - (b) Provide as to such substances, all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance;

RESPONSE: Please see the response to 2.b.v. above, which is responsive to the above questions.

- vii. Describe in detail any treatment of any Container that may have been performed by or on behalf of the Company prior to the time that the Container was transferred from the Company, including any process or procedure by which the Container was emptied or cleaned;

RESPONSE: A diligent review of PPG's records and interviews with PPG employees has disclosed no documents or other information responsive to this question.

- viii. Provide copies of all documents relating in any way to each transaction, including copies of delivery receipts, invoices, or payment devices;

RESPONSE: A diligent review of PPG's records and interviews with PPG employees has disclosed no documents or other information responsive to this question. PPG's record retention policy provides for the destruction of accounting and purchasing records after seven years. Please see the attached information which was provided to PPG from USEPA.

- ix. Identify all persons who might have knowledge of the transaction or who had any responsibility regarding the transaction; and

RESPONSE: PPG has conducted interviews with several current and former PPG employees. At the present time PPG is unable to identify persons who might have knowledge of specific transactions or who may have had responsibility for transactions relating to Bayonne.

- x. If you sent any Container by means of any third party transporter, identify each such transporter, including the name and address of such transporter, and identify in which of the transactions such transporter acted.

RESPONSE: A diligent review of PPG's records and interviews with PPG employees has disclosed no documents or other information responsive to this question

3. Identify any other person (e.g., individual, company, partnership, etc.) having knowledge of facts relating to the questions which are the subject of this inquiry. For each such person that you identify, provide the name, address, and telephone number of that person, and the basis of your belief that he or she has such knowledge. For past and present employees, include their job title and a description of their responsibilities.

RESPONSE: Mr. Salvatore Valvano, a retired PPG employee. Mr. Valvano was director of Raw Materials Supply at Newark until late 1970 or early 1971, when the Newark Plant was sold. Mr. Valvano currently resides at 310 Allview Road, Westerville, OH 43081. His phone number is 614-891-4366.

4. Identify each person consulted in responding to the questions and correlate each person to the question on which he or she was consulted.

RESPONSE: Although several persons were consulted in response to this Request for Information, Mr. Valvano was the only person who could provide responsive answers. Please see the responses to Questions 2.a.i., 2.b.i., and 3.

5. Provide a list of all insurance policies and indemnification agreements held or entered into by you that may indemnify you against any liability that you may be found to have under CERCLA. Specify the insurer, type of policy, effective dates, and state per occurrence policy limits for each policy. Copies of policies may be provided in lieu of a narrative response. In response to this request, please provide not only those policies and agreements that are currently in effect, but also those in effect since your company began sending Containers to the Site.

RESPONSE: PPG has several insurance policies with varying coverage. Insurance policies will be made available for inspection if their terms become relevant to the Site.

6. State whether there exists any agreement or contract (other than an insurance policy) which may indemnify the Company, present or past directors, officers or owners of shares in the Company, for any liability that may result under CERCLA. Provide a copy of any such agreement or contract. Identify any agreement or contract that you are unable to locate or obtain.

RESPONSE: PPG is not aware of any such agreements or contracts.

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7. Supply any additional information or documents that may be relevant or useful to identify other sources who disposed of or transported Containers to the Site.

RESPONSE: PPG has no such information.

The foregoing responses have been based upon a diligent search of PPG records and interviews with current and former PPG employees. If you have any questions regarding this response, please contact the undersigned.

Very truly yours,



Michelle I. Ritter
Senior Attorney

MIR/lj

cc: Marc Seidenberg, Esq. - USEPA, Region II

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Whittaker Corporation
1955 N. Surveyor Avenue
Simi Valley, California 93063-3386
Telephone: (805) 526-5700
Facsimile: (805) 526-4369

Lynne M. O. Brickner, Ext. 648
Assistant General Counsel

February 2, 1996

Mr. Joseph Cosentino, OSC
Removal Action Branch
Emergency and Remedial Response Division
U.S. Environmental Protection Agency, Region II
2890 Woodbridge Avenue
Edison, NJ 08837

Via Federal Express

Marc Seidenberg, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency, Region II
290 Broadway, 17th Floor
New York, NY 10007

Via Federal Express

Re: Bayonne Barrel & Drum, Newark, New Jersey
Request for Information under Section 104(e)
of CERCLA - Response of Whittaker Corporation
on behalf of Whittaker Corp., Haynes Divi[sion]

Gentlemen:

This letter is in response to two letters dated September 28, 1995 and December 22, 1995 from Kathleen C. Callahan, Director, Emergency and Remedial Response Division, USEPA, to "Whittaker Corp., Haynes Divi[sion]" requesting information from Whittaker Corp., Haynes Division in Chicopee, Massachusetts ("Chicopee Facility") in connection with the Bayonne Barrel & Drum Site in Newark, New Jersey (the "Site") ("Information Request"). At present, Morton International, Inc., Chicago Illinois ("Morton"), is the owner of the Chicopee Facility.

In a telephone conversation with Ms. Donna Murphy of the USEPA on January 12, 1996, I informed Ms. Murphy (who called me in response to my recorded message on the Bayonne Barrel & Drum Telephone Hotline) that Whittaker Corporation ("Whittaker") entered into a Purchase and Sale Agreement on February 9, 1990 (the "Whittaker Agreement") by which Morton acquired certain assets of Whittaker, including assets constituting the Chicopee Facility, on March 30, 1990. Under the terms of the Whittaker Agreement, Whittaker retained all "off-site environmental liabilities" which are defined as "any claim, liability, loss, damage, obligation, notice of violation, notice of potential liability, or judgment associated with any disposition, treatment on, transport to or delivery to any property other than the Real Property."

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As Whittaker retained all "off-site environmental liabilities" such as those, if any, related to the Site, it is herewith responding to the Information Request made to "Whittaker Corp., Haynes Divi[sion]." I understand from Jeffrey C. Wyant, Esq., Environmental Counsel to Morton, that he has advised you of the same.

Please be advised that this response and any subsequent correspondence does not constitute a waiver of any defense, right or obligation that Whittaker (or any subsidiary, affiliate, division or operating unit thereof) has, may have or may acquire as to the Information Request or as to the USEPA's designation of Whittaker as a potentially responsible party. Whittaker specifically reserves any and all rights, privileges and opportunities it has, may have or may acquire under any federal, state or local law, regulation or ordinance, including the right to challenge the Information Request as being overly broad or in excess of statutory authority. This response is being submitted without admission of any liability with respect to the Site. All information herein is provided to the best current knowledge information and belief of the person(s) furnishing such information. Capitalized terms not otherwise defined herein shall have the identical meaning as in the Information Request.

The following responses correspond to the numbered questions in the Information Request.

1. a. Whittaker Corporation
- b. Whittaker Corporation is a corporation organized under the laws of the State of Delaware.
- c. Chairman of the Board: Joseph F. Alibrandi
President, Chief Executive Officer and Chief Operating Officer: Thomas A. Brancati
- d. Whittaker has 13 wholly-owned active subsidiaries. Mr. Thomas A. Brancati serves as President of each subsidiary.
- e. Whittaker owned and operated seven unincorporated operational divisions engaged in the specialty coatings business, one of which was the Chicopee Facility. On March 30, 1990, the Chicopee Facility was sold to Morton. Whittaker acquired the Chicopee Facility in through an acquisition of all of the outstanding shares of its parent, CPL Corporation, East Providence, Rhode Island ("CPL"), and a merger of Whittaker Chemicals & Coatings Corporation, a wholly-owned subsidiary of Whittaker, into CPL on January 10, 1979. CPL merged into Whittaker Corporation on April 1,

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1979. The Chicopee Facility was identified by CPL as, and its operations were conducted through its Haynes Chemicals & Coatings Division. Whittaker operated the Chicopee Facility as an unincorporated division. The responses herein pertain to the time period of Whittaker's ownership of the Chicopee Facility commencing January 10, 1979 through March 30, 1990.

- f. Whittaker is informed and believes that CPL through its Haynes Division at its Chicopee Facility transacted business with Bayonne Barrel & Drum by purchasing Containers for a few months prior to the acquisition of CPL by Whittaker.
- 2. a. The Company's Haynes Division at its Chicopee Facility transacted business with Bayonne Barrel & Drum but ceased such transactions in 1983. Whittaker's Chicopee Facility purchased reconditioned Containers from Bayonne Barrel & Drum to be used in the distribution of products it manufactured and, in return, the Chicopee Facility sold empty Containers to Bayonne Barrel & Drum for reconditioning.
 - (i) Whittaker has no copies of any contracts or agreements between the Company's Chicopee Facility and Bayonne Barrel & Drum.
 - (ii) Whittaker is informed and believes that the Chicopee Facility has been operational since 1963. Whittaker acquired the Chicopee Facility on January 10, 1979 and Whittaker sold the Chicopee Facility to Morton on March 30, 1990. During the time periods noted above, the Chicopee Facility had been engaged in manufacturing industrial coatings, lacquers, stains, baking enamels, vinyl solutions and epoxy coatings.
 - (iii) The Chicopee Facility is located at 40 Burnett Road, Chicopee, Massachusetts 01020, and its current RCRA identification number is unknown.
- b. (i) The specific dates or, in the alternative, approximate dates for each transaction between the Chicopee Facility and Bayonne Barrel & Drum are unknown. Attached to this response is a Schedule of Accounts Payable Transactions which summarizes accounts payable transactions with Bayonne Barrel & Drum during the period from 1979 through 1983. Whittaker's former employees have advised

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us that no other records regarding transactions between the Chicopee Facility and Bayonne Barrel & Drum are available. To the best and current recollection of persons who were former Whittaker Chicopee employees, no transactions with Bayonne Barrel & Drum occurred after 1983.

- (ii) The number of Containers that were the subject of such transactions is unknown and no records are available.
- (iii) The description of each Container that was the subject of each such transaction is unknown; however, generally the types of Containers included closed head and open head steel drums. No records are available.
- (iv) The intended purpose of such transactions was for the Chicopee Facility to receive credit for purchases of reconditioned Containers by supplying Containers for reconditioning of Containers by Bayonne Barrel & Drum.
- (v) At the time of transactions involving the Containers, empty Containers were sent by the Chicopee Facility to Bayonne Barrel & Drum for reconditioning.
 - 1. Not applicable.
 - 2. Not applicable.
- (vi) The empty Containers sent for reconditioning may have previously contained materials that could be subject to classification as "Hazardous Materials."
 - (a) The identification of the exact materials is unknown but is believed to have included those substances typically utilized at that time in manufacture of coatings such as resins, solvents, lacquers and sealants.
 - (b) It is unknown whether written analysis of such substances, material and dates were maintained. No copies of such written records, if any, are available.

- (vii) Containers that were emptied were emptied through normal use in the manufacture of industrial coatings by the Chicopee Facility of the substances stored and shipped therein.
 - (viii) Whittaker has no copies of documents relating to each transaction with Bayonne Barrel & Drum (such as delivery receipts, invoices or payment devices) and has been informed by its former employees who are currently employed by Morton at the Chicopee Facility that none are available.
 - (ix) Former Whittaker employees who may have knowledge of transactions with Bayonne Barrel & Drum include:

Robert J. Landers, Facility President
Jack Perlow, Purchasing and Operations Manager
 - (x) It is unknown whether a third party transporter was utilized to transport empty Containers to the Site and no records of the relevant transactions and of the names and addresses are available.
3. Mr. Robert J. Landers (who is currently a consultant for Morton) is a former employee of Whittaker at the Chicopee Facility. Mr. Landers' home address is 348 Poplar St., Feeding Hills, MA 01030 and his business telephone number is (413) 592-4191 and his home telephone number is (413) 786-0505. Mr. Perlow is also a former employee of Whittaker at the Chicopee Facility. Mr. Perlow's home address is 11 Reynolds Street, Lenox, MA 01240 and his home telephone number is (413) 637-4950.
 4. Mr. Robert J. Landers was consulted by Whittaker in responding to the Information Request.
 5. A listing of all insurance policies and indemnification agreements as requested, are being reviewed and if coverage is available under such policies, such listings will be provided in a subsequent response to Question 5. Please be advised that in the past, certain of Whittaker's insurers have expressly disclaimed or denied coverage for environmental claims.
 6. After a review of documents relating to the Chicopee Facility, there does not appear to exist, any agreement or contract (other than insurance policies, if any) which would indemnify the Company for any liability related to the Site that may

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arise under CERCLA. Under the Company's Restated Certificate of Incorporation and Bylaws, as amended, the past and present directors of the Company have limited liability and the Company's officers, employees and agents are indemnified, all to the fullest extent permissible under Delaware law. A copy of excerpts from the Company's Restated Certificate of Incorporation and Bylaws, relating to such provisions, is enclosed

7. None.

Please be advised that Whittaker Corporation's corporate policy is not to decline responsibility with respect to its involvement in such matters and that we are willing to assist in the performance or financing of activities determined by the USEPA to be necessary at the Site. All future correspondence with regard to this matter should be sent to me at the address noted above.

Attached to this letter is a Certification of Answers to Request for Information, as executed before a Notary Public.

Very truly yours,



Lynne M. O. Brickner


LMOB:ea
Enclosures

cc: Jeffrey C. Wyant, Esq.
Gary W. Kruger
Richard B. Levin

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CORRECTION OF "WHITTAKER CORPORATION", FILED IN THIS OFFICE ON THE SIXTEENTH DAY OF MARCH, A.D. 1990, AT 10 O'CLOCK A.M.





Edward J. Freel, Secretary of State

AUTHENTICATION:

7664305

TIERRA-B-005940

CERTIFICATE OF CORRECTION

OF

CERTIFICATE OF DESIGNATION

OF

WHITTAKER CORPORATION

Whittaker Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify as follows:

FIRST: That the Certificate of Designation of Series D Participating Convertible Preferred Stock of Whittaker Corporation filed in the office of the Secretary of State of Delaware on June 28, 1989 (the "Series D Certificate of Designation") has been found to be an inaccurate in certain respects and, therefore, requires correction pursuant to Section 103(f) of the General Corporation Law of the State of Delaware, 8 Del. C. Section 103(f).

SECOND: The Series D Certificate of Designation (i) incorrectly stated in Section 2(B) that the quarterly dividend amount was \$1.00 per share and (ii) failed to specify in Section 2(C) when dividends begin to accrue in the event that there is no record date for the first Quarterly Dividend Payment Date. The aforementioned Series D Certificate of Designation is hereby corrected accordingly to replace Section 2(B) and (C) with the following:

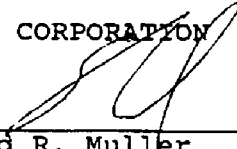
(B) The Corporation shall declare a dividend or distribution on the Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than as described in clauses (i) and (ii) of the second sentence of such paragraph (A)); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date (or, with respect to the first Quarterly Dividend Payment Date, the period between the first issuance of any share or fraction of a share of the Preferred Stock and such first Quarterly Dividend Payment Date), a dividend of \$0.25 per share on the Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares unless (i) the date of issue of such shares is on or prior to the record date for the first Quarterly Dividend Payment Date or there is no record date for the first Quarterly Dividend Payment Date, in either of which events dividends on such shares shall begin to accrue from the date of issue of such shares or (ii) the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on shares of Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all shares of Preferred Stock at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall not be more than 60 days prior to the date fixed for the payment thereof.

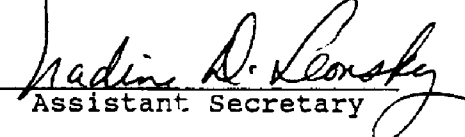
IN WITNESS WHEREOF, said Whittaker Corporation has caused its corporate seal to be hereunto affixed and this certificate to be signed by Edward R. Muller, a Vice President of the Corporation, and Nadine D. Leonsky, an Assistant Secretary this 7th day of March 1990.

WHITTAKER CORPORATION

By


Edward R. Muller
Vice President

Attest:


Assistant Secretary

RESTATED CERTIFICATE OF INCORPORATION
OF
WHITTAKER CORPORATION

FIRST: The name of the Corporation is Whittaker Corporation.

SECOND: The address of the registered office of the Corporation in the State of Delaware is 229 South State Street, City of Dover, County of Kent, Delaware 19901. The name of its registered agent at such address is The Prentice-Hall Corporation System, Inc.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 45,000,000, consisting of 40,000,000 shares of Common Stock, par value \$1.00 per share (the "Common Stock"), and 5,000,000 shares of Preferred Stock, par value \$1.00 per share (the "Preferred Stock").

The Board of Directors is hereby empowered to authorize by resolution or resolutions from time to time the issuance of one or more classes or series of Preferred Stock and to fix the designations, powers, preferences and relative, participating, optional or other rights, if any, and the qualifications, limitations or restriction thereof, if any, with respect to each such class or series of Preferred Stock and the number of shares constituting each such class or series, and to increase or decrease the number of shares of any such class or series to the extent permitted by the General Corporation Law of the State of Delaware, as amended from time to time.

FIFTH: (a) The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors consisting of not less than five nor more than 12 directors, the exact number of directors to be fixed in the Bylaws.

(b) There shall be cumulative voting in the election of directors.

SIXTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation and for the further definition of the powers of the Corporation and of its directors and stockholders:

(a) The directors shall have the concurrent power with the stockholders to adopt, amend or repeal the bylaws of the Corporation.

(b) Elections of directors need not be by written ballot unless the bylaws of the Corporation so provide.

(c) The Corporation shall indemnify its directors and officers and may indemnify any other employees or agents, in each case, to the full extent permitted by the General Corporation Law of the State of Delaware, as amended from time to time. No amendment or repeal of this paragraph shall affect the obligations of the Corporation to indemnify any director or officer of the Corporation with respect to, arising out of or related to any event that occurred prior to such amendment or repeal.

(d) The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against any such liability under the provisions of the General Corporation Law of the State of Delaware, as amended from time to time.

SEVENTH: The Corporation reserves the right to amend this Restated Certificate of Incorporation in any manner permitted by the General Corporation Law of the State of Delaware, as amended from time to time, and all rights and powers conferred upon stockholders, directors and officers herein are granted subject to this reservation.

BYLAWS
OF
WHITTAKER CORPORATION

* * * * *

ARTICLE I
OFFICES

Section 1. Registered Office. The address of the registered office in the State of Delaware shall be 229 South State Street, Dover, County of Kent, Delaware 19901, and the name of its registered agent at such address is The Prentice-Hall Corporation Systems, Inc.

Section 2. Other Offices. The corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

Section 3. Books. The books of the corporation may be kept within or without of the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Time and Place of Meetings. All meetings of stockholders shall be held at such place, either within or without the State of Delaware, on such date and at such time as may be determined from time to time by the board of directors (or the chairman in the absence of a designation by the board of directors).

Section 2. Annual Meetings. Annual meetings of stockholders, commencing with the year 1987, shall be held to elect a class of the board of directors and transact such other business as may properly be brought before the meeting.

Section 3. Special Meetings. Special meetings of stockholders may be called by the board of directors or the chairman of the board of directors, the president or the secretary of the corporation and shall be called by the secretary of the corporation at the request in writing of holders of not less than 10% of the total voting power of all outstanding securities of the corporation then entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 4. Notice of Meetings and Adjourned Meetings; Waiver of Notice. (a) Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by the General Corporation Law of the State of Delaware ("Delaware Law"), such notice shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder of record entitled to vote at such meeting. Unless these bylaws otherwise require, when a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(b) A written waiver of any such notice signed by the person entitled thereto, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Quorum. Unless otherwise provided under the certificate of incorporation or these bylaws and

subject to Delaware law, the presence, in person or by proxy, of the holders of not less than a majority of the total voting power of all outstanding securities of the corporation then entitled to vote at a meeting of stockholders shall constitute a quorum for the transaction of business.

Section 6. Voting. (a) Unless otherwise provided in the certificate of incorporation and subject to Delaware Law, each stockholder shall be entitled to one vote for each outstanding security of the corporation entitled to vote held by such stockholder. Unless otherwise provided in Delaware Law, the certificate of incorporation or these bylaws, the affirmative vote of not less than a majority of the total voting power of all outstanding securities of the corporation present, in person or by proxy, at a meeting of stockholders and then entitled to vote on the subject matter shall be the act of the stockholders.

(b) Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

Section 7. Action by Consent. Unless otherwise restricted by the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders, or any action which may be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding securities of the corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all securities entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 8. Organization. At each meeting of stockholders, the chairman of the board, if one shall have been elected, (or in his absence or if one shall not have been elected, the president) shall act as chairman of the meeting. The secretary (or in his absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting) shall act as secretary of the meeting and keep the minutes thereof.

Section 9. Order of Business. The order of business at all meetings of stockholders shall be as determined by the chairman of the meeting.

ARTICLE III

DIRECTORS

Section 1. General Powers. Except as otherwise provided in Delaware Law or the certificate of incorporation, the business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Section 2. Number, Election and Term of Office.

(a) The number of directors which shall constitute the whole board shall be fixed from time to time by resolution of the board of directors but shall not be less than five nor more than twelve. Each director shall hold office until such director's successor shall have been duly elected and qualified or until such director's earlier death, resignation or removal.

(b) No person may stand for election to, or be elected to, the board of directors or be appointed by the directors to fill a vacancy on the board of directors who is 70 years of age or older, who shall have made, or be making, improper or unlawful use of the corporation's confidential information, or who has interests which conflict materially with the interests of the corporation. Directors need not be stockholders.

Section 3. Quorum and Manner of Acting. Unless the certificate of incorporation or these bylaws require a greater number, a majority of the total number of directors shall constitute a quorum for the transaction of business, and the affirmative vote of not less than a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors. When a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the board of directors may transact any business which might have been transacted at the original meeting. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 4. Time and Place of Meetings. The board of directors shall hold its meetings at such place, either within or without the State of Delaware, and at such time as may be determined from time to time by the board of directors (or the chairman in the absence of a determination by the board of directors).

Section 5. Annual Meeting. The board of directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual meeting of stockholders, on the same day and at the same place where such annual meeting shall be held. Notice of such meeting need not be given. In the event such annual meeting is not so held, the annual meeting of the board of directors may be held at such place, either within or without the State of Delaware, on such date and at such time as shall be specified in a notice thereof given as hereinafter provided in Section 7 of this Article III or in a waiver of notice thereof.

Section 6. Regular Meetings. Regular meetings of the board of directors shall be held without notice at the corporation's executive office or at such other place as the board of directors may designate on the fourth Friday of each fiscal month of the corporation's fiscal year at 9:00 a.m., local time; provided, however, that should said day fall upon a legal holiday, then said meeting shall be held at the same time and place on the next Friday thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the board of directors is hereby dispensed with.

Section 7. Special Meetings. Special meetings of the board of directors may be called by the chairman of the board, the president, the secretary or by any two directors. Notice of special meetings of the board of directors shall be given to each director in such manner as is determined by the board of directors at least 48 hours before the date of the meeting.

Section 8. Committees. (a) The board of directors may, by resolution passed by a majority of the whole board, designate an executive committee, a compensation and stock option committee, an audit committee and one or more other committees, each committee to consist of two or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the board of directors, shall

have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the certificate of incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the bylaws of the corporation; and unless the resolution of the board of directors or the certificate of incorporation expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

(b) The executive committee shall be the committee of the board of directors, if one be appointed, to which is delegated substantially all of the delegable power and authority of the board other than the powers that it is contemplated by these bylaws may be delegated to the compensation and stock option committee and audit committee. Unless the board of directors shall otherwise provide, special meetings of the executive committee shall be held at the principal executive office of the corporation or at any place which has been designated from time to time by resolution of the executive committee or by the written consent of all members thereof, and may be called by the chairman of the board, the president, the secretary or any two members thereof; vacancies in the membership of the executive committee may be filled by the board of directors; three members of the executive committee or such lesser number of members as shall represent a majority of the members of the executive committee then in office shall constitute a quorum for the transaction of business.

(c) The compensation and stock option committee shall be the committee of the board of directors, if one be appointed, to which is delegated a substantial portion of the powers and authority of the board with respect to the remuneration of executive officers and employees of the corporation. The compensation and stock option committee shall be composed exclusively of directors who are not executive officers or employees of the corporation. Unless the board of directors shall otherwise provide: regular meetings of the compensation and stock option committee, notice of

which is hereby dispensed with, shall be held, without call, at the same place and on the same date as each meeting of the board of directors but at a time one hour preceding the commencement of the meeting of the board of directors; special meetings of the compensation and stock option committee shall be held at the principal executive office of the corporation or at any place which has been designated from time to time by resolution of the compensation and stock option committee or by written consent of all members thereof, and may be called by the chairman of the compensation and stock option committee, the chairman of the board of directors, the secretary or any two members of the compensation and stock option committee; three members of the compensation and stock option committee or such lesser number of members as shall represent a majority of the members of the compensation and stock option committee then in office shall constitute a quorum for the transaction of business.

(d) The audit committee shall be the committee of the board of directors, if one be appointed, to which is delegated a substantial portion of the powers and authority of the board with respect to auditing and accounting matters including review of the performance of the corporation's independent and internal auditors, the scope of audit procedures, and the corporation's accounting practices. The audit committee shall be composed exclusively of directors who are not executive officers or employees of the corporation. Unless the board of directors shall otherwise provide, regular meetings of the audit committee, notice of which is hereby dispensed with, shall be held, without call, at the same place and on the same date as the meetings of the board of directors scheduled in fiscal February, May, August and December but at a time one hour preceding the commencement of the meeting of the board of directors; special meetings of the audit committee shall be held at the principal executive office of the corporation or at any place which has been designated from time to time by resolution of the audit committee or by the written consent of all members thereof, and may be called by the chairman of the audit committee, the chairman of the board of directors, the secretary or any two members of the audit committee; three members of the audit committee or such lesser number of members as shall represent a majority of the members of the audit committee then in office shall constitute a quorum for the transaction of business.

Section 9. Action by Consent. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any

meeting of the board of directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

Section 10. Telephonic Meetings. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors or such committee, as the case may be, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 11. Resignation. Any director may resign at any time by giving written notice to the board of directors or to the secretary of the corporation. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 12. Vacancies. Unless otherwise restricted by the certificate of incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director. Each director so chosen shall hold office until such director's successor has been duly elected and qualified or until such director's earlier death, resignation or removal. If there are no directors in office, then an election of directors may be held in accordance with Delaware Law. Unless otherwise provided in the certificate of incorporation, when one or more directors shall resign from the board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in filling of other vacancies.

Section 13. Removal. Any director or the entire board of directors may be removed, only for cause, at any time by the affirmative vote of the holders of not less than

a majority of the total voting power of all outstanding securities of the corporation entitled to vote.

Section 14. Compensation. Unless otherwise restricted by the certificate of incorporation or these bylaws, the board of directors shall have authority to fix the compensation of directors, including fees and reimbursement of expenses, provided, however, that no such compensation, fees or expenses shall be paid to directors who are also employees of the corporation.

Section 15. Preferred Directors. Notwithstanding anything else contained herein, whenever the holders of one or more classes or series of preferred stock shall have the right, voting separately as a class or series, to elect directors, the election, term of office, filling of vacancies, removal and other features of such directorships shall be governed by the terms of the resolutions adopted by the board of directors pursuant to the certificate of incorporation applicable thereto, and such directors so elected shall not be subject to the provisions of Sections 2, 12 and 13 of this Article III unless otherwise provided therein.

ARTICLE IV

OFFICERS

Section 1. Principal Officers. The principal officers of the corporation shall be a chairman of the board of directors, a president, one or more vice presidents, a treasurer and a secretary who shall have the duty, among other things, to record the proceedings of the meetings of stockholders and directors in a book kept for that purpose. The corporation may also have such other principal officers, including one or more controllers, as the board may in its discretion appoint. One person may hold the offices and perform the duties of any two or more of said offices, except that no one person shall hold the offices and perform the duties of chairman of the board and secretary.

Section 2. Election, Term of Office and Remuneration. The principal officers of the corporation shall be elected annually by the board of directors at the annual meeting thereof. Each such officer shall hold office until his successor is elected and qualified, or until his earlier death, resignation or removal. The remuneration of all officers of the corporation shall be fixed by the board of directors. Any vacancy in any office shall be filled in such manner as the board of directors shall determine.

Section 3. Subordinate Officers. In addition to the principal officers enumerated in Section 1 of this Article IV, the corporation may have one or more assistant treasurers and assistant secretaries and such other subordinate officers, agents and employees as the board of directors may deem necessary, each of whom shall hold office for such period as the board of directors may from time to time determine. The board of directors may delegate to any principal officer the power to appoint and to remove any such subordinate officers, agents or employees.

Section 4. Removal. Except as otherwise permitted with respect to subordinate officers, any officer may be removed, with or without cause, at any time, by resolution adopted by the board of directors.

Section 5. Resignations. Any officer may resign at any time by giving written notice to the board of directors (or to a principal officer if the board of directors has delegated to such principal officer the power to appoint and to remove such officer). The resignation of any officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice) unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Powers and Duties. The board of directors may designate an officer as the chief executive officer. The chief executive officer shall, subject to the direction and control of the board of directors, be the general manager of, and supervise and direct, the business and affairs of the corporation and the conduct of the officers of the corporation. The other officers of the corporation shall have such powers and perform such duties incident to each of their respective offices and such other duties as may from time to time be conferred upon or assigned to them by the board of directors or the chief executive officer.

ARTICLE V

GENERAL PROVISIONS

Section 1. Fixing the Record Date. (a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than 60

nor less than 10 days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; providing, however, that the board of directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by Delaware Law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by Delaware Law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

(c) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is

adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Section 2. Dividends. Subject to limitations contained in Delaware Law and the certificate of incorporation, the board of directors may declare and pay dividends upon the shares of capital stock of the corporation, which dividends may be paid either in cash, securities of the corporation or other property.

Section 3. Fiscal Year. The fiscal year of the corporation shall end on the Sunday nearest October 31st of each year.

Section 4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

Section 5. Voting of Stock Owned by the Corporation. The board of directors may authorize any person, on behalf of the corporation, to attend, vote and grant proxies to be used at any meeting of stockholders of any corporation (except this corporation) in which the corporation may hold stock.

Accounts Payable Transactions 1978 & 1979

All transactions were for purchases of drums for our use.

Accounts Payable Transactions 1980

| <u>Date</u> | <u>Invoice#</u> | <u>Purchase</u> | <u>Price Adj</u> | <u>Sold to Bayonne</u> |
|--------------------|-----------------|------------------|------------------|------------------------|
| 1- 4-80 | 6098 | | | |
| 1- 8-80 | 6106 | | | 4740.15 |
| 1-25-80 | 6076 | 3902.75 | | |
| 1-21-80 | 6294 | | | 1079.76 |
| 1-21-80 | 6087 | 3852.50 | | |
| 1-29-80 | 6563 | | 106.40 | 1598.50 |
| 2- 6-80 | 6551 | 350.00 | | |
| 2- 6-80 | 6551 | | 350.00 | |
| 2-11-80 | 6623 | 3902.75 | | |
| 2-11-80 | 6528 | | | 1518.70 |
| 2-19-80 | 6744 | 3767.50 | | |
| 3- 4-80 | 6884 | 3852.60 | | |
| 3-10-80 | 6766 | | | 1338.30 |
| 3-18-80 | 7207 | 3947.50 | | |
| 3-19-80 | 7015 | | | 1513.00 |
| 3-25-80 | 7312 | 3852.60 | | |
| 3-28-80 | 7056 | | | 2829.36 |
| 4- 8-80 | 7519 | 4422.00 | | |
| 4- 8-80 | 7534 | | | 1549.80 |
| 4-24-80 | 7774 | 3858.00 | | |
| 2-24-80 | 18243 | | | 1591.55 |
| 5- 5-80 | 7919 | 4025.00 | | |
| 5-20-80 | 8270 | 3983.35 | | |
| 5-27-80 | 8028 CR | | | 2946.80 |
| 5-30-80 | 8055CR | | | 1478.50 |
| 5-30-80 | 8413 | 4205.00 | | |
| 5-30-80 | 8413 | | 180.00 | |
| 6-10-80 | 8567 | 4025.00 | | |
| 6-20-80 | 8036 | 4139.00 | | |
| 6-25-80 | 8422CR | | | 2769.80 |
| 7-10-80 | 8857 | 3555.10 | | |
| 7-16-80 | 8934 | 80.00 | | |
| 7-23-80 | 9026 | 4005.00 | | |
| 7-31-80 | 8789CR | | | 2617.70 |
| 8- 5-80 | 8363CR | | | 1192.95 |
| 8- 6-80 | 9181 | 3895.00 | | |
| 8- 6-80 | 19233 | | 213.50 | |
| 8-21-80 | 9430 | 4606.50 | | |
| 8-21-80 | 9012CR | | | 1135.20 |
| 9- 8-80 | 9638 | 3885.00 | | |
| 9-11-80 | 9707 | 2891.00 | | |
| 9-23-80 | 9870 | 3955.40 | | |
| 9-30-80 | 9271 | | | 3722.25 |
| 10- 6-80 | 10040 | 3540.00 | | |
| 1- 8-80 | 10072 | 3797.50 | | |
| 10-17-80 | 10228 | 4025.00 | | |
| 10-28-80 | 10366 | 4567.50 | | |
| 10-31-80 | 20427 | | | 412.50 |
| 10-30-80 | 9752CR | | | 2528.40 |
| 11- 7-80 | 10523 | 4025.00 | | |
| 11-19-80 | 10682 | 4062.50 | | |
| 12- 3-80 | 10894 | 3972.50 | | |
| 12-16-80 | 11079 | 3885.00 | | |
| 12-29-80 | 21196 | | | 6113.30 |
| <u>TOTALS 1980</u> | | <u>114863.35</u> | <u>849.90</u> | <u>42674.50</u> |

Accounts Payable Transactions 1981

| <u>Date</u> | <u>Invoice#</u> | <u>Purchase</u> | <u>Price Adj</u> | <u>Said to Bayonne</u> |
|-------------------|-----------------|------------------|------------------|------------------------|
| 12-23-80 | 10918CR | | | 3126.60 |
| 12-23-80 | 11189 | 3412.50 | | |
| 1-23-81 | 11472 | 4445.00 | | |
| 1-1-81 | 21199 | | | 1654.16 |
| 2-13-81 | 11843 | 3482.50 | | |
| 2-13-81 | 12546CR | | | 1527.25 |
| 1-23-81 | 12544CR | | | 1677.30 |
| 3-2-81 | 12647CR | | | 1117.20 |
| 3-2-81 | 12089 | 4445.00 | | |
| 3-18-81 | 12320 | 4567.50 | | |
| 3-18-81 | 50162 | | | 1193.60 |
| 4-6-81 | 12641CR | | | 1338.00 |
| 4-6-81 | 12599 | 3902.50 | | |
| 4-23-81 | 50163 | | | 1478.00 |
| 4-23-81 | 12752 | 4337.50 | | |
| 5-13-81 | 13188 | 3857.50 | | |
| 5-13-81 | 12775 | | | 1290.00 |
| 6-4-81 | 12833 | | | 1485.75 |
| 6-4-81 | 13483 | 4410.00 | | |
| 6-9-81 | 13537 | 3377.55 | | |
| 6-10-81 | 12832 | | | 778.80 |
| 6-15-81 | 50387 | | | 100.00 |
| 6-23-81 | 13750 | 4322.50 | | |
| 6-23-81 | 12928 | | | 1159.35 |
| 7-9-81 | 13936 | 3762.50 | | |
| 7-24-81 | 14104 | 4287.50 | | |
| 7-9-81 | 14005 | | | 1012.80 |
| 7-24-81 | 14006 | | | 1153.36 |
| 8-5-81 | 14237 | 3455.25 | | |
| 8-5-81 | 14978CR | | | 1283.40 |
| 8-10-81 | 12979 | | | 950.10 |
| 8-10-81 | 14293 | 4480.00 | | |
| 8-18-81 | 14405 | 57.90 | | |
| 8-26-81 | 14528 | 4382.50 | | |
| 8-27-81 | 14545 | 3481.00 | | |
| 8-26-81 | 14161CR | | | 1508.00 |
| 8-27-81 | 14169CR | | | 1126.35 |
| 9-8-81 | 14688 | 3815.00 | | |
| 9-21-81 | 14834 | 4201.50 | | |
| 9-15-81 | 14522CR | | | 1034.1 |
| 9-21-81 | 14523CR | | | 1150.35 |
| 9-30-81 | 14524CR | | | 1045.35 |
| 9-30-81 | 14970 | 3561.75 | | |
| 10-7-81 | 14543 | | | 1081.50 |
| 10-7-81 | 15070 | 3909.25 | | |
| 10-8-81 | 15092 | 4477.50 | | |
| 10-8-81 | 14551CR | | | 108.00 |
| 10-8-81 | 15092 | | | 400.00 |
| 10-22-81 | 15294 | 4130.00 | | |
| 10-22-81 | 14577CR | | | 760.50 |
| 10-23-81 | 15315 | 3348.25 | | |
| 10-23-81 | 14581 | | | 542.40 |
| 10-29-81 | 14516cr | | | 10.80 |
| 11-6-81 | 15481 | 3850.00 | | |
| 11-6-81 | 14617cr | | | 1149.00 |
| 11-14-81 | 15584 | 44.25 | | |
| 11-19-81 | 15844 | 4025.00 | | |
| 11-19-81 | 14844 | | | 984.00 |
| 11-20-81 | 15657 | 3392.50 | | |
| 11-20-81 | 14645 | | | 660.00 |
| 11-24-81 | 52859 | | | 224.00 |
| 12-10-81 | 15875 | 3864.50 | | |
| 12-9-81 | 15858 | 4462.50 | | |
| 12-9-81 | 15041cr | | | 712.35 |
| Total 1981 | | 115709.70 | 0.00 | 34718.36 |

Accounts Payable Transactions 1982

| <u>Date</u> | <u>Invoice#</u> | <u>Purchase</u> | <u>Price Adj</u> | <u>Sold to Bayonne</u> |
|-------------------|-----------------|-----------------|------------------|------------------------|
| 1- 7-82 | 16068 | 3237.50 | | |
| 1- 7-82 | 16083 | | | 1110.00 |
| 1-20-82 | 16189 | 3593.00 | | |
| 1-20-82 | 15501cr | | | 948.50 |
| 2- 3-82 | 15559cr | | | 1152.50 |
| 2- 3-82 | 16360 | 4617.50 | | |
| 2-18-82 | 15558cr | | | 823.20 |
| 2-18-82 | 16359 | 3745.00 | | |
| 3-24-82 | 16962 | 4025.00 | | |
| 3-24-82 | 15762 | | | 1320.00 |
| 3-26-82 | 3645cr | | | 175.00 |
| 4-21-82 | 17446 | 4077.50 | | |
| 4-21-82 | 16784cr | | | 908.55 |
| 4-30-82 | 54861 | | | 30.00 |
| 4-16-82 | 3675cr | | | 210.00 |
| 5-10-82 | 17777 | 3955.00 | | |
| 5-10-82 | 16871 | | | 1356.00 |
| 5-26-82 | 18063 | 4025.00 | | |
| 6- 7-82 | 54944 | | | 30.00 |
| 6-28-82 | 15964 | | | 1290.00 |
| 6-28-82 | 47cr | | | 262.50 |
| 6-10-82 | 15836cr | | | 1171.95 |
| 6-11-82 | 77 | | | 367.50 |
| 6-10-82 | 18300 | 4042.50 | | |
| 6-22-82 | 18486 | 3815.00 | | |
| 6-22-82 | 20542 | | | 627.30 |
| 7-12-82 | 18763 | 4620.00 | | |
| 7-13-82 | 20607cr | | | 995.25 |
| 7-20-82 | 129 | | | 192.50 |
| 7-26-82 | 726 | | | 703.20 |
| 7-28-82 | 18938 | 3850.00 | | |
| 8-16-82 | 19278 | 3605.00 | | |
| 8-27-82 | 20745 | | | 475.20 |
| 9-27-82 | 19818 | 4620.00 | | |
| 9-27-82 | 18892 | 3649.75 | | |
| 10- 1-82 | 20950 | | | 1602.25 |
| 10- 1-82 | 18780 | | | 955.20 |
| 10-19-82 | 20114 | 4305.00 | | |
| 10-29-82 | 18808 | | | 758.80 |
| 11- 8-82 | 20376 | 4140.00 | | |
| 11-11-82 | 20419 | 3867.50 | | |
| 11-16-82 | 310cr | | | 2312.00 |
| 11-11-82 | 18287 | | | 1938.50 |
| 12-2-82 | 122 | | | 824.01 |
| 12- 2-82 | 20642 | 297.50 | | |
| 12- 8-82 | 20698 | 3937.50 | | |
| Total 1982 | | 76225.25 | 0.00 | 22540.01 |

Accounts Payable Transactions 1983

| <u>Date</u> | <u>Invoice#</u> | <u>Purchase</u> | <u>Price Adj</u> | <u>Sold to Bayonne</u> |
|-------------------|-----------------|-----------------|------------------|------------------------|
| 1-4-83 | 20908 | 4140.00 | | |
| 1-14-83 | 388cr | | | 1870.30 |
| 1-25-83 | 19661 | | | 1314.00 |
| 2-4-83 | 21429 | 4602.50 | | |
| 2-4-83 | 19972 | | | 1167.00 |
| 2-28-83 | 21684 | 3902.50 | | |
| 1-25-83 | 21231 | 3828.00 | | |
| 2-28-83 | 21170cr | | | 1197.00 |
| 3-10-83 | 21834 | 3605.00 | | |
| 3-10-83 | 21262 | | | 882.50 |
| 3-29-83 | 21446 | | | 1435.10 |
| 3-29-83 | 22078 | 4550.00 | | |
| 4-20-83 | 22316 | 4025.00 | | |
| 4-20-83 | 20487 | | | 1351.25 |
| 5-6-83 | 5-6 | 1750.00 | | |
| 5-17-83 | 22524 | 3045.00 | | |
| 5-17-83 | 20018 | | | 1278.00 |
| 5-31-83 | 22636 | 4696.00 | | |
| 6-10-83 | 22716 | 4620.00 | | |
| 6-23-83 | 6-23 | | | 1000.00 |
| 6-10-83 | 6-10cr | | 3274.50 | |
| 6-24-83 | 22886 | 1984.00 | | |
| 7-11-83 | 22974 | 3680.00 | | |
| 8-3-83 | 23000 | 3832.50 | | |
| 8-3-83 | 20036 | | | 1289.00 |
| 9-1-83 | 9-1 | | | 192.60 |
| 7-11-83 | 23029 | | | 1464.60 |
| 6-27-83 | 23149 | | | 774.00 |
| 9-20-83 | 9-20 | | | 350.00 |
| <u>Total 1983</u> | | <u>52160.60</u> | <u>3274.50</u> | <u>16665.15</u> |

CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of California

County of Ventura

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Lynne M. O. Brickner

NAME (print or type)

Assistant General Counsel

TITLE (print or type)

Lynne M. O. Brickner

SIGNATURE

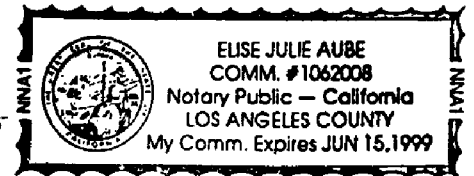
Sworn to me before this

2nd day of February, 1998

Elise Julie Aube

Notary Public

Elise Julie Aube





November 16, 1995

James Cogentino, OSC
Removal Action Branch
Emergency and Remedial Response Division
U.S. Environmental Protection Agency, Region II
2890 Woodbridge Avenue
Edison, NJ 08837

NOV 20 1995

Re: S&W Waste, Inc.'s Response to
CERCLA § 104(e) Request For The
Bayonne Barrel & Drum Superfund
Site, 150-154 Raymond Boulevard,
Newark, Essex County, New Jersey

Dear Sir:

S&W Waste, Inc. ("S&W") responds to the USEPA's September 28, 1995, CERCLA § 104(e) Information Request for the Bayonne Barrel & Drum Superfund Site as follows:

Definitions

1. As used herein, the terms "Bayonne Barrel & Drum" or the "Site" shall refer to approximately fifteen acres of property located at 150-154 Raymond Boulevard in Newark, Essex County, New Jersey and identified as Lots 3 and 14 of Block 5002.
2. As used herein, the term "hazardous substance" shall have the meaning set forth in section 101(14) of CERCLA, 42 U.S.C. § 9601(14). The substances which have been designated as hazardous substances pursuant to Section 102(a) of CERCLA (which, in turn, comprise a portion of the substances that

115 Jacobus Avenue South Kearny, New Jersey 07032
TEL- 201-344-4004 • SALES NO.- 201-578-4800
ADM. FAX- 201-344-1265 • SALES FAX-201-344-8652

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S&W also removed containers containing sludge from Bayonne Barrel & Drum and delivered empty containers to Bayonne Barrel & Drum for sludge collection.

- i. If so, describe the relationship (nature of services rendered or products sold to the Company) between the Company and Bayonne Barrel & Drum;

Response: See response to 2(a) above.

- ii. Provide copies of any contracts or agreements between the Company and Bayonne Barrel & Drum;

Response: None.

- iii. For each such facility, state the nature of the operations conducted at the facility, including the time period in which the facility operated; and

Response: S&W's former facility, located at 53 Pennsylvania Avenue South Kearny, N.J., was a hazardous waste transfer, storage and treatment facility. This facility was in operation from 1972 until 1984.

- iv. For each such facility, state its name, address, and current RCRA Identification Number.

Response: See response to 2(a)(iii) above.
EPA ID No. NJD 096865837

- b. In addition, if the Company transacted business with Bayonne Barrel & Drum, provide the following information for each transaction:

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- i. Identify the specific dates of each transaction. Where an exact date cannot be provided for a transaction, provide an approximation by month and year;

Response: See documents attached as Exhibit A. The documents indicate that S&W transacted business with Bayonne Barrel & Drum from approximately January 1980 until December 1982.

- ii. Identify the number of Containers that were the subject of each such transaction;

Response: S & W occasionally removed a container of sludge from Bayonne Barrel & Drum. After that container was emptied at an off-site location, it was returned to Bayonne Barrel & Drum by S&W.

S & W sold and delivered an unknown quantity of empty drums to Bayonne Barrel & Drum.

- iii. Generically describe each Container that was the subject of each such transaction (example; closed-head steel drums, etc.);

Response: The sludge container was steel. Most of the empty drums were steel; some of the empty drums were plastic.

- iv. Identify the intended purpose of each such transaction;

Response: S&W sold empty drums to Bayonne Barrel & Drum. Bayonne Barrel & Drum reconditioned the drums for resale, reuse. S&W delivered empty containers to Bayonne Barrel & Drum which were used to collect waste from the drum reconditioning process.

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v. State whether each Container that was the subject of the transaction contained any substance at the time of the transaction. As to each Container that contained any substance:

(1) Identify each such substance, including its chemical content, physical state, quantity by volume and weight, and other characteristics; and

Response: The containers removed from Bayonne Barrel & Drum by S&W contained sludge from the drum reconditioning process. Drums sold and delivered to Bayonne Barrel & Drum by S&W were empty in accordance with USEPA and NJDEP regulations.

(2) Provide all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance;

Response: None

vi. If you contend that any such Container did not contain any substance at the time of the transaction:

(1) State whether such Container had previously been used by the Company to contain any substance, and if so:

Response: Yes

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- (a) Identify all substances previously contained within such Container, including its chemical content, physical state, and other characteristics; and

Response: The empty drums sold to Bayonne Barrel & Drum previously contained paint, ink, dyes, adhesives, solvents and other non-hazardous materials in liquid, solid, and semi-solid form.

- (b) Provide as to such substances, all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance;

Response: S&W has written analyses of the contents of certain drums delivered to S&W's former facility. S&W has no knowledge whether such analyses correspond or relate to the empty drums sold and delivered to Bayonne Barrel & Drum.

- vii. Describe in detail any treatment of any Container that may have been performed by or on behalf of the Company prior to the time that the Container was transferred from the Company, including any process or procedure by which the Container was emptied or cleaned;

Response: Each empty container and barrel delivered to Bayonne Barrel & Drum was emptied by S&W by pouring, dumping, and/or pumping its contents into other containers at S&W's former facility in accordance with USEPA/NJDEP regulations. The empty containers and drums were also manually scraped and inspected prior to delivery to Bayonne Barrel & Drum.

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- viii. Provide copies of all documents relating in any way to each transaction, including copies of delivery receipts, invoices, or payment devices;

Response: See document attached as Exhibit A.

- ix. Identify all persons who might have knowledge of the transaction or who had any responsibility regarding the transaction; and

Response: William F. Moscatello
Robert Fixter

- x. If you sent any Container by means of any third party transporter, identify each such transporter, including the name and address of such transporter, and identify in which of the transactions such transporter acted.

Response: Bayonne Barrel & Drum personnel transported some of the empty drums sold by S&W to Bayonne Barrel & Drum.

3. Identify any person (e.g., individual, company, partnership, etc.) having knowledge of facts relating to the questions which are the subject of this inquiry. For each such person that you identify, provide the name, address, and telephone number of that person, and the basis of your belief that he or she has such knowledge. For past and present employees, include their job title and a description of their responsibilities.

Response: William F. Moscatello
President
S&W Waste, Inc.
115 Jacobus Avenue
South Kearny, N.J. 07032

Mr. Moscatello is responsible for day-to-day management of the company.
115 Jacobus Avenue South Kearny, New Jersey 07032
TEL- 201-344-4004 • SALES NO.- 201-578-4800
ADM. FAX- 201-344-1265 • SALES FAX-201-344-8652



Robert Fixter
Vice President, Compliance
S&W Waste, Inc.
115 Jacobus Avenue
South Kearny, N.J. 07032

Mr. Fixter is responsible for environmental compliance.

4. Identify each person consulted in responding to these questions and correlate each person to the question on which he or she was consulted.

Response: William F. Moscatello was consulted on question 2.
Daniel DiAngelis was consulted on question 5.

5. Provide a list of all insurance policies and indemnification agreements held or entered into by you that may indemnify you against any liability that you may be found to have under CERCLA. Specify the insurer, type of policy, effective dates, and state per occurrence policy limits for each policy. Copies of policies may be provided in lieu of a narrative response. In response to this request, please provide not only those policies and agreements that are currently in effect, but also those in effect since your company began sending Containers to the Site.

Response: See list attached as Exhibit B.

6. State whether there exists any agreement or contract (other than an insurance policy) which may indemnify the Company, present or past directors, officers or owners of shares in the Company, for any liability that may result under CERCLA. Provide a copy of any such agreement or contract. Identify any agreement or contract that you are unable to locate or obtain.

Response: None to S&W's knowledge.

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James Cogentino, OSC
November 16, 1995
Page 11



7. Supply any additional information or documents that may be relevant or useful to identify other sources who disposed of or transported Containers to the Site.

Response: None.

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CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of New Jersey
County of Morris

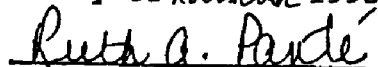
I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Robert Finter
NAME (print or type)

V.P. of Compliance
TITLE (print or type)


SIGNATURE

Sworn to me before this 16th
day of November 1995


Notary Public

RUTH A. PANTE
A Notary Public of New Jersey
My Commission Expires February 22, 1996



November 17, 1995

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Joseph Cosentino, OSC
Removal Action Branch
Emergency and Remedial Response Division
U. S. Environmental Protection Agency, Region II
2890 Woodbridge Avenue
Edison, NJ 08837

Re: Bayonne Barrel & Drum Superfund Site, Newark, New Jersey

Dear Mr. Cosentino:

Attached is the response of the DuPont Company to the Request for Information for the Bayonne Barrel & Drum Superfund Site. DuPont understands that it is under a continuing obligation to supplement this response should it become aware of new information.

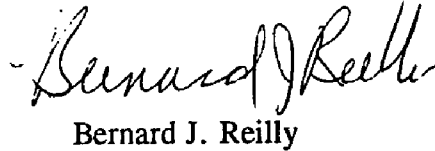
I arranged for the conduct of a good faith inquiry that is the basis of this reply. Based on my discussions with the DuPont staff who gathered this information, I believe it is true accurate and complete.

Please direct any correspondence related to this site to:

Bernard J. Reilly, Esq.
DuPont Legal, D-8068
1007 Market Street
Wilmington, DE 19898
(302) 774-5445
(800) 248-5260 (fax)

If you have any questions or need further clarification of this response, do not hesitate to call.

Very truly yours,



Handwritten signature of Bernard J. Reilly in black ink.

Bernard J. Reilly

Attachment

cc: Marc Seidenberg, Esq.
Office of Regional Counsel
U. S. Environmental Protection Agency, Region II
290 Broadway, 17th Floor
New York, NY 10007

John Auger, DuPont Corporate Remediation

**DUPONT COMPANY
RESPONSE TO REQUEST FOR INFORMATION
BAYONNE BARREL AND DRUM SUPERFUND SITE**

1. General Information About the Company

- a. State the correct legal name of the Company.

E. I. du Pont de Nemours and Company ("DuPont")

- b. Identify the legal status of the Company and the state in which the Company was organized.

DuPont is a corporation; it was organized in the State of Delaware in 1915.

- c. State the name(s) and address(es) of the President and the Chairperson of the Board of the Company.

**Edgar S. Woolard, Jr.
Chairman
1007 Market Street
Wilmington, DE 19898**

**John A. Krol
Chief Executive Officer
1007 Market Street
Wilmington, DE 19898**

- d. If the Company has subsidiaries or affiliates, or is a subsidiary of another organization, identify these related companies and the state the name (s).....

DuPont is a Fortune 500 company that has been in business nearly 200 years. During that time, DuPont has been affiliated with many other entities through acquisition or merger. DuPont has also subsequently divested itself of entities. If the Agency has a particular affiliate that they are interest in, we will be pleased to supply the requested information for that affiliate or former affiliate.

- e. If the Company is a successor to, or has been succeeded by another company, identify such other company and provide the same information

DuPont is not a successor to any other company nor is any other company a successor to DuPont.

- f. If the Company transacted business with Bayonne Barrel & Drum in the name of an entity not disclosed above, give the name of such entity and state its relationship to the Company.

Not applicable.

2. Company's Relationship to Bayonne Barrel & Drum

- a. State whether the Company or any Company facility transacted any business with Bayonne Barrel & Drum for the disposal, treatment, or storage of any barrels, drums, or other containers (hereinafter collectively referred to as "Containers").

A diligent, "good faith" search of a business relationship between DuPont and Bayonne Barrel & Drum was conducted of all DuPont plants located in the northeastern United States and all DuPont Automotive plants. The result of that search indicated that three plants conducted business with Bayonne Barrel & Drum: Chambers Works in Deepwater, NJ, Parlin Plant in Parlin, NJ and the Philadelphia Plant/Marshall Lab in Philadelphia, PA.

In addition, DuPont and other suppliers of paint to General Motors and likely other automobile manufacturing plants often would request that empty drums be returned to Bayonne Barrel or another drum conditioner for recycling. This policy encouraged timely recycling; for each drum shipped GM would receive a "credit". This practice was very common in the 1970's, but became less common in the early 1980's as paint containers shifted from drums to portable tanks (440 - 550) that were returned directly back to the paint suppliers, like DuPont.

- i. If so describe the relationship (nature of services rendered or products sold to the Company) between the Company and Bayonne Barrel & Drum.

Chambers Works: For drum reclamation.

Parlin and Philadelphia Plants: For reconditioned steel drums. The majority of the drums were used for paint thinners; many were stenciled "Property of DuPont". See also the second paragraph in response to Question 2a.

- ii. Provide copies of any contracts or agreements between the Company and Bayonne Barrel & Drum;

No copies of contracts or agreements were found.

- iii. For each such facility, state the nature of the operations conducted at the facility, including the time period in which the facility operated; and

Chambers Works: Manufactures more than 600 different products; organic intermediates used in herbicides, fibers and other products; specialty chemicals including surfactants, textile finishing agents, inert and high performance oils and greases; refrigerants, blowing agents and specialty products. Chambers Works also manufactured dyes and pigments until the early 1980's. The plant began its operations as a powder manufacturer during World War I. After the war, operations were expanded to include the other multi-purpose chemicals.

Parlin Plant: Manufactured paints and resins from early 40's until 1983.

Philadelphia Plant: Manufactured paints and resins from 1917 through 1981.

iv. For each such facility, state its name, address, and current RCRA Identification number.

**DuPont Specialty Chemicals
Chambers Works Plant
Rt. 130
Deepwater, NJ 08023
Current RCRA ID No.: NJD 002385730**

**DuPont Automotive
Parlin Plant
Washington Road
Parlin, NJ 08859
Plant closed in 1983. RCRA ID Nos. for this facility and the sister facility on the same site were combined in 1987. The current RCRA ID No. is NJD 002444024.**

**DuPont Automotive
Philadelphia Plant/Marshall Lab
3500 Grays Ferry Avenue
Philadelphia, PA 19146
Current RCRA ID No.: PAD 002311884**

b. In addition, if the Company transacted business with Bayonne Barrel & Drum, provide the following information for each transaction:

i. Identify the specific dates of each transaction. Where an exact date cannot be provided for a transaction, provide an approximation by month and year;

Chambers Works: It is the recollection of a knowledgeable employee that business transactions took place from the late 1960's through the 1970's.

Parlin Plant: An employee was able to confirm that Bayonne was being used in 1965 when he began working there and was used until Bayonne went bankrupt.

Philadelphia Plant: It is the collective recollection of knowledgeable employees that business transactions took place from 1965 to 1981.

ii. Identify the number of Containers that were the subject of each such transaction;

Chambers Works: We have no records but employee recollections estimate perhaps one box trailer (approximately 240 drums) per day were shipped to Bayonne Barrel.

Philadelphia Plant: We have no records but employee recollections estimate perhaps two to three truck loads each week (250 drums per truck) were shipped to Bayonne Barrel for reconditioning. Employees did not know the details of any of the arrangements made with GM.

Parlin Plant: We have no records but employee recollections estimate perhaps two to three truck loads each day (200 drums per truck) came to the plant from Bayonne; many of these drums would find their way back to Bayonne from the GM plants. We assume this is roughly the number of drums of product shipped to automobile manufacturing sites by DuPont. These customers, as noted, would ship the drums to Bayonne for reconditioning, then they would be shipped back to Parlin.

iii. Generically describe each Container that was the subject of each such transaction (example: closed-head steel drums, etc.);

Chambers Works: Closed head steel drums.

Parlin Plant: The bulk (95%) of the transactions were for open head steel drums.

Philadelphia Plant: Open and closed head steel drums.

iv. Identify the intended purpose of each such transaction;

Chambers Works: For reclamation.

Parlin and Philadelphia Plants: To have the drums reconditioned and then to repurchase them.

v. State whether each Container that was the subject of the transaction contained any substance at the time of the transaction. As to each Container that contained any substance:

Chambers Works: The drums were empty.

Parlin and Philadelphia Plants: There would have been some residual left in the drums from the plants. It would have been dried. We know from the documents obtained from the Agency that there was also residual left in the drums returned from GM.

- (1) Identify each substance, including its chemical content, physical state, quantity by volume and weight, and other characteristics; and

Chambers Works: The drums were empty and had been pressure rinsed. Product contents of the drums was always in liquid form.

Parlin and Philadelphia Plants: The substance would be solid paint or resin in the drums from the plant. To the best of our knowledge this would also be true for the drums from GM.

- (2) Provide all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance;

Chambers Works: There was no substances to analyze.

Parlin and Philadelphia Plants: There is no written analyses for the substances.

vi. If you contend that any such Container did not contain any substance at the time of the transaction:

- (1) State whether such Container had previously been used by the Company to contain any substance, and if so:
 - (a) Identify all substances previously contained within such Container, including its chemical content, physical state, and other characteristics; and
 - (b) Provide as to such substances, all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance;

vii. Describe in detail any treatment of any container that may have been performed by or on behalf of the Company prior to the time that the Container was transferred from the Company, including any process or procedure by which the Container was emptied or cleaned;

Chambers Works: Drums underwent a pressure rinsing procedure. They were then up-ended and drained before the lids were put back on and they were boxed for pick-up by Bayonne.

Parlin and Philadelphia Plants: There was no treatment to the drums prior to pick-up by Bayonne.

viii. Provide copies of all documents relating in any way to each transaction, including copies of delivery receipts, invoices, or payment devices;

No documents relating to transactions with Bayonne were found. DuPont is in possession of the documents relating to the Company that were obtained from the Agency's files in Edison.

ix. Identify all persons who might have knowledge of the transaction or who had any responsibility regarding the transaction; and

No one has knowledge of a specific transaction, the parties listed in the response to questions 3 and 4 were aware of the relationship between DuPont and Bayonne Barrel.

x. If you sent any Container by means of any third party transporter, identify each such transporter, including the name and address of such transporter, and identify in which of the transactions such transporter acted.

For all three plants, Bayonne used their own transportation trucks for the pick-ups; no other carrier was used.

The documents received from the Agency, indicate five different transporters were used to bring drums from the General Motors' Baltimore, MD plant to Bayonne: Berwick Sons, BRME, Jones Motor, Halls Motor Transit, and Smith & Solomon.

3. Identify any other person (e.g., individual, company, partnership, etc.) having knowledge of facts relating to the questions which are the subject of this inquiry. For each such person that you identify, provide the name, address, and telephone number of that person, and the basis of your belief that he or she has such knowledge. For past and present employees, include their job title and a description of their responsibilities.

General:

Henry E. Burman, central Purchasing, Wilmington, DE

Chambers Works:

William Ravior, worked in the Warehouse and then the Truck Control Center.

Robert Mills, worked in the Warehouse.

Richard Neuroth, worked in the Warehouse.

Parlin Plant: No additional names. See also the names in the following response to Question 4.

Philadelphia Plant:

Robert Kerwood, Purchasing Supervisor from 1960 - 1975. Not interviewed due to hospitalization.

Harry Wallace, Receiving and Storage Supervisor from 1965 - 1975. Not interviewed due to business commitments.

4. Identify each person consulted in responding to these questions and correlate each person to the question on which he or she was consulted.

Chambers Works: Interviews were held with following people. All are current employees at the Chambers Works. Each responded to the questions to the best of their knowledge; no one person could respond to all the questions but each knew many answers. There were no conflicting opinions in their responses.

Alfred Pagano, Senior Environmental Coordinator

Vincent Gioia, Team Manager of the Waste Management Group

Paul Clements, Senior consultant in DuPont Environmental Treatment business. Prior to that Paul worked in the Warehouse.

Philadelphia Plant: Interviews were held with the following people. All are current employees at the Philadelphia Plant/Marshall Lab. Each responded to the questions to the best of their knowledge; each had the same recollection and response.

Joseph Montagna, worked in Receiving and Storage

Romaine Becker, worked in Purchasing

William Monaghan, worked in Receiving and Storage

Joseph Martorano, worked in Receiving and Storage

Robert Blum, worked in Purchasing

John Weldon, Warehouse Supervisor

Parlin Plant: Interviews were held with the following people. All are current employees of DuPont Automotive now on other assignments.

David Brown, worked at plant from 1978 - 1985, handled the problems of the drum deposits, visited the Bayonne site twice.

James McGill, worked at the plant in the early 80's as Sales Planning Services Manager.

Roger Hiss, worked as the supervisor in Paint from 1978 - 1979.

Robert Writer, worked as a Production Supervisor in the 60's and 70's.

George Osei, Environmental Coordinator

5. Provide a list of all insurance policies and indemnification agreements held or entered into by you that may indemnify you against any liability that you may be found to have under CERCLA. Specify the insurer, type of policy, effective dates, and state per occurrence policy limits for each policy. Copies of policies may be provided in lieu of a narrative response. In response to this request, please provide not only those policies and agreements that are currently in effect, but also those in effect since your company began sending Containers to the Site.

DuPont is a Comprehensive General Liability self-insurer. DuPont carries or has carried since 1967 excess liability coverage. From 1967 to 1972, the per occurrence deductible on such policies was \$2,500,000; from 1972 to 1978, the deductible was \$5,000,000; from 1978 to 1980, the deductible was \$10,000,000; and from 1980 forward the deductible was/is \$50,000,000. We do not anticipate environmental liability to exceed any of these amounts at this site. If such an event occurs, we will notify appropriate carriers and provide a copy to EPA.

DuPont does not have a copy of any indemnification agreements that would apply to any possible liability at Bayonne Barrel & Drum.

6. State whether there exists any agreement or contract (other than an insurance policy) which may indemnify the Company, present or past directors, officers or owners of shares in the Company, for any liability that may result under CERCLA. Provide a copy of any such agreement or contract. Identify any agreement or contract that you are unable to locate or obtain.

Although we are unable so far to locate copies, it was common practice for DuPont to require indemnities from its contractors in the relevant time period.

7. Supply any additional information or documents that may be relevant or useful to identify other sources who disposed of or transported Containers to the Site.

DuPont does not have knowledge of any additional information or documents.

ZENECA

ZENECA Inc.

Environmental Law Department
1800 Concord Pike
PO Box 15438
Wilmington, DE 19850-5438

Telephone (302) 886-3000

Fax (302) 886-2952

Direct Dial (302) 886-3748

November 10, 1995

VIA AIRBORNE EXPRESS

Joseph Cosentino, OSC
Removal Action Branch
Emergency and Remedial Response Division
U.S. Environmental Protection Agency, Region II
2890 Woodbridge Avenue
Edison, NJ 08837

Re: Bayonne Barrel & Drum Superfund Site
150-154 Raymond Rd., Newark, NJ - Request for Information

Dear Mr. Cosentino:

I write in response to Kathleen Callahan's letter dated September 28, 1995 ("Information Request") addressed to "Converters Ink c/o Zeneca Specialty Inks," 1301 South Park Ave., Linden, NJ 07036 ("Linden facility"), in which the Environmental Protection Agency ("EPA") requests certain information in regard to the Bayonne Barrel & Drum Superfund Site. This letter is submitted by Zeneca Specialty Inks, a business unit of Zeneca Inc. ("Zeneca").

General Objections

1. Zeneca objects to the Information Request on the grounds that it is overly broad, vague and duplicative. These objections are made particularly insofar as the Information Request's instructions, definitions and questions, by operation of the definition of "company" in Definition 6, seek to encompass the entirety of Zeneca's and its predecessors' operations. Throughout its history, Zeneca and its predecessors operated many facilities around the world. In responding to this Information Request, Zeneca has restricted its examination of information

TIERRA-B-005981

available to Zeneca to information concerning those Zeneca Specialty Inks facilities located in New Jersey.

2. Zeneca submits this response solely in connection with the Bayonne Barrel & Drum Superfund Site. Zeneca objects to and would oppose any intended or actual use by the EPA of the information provided hereunder or for any other purpose.

3. Nothing herein shall constitute an admission of liability. The information provided herein is based on information presently available to Zeneca, except that any information protected by the attorney-client privilege or work product immunity will not be produced or disclosed. Zeneca reserves the right to supplement this response in the event that it becomes aware of any additional facts or information regarding this Site.

Subject to and without waiver or limitation of any of the foregoing objections or other potentially available objections, Zeneca responds to the Information Request as follows:

Specific Responses

1a. Zeneca Specialty Inks, a business unit of Zeneca Inc. The address of Zeneca Inc. is 1800 Concord Pike, Wilmington, DE 19897.

1b. Zeneca Inc. is a corporation organized under the laws of the state of Delaware and incorporated on April 22, 1971.

1c. The Chairman of the Board of Zeneca Inc. is A. Keith Willard. His address is 1800 Concord Pike, Wilmington, DE 19897. Zeneca Inc. does not have a President.

1d. Zeneca objects to question 1d on grounds of vagueness insofar as "affiliate" is not defined. Without waiving that objection, Zeneca responds as follows: Zeneca Inc. is a subsidiary of Zeneca Holdings Inc. The Chairman of the Board of Zeneca Holdings Inc. is A. Keith Willard. Subsidiaries of Zeneca Inc. are Zeneca Delaware Holdings Inc., Atkemix Nine Inc., Atkemix Ten Inc., Zeneca Resins Holdings Inc., Corpus Christi Holdings Inc., Atkemix Twelve Inc., Zeneca International Inc. and Garst Research Farms Inc. All companies except Garst Research Farms Inc. have as their address 1800 Concord Pike, Wilmington, DE 19897. Garst Research Farms' address is 615 Main Street, Box 300, Coon Rapids, IA 50058. The president of all subsidiaries except Garst Research Farms is Robert T. Kennedy. The President of Garst Research Farms is Stephen Garst.

1e. Zeneca objects to question 1e by restating and incorporating by reference General Objection 1, above. Without waiving that objection, Zeneca responds as follows: The Linden facility was originally owned by Converters Ink Company, a Delaware corporation. Prior to 1985, Converters Ink was acquired through a stock acquisition by Beatrice Companies Inc., a Delaware corporation ("Beatrice"). In 1985, Imperial Chemicals Industries PLC ("ICI") purchased the stock of Converters Ink from Beatrice and after an internal reorganization, Converters Ink Company was made a subsidiary of ICI Americas, Inc., a Delaware corporation. In December 1986, Converters Ink was merged into ICI Americas Inc. (now known as Zeneca). As a result of the restructuring of ICI and its subsidiaries, the name of ICI Americas was changed to Zeneca. The assets of the former Converters Ink Co. form part of Zeneca Specialty Inks, which is a business unit of Zeneca Inc.

1f. See answer to 1e.

2a. Except as stated in response to question 2b(v), Zeneca has no information evidencing the transaction of any business with Bayonne Barrel & Drum for the disposal, treatment, or storage of any barrels, drums, or other containers.

2a(i). See answer to 2a.

2a(ii). See answer to 2a.

2a(iii). See answer to 2a. The Linden facility was engaged at all relevant times in the manufacture of custom-model inks.

2a(iv). See answer to 2a. The address of the Linden facility is 1301 South Park Avenue, PO Box 1512, Linden, NJ 07036-0005. Its RCRA identification number is NJD000533877.

2b(i). Certain employees of the Linden facility (listed below) recall that, on occasion, the Linden facility purchased empty reconditioned drums from Bayonne Barrel & Drum between approximately 1965 and 1980. No records of these transactions exist. Based on employee recollection, it is estimated that between 6 to 12 transactions took place per year over two or three years within the 1965-1980 time period.

2b(ii). On those instances where the Linden facility purchased empty reconditioned drums, it would purchase a truckload. A truckload of drums would consist of approximately 200 to 225 drums.

2b(iii). In the purchases discussed above, the Linden facility purchased type "17h" or "Rule 40" drums from Bayonne Barrel & Drum. These drums were open-headed phenolic-lined 55 gallon drums.

2b(iv). The Linden facility would use the reconditioned drums to hold or ship their custom-made ink products.

2b(v). At the time of purchase, the drums were physically inspected on the delivery truck for imperfections. If faulty drums (e.g., obviously dented) were discovered, the shipment was not accepted, and the empty, reconditioned drums were not unloaded from the Bayonne Barrel & Drum delivery truck. On one or two occasions, Linden facility employees recall that after acceptance of the delivery of reconditioned drums from Bayonne Barrel & Drum, one or two drums were discovered to be leaking. These defective drums were emptied of their contents, and scraped or completely drip dried before being returned to Bayonne Barrel & Drum for refund. No documentation or more specific information exists as to these one or two instances.

2b(vi). See answer 2b(v).

2b(vii). See answer 2b(v).

2b(viii). Zeneca has been unable to locate any documents evidencing a business relationship between the Linden facility and Bayonne Barrel & Drum.

2b(ix). Phil Pierro, Branch Manager; Vince Giannicola, Customer Service Manager; and Joseph Piccirillo, Plant Engineer. All of these persons are employees at the Linden facility, Zeneca Specialty Inks, 1301 South Park Avenue, PO Box 1512, Linden, NJ 07036-0005. Their telephone number is (908)486-5125.

2b(x). All containers were transported by Bayonne Barrel & Drum.

3. See answer 2b(ix).

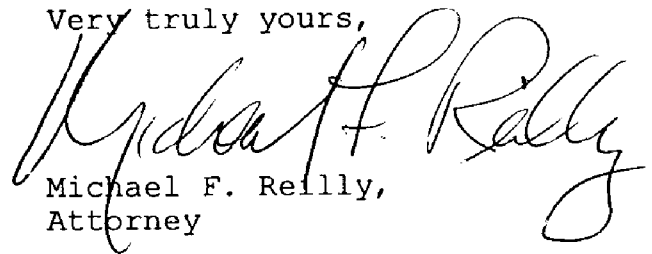
4. For information with regard to all questions, see answer 2b(ix). For review of existence of Zeneca records at Zeneca's record retention center and for preparation of this response: Patrick J. Egan, Michael F. Reilly, 1800 Concord Pike, Wilmington, DE 19850-5438, (302)886-3000.

5. Zeneca objects to question 5 on the ground that it is irrelevant and unduly burdensome. Because Zeneca is not aware of the disposal of any waste at the Site, Zeneca is not aware of any liability that may be covered under Zeneca's insurance program.

6. Zeneca objects to question 5 on the ground that it is irrelevant and unduly burdensome. Because Zeneca is not aware of the disposal of any waste at the Site, Zeneca is not aware of any liability that may be covered under Zeneca's rights to indemnification. Without waiving that objection, Zeneca states as follows: See attached agreement between Imperial Chemical Industries PLC and Beatrice Companies, Inc.

7. None.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Michael F. Reilly".

Michael F. Reilly,
Attorney

cc: Patrick J. Egan
Joseph Piccirillo
Gary S. Marini, Esquire

CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of New Jersey

County of Union

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

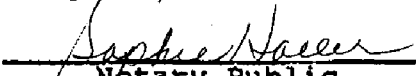
Philip R. Pierro
NAME (print or type)

Branch Manager
TITLE (print or type)


SIGNATURE

Sworn to me before this

10th day of Nov., 1995


Notary Public

BEK STOCK PURCHASE AGREEMENT

Dated as of December 12, 1984

Among

BEATRICE COMPANIES, INC.,

LA ACQUISITION CORPORATION

and

IMPERIAL CHEMICAL INDUSTRIES PLC

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT ("Agreement") dated as of December 12, 1984 among Beatrice Companies, Inc., a Delaware corporation ("Beatrice"), LA Acquisition Corporation, a Delaware corporation ("Seller"), and Imperial Chemical Industries PLC, an English public limited company ("Buyer").

RECITALS

Beatrice owns all of the issued and outstanding capital shares of Seller. Seller owns all of the issued and outstanding capital shares (the "Shares") of BEK I Inc., a Delaware corporation ("BEK"). Prior to Closing (as hereinafter defined) BEK will own all of the issued and outstanding shares (the "Transitory Shares") of Transitory, Inc., a Delaware corporation ("the Company"). The Company owns all of the issued and outstanding capital shares of B. Chemical, Inc., a Delaware corporation ("Chem"), and Chem owns, directly or indirectly, all, or such lesser amount as may be indicated in the Letter (as hereinafter defined), of the outstanding capital shares of those corporations which are identified in the Letter as subsidiaries (collectively the "Subsidiaries" and individually a "Subsidiary"; such capital shares of a Subsidiary being referred to as "Stock"). Seller desires to sell the Shares to Buyer or one or more direct or indirect subsidiaries of Buyer designated by Buyer (Buyer and such subsidiary or subsidiaries of Buyer, if any, being referred to as the "Designated Purchaser" or "Designated Purchasers", as the case may be) and Buyer desires to purchase the Shares, and may desire to purchase Stock of one or more Subsidiaries designated by Buyer ("Designated Subsidiaries"), or to cause one or more other Designated

Purchasers to purchase the Shares and any Stock of Designated Subsidiaries to be purchased hereunder.

Notwithstanding the signing of this Agreement, Beatrice has asked Buyer to consider structuring the transaction contemplated by this Agreement in a manner which would result in BEK owning all of the issued and outstanding shares of Esmark, Inc., a Delaware corporation ("Esmark"), which now owns the Transitory Shares. In that event all of Esmark's outstanding long-term indebtedness for borrowed money and the indentures applicable thereto would be taken into account in adjusting the Purchase Price (as hereinafter defined). Accordingly, Beatrice will furnish Buyer with information concerning Esmark and such indebtedness and indentures and Buyer will review such information and give consideration to Beatrice's proposal.

NOW, THEREFORE, in consideration of the warranties, representations, covenants and agreements hereinafter set forth, Beatrice, Seller and Buyer covenant and agree as follows:

ARTICLE I

Transaction

1.1 On the terms and subject to the conditions herein expressed, Seller shall, and shall cause Chem and the Subsidiaries, as the case may be, to, at the Closing (as hereinafter defined), transfer and deliver to the Designated Purchaser or Designated Purchasers the Shares and any Stock of Designated Subsidiaries which Buyer shall have designated not later than January 31, 1985.

1.2 On the terms and subject to the conditions herein expressed, Buyer shall, or shall cause the Designated Purchaser or Purchasers to, at the Closing, pay to Seller (U.S.) \$750,000,000 (the "Purchase Price") in exchange for the Shares and the

Stock of any Designated Subsidiaries, which Purchase Price shall be subject to adjustment as provided in Section 1.4.

1.3 As soon as practicable, but in any event within 60 days following the Closing Date, Beatrice shall prepare and deliver to Buyer a combined balance sheet for Chem and Subsidiaries as of February 28, 1985 (the "Closing Balance Sheet") and a combined statement of income for Chem and Subsidiaries for the fiscal year ended February 28, 1985 (the "Closing Income Statement"), such Closing Balance Sheet and Closing Income Statement being referred to collectively as the "Closing Financial Statements". The Closing Financial Statements shall be prepared on a basis consistent with, and in accordance with the accounting policies set forth in the notes to, the September Financial Statements (as hereinafter defined), applied in a manner consistent with those applied in the preparation of the September Financial Statements. Beatrice shall cause such Closing Financial Statements to be examined, in accordance with generally accepted auditing standards, by Peat, Marwick, Mitchell & Co. ("Peat Marwick"), whose report with respect thereto shall accompany such Closing Financial Statements and state that such Closing Financial Statements present fairly the combined financial position of Chem and Subsidiaries as of February 28, 1985 and the combined results of operations of Chem and Subsidiaries for the year ended February 28, 1985, in conformity with generally accepted accounting principles (except as disclosed in the notes to the Closing Financial Statements, which exceptions shall not be materially different from the exceptions set forth in the notes to the September Financial Statements) applied on a basis consistent with that used in the preparation of such September Financial Statements. Beatrice shall cause Peat Marwick to examine its calculations of Closing Net Income and Closing Net Book Value, and Peat Marwick's report on the Closing Financial Statements shall state that

such calculations present fairly the Closing Net Income and Closing Net Book Value in accordance with the provisions of this Agreement. As used herein, the term "Closing Net Book Value" shall mean the amount of stockholder's equity in Chem and Subsidiaries (excluding the equity of minority interests) less the amount of the cumulative foreign currency translation adjustment, as set forth in the Closing Balance Sheet, which amount shall be increased or decreased, as appropriate, to (i) include the amount of the net change (including any appropriate tax effect) in equity in Subsidiaries (excluding the equity of minority interests) operating outside the United States between December 31, 1984 and the Closing Date, (ii)(x) exclude the amount of the net change (including any appropriate tax effect) in stockholder's equity in Subsidiaries (excluding the equity of minority interests) operating within the United States between the Closing Date and February 28, 1985, if the Closing Date occurs prior to February 28, 1985, or (y) include such net change (including any appropriate tax effect) between February 28, 1985 and the Closing Date, if the Closing Date occurs after February 28, 1985, and (iii) exclude any Excluded Assets and Liabilities (as hereinafter defined) and any goodwill and other intangibles. As used herein, the term "September Net Book Value" shall mean the amount of stockholder's equity in Chem and Subsidiaries (excluding the equity of minority interests) less the amount of the cumulative foreign currency translation adjustment, as set forth in the Reviewed September Financial Statements (as such term is defined in Section 4.2), which amount shall be increased or decreased, as appropriate, to (i) exclude the effects of any assets or liabilities that are to be retained by Beatrice which are set forth in the Letter (the "Excluded Assets and Liabilities") and any reserves for liabilities for which Beatrice has indemnified Buyer pursuant hereto and (ii) exclude any goodwill and other intangibles, in each case to the extent reflected in the Reviewed September Financial Statements. As used herein, the term "Closing Net Income" shall mean the amount of

combined net income of Chem and Subsidiaries for the year ended February 28, 1985 set forth in the Closing Income Statement, which amount shall be increased or decreased, as appropriate, to (i) exclude the amount of the net change, as compared to the amount as of February 29, 1984, in the allowance for the valuation of inventories under the last-in, first-out (LIFO) method, to the extent that such net change has entered into the determination of combined net income as presented in the Closing Income Statement, (ii) exclude the effect of the difference between the actual currency translation rates used in the determination of combined net income as presented in the Closing Income Statement and the currency translation rates set forth in the Letter; (iii) include, to the extent not otherwise included in the determination of combined net income as presented in the Closing Income Statement, the effect of any reduction (not exceeding \$1,480,000 in the aggregate) in estimated liabilities or reserves as specified in Schedule X to the Letter; (iv) exclude income and expense with respect to Excluded Assets and Liabilities and (v) to take into account appropriate income tax effects with respect to the foregoing inclusions and exclusions. Within 30 days after receipt of the Closing Financial Statements, Buyer shall inform Beatrice of its acceptance thereof or any disagreements with respect thereto. In the latter event, representatives of Beatrice and Buyer shall meet and attempt to resolve such disagreements and agree upon the amount of Closing Net Book Value and Closing Net Income. Buyer shall cause Chem to provide to Beatrice full access to Chem's books, records, facilities and employees, and Buyer shall cause Chem's employees to cooperate fully with Beatrice in the preparation of the Closing Financial Statements. Buyer shall have the right to cause Price Waterhouse to perform a review of the Closing Financial Statements and of the report of Peat Marwick and Buyer and Price Waterhouse shall be provided full access to the working papers prepared (including those prepared by Peat Marwick) in connection with the aforesaid examination, report

and calculations. If Buyer and Beatrice agree upon the Closing Net Book Value and Closing Net Income, such amounts shall serve as the basis for any adjustment to the Purchase Price in accordance with Section 1.4 hereof. If Buyer and Beatrice do not agree upon the Closing Net Book Value or Closing Net Income and (i) the difference in the Closing Net Book Values respectively determined by them is less than \$500,000, Closing Net Book Value shall be deemed to be the average of the Closing Net Book Values respectively determined by Buyer and Beatrice or (ii) the difference in Closing Net Incomes determined by them is less than \$100,000, Closing Net Income shall be deemed to be the average of the Closing Net Incomes respectively determined by Buyer and Beatrice, and such Closing Net Book Value or Closing Net Income, or both, as the case may be, shall serve as the basis for any adjustment to the Purchase Price in accordance with Section 1.4 hereof. If Buyer and Beatrice do not agree upon the Closing Net Book Value or Closing Net Income and the difference in the Closing Net Book Values respectively determined by them is \$500,000 or more or the difference in the Closing Net Incomes respectively determined by them is \$100,000 or more, then a firm of nationally known certified public accountants ("CPA") shall be selected by Buyer and Beatrice (or, failing such selection within 30 days after delivery of the Closing Financial Statements, by the then president of the American Arbitration Association) and be employed to determine such Closing Net Book Value or Closing Net Income, or both, as the case may be. CPA shall have access to all documents and facilities necessary to perform its function. CPA's determination, which shall be made within 30 days after its selection, with respect to the Closing Net Book Value or Closing Net Income, or both, as the case may be, shall be final and binding upon the parties hereto and shall serve as the basis for any related adjustment to the Purchase Price in accordance with Section 1.4 hereof. Beatrice and Buyer shall each pay one-half of the fees and expenses of CPA for such services.

1.4 (a) In the event that Closing Net Book Value is less than September Net Book Value or Closing Net Income is less than \$39,250,000, the Purchase Price shall be reduced by the greater of (i) the amount by which September Net Book Value exceeds Closing Net Book Value and (ii) an amount (not exceeding \$37,000,000) which is equal to the product of (x) the amount by which \$39,250,000 exceeds Closing Net Income multiplied by (y) 18.5, and the amount of such reduction shall be refunded by Seller to Buyer or such Designated Purchasers as Buyer may specify.

(b) In the event that Closing Net Book Value is greater than September Net Book Value, the Purchase Price shall be increased by the amount of such excess, and Buyer shall pay or cause to be paid the amount of such increase to Seller.

(c) Notwithstanding the provisions of subsections (a) and (b) above to the contrary, in the event that the net amount of any such adjustments pursuant to such Section 1.4(a) and (b) is not more than \$500,000, the Purchase Price shall not be adjusted. In the event that the net amount of any such adjustments is \$500,000 or more, the Purchase Price shall be adjusted by the full net amount of such adjustments.

(d) The net amount of any adjustment payment required by Section 1.4(a) or (b) above shall be paid by wire transfer within five (5) days following the determination of the final Closing Net Book Value and Closing Net Income, whether by CPA or by agreement between the parties hereto, as the case may be. The net amount of any adjustment payment shall bear interest from the Closing Date through the date of payment at the prime interest rate of The First National Bank of Chicago in effect from time to time from the Closing Date to the date of payment.

ARTICLE II

Closing

2.1 The completion of the transactions contemplated by this Agreement (the "Closing") shall take place on the Closing Date at the offices of Winston & Strawn, Suite 5000, One First National Plaza, Chicago, Illinois, at 10:00 A.M., local time, or at such other place or time on the Closing Date upon which Buyer and Seller may agree.

2.2 The Closing Date shall be:

(a) the date which is five (5) days (exclusive of Saturdays, Sundays and national holidays) after the date on which the conditions set forth in Articles IX and X hereof are satisfied; or

(b) such other date as Buyer and Seller may agree upon in writing.

2.3 The parties shall use their best efforts to effect the Closing on or before February 28, 1985. If the Closing shall not occur on or prior to June 30, 1985, or such later date upon which Buyer and Seller may agree in writing, this Agreement shall terminate upon written notice of such termination given by either party hereto not then in default hereunder in any material respect to the other at any time after June 30, 1985, or such later date, as the case may be, and thereupon this Agreement shall become null and void and no party hereto will have any further rights or obligations hereunder other than rights and obligations arising during or with respect to any period prior to such termination.

2.4 At the Closing:

(a) Buyer shall deliver or cause to be delivered to Seller (i) the payment provided to be made under Section 1.2 by wire transfer of immediately available funds to an account designated by Seller prior to the Closing Date and (ii) the opinions and certificates referred to in Article X; and

(b) Beatrice and Seller shall deliver or cause to be delivered to Buyer or the Designated Purchasers, as Buyer may have specified in accordance with Section 1.1, (i) certificates representing the Shares and the Stock of all Designated Subsidiaries, as Buyer may have specified in accordance with Section 1.1, which certificates shall be either duly endorsed in blank or accompanied by a stock power duly executed in blank and shall be accompanied by an amount of cash or other funds acceptable to Buyer equal to any transfer taxes required to be paid on the transfer of the Shares; (ii) the opinions and certificates referred to in Article IX; and (iii) the written resignation of all directors and officers of BEK and the Company and of each director of Chem or any Subsidiary and of each officer of Chem or any Subsidiary who, after the Closing, will be employed by Beatrice and each of whom is identified in the Letter.

ARTICLE III

Joint Covenants

3.1 Beatrice, Seller and Buyer shall complete and file all reports, forms and supplements thereto as required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations thereunder (the "1976 Act") as promptly as practicable.

3.2 Beatrice, Seller and Buyer shall, and Beatrice and Seller shall cause BEK, the Company, Chem and the Subsidiaries to, cooperate and use their best efforts to prepare and file all applications and other instruments or documents as promptly as practicable and to act thereafter with all reasonable diligence in order to obtain such approvals, consents, authorizations, waivers and permits from any person, firm, corporation or governmental or other entity as may reasonably be necessary or appropriate in order to enable Buyer and the Designated Purchasers to acquire the

Shares and Stock of Designated Subsidiaries in the manner provided herein and to enable BEK, the Company, Chem and each Subsidiary to carry on and conduct their respective businesses subsequent to the Closing in the same manner as they were carried on and conducted prior to the Closing, without any conditions or restrictions which Buyer might reasonably consider to be material and adverse.

3.3 (a) The Letter sets forth a list of each action or proceeding pending before any court or governmental or administrative authority to which Beatrice (as regards the business of Chem and its Subsidiaries), BEK, the Company, Chem or any Subsidiary is a party. Effective upon the Closing, Beatrice shall indemnify Buyer, the Designated Purchasers, BEK, the Company, Chem and Subsidiaries (collectively, the "Indemnified Parties") against and shall be responsible for defending, and shall at Buyer's request defend, all such actions and proceedings pending on the Closing Date ("Existing Litigation"), to which Beatrice, BEK, the Company, Chem or any Subsidiary is a party and, except as set forth below, for satisfying all debts, obligations, losses, liabilities, attorneys' fees, costs, expenses, fines, damages, settlements, judgments or similar liabilities (collectively, "Liabilities and Expenses") resulting therefrom as the same are incurred. Buyer shall cause Chem and each Subsidiary to cooperate with Beatrice in its defense of such Existing Litigation, to make available to Beatrice such personnel and records as Beatrice may reasonably request in connection therewith and to permit Beatrice access to the property of Chem and the Subsidiaries for the purpose of inspecting the same and conducting whatever tests it may reasonably deem necessary in connection therewith. If any judgment against Beatrice, Chem or any Subsidiary in any such Existing Litigation requires that any modification be taken under any statute, rule or regulation relating to health, safety or environmental standards or controls with respect to Chem's or any such Subsidiary's current production process or that any device, system,

facility or other process improvement be installed or made under any statute, rule or regulation relating to health, safety or environmental standards or controls with respect to its current property, plant or equipment, in order to conform to regulatory health, safety or environmental controls or standards in effect at the time, Buyer shall cause Chem or any such Subsidiary, as the case may be, without expense to Beatrice, to take such action or install or make such improvement.

(b) Effective upon the Closing, the Designated Purchasers shall be responsible for defending, and Buyer shall defend or cause the Designated Purchasers, BEK, the Company, Chem or a Subsidiary to defend, all actions and proceedings before any court or governmental or administrative authority relating to environmental, environmental or occupational health or environmental or occupational safety or similar matters (including personal injury, nuisance and similar actions or proceedings to the extent arising from any such matters or similar matters) ("New Litigation") commenced after the Closing Date whether or not the event or events or condition or conditions giving rise thereto occurred prior to, or existed on, the Closing Date, to which Beatrice (as regards the business of Chem and its Subsidiaries), BEK, the Company, Chem, any Subsidiary, the Buyer or any Designated Purchaser is a party; provided, however, that Beatrice shall indemnify the Indemnified Parties against all New Litigation Liabilities and Expenses, as the same are incurred, to the extent such New Litigation Liabilities and Expenses are attributable to events or conditions occurring or existing on or prior to the Closing Date except that Beatrice's indemnification obligation under this Section 3.3(b) shall not apply to New Litigation Liabilities and Expenses to the extent they are materially increased by and arise from the exacerbation after the Closing Date by Chem or any Subsidiary of the event or condition giving rise to such New Litigation Liability and Expense.

(c) Effective upon the Closing, Beatrice shall indemnify the indemnified Parties against all Liabilities and Expenses (as incurred) resulting from, and shall be responsible for defending, and shall at Buyer's request defend, all actions and proceedings commenced after the Closing Date relating to product liability or personal injury arising out of property damage or personal injury caused by defective or allegedly defective products of Chem or any Subsidiary for which the initial causative event (other than manufacture or sale) occurred on or prior to the Closing Date ("Other Litigation").

(d) Beatrice or Buyer, as the case may be, shall give the other prompt written notice of all Existing, New or Other Litigation pending on, or commenced after, the Closing Date which may result in an obligation being imposed upon the other party under the provisions hereof. The party responsible hereunder for defending any Existing, New or Other Litigation shall defend same with counsel reasonably satisfactory to the other party and shall not settle or compromise any such Existing, New or Other Litigation for which the other party may be responsible without the prior written consent of the other party (which consent shall not be unreasonably withheld). Each party will cooperate with the other in defending all such Existing, New or Other Litigation and each shall permit the other to participate in such defense.

3.4 On or before January 31, 1985 Buyer will inform Beatrice whether or not it is willing to structure the transaction contemplated hereby in the manner referred to in the second recital to this Agreement. If Buyer is so willing, prior to Closing, the parties shall amend this Agreement on mutually beneficial terms as necessary to reflect such structuring and Beatrice will cause the necessary steps to be taken in order to accomplish same. Among other things, such amendment and steps will result in BEK owning all of the issued and outstanding shares of Esmark; BEK

having no other asset and no liabilities; Esmark having redeemed all of its presently outstanding shares, other than those owned by BEK; Esmark having no assets other than the Transitory Shares; and Esmark having no liabilities, other than contingent liabilities as to which Beatrice will fully indemnify the Indemnified Parties against any loss, damage or expense, other than certain obligations relating to long-term indebtedness for borrowed money.

If Buyer is not so willing (in its sole discretion and for any reason whatsoever), prior to the Closing, (i) Beatrice shall cause Esmark to redeem all shares of Esmark owned by BEK in exchange for the Transitory Shares and the terms and provisions hereof shall not be amended and (ii) Beatrice shall reimburse Buyer for Buyer's out-of-pocket expenses (not exceeding \$250,000 without Beatrice's prior consent) incurred in connection with its consideration of the matters referred to in this Section 3.4.

ARTICLE IV

Covenants of Beatrice

4.1 Beatrice shall furnish Buyer with all documents, reports and other information and data (including financial statements) covering BEK, the Company, Chem or any Subsidiary as Buyer may reasonably request or be required to submit to or file with any person, firm, corporation or governmental or other entity in connection with this Agreement or the transactions contemplated hereby.

4.2 Beatrice shall at all reasonable times prior to the Closing make the plants, properties, books of account and records of BEK, the Company, Chem and each Subsidiary available for examination and inspection by Buyer and its agents and representatives and give Buyer access to the employees of Chem and each Subsidiary, and Buyer and its agents and representatives shall have the right to audit the books

and records of BEK, the Company, Chem and each Subsidiary prior to the Closing Date. Beatrice shall promptly cause Peat Marwick to conduct, in accordance with generally accepted auditing standards, an examination of the Financial Statements, other than the balance sheet at February 28, 1982 and the September Financial Statements. Beatrice shall cause such report of Peat Marwick to be delivered to Buyer no later than January 31, 1985 and such report shall state that such examined financial statements (the "Audited Financial Statements") present fairly the combined financial position of Chem and Subsidiaries as of the last day of February 1984 and 1983 and the combined results of operations for each of the years in the three-year period ended February 29, 1984, in conformity with generally accepted accounting principles (except as disclosed in the notes to the Audited Financial Statements, which exceptions shall not be materially different from the exceptions disclosed in the corresponding Financial Statements), applied on a basis consistent with that used in the preparation of the Financial Statements. Beatrice shall cause Peat Marwick to conduct a limited review of the September Financial Statements, which limited review shall be conducted in accordance with the standards established by the American Institute of Certified Public Accountants for such review of interim financial statements. Beatrice shall cause the report of Peat Marwick to be delivered to Buyer no later than January 31, 1985 and such report shall state that Peat Marwick is not aware of any material modifications that should be made to such September Financial Statements (the "Reviewed September Financial Statements"; the reviewed Balance Sheet forming a part thereof being referred to as the "Reviewed September Balance Sheet") for them to be in conformity with generally accepted accounting principles (except as disclosed in the notes to the Reviewed September Financial Statements, which exceptions shall not materially differ from the exceptions set forth in the September Financial Statements). No such examination, inspection, review or audit by

Peat Marwick, Buyer or its agents and representatives shall in any way diminish, terminate or otherwise affect any of the warranties, representations, covenants or agreements of Beatrice or Seller contained in this Agreement or in any certificate, or other document furnished or to be furnished by Beatrice or Seller in connection with this Agreement.

4.3 Pending the Closing, Beatrice shall cause Chem and each Subsidiary to use its best efforts to preserve and protect its goodwill, business, rights, licenses, permits, authorizations, properties and assets; to keep available the services of its present employees, and to preserve and protect its relationships with employees, creditors, suppliers, distributors, licensors, licensees, customers and others having business relationships with it. Beatrice, upon becoming aware (and upon BEK's, the Company's, Chem's or any Subsidiary's becoming aware) thereof, shall promptly notify Buyer in writing of any material adverse change of the type described in Section 7.11(a) which may hereafter occur or become likely to occur, whether or not covered by insurance, or with respect to relationships between Chem or any Subsidiary and its employees, creditors, suppliers, distributors, licensors, licensees, customers or others having business relationships with Chem or such Subsidiary.

4.4 Pending the Closing, Beatrice shall, subject to any exceptions thereto set forth in the Letter,

(a) Cause Chem and each Subsidiary to conduct and carry on their respective business affairs only in the ordinary and regular course;

(b) Not permit Chem or any Subsidiary to alter or change materially its method of operation or to amend or otherwise modify its charter or by-laws;

(c) Not permit Chem or any Subsidiary to (i) sell, issue or otherwise dispose of any shares of capital stock or any other securities of it or of any Subsidiary,

(ii) acquire (through redemption or otherwise) any shares of capital stock or any other securities of it or of any Subsidiary or (iii) sell, grant, issue or otherwise dispose of any options, warrants or other rights to acquire any shares of capital stock or any other securities of it or of any Subsidiary;

(d) Not engage, or permit any subsidiary or affiliate of Beatrice (other than BEK, the Company, Chem or a Subsidiary) to engage, in any transaction with Chem or any Subsidiary except for (i) the payment of cash dividends and dividends of Excluded Assets, (ii) the furnishing of centralized processing and management for insurance, personnel, employee benefits and other functions in the ordinary and regular course of business consistent with past practice, (iii) those necessary to effectuate the corporate reorganization described in the Letter and (iv) the provision, on terms no less favorable to Chem and the Subsidiaries than at arm's length, of goods and services in the ordinary course of business;

(e) Not permit Chem or any Subsidiary to purchase or otherwise acquire or sell, mortgage, pledge or otherwise dispose of any of its properties or assets, except for the purchase or other acquisition or sale or other disposition of personal property in the ordinary and regular course of business consistent with past practice; provided, however, that in any event, Beatrice shall give Buyer prior notice of any capital expenditure or commitment therefor, or group of related capital expenditures or commitments, in excess of \$100,000 and will not permit any such expenditure or commitment without the consent of Buyer;

(f) Not permit BEK, the Company, Chem or any Subsidiary to merge or consolidate with any other person, firm, corporation or other entity;

(g) Not permit BEK, the Company, Chem or any Subsidiary to enter into or become obligated under any agreement or commitment, or to change, amend, terminate or otherwise modify any agreement or commitment to which it is a party or

by which it or its assets are bound, except agreements or commitments entered into or obligated under or changed, amended, terminated or otherwise modified in the ordinary and regular course of business consistent with past practice;

(h) Cause BEK, the Company, Chem and each Subsidiary to afford the Buyer full access to, but otherwise to preserve and protect the confidentiality of, all proprietary and other confidential information of BEK, the Company, Chem and each Subsidiary and not to waive or surrender any valuable right;

(i) Not permit BEK, the Company, Chem or any Subsidiary to agree to take any of the actions specified in the preceding clauses (b) through (h) of this Section 4.4; and

(j) Maintain, and cause Chem and each Subsidiary to maintain, in full force and effect policies of insurance and self-insurance arrangements of the same type, character and coverage as the policies of insurance and self-insurance arrangements presently in effect for the benefit of Chem or any Subsidiary.

ARTICLE V

Deliveries of Financial Statements, The Letter and Other Documents

5.1 Beatrice and Seller jointly and severally represent and warrant to Buyer and the Designated Purchasers that they have heretofore delivered to Buyer:

(a) The unaudited combined balance sheet of Chem and Subsidiaries as of the last day of February 1982, 1983 and 1984 and the related unaudited combined statement of earnings and cash flow for the years then ended; and the unaudited combined balance sheet of Chem and Subsidiaries as of September 30, 1983 and 1984 and the related unaudited combined statement of earnings and cash flow for the periods of seven months then ended. The foregoing financial statements are herein,

together notes thereto, referred to as the "Financial Statements." The unaudited combined balance sheet of Chem and Subsidiaries as of September 30, 1984 is herein referred to as the "Balance Sheet"; the term "Balance Sheet Date" as used herein shall mean September 30, 1984; the term "September Income Statement" means the unaudited combined statement of earnings of Chem and Subsidiaries for the seven months ended the Balance Sheet Date, and the term "September Financial Statements" means such financial statements as of and for the seven months ending September 30, 1984.

(b) A draft disclosure memorandum (subject to Section 5.1, the "Letter") of even date herewith addressed to Buyer and signed by Beatrice and Seller;

(c) A copy of the Certificate of Incorporation (as now in effect) of BEK, the Company, Chem and each Subsidiary incorporated in the United States, and copies of all material documents effecting or otherwise relating to the reorganization referred to in Section 4.4(d)(iii); and

(d) A copy of the by-laws (as now in effect) of BEK, the Company, Chem and each Subsidiary incorporated in the United States.

5.2 Buyer has heretofore delivered to Beatrice and Seller a copy of all resolutions adopted by the Board of Directors of Buyer authorizing the execution and delivery of this Agreement by Buyer and the consummation of the transactions contemplated hereby, certified by the Secretary of Buyer.

5.3 Beatrice shall deliver to Buyer, within 10 days after the date hereof, a definitive disclosure memorandum which, unless Buyer shall have notified Beatrice within 10 days after such delivery that such memorandum differs in any material respect from the draft disclosure memorandum delivered pursuant to Section 5.1(b), shall for all purposes of this Agreement be deemed the Letter.

ARTICLE VI

Warranties, Representations and
Covenants Regarding Beatrice, Seller, BEK and the Company

Beatrice and Seller, jointly and severally, warrant and represent, subject to any exceptions thereto specifically set forth in the Letter, to, and covenant with, Buyer and the Designated Purchasers that:

6.1 (a) Each of Beatrice, Seller, BEK and the Company is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware; and

(b) Each of Beatrice and Seller has all requisite power and authority to enter into and perform and carry out this Agreement and the transactions contemplated hereby, has taken all requisite action to authorize the execution and delivery of this Agreement and the performance and consummation of the transactions contemplated hereby and has duly executed and delivered this Agreement; and this Agreement is binding upon and enforceable against each of Buyer and Seller in accordance with its terms.

6.2 (a) The total number of shares of capital stock, and the class and par value thereof, which each of BEK and the Company is authorized to issue are set forth in its Certificate of Incorporation;

(b) The issued and outstanding shares of capital stock of each of BEK and the Company consist of 1,000 shares of common stock, all of which have been duly authorized and validly issued, are fully paid and nonassessable, and have not been issued in violation of, and are not subject to, any preemptive rights; and there are no voting trust agreements or other contracts, agreements, arrangements, commitments, plans or understandings restricting or otherwise relating to voting, transfer, dividend or other rights with respect to capital stock of the Company or BEK;

(c) As of the time of the Closing, Seller will own and have the right to transfer to Buyer and the Designated Purchasers hereunder the Shares, and upon delivery of certificates representing the Shares and payment therefor in accordance with Section 2.4 (assuming Buyer and the Designated Purchasers do not have knowledge which would cause them not to be bona fide purchasers) Buyer or the Designated Purchasers, as the case may be, will have acquired good and marketable title to the Shares, in each case free and clear of any lien, charge, encumbrance, security interest, restriction (other than restrictions under securities laws) or any other right of others or other adverse interest; and

(d) There are not outstanding any (i) securities of the Company or BEK which are, or which may become, convertible into or exchangeable for any shares of capital stock or any other securities of the Company or BEK or (ii) subscriptions, options, warrants or any preemptive or other rights which entitle any person, firm, corporation or other entity at any time to acquire from the Company or BEK any shares of capital stock or any other securities of the Company or BEK.

6.3 Neither the Company nor BEK is in default in any material respect under any instrument or agreement to which it is a party or by which it is bound and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute such a default thereunder. The consummation of the transaction contemplated hereby will not, with the lapse of time or giving of notice, or both, constitute a default in any material respect under any instrument or agreement to which BEK or the Company is a party or by which it or any of its assets is bound.

6.4 As of the time of Closing, (a) the only asset of BEK will be the Transitory Shares which BEK will own, and have good and marketable title to, free and clear of any lien, charge, encumbrance, security interest, restriction (other than

restrictions under securities laws) or any other right of others or other adverse interest, (b) the only asset of the Company will be the outstanding capital shares of Chem which the Company will own, and have good and marketable title to, free and clear of any lien, charge, encumbrance, security interest, restriction (other than restriction under securities laws) or any other right of others or other adverse interest, (c) there will be no liabilities of the Company or BEK of any nature (whether accrued, absolute, contingent or otherwise and whether or not known) and (d) neither BEK nor the Company will have any employees.

6.5 Beatrice and Seller shall, jointly and severally, pay, honor and discharge all liabilities of BEK and the Company of any nature (whether accrued, absolute, contingent or otherwise and whether or not known) existing as of or arising during or with respect to any period ending at or before the Closing, as and when they become due and payable and, jointly and severally, indemnify Buyer, the Designated Purchasers, BEK, the Company, Chem and the Subsidiaries against all such liabilities and any loss, damage or expense relating thereto.

6.6 Since the date of its organization, none of BEK, the Company or Chem has conducted any operations or engaged in any business or transactions, other than transactions necessary to effectuate the corporate reorganization referred to in Section 4.4(d)(iii) and, in the case of the Company, the acquisition of the capital stock of Chem and, in the case of BEK, those relating to BEK's being one of the corporate entities used by Beatrice to implement its acquisition in 1984 of all of the outstanding shares of capital stock of Esmark, Inc. pursuant to a tender offer and statutory merger and BEK's acquisition of the Transitory Shares. None of BEK, the Company or Chem has been required to file any tax returns or has prepared any audited financial statements.

ARTICLE VII

Warranties and Representations
Regarding Chem and its Subsidiaries

Beatrice and Seller, jointly and severally, warrant and represent, subject to any exceptions thereto specifically set forth in the Letter, to Buyer and the Designated Purchasers that:

7.1 (a) Chem is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware, and is in good standing as a foreign corporation and licensed and qualified to transact business in each jurisdiction wherein the nature of the property owned by it or the business transacted by it requires it to be licensed or qualified to do business as a foreign corporation, except those jurisdictions, if any, in which the failure to so qualify would not have a material adverse effect on its property or business;

(b) Each Subsidiary is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation set forth in the Letter, and each is in good standing as a foreign corporation and licensed and qualified to transact business in each jurisdiction wherein the nature of the property owned by it or the business transacted by it requires it to be licensed or qualified to do business as a foreign corporation, except those jurisdictions, if any, in which the failure to so qualify would not have a material adverse effect on its property or business; and

(c) Chem and each Subsidiary have and hold the corporate right and power and all rights, privileges, franchises, immunities, licenses, permits, authorizations and approvals (governmental or otherwise) material to the ownership and operation of their respective properties and the conduct of their respective businesses.

7.2 (a) The total number of shares of capital stock, and the class and par value thereof, which Chem and each Subsidiary is authorized to issue, the number and class of such shares which are issued and outstanding, the number and class of such shares owned by the Company, Chem or a Subsidiary, as the case may be, and the owner thereof, are set forth in the Letter.] Holders (including, to the extent known, beneficial holders) of outstanding shares of a Subsidiary not owned by Chem or another Subsidiary, and the class and number of such shares so held, are identified in the Letter;

(b) There are not outstanding any (i) securities of Chem or any Subsidiary which are, or which may become, convertible into or exchangeable for any shares of capital stock or any other securities of Chem or any Subsidiary or (ii) subscriptions, options, warrants or preemptive or other rights which entitle any person, firm, corporation or other entity to acquire at any time from Chem or any Subsidiary any shares of capital stock or any other securities of Chem or any Subsidiary; and

(c) The issued and outstanding shares of capital stock of Chem and each Subsidiary have been duly authorized and validly issued, are fully paid and nonassessable, are owned by the Company, Chem or a Subsidiary, as indicated in the Letter, with good and marketable title free and clear of any lien, charge, encumbrance, security interest, restriction (other than restrictions under securities laws) or any other right of others or other adverse interest, and have not been issued in violation of, and are not subject to, any preemptive rights; and there are no voting trust agreements or other contracts, agreements, arrangements, commitments, plans or understandings restricting or otherwise relating to transfer, voting, dividend or other rights with respect to the outstanding shares of capital stock of Chem or any Subsidiary. [The transferor or transferors at the Closing of Stock of Designated

Subsidiaries will at such time own and have the right to transfer to Buyer and the Designated Purchasers hereunder such Stock of Designated Subsidiaries and, upon delivery of the certificates for such Stock of Designated Subsidiaries and payment therefor in accordance with Section 2.4 (assuming Buyer and the Designated Purchasers do not have knowledge which would cause them not to be bona fide purchasers), Buyer or the Designated Purchasers, as the case may be, will have acquired good and marketable title to such Stock of Designated Subsidiaries, in each case free and clear of any lien, charge, encumbrance, security interest, restriction (other than restrictions under securities laws) or any other right of others or other adverse interest.]

7.3 The Financial Statements were, except as otherwise disclosed in the notes thereto, prepared in accordance with generally accepted accounting principles consistently applied and present fairly the combined financial position of Chem and its Subsidiaries as of the dates thereof and the combined results of operations of Chem and its Subsidiaries for the years and periods covered thereby.

7.4 [Chem and the Subsidiaries have good and marketable title to, or a valid leasehold interest in, all the properties and assets that they purport to own] or have a leasehold interest in, including, without limitation, all the properties and assets reflected on the Balance Sheet and all properties and assets purchased since the Balance Sheet Date, subject to no liens, charges, encumbrances, security interests or any other rights of others or other adverse interests of any kind except (a) as otherwise disclosed in the Financial Statements, (b) as to personal property only, as the same may have been sold or otherwise disposed of after the Balance Sheet Date in the ordinary and regular course of business consistent with past practice, (c) the lien of current taxes not yet due and payable and (d) such imperfections of title, liens and easements as do not materially detract from or interfere with the present or currently

proposed use of the properties subject thereto or affected thereby or materially detract from the value thereof, or otherwise materially impair present or currently proposed business operations at such properties.

7.5 Neither Beatrice nor any subsidiary or affiliate of Beatrice, or any employee thereof, other than BEK, the Company, Chem and the Subsidiaries, nor any employee of, BEK, the Company, Chem or any Subsidiary (a) has any direct or indirect interest in any right, property or asset which is utilized or required by Chem or any Subsidiary in the conduct of its business or (b) has any contractual relationship with Chem or any Subsidiary, except (i) normal trade relationships in the ordinary and regular course of business at arm's length and consistent with past practice and (ii) the furnishing by Beatrice to Chem or any such Subsidiary of the centralized processing and management and other functions referred to in Section 4.4(d)(ii), the charges for which services, as set forth in the Financial Statements, reflect approximately the aggregate fair market value thereof, recognizing that Beatrice's size gives it the ability to spread administrative overheads over a larger grouping of businesses and employees thereby possibly resulting in lower charges to Chem and any such Subsidiary as compared to charges which may be incurred if Chem or the Subsidiaries had obtained these functions on their own.

7.6 Except for the stock of Subsidiaries, neither Chem nor any Subsidiary owns any capital stock or other securities, or any other direct or indirect equity interest in, any person, firm, corporation or other entity (including any association, trust, joint venture or partnership).

7.7 (a) The accounts, notes and other receivables which are reflected on the Balance Sheet were acquired in the ordinary and regular course of business and are collectible in the ordinary course of business consistent with past practice subject to the allowance for doubtful accounts on the Balance Sheet; and all accounts, notes

and other receivables acquired by Chem or any Subsidiary since the Balance Sheet Date and prior to the Closing have been or will be acquired in the ordinary and regular course of business consistent with its regular credit practices, and will be collectible in the ordinary course of business consistent with past practice subject to the allowance for doubtful accounts in the Closing Balance Sheet; and

(b) The inventories which are reflected on the Balance Sheet were purchased or acquired in the ordinary and regular course of business and in a manner consistent with the regular inventory practices of Chem and each Subsidiary and, with only immaterial exceptions, have been or will be used or sold in the ordinary and regular course of business and in a manner consistent with their regular inventory practices. The inventories on the Balance Sheet were priced as disclosed in the notes to the Balance Sheet and were (as to classes of items inventoried and methods of accounting and pricing) determined in a manner consistent with prior years. The inventories which have been purchased or acquired by Chem or any Subsidiary since the Balance Sheet Date were purchased or acquired in the ordinary and regular course of business and in a manner consistent with its regular inventory practices and, with only immaterial exceptions, have been or will be used or sold in the ordinary and regular course of business and in a manner consistent with its regular inventory practice.

7.8 (a) The Letter contains a schedule setting forth each significant parcel of real estate in which Chem or any Subsidiary has any right, title or interest (including leasehold interests) and the nature of such right, title or interest. Chem and each Subsidiary enjoys peaceful possession of all such real estate owned or leased by them; and

(b) None of the buildings, structures or improvements located on any parcel of real estate owned or leased by Chem or any Subsidiary, or any use

thereof, is the subject of any governmental complaint or notice of violation of any applicable health, safety, environmental, zoning or building code, ordinance, law or regulation and, to the knowledge of Beatrice, Seller, BEK, the Company, Chem or any Subsidiary, no such violation exists which materially detracts from or interferes with the present or currently proposed use of such properties or materially detracts from the value thereof or materially impairs the current or currently proposed operations thereof; and there is no health, safety, environmental, zoning or building code, ordinance, law or regulation, use or occupancy restriction or condemnation action or proceeding or other development pending, or, to the knowledge of BEK, Beatrice, Seller, the Company, Chem or any Subsidiary, threatened or affecting any such building, structure or improvement on, or use of, any such parcel of real estate which does or would materially detract from or interfere with the current or currently proposed use of such properties or materially detract from the value thereof or materially impair the current or currently proposed operations thereof.

7.9 (a) Chem and each Subsidiary own or have the right to use without payment to or interference from any other party all inventions, processes, know-how, formulae, trade secrets, patents, trademarks, trade names, brand names and copyrights utilized in the business of Chem or such Subsidiary, and no other inventions, processes, know-how, formulae, trade secrets, patents, trademarks, trade names, brand names, copyrights, licenses or applications are necessary for the conduct of the business of Chem or any Subsidiary as now conducted. The interests of Chem and each Subsidiary in and to all such inventions, processes, know-how, formulae, trade secrets, patents, trademarks, trade names, brand names and copyrights are free and clear of any and all liens, charges, encumbrances, security interests or any other rights of others or other adverse interests, and such inventions, processes, know-how, formulae, trade secrets, patents, trademarks, trade names, brand names and copyrights are not

currently being challenged in any way and are not involved in any pending, or, to the knowledge of Beatrice, Seller, BEK, the Company, Chem or any Subsidiary, threatened, interference, opposition or other action or proceeding; and

(b) The manufacture, use and sale by Chem and each Subsidiary of their respective products, the use by Chem and each Subsidiary of their respective machinery, equipment and processes, the use by the customers of Chem and each Subsidiary of their respective products for the purposes for which sold, and the use by Chem and each Subsidiary of their respective inventions, processes, know-how, formulae, trade secrets, patents, trademarks, trade names, brand names, copyrights and advertising, technical or other literature, do not infringe upon or conflict with any patent, trademark, trade name, brand name, copyright or other proprietary right of others; and none of Beatrice, BEK, Seller, the Company, Chem or any Subsidiary has knowledge of any claim of any such infringement or conflict, or any such infringement of or conflict with, any rights of Chem or any Subsidiary by others.

7.10 All rights, properties and assets utilized or necessary in the conduct of the business of Chem or any Subsidiary which are material to its current operations are either owned by Chem or the Subsidiary utilizing or requiring such right, property or asset, or licensed or leased to Chem or such Subsidiary, and all such properties and assets are, with only immaterial exceptions, fit for the purposes for which they were intended and in good operating condition and repair, ordinary wear and tear excepted.

7.11 Since the Balance Sheet Date:

(a) There has been no material adverse change in the condition (financial or otherwise), results of operations, properties, assets, liabilities, rights, business, operations or prospects of Chem or any Business Unit (as hereinafter defined) nor has there been any adverse change in the relationships of Chem and the Subsidiaries with respect to their respective employees, creditors, suppliers,

distributors, licensees, licensors, customers or others with whom they have business relationships which would have such a material adverse effect on Chem or any Business Unit, and none of Beatrice, Seller, BEK, the Company, Chem or any Subsidiary has knowledge of any existing or probable event or condition which may cause any such material adverse change;

(b) The business and affairs of Chem and each Subsidiary have been conducted and carried on only in the ordinary and regular course consistent with past practice;

(c) Neither BEK, the Company, Chem nor any Subsidiary has acquired (through redemption or otherwise) any capital stock or other securities of BEK, the Company, Chem or any Subsidiary except pursuant to the reorganization referred to in Section 4.4(d)(iii);

(d) Neither Chem nor any Subsidiary has purchased or otherwise acquired or sold, mortgaged, pledged or otherwise disposed of any of its properties or assets or any interest therein, except for the purchase or other acquisition or sale or other disposition of personal property in the ordinary and regular course of business consistent with past practice and except for transfers necessary to effectuate the corporate reorganization referred to in Section 4.4(d)(iii);

(e) Neither Chem nor any Subsidiary has materially altered or changed its methods of operation or changed, amended or otherwise modified its charter or by-laws;

(f) There has been no change made in the rate or nature of compensation payable by Chem or any Subsidiary to any of its employees, except in the ordinary and regular course of business, and there has been no material change in any bonus, insurance, pension or other employee benefit plan or arrangement or employment or personnel policies of Chem or any Subsidiary; and

(g) Neither BEK, the Company, Chem nor any Subsidiary has agreed to take any of the actions specified in the preceding clauses (c) through (f) of this Section 7.11.

7.12 On the Balance Sheet Date, Chem and the Subsidiaries did not have any liabilities of any nature (whether accrued, absolute, contingent or otherwise) except for Excluded Liabilities and liabilities which were fully disclosed, reflected or accrued in the Letter or on the Balance Sheet or which were not so disclosed, reflected or accrued in the Balance Sheet solely because of the differences, set forth in the notes to the Financial Statements, from generally accepted accounting principles followed in the preparation of the Balance Sheet or which are of a type not required (other than by reason of contingency) to be reflected in a balance sheet (or the notes thereto) in accordance with such principles. Since the Balance Sheet Date, Chem and the Subsidiaries have not incurred any liabilities of any nature (whether accrued, absolute, contingent or otherwise), except those incurred in the ordinary and regular course of business consistent with past practice.

7.13 There is no litigation at law or in equity, no arbitration proceeding and no proceeding or investigation before or by any commission, agency or other administrative or regulatory body or authority pending, and, to the knowledge of Beatrice, Seller, BEK, the Company, Chem and any Subsidiary there is no such litigation, proceeding or investigation threatened or any basis therefor, against or affecting the properties, assets, rights or business of Chem or any Subsidiary which, either individually or in the aggregate, if adversely determined, might materially and adversely affect the business, operations, assets, liabilities, rights, business, prospects, results of operations, properties or the condition, financial or otherwise, of Chem or any Business Unit, nor is there any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator

outstanding against Chem or any Subsidiary, having, or which, insofar as can be foreseen, in the future may have, either individually or in the aggregate, any such effect or which would apply to Buyer or any subsidiary or affiliate of Buyer (other than Chem or any Subsidiary).

7.14 (a) Except for normal purchase and sale agreements and commitments for personal property entered into in the ordinary and regular course of business consistent with past practice and other contracts, agreements and arrangements entered into in the ordinary and regular course of business consistent with past practice which individually and in the aggregate are not material to Chem or any Business Unit, neither Chem nor any Subsidiary is a party to or obligated under any agreement or commitment, oral or written, of any nature, including, without limitation, any relating to: any purchase or sale; any guaranty; any dealership; distributorship or franchise; any power of attorney; patent, trademark or license, either as a licensor or licensee; any lease, either as lessor or lessee; any indenture, deed of trust, mortgage or chattel mortgage; any conditional sale; any labor or collective bargaining; any deferred compensation; employment; or any right or option to purchase or sell or otherwise dispose of any rights, properties or assets or to compete in any place or line of business or with any person or entity. All material agreements and commitments to which Chem or any Subsidiary is a party or by which Chem or any Subsidiary is obligated are valid and in good standing and are in full force and effect; and

(b) Neither Chem nor any Subsidiary or, to the knowledge of Beatrice, Seller, BEK, the Company, Chem or any Subsidiary, any other party thereto is in breach of or default under or in any failure to comply with any material agreement or commitment to which Chem or any Subsidiary is a party or under which Chem or any Subsidiary is obligated; and, to the knowledge of Beatrice, Seller, BEK,

the Company, Chem or any Subsidiary, there has not occurred any event which does or which, after the giving of notice, or the lapse of time or otherwise, would constitute a default under, or result in a breach or acceleration of, any such material agreement or commitment.

7.15 a) Chem and each Subsidiary have filed all federal, foreign, state and local tax returns, reports and estimates for all years and periods (and portions thereof) for which any such returns, reports or estimates were due and all such returns, reports and estimates were prepared in the manner required by applicable law and all taxes shown thereby to be payable have been paid, and there is no liability for any Taxes (as defined in Section 11.3 hereof) due in connection with any such return. Except to the extent reflected in the Letter or the Closing Balance Sheet, no deficiency for any such Taxes has been proposed, asserted or assessed against BEK, the Company, Chem or any Subsidiary;

(b) The federal income tax returns of Beatrice have been examined by the Internal Revenue Service for all periods to and including the taxable year ended February 29, 1976 and all deficiencies asserted as a result of such examinations have been paid or finally settled. There are no liens for federal or state income taxes upon the assets of Chem or any Subsidiary except liens for current federal and state income taxes not yet due. Neither Beatrice, Seller, BEK, the Company, Chem nor any Subsidiary has filed a consent to the application of Section 341(f) of the Internal Revenue Code of 1954, as amended (the "Code"); and

(c) Chem and each Subsidiary have withheld amounts from their respective employees and have filed all federal, foreign, state and local returns and reports with respect to employee income tax withholding and social security and unemployment taxes, in compliance with the tax withholding provisions of the Code and other applicable federal, foreign, state or local laws.

7.16 Hours worked by, and payments made to, employees of Chem and each Subsidiary have been in compliance in all material respects with the Fair Labor Standards Act and other applicable federal, foreign, state or local laws.

7.17 There are no material controversies pending or threatened between Chem or any Subsidiary and any of their employees, or any labor union or other organization representing or claiming to represent such employees' interests. No union organizing or election activities involving any non-union employees of Chem or any Subsidiary are in progress or, to the knowledge of Beatrice, Seller, BEK, the Company, Chem or any Subsidiary, threatened.

7.18 (a) The U.S. Subsidiary Plans, BRIP and the ESOP (as hereinafter defined) and the plans referred to in the Letter are the only employee benefit plans within the meaning of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") that cover any employees of BEK, the Company, Chem or of any Subsidiary. All such plans, other than Multiemployer Plans (as hereinafter defined), that are subject to ERISA (the "U.S. Employee Plans") have been administered in compliance with applicable laws and regulations in all material respects, no civil or criminal action brought pursuant to Part V of Title I of ERISA is pending or, to the knowledge of Beatrice, BEK, Seller, the Company, Chem or any Subsidiary, is threatened against any fiduciary of any U.S. Employee Plan in connection with any transaction involving such Plan, and neither Beatrice, BEK, Seller, the Company, Chem or any Subsidiary nor the directors or employees of any of them have been involved in any prohibited transaction with respect to such Plans. With respect to all such plans that are subject to ERISA and which are multiemployer plans within the meaning of Section 3(37) of ERISA (the "Multiemployer Plans"), BEK, the Company, Chem and each Subsidiary have fulfilled all of their respective obligations arising in connection with such Plans and no legal proceeding is pending, or, to the knowledge of

Beatrice, Seller, BEK, the Company, Chem or any Subsidiary, threatened, against BEK, the Company, Chem or any Subsidiary in connection with any such Plan.

(b) The U.S. Subsidiary Plans and BRIP (the "Fension Plans") and the Beatrice Employees' Stock Ownership Plan (the "ESOP") have been determined by the Internal Revenue Service to meet the requirements for qualified status under Section 401(a) of the Code. No "accumulated funding deficiency", as defined in Section 412 of the Code, has been incurred with respect to any Pension Plan, whether or not waived, and no condition exists which constitutes or could constitute grounds for involuntary termination of any Pension Plan under Title IV of ERISA. Upon timely amendment to bring such plans into compliance with applicable legislation, regulations and rulings, effective as of the first days of the respective current plan years, which amendments required to be made effective in 1984 will be made prior to the Closing Date unless Beatrice and Buyer agree otherwise, such plans will continue to meet such requirements as of the Closing Date.

(c) The CRIP and SRPP (as hereinafter defined) are the only pension plans subject to the Pension Benefits Act of Ontario ("Act") that cover employees of Chem and the Subsidiaries incorporated in Canada. The Retirement Plan for the Employees of Stahl Finish Canada Division of Leatrice International (Canada) Ltd. (the "RPE"), the CRIP and the SKPP (such plans being referred to, individually, as a "Canadian Plan" and, collectively, as the "Canadian Plans") have been administered in all material respects in compliance with applicable laws and regulations.

(d) The Canadian Plans have been filed and registered in accordance with applicable law. Such Plans continue to meet the requirements for qualification under such laws.

(e) Each Benefit Arrangement (as hereinafter defined) has been maintained in substantial compliance with the requirements prescribed by any and all

applicable statutes, orders, rules and regulations. The term "Benefit Arrangement" means each plan or arrangement providing for employee insurance coverage (including any self-insured arrangements), workman's compensation, disability benefits, supplemental unemployment benefits, severance pay, vacation pay, deferred compensation, bonuses, stock options, incentive compensation or post-retirement insurance, compensation or other benefits which (i) is not a U.S. Employee Plan, Multi-employer Plan or Canadian Plan, (ii) is maintained by Beatrice, BEK, Seller, the Company, Chem or any Subsidiary and (iii) covers any employee or former employee of BEK, the Company, Chem or any Subsidiary.

(f) All contributions and obligations accrued under each U.S. Employee Plan (except for BRIP, as hereinafter defined), each Multiemployer Plan, RPE and each Benefit Arrangement, determined in accordance with prior funding and accrual practices but adjusted to the extent required to include proportional accruals for the period from January 1, 1984 through the Closing Date, will be either (i) discharged and paid on or prior to the Closing Date or (ii) recorded as a liability on the Closing Balance Sheet. All compensation and other benefit expenses arising with respect to employees of Chem and the Subsidiaries have been charged appropriately to Chem and the Subsidiaries. Except as set forth in the Letter, there has been no amendment to, or change in employee participation under, any U.S. Employee Plan (except for BRIP, as hereinafter defined), or RPE which would increase materially the expense of maintaining any such Plan or Arrangement above the level of the expense incurred with respect to such Plan or Arrangement for the fiscal year ended February 29, 1984. Neither Beatrice, Seller nor any of their affiliates has incurred any liability under Title IV of ERISA by reason of plan termination or complete or partial withdrawal from a multiemployer plan which liability, or any portion thereof, could constitute a liability of Buyer or any of its affiliates (including the Designated

Purchasers, BEK, the Company, Chem and the Subsidiaries) on or after the Closing Date.

7.19 Since at least the date of their respective direct or indirect acquisition by Beatrice, Chem and each Subsidiary have owned and operated their respective properties and assets, and otherwise conducted and carried on the respective businesses and affairs, in compliance with all federal, foreign, state and local laws, statutes, ordinances, rules, regulations and court or administrative orders and processes (including without limitation any that relate to securities, health and safety in plants or work areas, environmental control, pricing, sales and distribution of products and services, participation and cooperation in trade boycotts, collective bargaining rights of employees, equal opportunity in employment, political contributions or improper payments), except for violations, if any, which in any case or in the aggregate, have not had since March 1, 1981, and will not have, a material adverse effect on the business, operations, properties, assets, condition (financial or otherwise), liabilities, prospects or results of operations of Chem or any Business Unit.

7.20 (a) All material properties and risks of Chem and each Subsidiary are insured for their benefit, in amounts which are customary for such properties and risks, against all risks usually insured against by persons operating similar businesses and properties and, except for risks self-insured by Beatrice, under valid and enforceable policies issued by insurers of recognized financial responsibility; and Beatrice agrees to cause all such insurance to remain in force through the Closing;

(b) Since the Balance Sheet Date neither Chem nor any Subsidiary has sustained any loss on account of fire, flood, accident or other calamity which has materially and adversely interfered with, or may materially and adversely interfere with, the operation of its business, whether or not such loss shall have been insured against.

7.21 Beatrice and Seller have all requisite power and authority to enter into and perform and carry out this Agreement and the transactions contemplated hereby, and have taken all requisite action to authorize the execution and delivery of this Agreement and the performance and consummation of the transactions contemplated hereby and the transferors of Stock of Designated Subsidiaries will prior to the Closing have taken all requisite action to authorize the transfer thereof pursuant hereto. This Agreement has been duly executed and delivered by Beatrice and Seller and is binding upon and enforceable against them in accordance with its terms.

7.22 Neither the execution and delivery of this Agreement by Beatrice or Seller nor the consummation of the transactions contemplated hereby does or will, after the giving of notice or the lapse of time, or both (i) conflict with, result in a breach of or constitute a default under, the charter or the by-laws of Beatrice, Seller, Chem or any Subsidiary or any material federal, foreign, state or local law, statute, ordinance, rule, regulation or court or administrative order or process, or any material agreement or commitment to which Beatrice, Seller, Chem or any Subsidiary is a party or by which Beatrice, Seller, BEK, the Company, Chem or any Subsidiary (or any of their rights, properties or assets) is subject or bound or any material license, permit or authorization applicable to BEK, the Company, Chem or any Subsidiary; (ii) result in the creation of, or give any party the right to create, any material lien, charge, encumbrance, security interest or any other rights of others or other adverse interest upon any right, property or asset of Chem or any Subsidiary; (iii) terminate, impair or give any party the right to terminate, amend, abandon, or refuse to perform any material agreement or commitment to which Chem or any Subsidiary (or any of their rights, properties or assets) are subject or bound or any material license, permit or authorization applicable to Chem or any Subsidiary; or (iv) accelerate or modify, or

give any party thereto the right to accelerate or modify, the time within which, or the terms under which, Chem or any Subsidiary is to perform any duties or obligations or receive any rights or benefits under any material agreement or commitment.

7.23 Neither BEK, the Company, Chem nor any Subsidiary has incurred or paid, or will incur or pay, any liability or expense (including, without limitation, brokers', finders', investment bankers' or financial advisors' fees or attorneys' fees) in connection with this Agreement or the transactions contemplated herein.

7.24 Neither Beatrice nor Seller has retained any broker, finder, investment banker or financial advisor in connection with the Agreement or the transaction contemplated herein, except for Salomon Brothers Inc and Lazard Freres & Co., whose fees will be paid by Beatrice or Seller.

7.25 Neither this Agreement, the Letter, the Financial Statements nor any document delivered by Beatrice or Seller pursuant to the provisions hereof (all such documents being taken as a whole) contains any untrue statement of a material fact or omits to state any material fact necessary, in light of the circumstances under which it was made, in order to make the statements included herein or therein not misleading.

7.26 As used in this Article VII, the term "Business Unit" shall mean any group of Subsidiaries whose operations are included under one of the entities listed in the Letter, respectively, under the captions Fiberite Composite Materials, Fiberite Molding Materials, LNP, Dri-Print Foils, Polyvinyl/Permuthane, Stahl/Paule, Converters Ink, Imperial Oil & Grease or Thoro Systems, as the case may be.

7.27 Beatrice, its subsidiaries and affiliates and Chem and each Subsidiary have duly complied in all material respects with all applicable provisions of all instruments and agreements relating to indebtedness of the Company, Chem or any Subsidiary, interest on which is intended to be exempt from Federal income taxation.

and the proceeds of which have been or are to be used to acquire assets which are, or are to be, owned or leased by Chem or any Subsidiary ("IRBs"), or under which any such IREs have been or are to be issued. Neither Beatrice or any subsidiary or affiliate thereof nor Chem or any Subsidiary has taken any action which would or might result in interest on any IRBs becoming taxable to the recipients thereof under the Code or knows of any existing or past circumstances which could cause any such interest to become so taxable. Neither any IRB nor any such agreement or instrument will be, or become capable of being, required to be purchased by Beatrice, BEK, Seller, the Company, Chem or any Subsidiary, or be accelerated (or become capable of being accelerated) or otherwise be terminated or impaired (or become capable of being terminated), as a result of the transactions contemplated hereby; provided, however, that for purposes of this Section 7.27 the transactions contemplated hereby shall not include any election by the Buyer under Code Section 338 and relevant state provisions, and provided further, that neither the Buyer nor any related person to the Buyer within the meaning of Code Section 103(b)(6)(C) is or was during the period beginning 3 years before the date of issuance of the relevant IRB and ending on the date of the transactions contemplated hereby a principal user (within the meaning of Code Section 103(b)(6)(E)(ii)) of facilities in the same municipality (or same county outside of incorporated municipalities) as the facilities which the proceeds of the IRBs were used to finance or in a municipality or county contiguous thereto.

7.28 Except for the applicable requirements of the 1976 Act, the Canadian Foreign Investment Review Act and similar foreign investment review laws and the West German Federal Cartel Office, U.K. Office of Fair Trading and Monopolies Commission and similar foreign antitrust agencies, no filing or registration with, authorization, consent or approval of, or notice to, any governmental authority is necessary for the execution or delivery of, or consummation of the transactions

contemplated by, this Agreement by Beatrice or the Seller. No license, franchise, permit, clearance or authorization material to Chem or any Business Unit is or will become terminable or be terminated or impaired by reason of the transactions contemplated hereby.

ARTICLE VIII

Warranties and Representations of Buyer

Buyer warrants and represents to Beatrice and Seller that:

8.1 Buyer is a company duly organized, validly existing and in good standing under the laws of England and has all requisite power and authority to enter into and perform and carry out this Agreement and the transactions contemplated hereby.

8.2 Buyer has taken all requisite action to authorize the execution and delivery of this Agreement by Buyer and the performance and consummation of the transactions contemplated hereby, and this Agreement has been duly executed and delivered by Buyer and is binding upon and enforceable against Buyer in accordance with its terms.

8.3 Neither Buyer nor any Designated Purchaser has retained any broker, finder, investment banker or financial advisor in connection with this Agreement or the transactions contemplated hereby, except Smith Barney, Harris Upham & Co. Incorporated and Morgan, Lewis, Githens & Ahn, whose fees will be paid by Buyer.

8.4 Buyer and the Designated Purchasers are purchasing the Shares and Stock of any Designated Subsidiaries for their own account for investment and not with a view to or for sale in connection with any distribution of the Shares or Stock of the Designated Purchasers.

ARTICLE IX

Conditions Applicable to Buyer

The obligations of Buyer hereunder (including the obligation of Buyer to consummate the transaction contemplated hereby) are subject to the following conditions precedent:

9.1 The warranties and representations made herein by Beatrice and Seller shall be true and correct in all material respects on and as of the Closing Date with the same effect as if such warranties and representations had been made on and as of the Closing Date, and Beatrice and Seller shall have performed and complied in all material respects with all agreements and covenants contained herein on its part required to be performed or complied with on or prior to the Closing Date. It shall not appear reasonably probable, in Buyer's reasonable judgment exercised in good faith, that combined net income of Chem and Subsidiaries for the year ending February 28, 1985, determined on a basis consistent with that used in the determination of combined net income in the Financial Statements, and excluding income and expense with respect to Excluded Assets and Liabilities, will be less than \$36,000,000.

9.2 On the Closing Date, there shall be no effective injunction, writ or preliminary restraining order or any order of any nature issued by a court or governmental agency of competent jurisdiction (i) directing that any of the transactions contemplated hereby not be consummated as herein provided or (ii) the effect of which would be, in Buyer's reasonable judgment exercised in good faith, to materially impair the ability of Buyer and its subsidiaries to own, operate or control BEK, the Company, Chem or any Subsidiary or any material portion of the business, operations or assets of BEK, the Company, Chem or any Subsidiary or to materially restrict such ownership, operation or control.

9.3 All waiting periods, including any extensions thereof, which may be applicable to the purchase of the Shares and Stock of Designated Subsidiaries by Buyer under the provisions of the 1976 Act shall have expired or terminated.

9.4 At the Closing, Beatrice and Seller shall have delivered to Buyer:

(a) A certificate, dated the Closing Date, executed by officers of Beatrice and Seller to the effect that the conditions set forth in the first sentence of Section 9.1 hereof have been satisfied; and

(b) The opinion of Winston & Strawn, counsel for Beatrice and Seller, dated the Closing Date, in form and substance satisfactory to Buyer and its counsel, to the effect that:

(i) Beatrice, BEK, Seller, the Company, Chem and each Subsidiary are corporations duly organized, validly existing and, except in the case of Subsidiaries not incorporated in the United States or Canada, in good standing under the laws of the respective jurisdictions of their incorporation;

(ii) This Agreement has been duly authorized, executed and delivered by Beatrice and Seller and is binding upon and enforceable against them in accordance with its terms, and Beatrice and Seller have the requisite corporate power and authority to enter into this Agreement and to perform their obligations hereunder;

(iii) All requisite action has been taken to enable Seller and the transferors of any Stock of Designated Subsidiaries to legally enter into and consummate the transactions contemplated by this Agreement;

(iv) The Shares and the Stock of any Designated Subsidiaries have been duly authorized and validly issued and are fully

paid and nonassessable and, upon delivery to Buyer or the Designated Purchaser of certificates therefor and payment therefor in accordance with Section 2.4, Buyer or the Designated Purchaser thereof will be the owner of, and (assuming the Buyer and Designated Purchasers do not have knowledge which would cause them not to be bona fide purchasers) the Buyer or Designated Purchaser thereof will have acquired good and marketable title to, all the issued and outstanding capital stock of BEK and, except as set forth in the Letter, of each Designated Subsidiary, free and clear of any lien, charge, encumbrance, security interest, restriction (other than restrictions under securities laws) or right of others or other adverse interest; and

(v) The issued and outstanding shares of capital stock of the Company and Chem have been duly authorized and validly issued and are fully paid and nonassessable, and BEK, in the case of the capital stock of the Company, and the Company, in the case of the capital stock of Chem, is the owner of, and has good and marketable title to, all of such capital stock, free and clear of any lien, charge, encumbrance, security interest, restriction (other than restrictions under securities laws) or right of others or other adverse interest.

In rendering the opinions in clauses (i), (iii) and (iv) above, such counsel shall be entitled to rely on opinions of local and foreign counsel, reasonably satisfactory to Buyer and its counsel, as to matters governed by the laws of jurisdictions other than the United States of America, Delaware and Illinois; provided that copies of such opinions of local and foreign counsel shall have been delivered to Buyer and that such

opinions are dated the Closing Date, are addressed to the Buyer and Designated Purchasers or expressly authorize their reliance thereon.

9.5 Buyer shall have received evidence, including opinions of counsel and certificates of auditors, reasonably satisfactory to Buyer to the effect that the ownership of Chem by the Company, of the Company by Esmark, of capital stock of Esmark and the Transitory Shares by BEK and the transactions contemplated by the second paragraph of Section 3.4 has not had and will not have an adverse effect, in any respect, on the Buyer, any Designated Purchaser, BEK, the Company, Chem or any Subsidiary or on the acquisition of Chem and the Subsidiaries contemplated hereby, or any other transaction contemplated hereby or in connection herewith.

9.6 All proceedings to be taken in connection with the consummation of the transactions contemplated by this Agreement, and all certificates, documents and instruments incidental hereto, shall be reasonably satisfactory in form and substance to Buyer and its counsel, and Buyer and its counsel shall have received copies of all such documents, resolutions and instruments as Buyer and its counsel may reasonably request in connection with such transactions.

9.7 Buyer shall have the right to waive any or all of the foregoing conditions precedent to the obligations of Buyer; however, no waiver by Buyer of any condition precedent to the obligations of Buyer shall constitute a waiver by Buyer of any other condition precedent.

ARTICLE X

Conditions Applicable to Beatrice and Seller

The obligations of Beatrice and Seller hereunder (including the obligation of Seller to consummate the transaction contemplated hereby) are subject to the following conditions precedent:

10.1 The warranties and representations made by Buyer herein to Beatrice and Seller shall be true and correct in all material respects on and as of the Closing Date with the same effect as if such warranties and representations had been made on and as of the Closing Date, and Buyer shall have performed and complied in all material respects with all agreements and covenants on its part required to be performed or complied with on or prior to the Closing Date.

10.2 On the Closing Date, there shall be no effective injunction, writ or preliminary restraining order or any order of any nature issued by a court or governmental agency of competent jurisdiction directing that any of the transactions contemplated hereby not be consummated as herein provided.

10.3 All waiting periods, including any extensions thereof, which may be applicable to the purchase of the Shares and Stock of Designated Subsidiaries by Buyer under the provisions of the 1976 Act shall have expired or terminated.

10.4 At the Closing, Buyer shall have delivered to Beatrice and seller:

(a) A certificate, dated the Closing Date, executed by an officer of Buyer, to the effect that the conditions set forth in Section 10.1 hereof have been satisfied; and

(b) The opinion of V. O. White, Esq. Solicitor to the Buyer, dated the Closing Date, in form and substance satisfactory to Beatrice and Seller and their counsel, stating that:

(i) Buyer is a company duly organized and validly existing under the laws of England; and

(ii) This Agreement has been duly authorized, executed and delivered by Buyer, and Buyer has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder.

10.5 All proceedings to be taken in connection with the consummation of the transactions contemplated by this Agreement, and all certificates, documents and instruments incidental thereto, shall be reasonably satisfactory in form and substance to Beatrice and Seller and their counsel, and Beatrice and Seller and their counsel shall have received copies of all such documents and instruments as Beatrice and Seller and their counsel may reasonably request in connection with such transactions.

10.6 Beatrice and Seller shall have the right to waive any or all of the foregoing conditions precedent to the obligations of Beatrice and Seller; however, no waiver by Beatrice or Seller of any condition precedent to the obligations of Beatrice or Seller shall constitute a waiver by Beatrice or Seller of any other condition precedent.

ARTICLE XI

Indemnification

11.1 Beatrice and Seller shall, jointly and severally, indemnify and hold Buyer, the Designated Purchasers, BEK, the Company, Chem and each Subsidiary harmless against any loss, liability, damage or expense (including reasonable attorneys' fees) suffered by Buyer, the Designated Purchasers, BEK, the Company, Chem or any Subsidiary arising out of or resulting from (a) any breach by Beatrice or Seller of this Agreement, (b) any inaccuracy or misrepresentation in or breach of any of the

warranties, representations, covenants or agreements made by Beatrice or Seller herein or (c) any inaccuracy or misrepresentation in the Letter or in any certificate or document delivered by Beatrice or Seller in accordance with the provisions of this Agreement (collectively referred to as "Warranty Claims"); provided, however, that except for Warranty Claims arising with respect to breaches by Beatrice or Seller of the representations, warranties or covenants contained in Sections 3.3, 6.5, 7.15 and 12.1 hereof, Buyer shall be entitled to indemnification hereunder only when, and only with respect to amounts by which, the aggregate of all such Warranty Claims exceeds \$1,500,000.

11.2 Except for the warranties, representations and covenants of Beatrice or Seller contained in Sections 3.3, 6.5, 7.15, 7.18, 12.1 and 12.4 through 12.10 hereof, which shall survive until the termination of all liabilities arising from the subject matter thereof pursuant to applicable statutes of limitation, the warranties, representations and covenants of Beatrice or Seller contained in this Agreement, or any certificate or document delivered pursuant to this Agreement, shall survive the execution and delivery of this Agreement, the Closing and the consummation of the transactions contemplated hereby until December 31, 1986; provided that if there shall then be pending any Warranty Claim previously asserted, such Warranty Claim shall continue to be subject to indemnification in accordance herewith.

11.3 Beatrice and Seller shall indemnify and hold harmless Buyer, BEK, the Designated Purchasers, the Company, Chem and each Subsidiary against any and all liabilities for all Taxes arising during or with respect to any period ending on or prior to the Closing Date to the extent not reflected as liabilities in the Closing Balance Sheet and any costs, expenses, losses and damages incurred in connection with the assertion or defense of any claim or assessment for such Taxes. The obligation of Beatrice to indemnify Buyer, the Designated Purchasers, BEK, the Company, Chem

and each Subsidiary pursuant to this Section 11.3 shall survive for the full period of any foreign, federal, state or local statute of limitations. "Taxes" means all net income, capital gains, gross income, gross receipts, sales, use, ad valorem, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property or windfall profit taxes, customs duties or other taxes, fees, assessments or charges of any kind whatsoever (other than transfer taxes on Stock of any Designated Subsidiary), together with any interest and any penalties, additions to tax or additional amounts imposed by any taxing authority (domestic or foreign) upon the Company, BEK, Chem, any Subsidiary or any affiliated group of corporations or combined group of which BEK, the Company, Chem or any Subsidiary is or was a member.

11.4 Beatrice and Seller shall satisfy their obligations for indemnification hereunder within sixty (60) days after written notice thereof from Buyer to them.

11.5 Upon obtaining knowledge thereof, Buyer shall promptly notify Beatrice and Seller of any claim or demand which Buyer has determined has given or is likely to give rise to a right of indemnification against Beatrice or Seller under this Agreement. If such claim or demand relates to a claim or demand asserted by a third party against Buyer, any Designated Purchaser, BEK, the Company, Chem or any Subsidiary, and if Beatrice and Seller acknowledge in writing their obligations to indemnify and hold harmless hereunder with respect thereto, Beatrice and Seller shall have the right to employ such counsel as is acceptable to Buyer to defend any such claim or demand asserted against Buyer, any Designated Purchaser, BEK, the Company, Chem or any Subsidiary. Buyer, any Designated Purchaser, BEK, the Company, Chem or any Subsidiary, as may be appropriate, shall have the right to participate in the defense of any said claim or demand. So long as Beatrice or Seller is defending in good faith any such claim or demand, Buyer shall not settle such claim or

demand. Buyer shall make available to Beatrice and Seller and their representatives all records and other materials required by them for their use in contesting any claim or demand asserted by a third party against Buyer, any Designated Purchaser, BEK, the Company, Chem or any Subsidiary. Whether or not Beatrice or Seller so elects to defend any such claim or demand, neither Buyer, any Designated Purchaser, BEK, the Company, Chem nor any Subsidiary shall have any obligation to do so and Buyer and the Designated Purchasers shall not waive any rights they may have against Beatrice and Seller hereunder with respect to any such claim or demand by electing or failing to elect, or if BEK, the Company, Chem or any Subsidiary elects or fails to elect, to defend any such claim or demand. Anything herein to the contrary notwithstanding, Beatrice shall inform Buyer of the status of any audit, suit, action or proceeding relating to Taxes which relate to BEK, the Company, Chem or any Subsidiary and which may affect any Taxes with respect to them after the Closing and Buyer will have the right to consult with Beatrice (which shall take such action as Buyer may propose and which is reasonable, in light of the effects on Beatrice, on the one hand, and Buyer, the Designated Purchasers, BEK, the Company, Chem or any Subsidiary, on the other hand) with respect to any such audit, suit, action or proceeding.

11.6 Buyer shall, effective upon the Closing, indemnify and hold Beatrice and Seller harmless against any loss, damage or expense (including reasonable attorneys' fees) suffered by Beatrice or Seller arising out of or resulting from (a) any breach of any of the covenants made by Buyer in Sections 3.3, 12.1 and 12.4 through 12.10 hereof or (b) the failure by Buyer, BEK, the Company, Chem or any Subsidiary to pay or otherwise discharge any contractual or other obligation arising subsequent to Closing relating to the assets or business of BEK, the Company, Chem or any Subsidiary, for which obligation Beatrice or Seller is primarily, secondarily or jointly and severally liable, whether as guarantor, sublessor, surety or otherwise to the extent:

(but only to the extent) the obligation for which Beatrice or Seller is liable (i) is so identified in the Letter and does not arise from any breach or default prior to the Closing, (ii) has not been increased by any act or omission after the date hereof by Beatrice, Seller or any affiliate of either and (iii) is not a matter for which Beatrice has indemnified Buyer hereunder. The provisions of this Section 11.6 shall remain in full force and effect until the termination of all liabilities arising from the subject matter of this Section 11.6 pursuant to applicable statutes of limitation.

11.7 Notwithstanding anything herein to the contrary, Buyer shall indemnify and hold Beatrice harmless against any loss, damage or expense (including reasonable attorneys' fees) suffered by Beatrice for any Taxes with respect to any taxable year arising as a result of an election made by the Buyer under Section 338 of the Code and similar provisions under relevant state law.

11.8 In calculating the amount of any indemnification payment made pursuant to this Agreement or any payment pursuant to Section 12.1(e) or (f) hereof, (i) there shall be taken into account any income tax benefit received by Beatrice or Seller, on the one hand, or by Buyer, any Designated Purchaser, BEK, the Company, Chem or any Subsidiary, on the other hand, by reason of the event or condition that resulted in a claim for such payment and (ii) any Tax liability incurred by Beatrice or Seller, on the one hand, or by Buyer, any Designated Purchaser, BEK, the Company, Chem or any Subsidiary, on the other hand, upon receipt of such payment. Unless counsel to the recipient is unable to advise the recipient that receipt of such a payment will be treated as an addition to or reduction of the Purchase Price, each such payment shall be so treated; provided that if any such payment is subsequently determined not to be a reduction of or an addition to the Purchase Price, then the amount of such payment will be increased or decreased in accordance with the provisions of the preceding sentence.

ARTICLE XII

Post Closing Obligations

12.1 (a) Beatrice shall include the results of operations of BEK, the Company, Chem and the Subsidiaries through and including the Closing Date in its consolidated federal income tax return and in any consolidated or combined foreign, state or local income tax returns required to be filed by Beatrice after the Closing Date and will pay all federal, state, local and foreign income taxes (including interest and penalties relating thereto) due for the periods covered by such returns with respect to BEK, the Company, Chem and each Subsidiary.

(b) Buyer shall cause BEK, the Company, Chem and the Subsidiaries to include the results of their respective operations through and including the Closing Date in any separate (nonconsolidated) state income tax return for any taxable year beginning before and ending on or after the Closing Date. Buyer shall pay, or cause to be paid, all state income taxes (including interest and penalties relating thereto) shown as due on any such return with respect to BEK, the Company, Chem or any Subsidiary.

(c) Buyer shall cause BEK, the Company, Chem and the Subsidiaries to include the results of their respective operations through and including the Closing Date in any separate (non-consolidated) foreign income tax return for any taxable year beginning before and ending after the Closing Date. Buyer shall pay, or cause to be paid, all foreign income taxes (including interest and penalties relating thereto) shown as due on any such return with respect to BEK, the Company, Chem or any Subsidiary.

(d) Buyer shall be liable for all foreign, federal and state income taxes payable with respect to the operations of BEK, the Company, Chem and the Subsidiaries after the Closing Date, and Buyer shall be responsible for filing the

necessary income tax returns and reports with respect to the operations of BEK, the Company, Chem and the Subsidiaries for all taxable periods ending after the Closing Date.

(e) Any refunds or credits of foreign, federal, state or local income taxes (other than refunds or credits relating to taxes paid by Buyer in accordance with the provisions of Section 12.1(b) or (c) hereof) for any period or partial periods ending on or before the Closing Date with respect to BEK, the Company, Chem or the Subsidiaries shall be the property of Beatrice (except for refunds attributable to the carryback of any credits, losses or deductions arising out of the operation of BEK, the Company, Chem, the Subsidiaries, the Buyer, any Designated Purchaser or any affiliate of the Buyer or any Designated Purchaser after the Closing Date) and Buyer shall forward to or reimburse Beatrice for any such refunds or credits (except as aforesaid) as soon as practicable after receipt thereof. Any refunds or credits of foreign, federal, state or local income taxes attributable to post-Closing Date operations of BEK, the Company, Chem or any Subsidiary received by Beatrice shall be forwarded to Buyer as soon as practicable after receipt thereof.

(f) To the extent that any election or other action by Beatrice or an audit by the Internal Revenue Service or relevant state revenue agency results in a reduction in the federal or state income tax liability of BEK, the Company, Chem or any Subsidiary for which the Buyer is liable under this Agreement, Beatrice shall notify Buyer of such reduction. Upon receipt of such notice, and of such reasonable supporting evidence and opinions as Buyer may require with respect to such reduction, Buyer shall pay the amount of such reduction in income tax liability to Beatrice; provided, however, that in the event that a subsequent audit of the Buyer, any Designated Purchaser, BEK, the Company, Chem or any Subsidiary by the Internal Revenue Service or relevant state revenue agency results in a reduction or elimination

of the reduction in income tax liability that resulted in any payment made under this Section, Beatrice shall promptly refund such payment or portion thereof, as the case may be, together with interest thereon from the date of such payment through the date of such refund at the prime rate of The First National Bank of Chicago as in effect from time to time during such period.

12.2 If at any time after the Closing Date Buyer shall consider or be advised that any further assignments or assurances in law or any other things are necessary or desirable to vest, perfect or confirm, of record or otherwise, in (a) Buyer or the Designated Purchasers, as the case may be, title to the Shares or Stock of any Designated Subsidiary, (b) BEK title to the Transitory Shares or (c) the Company, Chem or one of the Subsidiaries, as the case may be, title to the shares of capital stock of Chem or a Subsidiary which Beatrice and Seller have represented herein are owned by the Company, Chem or one of the Subsidiaries, as the case may be, Beatrice or Seller shall execute and deliver all such proper deeds, assignments and assurances of law and do all things necessary and proper to vest, perfect or confirm title to such shares in Buyer, the Designated Purchasers, BEK, the Company, Chem or one of the Subsidiaries, as the case may be, and otherwise to carry out the purposes of this Agreement.

12.3 Unless otherwise consented to in writing by Beatrice, Buyer shall not cause or permit BEK, the Company, Chem or any Subsidiary to destroy or otherwise dispose of any of the existing books and records of BEK, the Company, Chem or any Subsidiary, all of which shall have been turned over to the Buyer as of the Closing, which books and records are less than ten (10) years old at the time of such proposed destruction, and Buyer shall cause BEK, the Company, Chem or any Subsidiary to grant Beatrice and its representatives reasonable access thereto during normal business hours, provided that Beatrice shall pay the costs incurred by Buyer, BEK, the

Company, Chem or any Subsidiary to furnish any materials requested by Beatrice. Thereafter Buyer shall not cause or permit BEK, the Company, Chem or any Subsidiary to destroy or otherwise dispose of such books and records without first offering to surrender to Beatrice such books and records or any portion thereof.

12.4 (a) The Subsidiaries incorporated in the United States maintain seventeen (17) separate defined benefit retirement plans covering exclusively present and former employees of the businesses they operate (the "U.S. Subsidiary Plans"). The U.S. Subsidiary Plans and the related trusts are listed in the Letter.

(b) Prior to the Closing, Beatrice shall cause Chem to enter into a trust agreement substantially in the form of the Beatrice Foods Co. Service Related Pension Plans Master Trust, under which the trustee shall hold the assets of the U.S. Subsidiary Plans (other than the LNP Corporation plans) only. Prior to Closing, all contributions accrued under the U.S. Subsidiary Plans (other than the LNP Corporation plans), including contributions in respect of benefits accrued from January 1, 1984 through the Closing Date, shall be deposited in such separate trust. LNP Corporation maintains the assets of the LNP Corporation plans in a separate trust and such assets, including, without limitation, all contributions in respect of benefits accrued from January 1, 1984 through the Closing Date, shall be maintained in such trust as of the Closing Date. Chem and the Subsidiaries incorporated in the United States shall, as of the Closing Date, be responsible for payment of all benefits (whether existing on the Closing Date, or arising in the future) provided for in each of the U.S. Subsidiary Plans as in effect from time to time. From and after the Closing Date, neither Beatrice nor any of its affiliates shall have any right, title or interest in or responsibility for any of the assets which constitute a part of the U.S. Subsidiary Plans.

12.5 (a) Certain salaried employees of Chem and the Subsidiaries incorporated in the United States are covered by the Beatrice Retirement Income Plan ("BRIP"). Buyer shall use its best efforts to deliver to Beatrice within 90 days after the Closing Date, but in any event shall deliver to Beatrice as soon as practicable after the Closing Date:

(i) a certified copy of a pension plan adopted by Chem (the "Successor Plan") providing all benefits accrued under BRIP on or prior to the Closing Date by Active Employees, as hereinafter defined, who have accrued benefits under BRIP ("Chemical Group Participants");

(ii) a certified copy of the trust agreement or group annuity contract entered into by Chem as the funding medium for the Successor Plan; and

(iii) an opinion of counsel acceptable to Beatrice that the terms of the Successor Plan meet the requirements for qualification under Section 401(a) or 403(a) of the Code.

(b) Upon receipt of same, and after expiration of at least 30 days after notices of transfer are duly filed with IRS, Beatrice shall cause to be transferred to the Successor Plan the amount of assets of BRIP allocable to Chemical Group Participants as determined below. Subject to the adjustments described below, the amount transferred shall be equal to the full actuarial accrued liability attributable to Chemical Group Participants under the BRIP, determined as of the Closing Date using the actuarial method and all of the actuarial assumptions used for purposes of determining the basic funding standard account requirements as set forth in Schedule B to the Form 5500 filed in connection with the BRIP for the 1983 plan year, a copy of which has heretofore been delivered to the Buyer. Such amount shall be calculated by

the BRIP's enrolled actuaries, The Wyatt Company, and, within 60 days following the date on which all necessary data is received from Buyer or Chem, the results of such calculations shall be delivered to the actuary designated by the Buyer for approval, together with all information necessary to make such calculations. If Buyer does not object in writing to such computation within 30 days following the receipt of such results and information, such computation shall be binding on Beatrice, Seller, Buyer, BEK, the Company, Chem and the Subsidiaries. In the event of any material disagreement which cannot be resolved between the respective actuaries, Seller and Buyer agree to submit the matter to a third independent actuary whose decision shall be binding on Seller, Buyer and their respective affiliates and to share equally the expenses incurred in retaining such third independent actuary. The amount so determined shall be reduced by any benefits paid under the BRIP on or after the Closing Date with respect to Chemical Group Participants and a pro rata share of administrative expenses incurred by Beatrice Foods Co. Retirement Plans Master Trust between the Closing Date and the date of transfer, and shall be increased by interest on the amount so determined from the Closing Date to the date of transfer or dates of distribution, if earlier, at the rate earned from time to time by the collective short-term investment fund of The First National Bank of Chicago.

(c) Buyer shall cause the retirement plan established under (a) above to be operated in accordance with the requirements for qualification under Section 401(a) or 403(a) of the Code.

(d) Upon the transfer of assets to the Successor Plan as contemplated under (b) above, Chem shall assume all obligations for benefits accrued by Chemical Group Participants on or prior to the Closing Date under the BRIP. Neither Buyer nor any of its affiliates (including the Designated Purchasers, BEK, the

Company, Chem and the Subsidiaries) shall have any other obligation or liability arising in connection with the BRIP.

12.6 (*) Certain employees of the Subsidiaries incorporated in Canada are covered by the Beatrice Foods Co. Canadian Retirement Income Plan ("CRIP") and the Beatrice Foods Co. Canadian Service Related Pension Plan (the "SRPP"). Buyer shall use its best efforts to deliver to Beatrice within 90 days after the Closing Date, but in any event shall deliver to Beatrice as soon as practicable after the Closing Date:

(i) certified copies of pension plans adopted by Chem or its Subsidiary (the "New Canadian Plans") providing all benefits accrued under CRIP and the SRPP on or prior to the Closing Date by Active Employees, as hereinafter defined, who have accrued benefits under CRIP or SRPP ("Canadian Participants");

(ii) a certified copy of the trust agreement or group annuity contract entered into by Chem or its Subsidiary as the funding medium for the New Canadian Plans; and

(iii) an opinion of pension consultants or counsel acceptable to Beatrice that the terms of the New Canadian Plans meet the requirements for qualification under Canadian and Ontario law.

(b) Upon receipt of same, Beatrice shall cause to be transferred to the New Canadian Plans the amounts of assets of CRIP and the SRPP allocable to Canadian Participants, as determined below. The amounts transferred shall be calculated by CRIP's plan actuaries, The Wyatt Company, as if CRIP and the SRPP were fully funded ongoing pension plans, using the actuarial assumptions and methods contained in the January 1, 1984 actuarial valuation basis of the CRIP and SRPP,

respectively, and assuming that the Y.M.P.E. offset will increase by 12.5% per annum for the three years beginning January 1, 1984 and by 5.0% per annum thereafter. The amounts transferred shall be reduced by any benefits paid under the CRIP and the SRPP on or after the Closing Date with respect to Canadian Participants, and a pro rata share of administrative expenses incurred by the Canadian Retirement Trust of Beatrice Foods Co. between the Closing Date and the date of transfer, and shall be increased by interest on the net amounts transferred from the Closing Date to the date of transfer, or dates of distribution if earlier, at the rate earned from time to time by the collective short-term investment fund of the Canadian trustee. Beatrice shall furnish Buyer and the actuary designated by Buyer with the computations made by The Wyatt Company, with supporting data, at least thirty (30) days before the transfer of assets from CRIP and the SRPP to the New Canadian Plans. If Buyer does not object in writing to such computations within twenty (20) days after receipt thereof, such computations shall be binding on Beatrice, Buyer, and Seller, BEK, the Company, Chem and the Subsidiaries. In the event of any material disagreement which cannot be resolved between the respective actuaries, Seller and Buyer agree to submit the matter to a third independent actuary whose decision shall be binding on Seller and Buyer and their respective affiliates and to share equally the expenses incurred in retaining such third independent actuary.

(c) Buyer shall cause the retirement plans established under (a) above to be operated in accordance with the requirements for qualification under Canadian and Ontario law.

(d) Upon the transfer of assets to the New Canadian Plans as contemplated under (b) above, Chem shall assume all obligations for benefits accrued by Canadian Participants under the CRIP and the SRPP on or prior to the Closing Date. Neither Buyer nor any of its affiliates (including the Designated Purchasers,

BEK, the Company, Chem and the Subsidiaries) shall have any other obligation or liability arising in connection with either the CRIP or the SRPP.

(e) The assets of the RPE, as heretofore defined, are maintained in a group annuity contract and such assets, including, without limitation, all contributions in respect of benefits accrued from January 1, 1984 through the Closing Date, shall continue to be so maintained by one or more Subsidiaries incorporated in Canada as of the Closing Date. Such Subsidiary or Subsidiaries shall, as of the Closing Date, be responsible for payment of all benefits (whether existing on the Closing Date, or arising in the future) provided under RPE as in effect from time to time. From and after the Closing Date, neither Beatrice nor any of its affiliates shall have any right, title or interest in or responsibility for any of the assets which constitute a part of RPE.

12.7 The full account balances of participants in the ESOP, as heretofore defined, who are employees of BEK, the Company, Chem or any Subsidiary shall be distributed to such participants in accordance with the termination of employment provisions thereof.

12.8 Except as otherwise provided in Section 12.4 and 12.6(e) in respect of certain defined benefit pension plans, Seller shall retain all obligations and liabilities under the U.S. Employee Plans, the Canadian Plans and the Benefit Arrangements in respect of any employee or former employee who, as of the Closing Date, is not an Active Employee, as hereinafter defined. For these purposes, the term "Active Employee" shall mean any person who, on the Closing Date, is actively employed by BEK, the Company, Chem or any Subsidiary, or is on short-term disability, authorized leave of absence, military service or lay-off with recall rights, but shall exclude all other inactive or former employees, including retirees and employees on long-term disability. With respect to Active Employees (including any dependent or beneficiary

thereof), Seller shall retain (i) all obligations and liabilities arising under any group life, accident, medical, dental or disability plan or similar arrangement (whether or not insured) to the extent that any such liability or obligation relates to claims incurred (whether or not reported) on or prior to the Closing Date and (ii) all other liabilities and obligations arising under all other U.S. Employee Plans (excluding the Pension Plans) and the Benefit Arrangements to the extent any such liability or obligation relates to any period ending on or prior to the Closing Date and is not reflected as a liability on the Closing Balance Sheet.

12.9 To the extent requested by Buyer in writing prior to the Closing Date, Seller agrees to (i) continue to cover Active Employees after the Closing Date under the U.S. Employee Plans and Benefit Arrangements which provide for insurance coverage until such time as Buyer has secured appropriate successor coverage and (ii) continue to provide certain administrative services after the Closing Date in respect of Active Employees as reasonably requested by Buyer, including but not limited to payroll services, record-keeping services and claims processing services, until such time as Buyer can assume responsibility for such services in an orderly manner. Buyer agrees to reimburse Seller for Seller's direct costs reasonably incurred in continuing to provide such insurance coverage and such administrative services. Buyer agrees to use its best efforts to put substitute coverages into effect before, or as soon as practicable after, the Closing Date.

12.10 Seller hereby indemnifies Buyer and its Affiliates (including as of the Closing, the Designated Purchasers, BEK, the Company, Chem and the Subsidiaries) against, and agrees to hold them harmless from, any and all damage, loss, liability and expense (including, without limitation, reasonable expenses of investigation and attorneys' fees and expenses) in respect of any failure by Seller to satisfy and discharge its obligations under Sections 12.4 through 12.9 hereof. Buyer hereby

indemnifies Seller and its Affiliates against, and agrees to hold them harmless from, any and all damage, loss, liability and expense (including, without limitation, reasonable expenses of investigation and attorneys' fees and expenses) in respect of any failure by Buyer to satisfy and discharge its obligations under Sections 12.4 through 12.9 hereof.

ARTICLE XIII

Miscellaneous

13.1 Expenses. Buyer shall pay its own costs and expenses (including attorneys' fees and other professional fees and expenses) in connection with the negotiation, preparation and execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. Beatrice and Seller shall pay their own costs and expenses (including attorneys' fees and other professional fees and expenses) in connection with the negotiation, preparation and execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

13.2 Entire Agreement. This Agreement, together with the Letter and any certificates or other documents delivered pursuant hereto, contains the entire agreement between the parties with respect to the transaction contemplated hereby and supersedes all negotiations, representations, warranties, commitments, offers, contracts and writings prior to the date hereof. No waiver, modification or amendment of any provision of this Agreement shall be effective unless specifically made in writing and duly signed by the party to be bound thereby.

13.3 Severability. If any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, such holding or action shall be strictly construed and shall not affect the validity or effect of any other provision hereof.

13.4 Buyer to Furnish Information. As soon as practicable following the Closing, but in no event later than ninety (90) days thereafter, Buyer shall deliver to Beatrice such information and data concerning BEK, the Company, Chem and the Subsidiaries as Beatrice may reasonably request, including that required by Beatrice's customary tax and accounting questionnaires, in order to enable Beatrice to complete and file all federal and state forms which it may be required to file and to otherwise enable Beatrice to satisfy its internal accounting, tax and other requirements.

13.5 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and delivered in person or sent by telex or certified mail, postage prepaid, and properly addressed as follows:

To Buyer:

The Secretary
Imperial Chemical Industries PLC
Imperial Chemical House
Millbank
London SW1P 3JF
England
Telex: 21324

Answerback: IMO IMPERIAL CHEMICAL

with a copy to:

Peter R. Douglas, Esq.
Davis Polk & Wardwell
1 Chase Manhattan Plaza
New York, New York 10005
Telex: (WU) 126834 (Answerback: STETSON NYK)
Telex: (ITT) 421341 (Answerback: STT UI)

To Beatrice or Seller:

Beatrice Companies, Inc.
Two North LaSalle Street
Chicago, Illinois 60602
Attention: General Counsel
Telex: 254080 (Answerback: BEATCO)

with a copy to:

Winston & Strawn
Suite 5000
One First National Plaza
Chicago, Illinois 60603
Attention: M. Finley Maxson
Telex: 6871323 (Answerback: WSCGO UW)

All notices and other communications required or permitted under this Agreement which are addressed as provided in this Section 12.5, if delivered by telegraph, shall be effective upon receipt; if delivered by telex, shall be effective upon receipt by the sender of the answerback specified in or pursuant to this Section; and, if delivered by mail, shall be effective 72 hours after deposit in the United States mail, postage prepaid or, in the case of transatlantic mailings, five business days after deposit in the mail of the United States or the United Kingdom, airmail postage prepaid.

Any party may from time to time change its address for the purpose of notices to that party by a similar notice specifying a new address, but no such change shall be deemed to have been given until it is actually received by the party sought to be charged with its contents.

13.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but this Agreement may not be assigned by either party without the written consent of the other.

13.7 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Illinois. The table of contents and captions herein are included for convenience of reference only, do not form a part of this Agreement and shall be ignored in the construction and interpretation hereof.

13.8 Confidentiality. Except for such documents, reports, information and data (including financial statements) which are of a public nature, pending the Closing

(and, if this Agreement is terminated, at all times after the date hereof), Buyer shall treat as confidential and, except as otherwise required in connection with the consummation of the transaction contemplated hereby, or except as compelled to disclose by judicial or administrative process or, in the opinion of its counsel, by other requirements of law, will not use, submit or disclose to, or file with, others, or permit any person, firm, corporation or entity under its control to use, submit or disclose to, or file with others, any documents, reports, information or data (including financial statements) concerning BEK, the Company, Chem or any Subsidiary which Buyer may obtain from Beatrice, Seller, BEK, the Company, Chem or any Subsidiary; and, except for such documents, reports and other written materials (including financial statements), which are of a public nature, if this Agreement is terminated, Buyer shall return to Beatrice any and all such documents, reports and other written materials (including financial statements) concerning BEK, the Company, Chem or any Subsidiary as Beatrice may reasonably request. Except for documents, reports, information and data (including, without limitation, financial statements and data) which are of a public nature and unless this Agreement is terminated, Beatrice and Seller shall, and shall cause each person, firm, corporation and entity under their control (including, without limitation but only through the time of Closing, BEK, the Company, Chem and the Subsidiaries) to, treat as confidential and, except as otherwise required in connection with the consummation of the transactions contemplated hereby, or except as compelled to disclose by judicial or administrative process or, in the opinion of its counsel, by other requirements of law, submit or disclose to, or file with, others, or permit any person, firm, corporation or entity under their control to use, or submit or disclose to, or file with, others, any documents, reports, information or data (including, without limitation, financial statements and data and all property of the types described in Section 7.9(a), and information obtained

pursuant to Section 3.3(a), 12.3 or 13.4) concerning BEK, the Company, Chem or any subsidiary. Prior to the Closing Date, Beatrice shall have substantially commenced to, and thereafter shall, use its best efforts to procure the return of all documents, reports, written information and written data (including, without limitation, financial statements and data) furnished since September 1, 1983 to any person, firm, corporation or entity (other than Buyer and its legal counsel, agents and investment bankers referred to in Section 7.24) in connection with the possible sale of Chem or any Subsidiary. Beatrice will not amend or terminate or waive any provision of any confidentiality agreement relating to Chem or any Subsidiary and will, at Buyer's request and expense, (i) take such action as is necessary to permit Buyer to enforce compliance therewith or (ii) if such action is not possible, take appropriate action to enforce such compliance.

13.9 Change of Identification. Following the Closing, Buyer shall as soon as practicable, cause Chem and each Subsidiary, if appropriate, (a) to amend their respective charters in order to delete the word "Beatrice" therefrom and (b) cause Chem and the Subsidiaries to refrain from using any trademark, trade name, logo or other design of Beatrice in connection with their respective businesses which is currently used generally by Beatrice or its other affiliates.

IN WITNESS WHEREOF, Buyer and Seller shall have executed and delivered
this Agreement as of the day and year first above written.

Beatrice Companies, Inc.

By: S/ Richard J. Pigott *S/*

LA Acquisition Corporation

By: S/ Richard F. Vitkus *S/*

Imperial Chemical Industries PLC

By: S/ N.B. Smith *S/*

BRESSLER, AMERY & ROSS

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FRANK J. CUCCIO
DONNA M. MICHAEL-ZIEREIS
MILDRED A. JACOB
LINDA S. MIRSKY
FRANCIS J. HELVERSON

WRITER'S DIRECT LINE:

November 21, 1995

VIA FACSIMILE AND CERTIFIED
MAIL RETURN RECEIPT REQUESTED

Mr. Joseph Cosentino, OSC
Removal Action Branch
Emergency and Remedial Response Div.
U.S.E.P.A. - Region II
2890 Woodbridge Avenue
Edison, New Jersey 08837

RE: Bayonne Barrel & Drum
Newark, New Jersey
104(e) Information Request

Dear Mr. Cosentino:

Enclosed please find BASF Corporation's response to the Request for Information previously forwarded by USEPA relating to the above site.

BASF's internal investigation of its alleged connection to Bayonne Barrel & Drum is continuing. BASF reserves the right to amend or supplement its response if additional relevant information is discovered. To the extent any additional information is discovered, it will be promptly forwarded to your attention.

BRESSLER, AMERY & ROSS

Mr. Joseph Cosentino, OSC
November 21, 1995
Page 2

If you have any questions concerning BASF's response, please do not hesitate to call me.

Very truly yours,

BRESSLER, AMERY & ROSS, P.C.

A handwritten signature in cursive script, appearing to read "David P. Schneider".

David P. Schneider

Enclosure
cc: Marc Seidenberg, Esq.

99111.1

BAYONNE BARREL & DRUM COMPANY
104(e) INFORMATION REQUEST

RESPONSE OF BASF CORPORATION

1. General Information About the Company

- a. State the correct legal name of the Company.

BASF Corporation

- b. Identify the legal status of the Company (corporation, partnership, sole proprietorship, specify if other) and the state in which the Company was organized.

BASF Corporation is a corporation incorporated in the State of Delaware.

- c. State the name(s) and address(es) of the President and the Chairperson of the Board of the Company.

J. Dieter Stein
President & Chief Executive Officer
Chairman of the Board of Directors
3000 Continental Drive - North
Mt. Olive, New Jersey 07828

- d. If the Company has subsidiaries or affiliates, or is a subsidiary of another organization, identify these related companies and state the name(s) and address(es) of the President(s) and the Chairperson(s) of the Board of those organizations. Provide such information for any further parent/subsidiary relationships.

BASF's principal subsidiaries are as follows:

BASF Bioresearch Corporation
100 Research Drive
Worcester, Massachusetts 01605
Robert Kamen, President

BASF Canada Inc.
345 Carlingview Drive
Toronto, Ontario
Canada M9W 6N9
Christoph von Krafft, President

Knoll Pharmaceutical Company
3000 Continental Drive - North
Mt. Olive, New Jersey 07828
Gerald Bendele, President

BASF Corporation, as it exists today, was formed December 31, 1985 as a wholly-owned subsidiary of BASF America Corporation. On July 31, 1986, BASF America Corporation's name changed to BASFIN Corporation. The legal address for BASFIN Corporation is 3000 Continental Drive - North, Mt. Olive, New Jersey 07828.

e. If the Company is a successor to, or has been succeeded by, another company, identify such other company and provide the same information requested above for the predecessor or successor company.

BASF Corporation is the corporate successor to BASF Wyandotte Corporation and Inmont Corporation. In 1968, BASF Corporation, a New York corporation, was formed. On December 31, 1970, BASF Corporation merged into Wyandotte Chemical Corporation, a Michigan Corporation, whose name was simultaneously changed to BASF Wyandotte Corporation, a Michigan Corporation. On December 12, 1973, BASF Wyandotte Corporation was purchased by Luchem Corporation, a Delaware Corporation. Luchem Corporation's name was changed to BASF America Corporation (Del.) on June 19, 1978.

The former Inmont Corporation, a Ohio Corporation, was created on April 15, 1969 as a result of Interchemical Corporation's name change. MEW Corporation, a wholly owned subsidiary of Carrier Corporation, was incorporated in Delaware on August 11, 1977 to act as a vehicle into which Inmont Corporation (Ohio) would be merged. On December 27, 1977, Inmont Corporation merged into MEW Corporation whose name was simultaneously changed to Inmont Corporation, a Delaware Corporation. Carrier Corporation, through a merger on July 6, 1979, became a wholly-owned subsidiary of United Technologies Corporation. On June 30, 1981, Carrier Corporation transferred all issued and outstanding shares of Inmont Corporation (Del.) to United Technologies Corporation.

On or about May 21, 1985, BASF America Corporation acquired Inmont Corporation from United Technologies Corporation. Thereafter, on December 31, 1985, BASF Wyandotte Corporation was merged into Inmont Corporation, which simultaneously changed its name to BASF Corporation, the current corporate entity.

f. If the Company transacted business with Bayonne Barrel & Drum in the name of an entity not disclosed above, give the name of such entity and state its relationship to the Company.

Not applicable.

2. Company's Relationship to Bayonne Barrel & Drum

a. State whether the Company or any Company facility transacted any business with Bayonne Barrel & Drum for the disposal, treatment, or storage of any barrels, drums, or other containers (hereinafter collectively referred to as "Containers").

BASF's internal investigation and the documents received from EPA indicate that Inmont Corporation used the services of Bayonne Barrel & Drum to recondition empty product drums. BASF does not concede that these transactions constitute an arrangement for disposal, treatment, or storage under CERCLA §107(a), or that BASF otherwise has any liability with respect to environmental conditions at the Bayonne Barrel site.

(i.) If so, describe the relationship (nature of services rendered or products sold to the Company) between the Company and Bayonne Barrel & Drum;

BASF's internal investigation and the documents received from EPA indicate that Inmont Corporation offered its customers a return for deposit arrangement pursuant to which customers received a credit from Inmont in exchange for the return of their empty Inmont product drums. These drums were then sent to a reconditioner for reconditioning. Two procedures were employed. Customers either sent their empty product drums back to the Inmont facility from which the product had been purchased, or sent them directly to the drum reconditioner. Drums returned to Inmont remained at the facility until a full load had been collected. Inmont then either arranged for a third-party to transport the drums to the reconditioner or called the reconditioner to pickup the drums.

During BASF's investigation, several retired Inmont employees indicated that Bayonne Barrel & Drum was one of several reconditioners used by Inmont facilities. These same Inmont employees recalled that Bayonne Barrel & Drum segregated drums by customer and stored them in separate stacks in their yard. The drums were stored until a sufficient number had been accumulated to run a load through their reconditioning plant. The reconditioned drums were then returned to Inmont.

(ii.) Provide copies of any contracts or agreements between the Company and Bayonne Barrel & Drum;

No such documents were located. Had any of these documents existed, they would likely have been destroyed in accordance with BASF's record retention policy.

(iii.) For each such facility, state the nature of the operations conducted at the facility, including the time period in which the facility operated; and

(iv.) For each such facility, state its name, address, and current RCRA Identification Number.

(iii.) - (iv.) BASF's internal investigation has identified the following former Inmont Corporation facilities which may have used Bayonne Barrel & Drum for drum reconditioning services:

International Printing Ink
Division Street
Elizabeth, New Jersey
Manufactured printing inks
Approximately 1940s to Closure in 1972

Inmont Corporation
L-5 Factory Lane
Bound Brook, New Jersey
Manufactured pigments and dispersions
Sold in 1987

Inmont Corporation
Finishes Division
McQuarter Street
Newark, New Jersey
Manufactured industrial finishes, varnish
Approximately 1944 to Closure in 1972

Inmont Corporation
200 Gregg Street
Lodi, New Jersey 07644
Manufactured gravure ink
1936 to 1993

Inmont Corporation
James Street
Belvidere, New Jersey 07823
Manufactures automobile refinish paint
1977 to Present

Inmont Corporation
150 Wagner Road
Hawthorne, New Jersey 07506
Manufactured pigments and ink bases; some dye
manufacturing pre-1985.
Closed 1986

Inmont Corporation
Finishes Division
Magnolia Street
Elizabeth, New Jersey
Manufactured adhesives and industrial coatings, varnish
Approximately 1940s to Closure in 1972

No other Inmont facilities have as yet been identified as having used Bayonne Barrel & Drum for drum reconditioning services. However, several additional Inmont locations, listed below, were identified during BASF's investigation. These facilities appear to have had no connection to Bayonne Barrel & Drum other than payment of invoices through their central accounting departments on behalf of the above listed facilities.

Inmont Corporation
1255 Broad Street
Clifton, New Jersey 07015
Offices and laboratories - research in inks, paints
and other products.
1964 to Present - Corporate headquarters beginning in
approximately 1981.

Inmont Corporation
1133 Avenue of the Americas
New York, New York
Corporate Headquarters
1952 to approximately 1981

Inmont Corporation
59-35 Milford Avenue
Detroit, Michigan 48233
Manufactures coating; research and development lab from 1950
to 1992 when lab moved to Southfield location; and general
offices.
1966 to Present

Inmont Corporation
3221 W. Big Beaver Road
Suite 110
Troy, Michigan 48084

Inmont Corporation
18311 W. 10 Mile Road
Southfield, Michigan 48075
Automotive coatings research

b. In addition, if the Company transacted business with Bayonne Barrel & Drum, provide the following information for each transaction:

(i.) Identify the specific dates of each transaction. Where an exact date cannot be provided for a transaction, provide an approximation by month and year;

(ii.) Identify the number of Containers that were the subject of each such transaction;

(i.) - (ii.) Other than the documents provided to BASF by EPA, which EPA alleges evidence specific transactions, BASF's internal investigation failed to produce any documents evidencing any transactions with Bayonne Barrel & Drum. That internal investigation did indicate, however, that the Inmont facilities identified in response to question 2(a) (iii) & (iv) transacted with several drum reconditioners during various periods of time, of which Bayonne Barrel & Drum was one.

(iii.) Generically describe each Container that was the subject of each such transaction (example: closed-head steel drums, etc.);

The Inmont facilities identified above used both open and closed-head steel drums.

(iv.) Identify the intended purpose of each such transaction;

The intended purpose of Inmont's transactions with Bayonne Barrel & Drum was to obtain reconditioned drums.

(v.) State whether each Container that was the subject of the transaction contained any substance at the time of the transaction. As to each Container that contained any substance:

- (1) Identify each such substance, including its chemical content, physical state, quantity by volume and weight, and other characteristics; and
- (2) Provide all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance;

(vi.) If you contend that any such Container did not contain any substance at the time of the transaction:

- (1) State whether such Container had previously been used by the Company to contain any substance, and if so:
 - (a) Identify all substances previously contained within such Container, including its chemical content, physical state, and other characteristics; and
 - (b) Provide as to such substances, all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety

data sheets, if any, relating to each such substance;

(vii.) Describe in detail any treatment of any Container that may have been performed by or on behalf of the Company prior to the time that the Container was transferred from the Company, including any process or procedure by which the Container was emptied or cleaned:

(v. - vii.) The Inmont facilities produced printing inks, automotive paints, industrial coatings, and dispersions which were sold in steel drums, tank wagons, and one and five-gallon containers. BASF's internal investigation indicates some empty customer drums may have contained residual amounts of these materials when they were sent to the drum reconditioner. BASF's internal investigation has not revealed whether empty customer drums returned to Inmont's facilities were treated prior to shipment to the drum reconditioner.

BASF's internal investigation has not produced written records of any analyses which may have been performed on any residual substances remaining in Inmont's empty drums.

(viii.) Provide copies of all documents relating in any way to each transaction, including copies of delivery receipts, invoices, or payment devices;

See responses to Questions 2(a)(ii) and 2(b)(i) - (ii).

(ix.) Identify all persons who might have knowledge of the transactions or who had any responsibility regarding the transaction; and

Millie Bauman
Accounts Payable
Inmont Corporation
Detroit, Michigan

A. Beers
Inmont Corporation
Troy, Michigan

Benjamin D'Armiento
Manager Resins Division
Interchemical Corporation
Newark, New Jersey

James Dole
Purchasing Manager
Inmont Corporation
New York, New York and Clifton, New Jersey

Gus Gaxis
Plant Manager
Inmont Corporation
Hawthorne, New Jersey

H. Keller
Inmont Corporation
Lodi, New Jersey

Herman Kumm
Purchasing Agent
Inmont Corporation
New York, New York

Walter Mock
Project Engineer
Inmont Corporation
Lodi, New Jersey

Arthur Newman
Purchasing Agent
Inmont Corporation
Lodi, New Jersey

Dan O'Connor
Inmont Corporation

V. Pascale
Inmont Corporation
Detroit, Michigan

D. Simpson
Inmont Corporation
Detroit, Michigan

(x.) If you sent any Container by means of any third party transporter, identify each such transporter, including the name and address of such transporter, and identify in which of the transactions such transporter acted.

Documentation provided by EPA indicates that during the period January 1980 to December 1981, the following companies and common carriers may have transported empty Inmont product drums directly from customer facilities to Bayonne Barrel & Drum:

BAIR Transport, Inc.
P.O. Box 216
Riverside, New Jersey 08075

Branch Motor Express Company
114 5th Avenue
New York, New York 10011

Chrysler Corporation
Newark Assembly Plant 04070
Newark, New Jersey

Ford Motor Company
Automotive Assembly Division
Metuchen Assembly Plant
P.O. Box F
Edison, New Jersey 08817

General Motors Corporation
GM Assembly Division
1016 W. Edgar Road
Linden, New Jersey 07036

General Motors Corporation
GM Assembly Division
P.O. Box 1512
Wilmington, Delaware 19899

General Motors Corporation
GM Assembly Division
Beekman Avenue
North Tarrytown, New York 10591

General Motors Corporation
Fisher Body Division
Parkway Avenue
Trenton, New Jersey 08605

General Motors Corporation
GM Assembly Division
63 Western Avenue
Framingham, Massachusetts 01701

General Motors Corporation
GM Assembly Division
2122 Broening Hwy.
Baltimore, Maryland 21203

Wooleyhan Transport Company
City Line and S. Heald Street
Wilmington, Delaware 19899

3. Identify any other person (e.g., individual, company, partnership, etc.) having knowledge of facts relating to the questions which are the subject of this inquiry. For each such person that you identify, provide the name, address, and telephone number of that person, and the basis for your belief that he or she has such knowledge. For past and present employees, include their job title and a description of their responsibilities:

BASF's internal investigation has not identified any other persons having knowledge of Inmont's transactions with Bayonne Barrel & Drum.

4. Identify each person consulted in responding to these questions and correlate each person to the question on which he or she was consulted.

BASF's response was prepared by outside counsel in consultation with the following individuals:

| | |
|---------------------|--|
| Question 2.b.ix. | Cynthia Neprash Benefits & Retirement Office BASF Corporation 3000 Continental Drive - North Mt. Olive, New Jersey 07828 |
| Questions 1 - 7 | Heather Rash Legal Department BASF Corporation 300 Continental Drive - North Mt. Olive, New Jersey 07828 |
| Question 2 | Benjamin D'Armiento (Retired) Manager Resins Division Interchemical Corporation Newark, New Jersey |
| Question 2 | Gus Gaxis Plant Manager Inmont Corporation Hawthorne, New Jersey |
| Question 2 | Walter Mock (Retired) Plant Engineer Inmont Corporation Lodi, New Jersey |
| Question 2 | Arthur Newman (Retired) Purchasing Agent Inmont Corporation Lodi, New Jersey |
| Question 2.b.ix., 3 | Dale Webster Ecology BASF Corporation Wyandotte, Michigan |

Question 2

James Dole (Retired)
Purchasing Manager
Inmont Corporation
World Headquarters
New York, New York and
Clifton, New Jersey

The remaining individuals identified above in response to question 2(b)(ix) as possibly having knowledge are either deceased or could not be located.

5. Provide a list of all insurance policies and indemnification agreements held or entered into by you that may indemnify you against any liability that you may be found to have under CERCLA. Specify the insurer, type of policy, effective dates, and state per occurrence policy limits for each policy. Copies of policies may be provided in lieu of a narrative response. In response to this request, please provide not only those policies and agreements that are currently in effect, but also those in effect since your company began sending Containers to the Site.

Pursuant to a Settlement Agreement with United Technologies Corporation ("UTC") entered into in 1991, UTC is obligated to indemnify BASF for a share of any Inmont liability arising out of the Bayonne Barrel site. BASF's right to indemnification under policies of insurance applicable to Inmont Corporation is currently under review. At present, BASF is unable to identify what policies, if any, would respond to any liability it may incur in this matter.

6. State whether there exists any agreement or contract (other than an insurance policy) which may indemnify the Company, present or past directors, officers or owners of shares in the Company, for any liability that may result under CERCLA. Provide a copy of any such agreement or contract. Identify any agreement or contract that you are unable to locate or obtain.

See response to Question 5 above.

7. Supply any additional information or documents that may be relevant or useful to identify other sources who disposed of or transported Containers to the Site.

BASF's investigation to date has not produced any other information or documents that may be useful in identifying other sources who may have transacted with Bayonne Barrel & Drum.

CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of New Jersey

County of Morris

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Nancy Lake Martin

NAME (print or type)

Senior Attorney

TITLE (print or type)

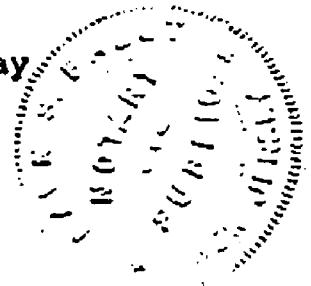
Nancy Lake Martin

SIGNATURE

Sworn to before me this 21ST day
of NOVEMBER, 1995

David S. Balas

NOTARY PUBLIC



David S. Balas
Notary Public of New Jersey
My Commission Expires May 16, 2000

December 7, 1995

Mr. Joseph Cosentino
On-Scene Coordinator
Emergency and Remedial Response Division
U.S. Environmental Protection Agency
Region II
2890 Woodbridge Avenue
Edison, NJ 08837

Re: Request for Information Pursuant to
Section 104(e) of CERCLA for the
Bayonne Barrel & Drum Superfund Site

Dear Mr. Cosentino:

This letter is submitted on behalf of Engelhard Corporation ("Engelhard") and in response to the September 28, 1995 request for information (the "Information Request") issued by the U.S. Environmental Protection Agency ("EPA") to Engelhard pursuant to Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA") and with respect to the Bayonne Barrel & Drum Superfund Site in Newark, New Jersey (the "Site").

The Information Request was received by Engelhard on or about October 4, 1995. On October 26, 1995, Randy Beth Stein, Esq. of Cahill Gordon & Reindel received approval from Ms. Donna Murphy, an EPA contractor, to respond to the Information Request through and including November 15, 1995. Marc Seidenberg, Esq. of EPA subsequently extended the response date through and including December 8, 1995. These agreements were memorialized in October 27, 1995 and November 14, 1995 letters from Ms. Stein to Mr. Seidenberg. In addition, Mr. Seidenberg authorized Engelhard to limit its inquiry under the Information Request to those Engelhard plants referenced in documents previously provided to Engelhard and/or located within the "metropolitan area". In the event EPA later requires information with respect to other Engelhard plants, Engelhard understands that EPA will provide it with adequate notice of such determination.

To the best of the undersigned's knowledge, this response accurately reflects the results of a diligent review

of available information relevant to the Information Request, as conducted in the time permitted. Engelhard recognizes its continuing obligation to supplement its response to the Information Request should it identify additional responsive information. Engelhard understands that EPA will not seek referral to the U.S. Department of Justice for non-compliance with the Information Request under 42 U.S. § 9604(e)(5) in the event additional responsive information is identified and submitted to EPA at some future date.

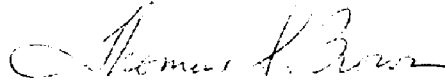
Submission of this response and accompanying documents is not intended and should not be construed as an acknowledgment or admission of any responsibility, fault or liability of Engelhard, or any of its affiliates, officers, directors, employees, agents or representatives, relating to the Bayonne Barrel and Drum Superfund Site or any other site, or as a waiver of any rights, privileges or defenses with respect thereto, or with respect to any documents or information provided with this submission, including, without limitation, any objection to the use of any document as evidence or otherwise in any forum, all of which are expressly reserved. Engelhard reserves the right to object on any basis or ground to the use, in whole or in part, of any document or information submitted herewith in any proceeding or for any purpose.

To the extent the Information Request can be construed as asking for disclosure of privileged information or as requesting information of a kind and/or in a form not authorized by applicable law, Engelhard claims any applicable privilege and objects to the Information Request. Any inadvertent production of privileged material is not intended as a waiver of the applicable privilege.

Each question in the Information Request is responded to separately in Exhibit I hereto.

Please direct any questions concerning the enclosed to the undersigned.

Respectfully submitted,



Thomas S. Brown
Manager - Environmental Affairs
Corporate Environment, Health &
Safety

[Enclosures]

BY HAND

cc: Marc Seidenberg, Esq.
Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency
Region II
290 Broadway, 17th Floor
New York, NY 10007

Bayonne Barrel & Drum Superfund Site

Engelhard Corporation

CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of New Jersey

County of Middlesex

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

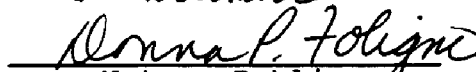
Thomas S. Brown
NAME (print or type)

Mgr. Environmental Affairs
TITLE (print or type)


SIGNATURE

Sworn to me before this

7th day of December 1995


Notary Public

DONNA P. FOLIGNO
Notary Public of New Jersey
My Commission Expires May 5, 1999

BAYONNE BARREL & DRUM
INFORMATION REQUEST

1. General Information About the Company

- a. State the correct legal name of the Company.

Response:

Engelhard Corporation

- b. Identify the legal status of the Company (corporation, partnership, sole proprietorship, specify if other) and the state in which the Company was organized.

Response:

Engelhard Corporation is a corporation organized in the State of Delaware.

- c. State the name(s) and address(es) of the President and the Chairperson of the Board of the Company.

Response:

L. Donald LaTorre
President

Orin R. Smith
Chairman of the Board

Engelhard Corporation
101 Wood Avenue
Iselin, NJ 08830

- d. If the Company has subsidiaries or affiliates, or is a subsidiary of another organization, identify these related companies and state the name(s) and address(es) of the President(s) and the Chairperson(s) of the Board of those organizations. Provide such information for any further parent/subsidiary relationships.

Response:

Engelhard construes Question No. 1.d. to require the identification of all current subsidiaries and affiliates of Engelhard Corporation (the parent corporation) and, to this end, is submitting Engelhard Corporation's Form 10-K Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Commission for the fiscal year ended December 31, 1994. (Document Nos. 0069 through 0127; see in particular "Subsidiaries of the Registrant" at 0127)

Because it does not appear that the Engelhard subsidiaries and affiliates listed therein transacted business with Bayonne Barrel & Drum, Engelhard assumes that no further information is required to be submitted at this time. If, however, additional information is required, please notify the undersigned.

- e. If the Company is a successor to, or has been succeeded by, another company, identify such other company and provide the same information requested above for the predecessor or successor company.

Response:

Engelhard Corporation and its subsidiaries are the successors to the business previously operated by Engelhard Minerals & Chemicals Corporation ("EMC") through its Engelhard Industries Division and Minerals & Chemicals Division. After approval by the shareholders of EMC, Engelhard stock was distributed in 1981 as a spin-off to the shareholders of EMC, and Engelhard became a separate, publicly held corporation. Following the spin-off, EMC changed its name to Phibro Corporation, engaged in a variety of reorganizations, and is now Salomon Inc. If additional information is required, please notify the undersigned.

- f. If the Company transacted business with Bayonne Barrel & Drum in the name of an entity not disclosed above, give the name of such entity and state its relationship to the Company.

Response:

Not applicable.

2. Company's Relationship to Bayonne Barrel & Drum

- a. State whether the Company or any Company facility transacted any business with Bayonne Barrel & Drum for the disposal, treatment, or storage of any barrels, drums, or other containers (hereinafter collectively referred to as "Containers").

Response:

No.

Based on Engelhard's inquiry in response to this Information Request, Engelhard has identified the following matters:

(1) Engelhard appears to have sold empty 55-gallon steel drums to Bayonne Barrel & Drum and, in separate and unrelated transactions, also appears to have purchased steel drums from that entity. (Documents Nos. 0001 through 0067)

(2) In addition, a one-page TRC summary provided to Engelhard by EPA refers to two drums. (Document No. 0068) Based on the limited information set forth on this data sheet (reportedly taken from labels affixed to drums found at the Bayonne Barrel & Drum Site), these two drums allegedly originated at Engelhard's East Newark, New Jersey plant and may have contained certain waste material at one time. However, Engelhard has not identified information indicating that it contracted with Bayonne Barrel & Drum with regard to such waste material.

Item 7 of the definition section in the Information Request states:

"(A) all terms not defined herein shall have their ordinary meanings, unless such terms are defined in CERCLA or RCRA, in which case the statutory definitions apply."

ENGELHARD MINERALS & CHEMICALS CORPORATION

ENGELHARD INDUSTRIES DIVISION

Straight Bill of Lading—Short Form

652- 110 DEPT.

Shipper's No. _____

Carrier's No. _____

Bayonne Barrel

(Name of Carrier)

**Engelhard Industries
429 DELANCY STREET
NEWARK N.J. 07105**

at **Newark** **February 25** 19 **80** From _____

The property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as indicated below, which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination, if on its route, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed, as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth (1) in Uniform Freight Classification in effect on the date hereof, if this is a rail or rail-water shipment or, (2) in the applicable motor carrier classification or tariff if this is a motor carrier shipment.

Shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his assigns.

Consigned to Bayonne Barrel Co. (Mail or street address of consignee—For purposes of notification only.)

Destination _____ State N.J. County _____ Delivery Address *
(* To be filled in only when shipper desires and governing tariffs provide for delivery thereat.)

Route _____

Delivering Carrier _____ Car or Vehicle Initials _____ No. _____

| No. Packages | H.M. | Kind of Package, Description of Articles, Special Marks, and Exceptions | *Weight (Sub. or Cor.) | Class or Rate | Check Column | |
|--------------|------|---|------------------------|---------------|--------------|---|
| 160 | | Empty 55 gallon steel drums to be reconditioned per instructions from E. Molloy (PPD) | | | | <small>Subject to Section 3 of the Uniform Freight Classification, if this shipment is to be delivered to the consignee without recourse on the consignment the consignee shall sign the following statement: The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges. ENGELHARD INDUSTRIES DIV.</small> |
| | | | | | | |
| | | | | | | If charges are to be prepaid write or stamp here "To be Prepaid" |
| | | MARKS: | | | | |
| | | SPECIAL INSTRUCTIONS | | | | Received \$ _____ to apply in payment of the charges on the property described hereon |
| | | | | | | Agent or Cashier |
| | | | | | | Per: _____ (The signature here acknowledges only the amount prepaid) |
| | | This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation per _____ | | | | Charges Advanced |
| | | | | | | *Shipper's liability in case of damage, not a part of Bill of Lading governed by the Interstate Commerce Commission |

Customer Order No. _____

Engelhard Order No. _____

verbal instructions

*If the shipment moves between two ports by a carrier by water the law requires that the Bill of Lading shall state whether it is "carrier's or shipper's weight."
NOTE—Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding **0005**

per _____

The fibre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of the Consolidated Freight Classification.

Engelhard #115 T-74

794 BAYONNE BARREL & DRUM CO.

UNLOADING INSPECTION

| NAME: | QTY. |
|-----------------------------|-----------|
| 55 FRC N/B 18 GA ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | |
| 55 FRC N/B 18 GA. CUT DOWN | 57 |
| 55 FRC N/B 18/20 CUT DOWN | 103 |
| 55 FRC W/B 18-18/20 GA. | |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| N/B C F/B | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| DATE UNLOADED 2 27 80 | TOTAL 160 |
| INSPECTOR A. J. [Signature] | |
| STARTED 11:15 | |
| FINISHED 1:05 | No 27811 |

0006

The terms "disposal", "treatment" and "storage" are each defined by reference to RCRA. 42 U.S.C. §6901. Engelhard submits that in accordance with these statutory definitions, the above-described matters do not constitute transacting business with Bayonne Barrel & Drum for the disposal, treatment or storage of Containers.

If EPA requires further information in this regard, please notify the undersigned.

- (i) If so, describe the relationship (nature of services rendered or products sold to the Company) between the Company and Bayonne Barrel & Drum.

Response:

Not applicable.

- (ii) Provide copies of any contracts or agreements between the Company and Bayonne Barrel & Drum.

Response:

Not applicable.

- (iii) For each such facility, state the nature of the operations conducted at the facility, including the time period in which the facility operated.

Response:

Not applicable.

- (iv) For each such facility, state its name, address, and current RCRA Identification Number.

Response:

Not applicable.

- b. In addition, if the Company transacted business with Bayonne Barrel & Drum, provide the following information for each transaction:¹
- (i) Identify the specific dates of each transaction. Where an exact date cannot be provided for a transaction, provide an approximation by month and year.

Response:

Not applicable.

- (ii) Identify the number of Containers that were the subject of each such transaction.

Response:

Not applicable.

- (iii) Generically describe each Container that was the subject of each such transaction (example: closedhead steel drums, etc.).

Response:

Not applicable.

- (iv) Identify the intended purpose of each such transaction.

Response:

Not applicable.

- (v) State whether each Container that was the subject of the transaction contained any substance at the time of the transaction.

¹ Engelhard construes Question No. 2.b. to seek information relating to transactions with Bayonne Barrel & Drum, if any, for the disposal, treatment or storage of Containers.

Response:

Not applicable.

As to each Container that contained any substance:

- (1) Identify each such substance, including its chemical content, physical state, quantity by volume and weight, and other characteristics.

Response:

Not applicable.

- (2) Provide all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance.

Response:

Not applicable.

- (vi) If you contend that any such Container did not contain any substance at the time of the transaction:

- (1) State whether such Container had previously been used by the Company to contain any substance, and if so:
 - (a) Identify all substances previously contained within such Container, including its chemical content, physical state, and other characteristics.

Response:

Not applicable.

- (b) Provide as to such substances, all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance.

Response:

Not applicable.

- (vii) Describe in detail any treatment of any Container that may have been performed by or on behalf of the Company prior to the time that the Container was transferred from the Company, including any process or procedure by which the Container was emptied or cleaned.

Response:

Not applicable.

- (viii) Provide copies of all documents relating in any way to each transaction, including copies of delivery receipts, invoices, or payment devices.

Response:

Not applicable.

- (ix) Identify all persons who might have knowledge of the transaction or who had any responsibility regarding the transaction.

Response:

Not applicable.

- (x) If you sent any Container by means of any third party transporter, identify each such transporter, including the name and address of such

transporter, and identify in which of the transactions such transporter acted.

Response:

Not applicable.

3. Identify any other person (e.g. individual, company, partnership, etc.) having knowledge of facts relating to the questions which are the subject of this inquiry. For each such person that you identify, provide the name, address, and telephone number of that person, and the basis of your belief that he or she has such knowledge. For past and present employees, include their job title and a description of their responsibilities.

Response:

Refer to the response to Question No. 4, below.

4. Identify each person consulted in responding to these questions and correlate each person to the question on which he or she was consulted.

Response:

Mr. Thomas S. Brown

Manager - Environmental Affairs
Corporate Environment, Health
& Safety
Engelhard Corporation
101 Wood Avenue
Iselin, NJ 08830
(908) 205-5000

Questions Nos. 1-7

* * *

Ms. Sandra Bessaparis

Title During the Relevant Period:
Purchasing Agent - Engelhard
Industries, Metro Park

Current Bus. Add./Teleph. No.:
Engelhard/Clal
700 Blair Road
Carteret, NJ 07008
(908) 205-7413

Question No. 2

* * *

Mr. Al Krist

Title During the Relevant Period:
Supervisor - Petroprocess Department,
Engelhard Industries, Delancy Street

Current Bus. Add/Teleph. No.:
Engelhard Corporation
554 Engelhard Drive
Seneca, SC 29679
(803) 882-9841

* * *

Mr. Ed Molloy

Title During Relevant Period:
Production Manager - Petroprocess
Department, Engelhard Industries,
Delancy Street Plant

Current Bus. Add./Teleph. No.:
Engelhard Corporation
600 East McDowell Road
Jackson, MS 39204
(601) 948-3966

Question No. 2

* * *

Mr. William Pinkasavage

Title During Relevant Period:
Production Manager - Petroprocess
Department, Engelhard Industries,
Delancy Street Plant

Current Bus. Add./Teleph. No.:
Engelhard Corporation
2655 U.S. Route 22 West
Union, NJ 07083
(908) 205-2700

Question No. 2

* * *

Mr. Frank Rock

Title During Relevant Period:
Security Manager - Engelhard Industries,
Delancy Street Plant

Mr. Rock, who is in retirement, has requested that any efforts to contact him be conducted through Mr. Thomas S. Brown.

Question No. 2

* * *

Mr. Edwin B. Fay
President
The Jet Pulverizer Company
1255 North Church Street
Moorestown, NJ 08057
(609) 235-5554

Question No. 2

* * *

5. Provide a list of all insurance policies and indemnification agreements held or entered into by you that may indemnify you against any liability that you may be found

to have under CERCLA. Specify the insurer, type of policy, effective dates, and state per occurrence policy limits for each policy. Copies of policies may be provided in lieu of a narrative response. In response to this request, please provide not only those policies and agreements that are currently in effect, but also those in effect since your company began sending Containers to the Site.

Response:

With respect to insurance policies, Engelhard construes Question No. 5 to seek information relative to the financial ability of Engelhard to contribute to the cleanup of the Site in the event Engelhard is subsequently identified as a potentially responsible party in connection therewith. In this regard, Engelhard submits the Engelhard Corporation Form 10-K Annual Report pursuant to Section 13 or Section 15(d) of the Securities and Exchange Commission for the fiscal year ended December 31, 1994. (Documents Nos. 0069 through 0127) If additional information is required, please notify the undersigned.

With respect to indemnification agreements, Engelhard has not identified information responsive to Question No. 5.

6. State whether there exists any agreement or contract (other than an insurance policy) which may indemnify the Company, present or past directors, officers or owners of shares in the Company, for any liability that may result under CERCLA. Provide a copy of any such agreement or contract. Identify any agreement or contract that you are unable to locate or obtain.

Response:

Refer to the response to Question No. 5, above, as it pertains to indemnification agreements.

7. Supply any additional information or documents that may be relevant or useful to identify other sources who disposed of or transported Containers to the Site.

Response:

Engelhard has not identified information responsive to Question No. 7.

ENGELHARD

BAYONNE BARREL & DRUM
INFORMATION REQUEST

The following is a summary of information taken from label(s) affixed to drums found at the Bayonne Barrel & Drum site:

Name: Englehard Corporation
Address: 1 West Central Avenue
East Newark, NJ 07029 /
Description: Solvent Mixture Spent /
UN/NA CODE: 1993 /
Waste Type: F005
Generator ID No.: NJD002141484
State Manifest No.: NJ00000000
Manifested Drum Quantity: 2

0068

TRC

FOR ACCOUNT OF OUR

Batch D-96
DEPARTMENT

ENGELHARD
CORPORATION
ENGELHARD INDUSTRIES DIVISION

EXECUTIVE OFFICE

70 WOOD AVENUE SOUTH CN 770
ISELIN, NEW JERSEY 08830
Phone (201) 321-5000
Telex 83-3147

ORIGINAL INVOICE

| | | | | |
|---------------------|-----|---------|-------------------|------------------|
| CUSTOMER'S ORDER NO | AND | DATE | ITEM OF | ORDER ENTRY DATE |
| 44129 | | 4/28/82 | OF CUSTOMER'S ORD | 4/28/82 |

PLEASE REFER TO INVOICE NO IN PAYMENTS REMIT TO ENGELHARD CORPORATION, NEAREST P. O. BOX.

OUR ORDER

Refer To
This Number
In All
Communications

| | |
|--|--|
| P.O. Box 7114 Church Street Station N.Y., N.Y. 10008 | P.O. Box 91398 Chicago, Illinois 60690 |
| INVOICE NUMBER | DATE |
| 192-2116 | 4/28/82 |

- TAXABLE
- NON-TAXABLE
- EXEMPT CERT. ON FILE
- NON-TAXABLE STATE OR EXPORT

SHIPPED VIA:

SHIP TO:

Bayonne Barrel & Drum Company
150 Raymond Blvd.
Newark, NJ 07105
ATTN: Mr. Sal Russomanno

DEBIT TO:

058855
CUST CODE

ST. SHIP SALES M REN NO OF INVOICES TAX EXPT.

YES

MATERIAL CERTIFICATION

PART COMP.

SHIPMENT

DATE SHIPPED

TERMS: NET
F. O. B. SHIPPING POINT
UNLESS OTHERWISE
STATED.

| ITEM SPEC | METAL NUMBER | DESCRIPTION | QUANTITY SHIPPED | UNIT PRICE | AMOUNT |
|----------------------------|--------------|--|--|------------|----------|
| | | To cover the Sale of our Drums to Bayonne Barrel & Drum Company. | | | |
| | | Inspection Report No. 15541 dated 2/9/82 | 175 | | |
| | | Inspection Report No. 15678 dated 2/24/82 | 111 | | |
| | | Inspection Report No. 15309 dated 3/4/82 | 183 | | |
| | | Inspection Report No. 15719 dated 3/17/82 | 158 | | |
| | | Inspection Report No. 15753 dated 3/24/82 | 192 | | |
| | | Inspection Report No. 15729 dated 4/2/82 | 138 | | |
| | | TOTAL | 957 | 2.00 | 1,914.00 |
| CREDIT A/C 554-00-192-0300 | | | PAYMENT DUE 5 / 28 / 82 MO. / DAY / YR. | | |

ALL ORDERS ARE SUBJECT TO ENGELHARD'S STANDARD TERMS AND CONDITIONS WHICH ARE REPRODUCED ON THE REVERSE SIDE HEREOF.
A CHARGE WILL BE ASSESSED FOR EACH MONTH OR FRACTION THEREOF THIS ACCOUNT IS OVERDUE.

SALES OFFICES: SKOKIE, IL • HOUSTON, TX • WASHINGTON, D.C • SOUTHFIELD, MI
ANAHEIM, CA • HAYWARD, CA • AURORA, CANADA • MEXICO

EC-672P

| | |
|-----------------|-------------|
| % SALES TAX | 5 |
| SHIPPING CHARGE | 4 |
| INSURANCE | 4 |
| PAY LAST AMOUNT | \$ 1,914.00 |

0041

FOR ACCOUNT OF OUR

Batch D-08
DEPARTMENT

ENGELHARD
CORPORATION
ENGELHARD INDUSTRIES DIVISION

| | | | | | |
|---------------------|-----|---------|-------------------|----|------------------|
| CUSTOMER'S ORDER NO | AND | DATE | ITEM | OF | ORDER ENTRY DATE |
| 44129 | | 4/28/82 | | | 4/28/82 |
| | | | OF CUSTOMER'S ORD | | |

SHIP TO:

Bayonne Barrel & Drum Company
150 Raymond Blvd.
Newark, NJ 07105
ATTN: Mr. Sal Russomanno

DEBIT TO:

058855
CUST CODE

ST SHIP SALES M REN NO OF INVOICES TAX EXPT

YES

MATERIAL CERTIFICATION

| ITEM SPEC | METAL NUMBER | DESCRIPTION | QUANTITY | UNIT PRICE | AMOUNT |
|-----------|--------------|--|----------|------------|----------|
| | | To cover the Sale of our Drums to Bayonne Barrel & Drum Company. | | | |
| | | Inspection Report No. 15541 dated 2/9/82 | 175 | | |
| | | Inspection Report No. 15678 dated 2/24/82 | 111 | | |
| | | Inspection Report No. 15309 dated 3/4/82 | 183 | | |
| | | Inspection Report No. 15719 dated 3/17/82 | 158 | | |
| | | Inspection Report No. 15753 dated 3/24/82 | 192 | | |
| | | Inspection Report No. 15729 dated 4/2/82 | 138 | | |
| | | TOTAL | 957 | 2.00 | 1,914.00 |

CREDIT A/C 554-00-192-0300

PAYMENT DUE

ALL ORDERS ARE SUBJECT TO ENGELHARD'S STANDARD TERMS AND CONDITIONS WHICH ARE REPRODUCED ON THE REVERSE SIDE HEREOF. A CHARGE WILL BE ASSESSED FOR EACH MONTH OR FRACTION THEREOF THIS ACCOUNT IS OVERDUE.

SALES OFFICES SKOKIE, IL • HOUSTON, TX • WASHINGTON, D.C. • SOUTHFIELD, MI
ANAHEIM, CA • HAYWARD, CA. • AURORA, CANADA • MEXICO

EC-672P

| | | |
|------------------|----|----------|
| SALES TAX | 5 | |
| SHIPPING CHARGES | 4 | |
| INSURANCE | 4 | |
| PAY LAST AMOUNT | \$ | 1,914.00 |

0042

ENGELHARD MINERALS & CHEMICALS CORPORATION
ENGELHARD INDUSTRIES DIVISION

Straight Bill of Lading—Short Form

652- 110 DEPT.

Shipper's No. _____

Carrier's No. _____

Bayonne Barrel

(Name of Carrier)

Engelhard Industries
429 DELANCY STREET
NEWARK N.J. 07105

at **Newark** **February 25** 19 **80** From _____

The property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as indicated below, which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination, if on its route, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed, as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth in Uniform Freight Classification in effect on the date hereof, if this is a rail or rail-water shipment or, if in the applicable motor carrier classification or tariff if this is a motor carrier shipment.

Shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his assigns.

Consigned to **Bayonne Barrel Co.** (Mail or street address of consignee—For purposes of notification only.)

Destination _____ State **N.J.** County _____ Delivery Address ***** _____
 (* To be filled in only when shipper desires and governing tariffs provide for delivery thereat.)

Route _____

Delivering Carrier _____ Car or Vehicle Initials _____ No. _____

| No. Packages | H. M. | Kind of Package, Description of Articles, Special Marks, and Exceptions | *Weight (Sub. or Cor.) | Class or Rate | Check Column | |
|--------------|-------|---|------------------------|---------------|--------------|--|
| 160 | | Empty 55 gallon steel drums to be reconditioned per instructions from E. Molloy (PPD) | | | | <small>Subject to Section 7 of Uniform Freight Bill of Lading, if this shipment is to be delivered to the consignee without recourse on the signature of the shipper, the carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.</small> ENGELHARD INDUSTRIES DIV _____ (Signature of Consignor) |
| | | | | | | |
| | | MARKS: | | | | |
| | | SPECIAL INSTRUCTIONS | | | | <small>Received \$ _____ to apply in payment of the charges on the property described herein</small> _____ Agent or Consignee |
| | | This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation per _____ | | | | <small>Per \$ _____ (The signature here acknowledges only the amount prepaid)</small> _____ Charges Advanced |
| | | Customer Order No. _____ | | | | <small>*Shipper's stamp in lieu of stamp and a part of Bill of Lading approved by the Interstate Commerce Commission</small> |

Engelhard Order No. _____

verbal instructions

"If the shipment moves between two ports by a carrier by water the law requires that the Bill of Lading shall state whether it is "carrier's or shipper's weight."
 NOTE—Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding **0005**

The fibre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of the Consolidated Freight Classification.

Engelhard #115 T-74

ENGELHARD MINERALS & CHEMICALS CORPORATION
 ENGELHARD INDUSTRIES DIVISION
 Straight Bill of Lading—Short Form

N 25295

652- 110 DEPT.

Bayonne Barrel

Shipper's No. _____

(Name of Carrier)

Carrier's No. _____

RECEIVED, subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading

Engelhard Industries
 429 Delancy St.
 Newark N.J. 07105

at Newark 2-29- 19 80 From

The property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown) marked, consigned, and destined as indicated below which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination, if on its route, other interested in all or any of said property, that every service to be performed hereunder shall be subject to all the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth (1) in Uniform Freight Classification in effect on the date hereof, if this is a rail or rail-water shipment or (2) in the applicable motor carrier classification or tariff if this is a motor carrier shipment. Shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his assigns.

Consigned to ~~XXXXXXXXXX~~ Bayonne Barrel & Drum Co.

Destination _____ State N.J. County _____ Delivery Address ★
 (★ To be filled in only when shipper desires and governing tariffs provide for delivery thereat.)

Route _____

Delivering Carrier _____ Car or Vehicle Initials _____ No. _____

| No. Packages | H.M. | Kind of Package, Description of Articles, Special Marks, and Exceptions | *Weight (Sub. or Cor.) | Class or Rate | Check Column | |
|--------------|------|---|------------------------|---------------|--------------|--|
| 195 | | empty fifty-five gallon drums to be reconditioned | | | | Subject to Section 7 of Uniform Freight Classification, the bill of lading in this shipment is to be delivered to the consignee without recourse on the consignee. The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges. ENGELHARD INDUSTRIES DIV |
| | | | | | | |
| | | | | | | (Signature of Consignor) |
| | | | | | | If charges are to be prepaid write or stamp here "To be Prepaid" |
| | | | | | | Received \$ _____ to apply in prepayment of the charges on the property described herein. |
| | | | | | | Agent or Cashier |
| | | | | | | Per _____ (The signature here acknowledges only the amount prepaid) |
| | | | | | | Charges Advanced |
| | | | | | | Shipper's initials in lieu of stamp not a part of Bill of Lading approved by the Interstate Commerce Commission |

Customer Order No. _____

Engelhard Order No. _____
 verbal from S. Sessaparis & E. Molloy

"If the shipment moves between two ports by a carrier by water the law requires that the Bill of Lading shall state whether it is carrier's or shipper's weight."
 NOTE—Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding _____ per _____

The fibre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of the Consolidated Freight Classification.

0007

Shipper, Per _____ Agent, Per _____

BAYONNE BARREL & DRUM CO.

UNLOADING INSPECTION

T-5

| NAME: ENGEHARD MINERAL | QTY. |
|----------------------------|------|
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | 42 |
| 55 FRC N/B 18 GA. CUT DOWN | 67 |
| 55 FRC N/B 18/20 CUT DOWN | 86 |
| 55 FRC W/B 18-18/20 GA. | |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |

RB-NBC

DATE UNLOADED 3-3-80 TOTAL 195
 INSPECTOR KENNY
 STARTED 2-30
 FINISHED 7-55 No 28004

0008

N 26027

ENGELHARD MINERALS & CHEMICALS CORPORATION
ENGELHARD INDUSTRIES DIVISION
Straight Bill of Lading—Short Form

652- DEPT.

Customer Pick Up

(Name of Carrier)

Shipper's No.

Carrier's No.

RECEIVED, subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading.

Engelhard Industries
429 Delancy Street
Building 30
Newark New Jersey

at May 12, 19 80 From

The property described below in apparent good order, except as noted (contents and condition of contents of packages unknown) marked, consigned, and destined as indicated below, which said carrier (the word "carrier" being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery as said destination, if on its route, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed, as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth in Uniform Freight Classification in effect on the date hereof, if this is a rail or rail-water shipment or (2) in the applicable motor carrier classification or tariff if this is a motor carrier shipment. Shipper hereby verifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his assigns.

Consigned to Bayonne Barrel & Drum Co.

Destination Jersey City State N.J. County Delivery Address (Mail or street address of consignee—For purposes of notification only)

Route (To be filled in only when shipper desires and governing tariffs provide for delivery thereat.)

Delivering Carrier Car or Vehicle Initials No.

| No. Packages | H.M. | Kind of Package, Description of Articles, Special Marks, and Exceptions | *Weight (Sub. or Cor.) | Class or Rate | Check Column | |
|--------------|------|---|------------------------|---------------|--------------|--|
| 184 | | Empty 55 Gallon Steel Drums to be reconditioned as per discussion with S. Bessanaris & E. Jungmann | | | | Subject to Section 11 of conditions of carriage, the bill of lading of this shipment is to be delivered to the consignee without recourse on the shipper. The carrier shall not be liable for loss of or damage to the property without payment of freight and all other lawfully charges. ENGELHARD INDUSTRIES DIV. |
| | | | | | | (Signature of Consignor) |
| | | | | | | If charges are to be prepaid write or stamp here "To be Prepaid" |
| | | MARKS: | | | | |
| | | SPECIAL INSTRUCTIONS | | | | Received by _____ to apply in payment of the charges on the property described hereon. |
| | | | | | | Agent of Carrier |
| | | This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation per _____ | | | | Per _____ (The signature here is knowledge only the amount prepaid) |
| | | | | | | Charges Advanced |
| | | | | | | *Shipper's signature in lieu of stamp and a check of Bill of Lading prepared by the Interstate Commerce Commission |

Customer Order No.

Engelhard Order No.

verbal instructions

"If the shipment moves between two ports by a carrier by water the law requires that the Bill of Lading shall state whether it is "carrier's or shipper's weight."

NOTE—Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding

0009

per

The fibre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of the Consolidated Freight Classification.

101790 / [Signature]

Shipper Per

Agent, Per

BAYONNE BARREL & DRUM CO.

UNLOADING INSPECTION

T90

| NAME: | QTY. |
|------------------------------|------------------|
| ENE/HARD MINERAL | |
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | |
| 55 FRC N/B 18 GA. CUT DOWN | 112 |
| 55 FRC N/B 18/20 CUT DOWN | 72 |
| 55 FRC W/B 18-18/20 GA. | |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| <i>P.L. W.B.E.</i> | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| | |
| | |
| | |
| DATE UNLOADED <u>5-13-80</u> | TOTAL <u>184</u> |
| INSPECTOR <u>B. SWARTZ</u> | |
| STARTED <u>4:00</u> | |
| FINISHED <u>5:00</u> | No 29422 |

0010

TEL. (AREA 201) 589-0110
BAYKOTE PROCESS
CUSTOMER

BAYONNE BARREL & DRUM CO.

RAYMOND BLVD. & ROUTE 1

NEWARK, N. J. 07105

No. ⁶³⁴⁰ 9974

DELIVER TO

Engelhard
113 Astor Pl
Chemical Dist. Park
Newark NJ 07102

SAME
Avy Delancey Jr I
Newark, NJ

| | | | | |
|------------------------|-------|---------------|-------------------------------|--------------------------------|
| DATE <i>23 - 80</i> | DEPT. | OUR ORDER NO. | YOUR REG. NO. <i>59193</i> | YOUR ORDER NO. <i>59193</i> |
|------------------------|-------|---------------|-------------------------------|--------------------------------|

| QUANTITY | DESCRIPTION |
|------------|--|
| <i>210</i> | <i>55 GAL. F.R.C. DRUMS, RECONDITIONED, LINED CLEAR, PAINTED</i> |
| | <i>BLACK/WHITE NB NBC R.B. ABSPM. W/ SPONGE GASKET</i> |
| | <i>BOLTS+NUTS LOOSE. 6-55-78</i> |
| | <i>GAL. F.R.C. DRUMS, RECONDITIONED, LINED, PAINTED</i> |
| | <i>55 GAL. B.T. DRUMS, RECONDITIONED, H. F. 12x2, PAINTED</i> |

POSTED

DELIVERY IS ACKNOWLEDGED BUT WE RESERVE THE RIGHT TO FILE CLAIM AT A LATER DATE FOR ANY SHORTAGE, DAMAGE OR LACK OF CONFORMITY WITH OUR SPECIFICATIONS AFTER INSPECTION.

B-09 # 30 1638.00
ATT: FELINA
DUNGMAN

| | | | |
|---------------------------|-----------------------------------|-----------------|-----------------|
| TOTAL | RECEIVED BY <i>[Signature]</i> | SIGN AND RETURN | |
| DRIVER RECORD NAME | | LEFT PLANT | OUT |
| TRACTOR NO. <i>118</i> | TRAILER NO. <i>78</i> | ARR. PLANT | IN |
| | | CH'K'D. BY | ARR. CUST. |
| | | CH'K'D. BY | WAIT TIME CUST. |

DELIVERY RECEIPT

FORM 101 REV. 8

0049

TYPE PARTS AND ACCESSORIES
BAYKOTE PROCESS
CUSTOMER

BAYONNE BARREL & DRUM CO.

RAYMOND BLVD. & ROUTE 1
NEWARK, N.J. 07103

No. 9974

DELIVER TO

DATE: 5/29/63 DEPT: YOUR ORDER NO.: YOUR RECEIPT NO.: YOUR ORDER NO.: 51119/3

| QUANTITY | DESCRIPTION | PAINTED |
|----------|--|---------|
| | 55 GAL. FRC. DRUMS RECONDITIONED, LINED | PAINTED |
| | GAL. FRC. DRUMS RECONDITIONED, LINED | PAINTED |
| | 55 GAL. BT. DRUMS RECONDITIONED, H.F. 12x2 | PAINTED |

DRIVER RECORD: NAME, TRACOR NO., TAILER NO., TRUCK PLANT, IN, CHECKED BY, AMT. CUST., WASH TIME CUST.

DELIVERY RECEIPT

0050

TEL. (AREA 201) 589-0110
BAYKOTE PROCESS

BAYONNE BARREL & DRUM CO.

RAYMOND BLVD. & ROUTE 1

NEWARK, N. J. 07105

6460
No. 10122

CUSTOMER FENG BUIHANO
Chromium Acid Package
113 Astor St
Newark, N.J. 07114

DELIVER TO Same
1835 Burnett Ave
4th Delancey St
Newark, N.J.

| | | | | |
|------------------------|-------|---------------|--------------------------------|--------------------------------|
| DATE <u>1-31-80</u> | DEPT. | OUR ORDER NO. | YOUR REG. NO. <u>175705</u> | YOUR ORDER NO. <u>25000</u> |
|------------------------|-------|---------------|--------------------------------|--------------------------------|

| QUANTITY | DESCRIPTION |
|------------|---|
| <u>216</u> | 55 GAL. F.R.C. DRUMS, RECONDITIONED, LINED <u>Clear</u> , PAINTED <u>Black White - NIB - MBC - MB</u> Assemb w/ <u>sponge</u> <u>gaskets - Bores Loose</u> <u>6-55-78</u> |
| | GAL. F.R.C. DRUMS, RECONDITIONED, LINED <u>780</u> , PAINTED |
| | POSTED <u>Black + 1</u> |
| | 55 GAL. B.T. DRUMS, RECONDITIONED, H. F. 12x2, <u>S. AMPTER</u> PAINTED |

RECEIVED

JAN 31 1980

John E. Youngman
1/31/80

TOTAL RECEIVED BY RECEIVING DEPT. W. Gardner SIGN AND RETURN
420 DELANCEY STREET

| | | | | | |
|--------------------|---------------------|------------|-----|------------|-----------------|
| DRIVER RECORD NAME | NEWARK, N. J. 07105 | LEFT PLANT | OUT | CH'K'D. BY | ARR. CUST. |
| TRACTOR NO. | <u>101</u> | ARR. PLANT | IN | CH'K'D. BY | WAIT TIME CUST. |

FORM 161 REV. 8

DELIVERY RECEIPT

0051

TEL. AREA 201) 589-0110
 BAYKOTE PROCESS

BAYONNE BARREL & DRUM CO.
 RAYMOND BLVD. & ROUTE 1
 NEWARK, N. J. 07105

No. ¹¹⁰⁶⁹
 398

CUSTOMER

Fengalham ~~Co~~
 113 Arrow St - Chem Recd Payroll
 Newark NJ 07114

DELIVER TO

Same
 414 Delaware St
 Newark, N.J.

DATE 3-7-80 YOUR REQ. NO. _____ YOUR ORDER NO. 62708

| QUANTITY | SIZE | TYPE | DESCRIPTION | RING | LIN-ING | COLOR | UNIT PRICE | AMOUNT |
|----------|------|------|--------------------------|------|---------|-----------------|-----------------|--------------------|
| 225 | 55 | OR | NBC - NB Assembly sponge | NBC | | BLK wire | 7.70 | 1755.00 |
| | | | Bar loose 6-55-78 | | | | 7.80 | 1755.00 |
| | | | | | | Blk x 30 | | |
| | | | | | | ATT: B. JUNGMAN | | |
| | | | Alcadoro 3-10-80 | | | | | |

POSTED

TOTAL _____ RECEIVED BY _____ SIGN AND RETURN _____

| | | | | | |
|-------------------|-------------|------------|-----|------------|-----------------|
| DRIVER RECORD | | LEFT PLANT | OUT | CH'K'D. BY | ARR. CUST. |
| NAME <u>Benny</u> | | | | | |
| TRACTOR NO. | TRAILER NO. | ARR. PLANT | IN | CH'K'D. BY | WAIT TIME CUST. |
| <u>101</u> | <u>T-63</u> | | | | |

DELIVERY RECEIPT

FORM 101 REV. 8

0052

TEL. (AREA 201) 589-0110
 BAYKOTE PROCESS

BAYONNE BARREL & DRUM CO.
 RAYMOND BLVD. & ROUTE 1
 NEWARK, N. J. 07105

No. **8300**
1710

CUSTOMER **ENGELHARD**
 113 A Street
 CITRUS ACO Bayville
 Newark, N.J. 07114

DELIVER TO *Same*
 429 Delancey St
 Newark, N.J.

I

DATE **5/2/80** YOUR REG. NO. YOUR ORDER NO. **66846**

| QUANTITY | SIZE | TYPE | DESCRIPTION | RING | LIN-ING | COLOR | UNIT PRICE | AMOUNT |
|--|------|------|------------------------|------|---------|-------------|------------|---------|
| 211 | 55 | OH | MBC-MB Assembly sponge | MBS | < | BLW Wire | 8.30 | 1751.30 |
| | | | Gaskets Bus Case | | | | | |
| DELIVERY IS ACKNOWLEDGED BUT WE RESERVE THE RIGHT TO FILE CLAIM AT A LATER DATE FOR ANY SHORTAGE, DAMAGE OR LACK OF CONFORMITY WITH OUR SPECIFICATIONS AFTER INSPECTION. | | | | | | | | |
| ENGELHARD INDUSTRIES INC. | | | | | | | | |

POSTED

Att: E. Dunnington

RECEIVED

MAY 21 1980

RECEIVING DEPT.
 429 DELANCEY STREET
 NEWARK, N.J. 07105

TOTAL RECEIVED BY *Up auto Dept*

| | | | | | |
|--------------------|-------------------------|------------|-----|------------|-----------------|
| DRIVER RECORD NAME | | LEFT PLANT | OUT | CH'K'D. BY | ARR. CUST. |
| AU | | | | | |
| TRACTOR NO. | TRAILER NO. T-11 | ARR. PLANT | IN | CH'K'D. BY | WAIT TIME CUST. |
| | | | | | |

FORM 101 REV. 2

DELIVERY RECEIPT

0053

ENGELHARD MINERALS & CHEMICALS CORPORATION
 ENGELHARD INDUSTRIES DIVISION

Straight Bill of Lading - Short Form
 ORIGINAL - NOT NEGOTIABLE

652

DEPT

Shipped No.

Carrier's No.

RECEIVED, subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading.

(Name of Carrier)

at Newark 1/16-1980 From

The property described below in apparent good order except as noted (contents and condition of contents of packages unknown) marked, consigned and destined as indicated below which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination, if on its route other than to deliver to another carrier on the route to said destination. It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth (1) in Uniform Freight Classification in effect on the date hereof if this is a rail or rail-water shipment or, (2) in the applicable motor carrier classification or tariff if this is a motor carrier shipment. Shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading including those on the back thereof set forth in the classification or tariff which governs the transportation of this shipment and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his assigns.

Consigned to Bayonne Barrel (Mail or street address of consignee - For purposes of notification only.)

Destination Newark State NJ County Delivery Address
 (* To be filled in only when shipper desires and governing tariffs provide for delivery thereat)

Route

Delivering Carrier Car or Vehicle Initials No.

| No. Packages | H.M. | Kind of Package, Description of Articles, Special Marks, and Exceptions | *Weight (Sub. or Cor.) | Class or Rate | Check Column | |
|---|------|---|------------------------|---------------|--------------|---|
| 150 | | Empty Steel Drums | | | | Subject to Section 7 of Conditions of applicable bill of lading if this shipment is to be delivered to the consignee without recourse on the consignee the shipper shall sign the following statement: The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges. ENGELHARD INDUSTRIES DIV |
| | | To be reconditioned | | | | |
| MARKS | | | | | | If charges are to be prepaid write or stamp here: "To be Prepaid" |
| SPECIAL INSTRUCTIONS | | | | | | |
| This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation per | | | | | | Received \$ <u></u> to apply in payment of the charges on the property described herein |
| Customer Order No. <u></u> Engelhard Order No. <u></u> | | | | | | Agent or Cashier |
| | | | | | | Per \$ <u></u> (The signature here acknowledges only the amount prepaid) |
| | | | | | | Charges Advanced |
| | | | | | | *Shipper's stamp in lieu of stamp not a part of Bill of Lading approved by the Interstate Commerce Commission |

*If the shipment moves between two ports by a carrier by water the law requires that the Bill of Lading shall state whether it is "carrier's or shipper's weight."
 NOTE - Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding

0001

The fibre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon requirements of the Consolidated Freight Classification.

Engelhard
 1/16/80

RAYONNE BARREL & DRUM CO.

UNLOADING INSPECTION

7-61

| NAME | QTY |
|------------------------------------|-----------|
| <i>Engelhard</i> | |
| 55 FRC N/B 18 GA ORIGINAL | <i>6</i> |
| 55 FRC N/B 18/20 ORIGINAL | <i>44</i> |
| 55 FRC N/B 18 GA. CUT DOWN | <i>57</i> |
| 55 FRC N/B 18/20 CUT DOWN | <i>43</i> |
| 55 FRC W/B 18-18/20 GA. | |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| <i>D. H. all 55 gal R+B+N.B.C.</i> | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |

DATE UNLOADED *1-17-80* TOTAL *150*

INSPECTOR *James Gairney*

STARTED *11:05*

FINISHED *11:45* No. 20535

0002

N 17000

ENGELHARD MINERALS & CHEMICALS CORPORATION

ENGELHARD INDUSTRIES DIVISION

Straight Bill of Lading - Short Form

ORIGIN - NOT NEGOTIABLE

DEPT. 110

Shipper's No.

Carrier's No.

Ther...
(Name of Carrier)

Engelhard Industries
429 Delaware St
Newark N.J.

RECEIVED, subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading

at *Newark N.J.* 19... From *Newark N.J.*
the property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown, marked, consigned and destined as indicated below which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation) agree to carry to its usual place of delivery at said destination, if on its route, other wise to deliver to another carrier on the route to said destination) (to be mutually agreed, as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth (1) in Uniform Freight Classification in effect on the date hereof; (2) in the applicable motor carrier classification or tariff if this is a motor carrier shipment)
Shipper hereby certifies that the goods are packed in accordance with the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his assigns.

Consigned to *Bay...* (Mail or street address of consignee - For purposes of notification only)

Destination *Atlantic State N.J.* County *Atlantic* Delivery Address *...*

Route *...*

Delivering Carrier *...* Car or Vehicle Initials *...* No. *...*

| No. Packages | H.M. | Kind of Package | Description of Articles | Special Marks and Exceptions | Weight (Sub. or Cor.) | Class or Rate | Check Column | Remarks |
|--------------|------|-----------------|-------------------------|------------------------------|-----------------------|---------------|--------------|--|
| 61 | | | <i>Empty P.C.S.</i> | | | | | Subject to Section 7 of Conditions of applicable bill of lading, if this shipment is to be delivered to the consignee without recourse on the consignee the carrier shall sign the following statement: The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges. ENGELHARD INDUSTRIES DIV |
| | | | | | | | | (Signature of Consignor) |
| | | | | | | | | If charges are to be prepaid, write or stamp here, "To be Prepaid" |
| | | | | | | | | Received \$ to apply in prepayment of the charges on the property described herein |
| | | | | | | | | Agent of Carrier |
| | | | | | | | | Per: (The signature here acknowledges only the amount prepaid) |
| | | | | | | | | Charges Advanced |
| | | | | | | | | *Shipper's imprint in lieu of stamp on a part of Bill of Lading approved by the Interstate Commerce Commission. |

Customer Order No. *...* Engelhard Order No. *...*

*If the shipment moves between two ports by a carrier by water the law requires that the Bill of Lading shall state whether it is carrier's or shipper's weight.
NOTE - Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property.
The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding *...* per *...* # *11* T-12
The fibre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of the Consolidated Freight Classification.

0003

BAYONNE BARREL & DRUM CO.

UNLOADING INSPECTION *T12*

| NAME: | QTY. |
|------------------------------|-----------------|
| <i>ENGELHARD MINERALS</i> | |
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | |
| 55 FRC N/B 18 GA. CUT DOWN | <i>61</i> |
| 55 FRC N/B 18/20 CUT DOWN | |
| 55 FRC W/B 18-18/20 GA. | |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| <i>Q.I.R. N.B.C.</i> | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| | |
| | |
| | |
| DATE UNLOADED <i>1-23-80</i> | TOTAL <i>61</i> |
| INSPECTOR <i>MILT</i> | |
| STARTED <i>7:30</i> | |
| FINISHED <i>7:45</i> | No 26726 |

0004

N 26026

ENGELHARD INDUSTRIES DIVISION

Straight Bill of Lading - Short Form

652-

DEPT

Shipper's No.

Carrier's No.

Name of Carrier (Name of Carrier) ...

Subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading

The property described below, of apparent good order, except as noted (contents and condition of contents of packages unknown) marked consigned and destined as indicated below ...

Consigned to ... Destination ... State ... County ... Delivery Address ...

Table with columns: No. Packages, Kind of Package, Description of Articles, Special Marks, and Exceptions, Weight (Sub. or Cor.), Class or Rate, Check Column. Includes sections for MARKS, SPECIAL INSTRUCTIONS, and a certification statement.

Subject to Section 7 of Conditions of applicable bill of lading ... Received \$... Agent or Cashier ...

Customer Order No. 66846 Engelhard Order No.

If the shipment moves between two ports by a carrier by water the law requires that the Bill of Lading shall state whether it is "carrier's or shipper's weight" ...

The fibre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, requirements of the Consolidated Freight Classification.

0011

Shipper, Per ... Agent, Per ...

BAYONNE BARREL & DRUM CO.

#59 UNLOADING INSPECTION

| NAME: | QTY: |
|--|-----------|
| ENGELHARD MINERAL | |
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | 20 |
| 55 FRC N/B 18 GA. CUT DOWN | 51 |
| 55 FRC N/B 18/20 CUT DOWN | 75 |
| 55 FRC W/B 18-18/20 GA. PAINT | |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| R. B. N. B. C. | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| JUNK | 4 |
| DATE UNLOADED 5-12-20 | TOTAL 150 |
| INSPECTOR W. G. Little | |
| STARTED 10:14:5 | |
| FINISHED 11:40 | No. 29434 |

0012

Uniform Domestic Straight Bill of Lading, adopted by Carriers in Central, Southern, Western and Illinois Classification Territories March 15, 1922.

UNIFORM STRAIGHT BILL OF LADING

THIS SHIPPING ORDER must be legibly filled in, in Ink, in Indelible Pencil, or in Carbon, and retained by the Agent.

BAYONNE BARREL CO

Company

RECEIVED, subject to the classifications and tariffs in effect on the date of issue of this Shipping Order.

At **MOORESTOWN, N. J. 12-21-1981** From **ENGELHARD IND. ISERLIN, N.J.**

the property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked consigned and destined as indicated by the bill of lading company (the word company being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to the place of delivery at said destination if on its own road or its own water line, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed, as to each carrier, that every subject to all the conditions not prohibited by law, whether printed or written, herein contained, including the conditions on back hereof, which are hereby agreed to by the shipper and accepted for himself and his assigns.

Consigned to **BAYONNE BARREL CO** (Mail or street address of consignee—For purposes of notification only)
 Destination **NEWARK, N. J.** State of _____ County of _____
 Route _____
 Delivering Carrier _____ Car Initial _____ Car No _____

| NO. PACKAGES | DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS | * WEIGHT (Subject to Correction) | CLASS or RATE | CHECK COLUMN | Subject to Section 7 of conditions of this shipment to be delivered to the consignee with out recourse on the consignor, the consignor shall sign the following statement: The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges. |
|--------------|---|----------------------------------|---------------|--------------|---|
| 264 | Empty STEEL DRUMS 55 gallon size | | | | |

* If the shipment moves between two ports by a carrier by water the law requires that the bill of lading shall state whether it is a carrier's or shipper's weight. Note—Where the rate is dependent on value shippers are required to state specifically in writing the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding \$ _____ per _____.

The Jet Power Corp Shipper, Per **FAY** AGENT MUST DETACH AND RETAIN THIS SHIPPING ORDER AND MUST SIGN THE ORIGINAL BILL OF LADING
 Permanent postoffice address of shipper **P.O. Box 612 PA/IN/PA, N. J. 08065**

The Fibre Boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon and all other requirements of Rule 41 of the Consolidated Freight Classification.

0013

②

1-4 30 200
BAYONNE BARREL & DRUM CO.

UNLOADING INSPECTION

| NAME | QTY. |
|----------------------------|-----------|
| ENGELHARD | |
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC, N/B 18/20 ORIGINAL | 55 |
| 55 FRC N/B 18 GA. CUT DOWN | |
| 55 FRC N/B 18/20 CUT DOWN | 90 |
| 55 FRC W/B 18-18/20 GA | 44 |
| 55 FRC B/B/R. | |
| 55 FRC 47H/17E | |
| 30 FRC | |
| 047 18/20 JUNK #3 | 25 50 |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| DATE UNLOADED 12-22-81 | TOTAL 264 |
| INSPECTOR [Signature] | |
| STARTED 12/30 | |
| 2/30 | No 7312 |

0014

INSPECTION REPORT

PURCHASED RECONDITIONED
REC'D. FROM: Engelhard Industries DATE 12/21/81
ADDRESS 700 Iselin, NJ No. 15034

| CD | DRUM TYPE | GR. I QTY | UNIT PRICE | AMOUNT |
|----|--------------------|-----------|------------|--------|
| 1 | 55 GI FRC N/B | 189 | R.00 | 378.00 |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI FRC JUNK | 75 | N.V. | — |
| 6 | 30 GI FRC | | | |
| 7 | R/B-WBC | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 GI BT 2X2 I/C | | | |
| 15 | 55 GI BT JUNK | | 33/7 | |
| 16 | 30 GI BT | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER: Jet Pulverizer - Monroeville, NJ
CARRIER: [Signature]
INSPECTED BY: [Signature]
APPROVED BY: [Signature]
TOT DRUMS: 264
TOT AMT: 378.00

PURCHASED
REC'D FROM

RECONDITIONED

ADDRESS

Engelhardt Industries
700 Selin, NJ
DATE *12/21/81*
No. 15034

| CD | DRUM TYPE | GR I QTY | UNIT PRICE | AMOUNT |
|----|--------------------------|----------|------------|--------|
| 1 | 55 GI FRC W/B | 189 | R.00 | 378.00 |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI FRC JUNK | 75 | NV | — |
| 6 | 30 GI FRC | | | |
| 7 | <i>R&B-WBC</i> | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 GI BT 2X2 1/2 | | | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 GI BT | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER *Jet Pulverizer - Mountaintown NJ*

CARRIER

INSPECTED BY

APPROVED BY *[Signature]*

TOT DRUMS *264*

TOT AMT. *378.00*

BAYONNE BARREL AND DRUM CO.

0015

UNIFORM STRAIGHT BILL OF LADING

THIS SHIPPING ORDER must be legibly filled in, in Ink, in Indelible Pencil, or in Carbon, and retained by the Agent

BAYONNE BARREL CO

Company

Shipper's No

Agent's No

RECEIVE subject to the classifications and tariffs in effect on the date of issue of this Shipping Order

At *ROCKSTOWN, N.J.* *2-9-1982* From *ENGELHARD, IND.* *ISELIN, N.J.*

The property described below is shipped under order except as noted (contents and condition of contents of packages unknown) marked, numbered and destined as indicated below which said company (the word recipient being understood throughout this contract as meaning any person or corporation in possession of the goods) retains its right to its usual place of delivery at said destination if on its own road or its own water line otherwise to deliver to another carrier on the route to said destination. It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination and as to each party at any time interested in all or any of said property that every service to be performed hereunder shall be subject to all the conditions set forth in all or any of the tariffs, rules, regulations, contracts, bills of lading, and other documents which are hereby agreed to by the shipper and accepted for himself and his assigns.

(Mail or street address of consignee—For purposes of notification only)

Consigned to *BAYONNE BARREL CO*

Destination *NEWARK, N.J.* State of _____ County of _____

Route _____

Delivering Carrier _____ Car Initial _____ Car No. _____

| NO PACKAGES | DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS | WEIGHT (Subject to Correction) | CLASS OR RATE | CHECK COLUMN | Subject to Section 7 of conditions, if this shipment is to be delivered to the consignee without recourse on the consignee the consignor shall sign the following statement: The carrier shall not make delivery of this shipment until payment of freight and all other lawful charges. |
|-------------|---|--------------------------------|---------------|--------------|---|
| <i>230</i> | <i>EMPTY STEEL DRUMS 55 GALLON USED</i> | | | | Signature of Consignor If charges are to be prepaid, write or stamp here, "To be Prepaid" Received \$ _____ to apply in payment of the charges on the property described herein. Agent or Carrier Per _____ The signature hereon constitutes an acknowledgment of the receipt of the goods. (Charges Advanced) |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

*#121 T-71
Donut*

* If the shipment routes between two ports by a carrier by water the law requires that the bill of lading shall state whether it is carrier's or shipper's weight. Note—Where the rate is dependent on value shippers are required to state specifically in writing the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding \$ _____ per _____

THE JET ALUMINIZER Shipper, Per *FAY* AGENT MUST DETACH AND RETAIN THIS SHIPPING ORDER AND MUST SIGN THE ORIGINAL BILL OF LADING (2)
Permanent postoffice address of shipper *Fox 304 212 Palmyra, N.J. 08065*

The 1-litre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon and all other requirements of Rule 41 of the Consolidated Freight Classification.

0017

BAYONNE BARREL & DRUM CO.

UNLOADING INSPECTION **T71**

| NAME | QTY. |
|--|------------------|
| ENGEHARD IAD | |
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | |
| 55 FRC N/B 18 GA. CUT DOWN | |
| 55 FRC N/B 18/20 CUT DOWN ²⁰⁰ | #2 319 |
| 55 FRC W/B 18-18/20 GA. | |
| 55 FRC N/B JUNK 55 | 11 |
| 55 FRC 17H/17E | |
| 30 FRC | |
| <i>P.B. W.B.C.</i> | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| DATE UNLOADED 2-11-82 | TOTAL 230 |

INSPECTOR CAEVA
 STARTED 11:00
 FINISHED 11:45 No 7746

INSPECTION REPORT

PURCHASED RECONDITIONED
 REC'D. FROM: Engelhard Industries DATE: 2/9/82
 ADDRESS: No. 15541

| CD | DRUM TYPE | GR. I QTY | UNIT PRICE | AMOUNT |
|----|--------------------|-----------|------------|--------|
| 1 | 55 GI FRC N/B B/O | 175 | 2.00 | 350.00 |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI FRC JUNK | 55 | N.V | - |
| 6 | 30 GI FRC | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 GI BT 2X2 1/C | | | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 GI BT | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

0019

4/26

SHIPPER: Jet Pulverizer - Moorestown NJ.
 CARRIER: 12171
 INSPECTED BY: [Signature]
 APPROVED BY: [Signature]
 TOT DRUMS: 230
 TOT AMT: 350.00

INSPECTION REPORT



PURCHASED

RECONDITIONED

REC'D. FROM

DATE

ADDRESS

Engelhardt Industries *2/9/82*
No. 15541

| CD | DRUM TYPE | GR. I QTY | UNIT PRICE | AMOUNT |
|----|--------------------|-----------|------------|--------|
| 1 | 55 GI FRC N/B B/O | 175 | 2.00 | 350.00 |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI. FRC 17H | | | |
| 5 | 55 GI FRC JUNK | 55 | N.V | — |
| 6 | 30 GI FRC | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL NO | | | |
| 12 | 55 GI BT HF UNL NO | | | |
| 13 | 55 GI BT HF C O | | | |
| 14 | 55 GI BT HF C O | | | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 GI BT | | 9.12 | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER: *Jet Pulverizer - Moorestown NJ*

| | | | | |
|------------------------|--------------|--|------------------------|--------------------------|
| CARRIER: <i>121771</i> | INSPECTED BY | APPROVED BY: <input checked="" type="checkbox"/> | TOT. DRUMS: <i>230</i> | TOT. AMT.: <i>350.00</i> |
|------------------------|--------------|--|------------------------|--------------------------|

BAYONNE BARREL AND DRUM CO.

0020

UNIFORM STRAIGHT BILL OF LADING
 THIS SHIPPING ORDER must be legibly filled in, in Ink, in Indelible Pencil, or in Carbon, and retained by the Agent.

BAYONNE BARREL CO

Shipper's No _____
 Company _____
 Agent's No _____

RECEIVED, subject to the classifications and tariffs in effect on the date of issue of this Shipping Order

At **TIPORESTOWN N.J.** **2-24** 19**82** From **ENGELHARD IND** **SEUN, N.J. 08830**

The property described below is apparent good order, except as noted (contents and condition of contents of packages unknown) marked, resealed and destined as indicated below, which said property (the word company being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination, if on its own road or its own water line, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property that every service to be performed hereunder shall be subject to all the conditions set forth in the tariff, whether printed or written, hereto contained, including the conditions on back hereof, which are hereby agreed to by the shipper and accepted for himself and his agents.

Consigned to **BAYONNE BARREL CO** (Mail or street address of consignee—For purposes of notification only)
 Destination **150 RAYMOND BLVD** State of _____ County of _____
 Route **NEWARK, N. J.**
 Delivering Carrier _____ Car Initial _____ Car No _____

| NO. PACKAGES | DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS | * WEIGHT (Subject to Correction) | CLASS or RATE | CHECK COLUMN |
|--------------|---|----------------------------------|---------------|--------------|
| 150 | 55 GAL STEEL DRUMS USED | 6 000 4 | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Subject to Section 7 of conditions, if this shipment is to be delivered to the consignee without receipt on the consignee, the consignee shall sign the following statement:
 The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.
 Signature of Consignee _____
 If charges are to be prepaid, write or stamp here "To be Prepaid"
 Received \$ _____
 to apply in payment of the charges on the property described herein.
 Agent or other _____
 Per _____
 (The signature here signifies receipt of the property as described.)
 (Charges Advanced)

* If the shipment routes between two ports by a carrier by water the law requires that the bill of lading shall state whether it is carrier's or shipper's weight.
 Note—Where the rate is dependent on value shippers are required to state specifically in writing the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding \$ _____ per _____

Shipped by **FAY** AGENT MUST DETACH AND RETAIN THIS SHIPPING ORDER AND SIGN THE ORIGINAL BILL OF LADING ②
 Permanent postoffice address of shipper: **PO BOX 212 PALMYRA, N. J. 08065**

The five boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon and all other requirements of Rule 4 of the Consolidated Freight Classification

0022

Uniform Domestic Straight Bill of Lading adopted by Carriers in Official Southern, Western and Illinois Classification Territories March 15, 1922 as amended August 1, 1930 and June 15, 1941

UNIFORM STRAIGHT BILL OF LADING

THIS SHIPPING ORDER must be legibly filled in, in Ink, in Indelible Pencil, or in Carbon, and retained by the Agent.

BAYONNE BARREL B

Shipper's No. _____
Company _____
Agent's No. _____

RECEIVE, subject to the classifications and tariffs in effect on the date of issue of this Shipping Order

At **ITICORESTOWN, N.J.** **2-24 1982** From **ENGELHARD IND** **SELIN, N.J. 08830**

the property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as indicated below, which said company (the word company being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination if on its own road or its own water line, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed, as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property that every service to be performed hereunder shall be subject to all the conditions not prohibited by law, whether printed or written, herein contained including the conditions on back hereof which are hereby agreed to by the shipper and accepted for himself and his assigns.

(Mail or street address of consignee—For purposes of notification only)

Consigned to **BAYONNE BARREL B**
Destination **150 RAYMOND BLVD** State of _____ County of _____
Route **NEWARK, N. J.**

Delivering Carrier _____ Car Initial _____ Car No. _____

| NO PACKAGES | DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS | WEIGHT (Subject to Correction) | CLASS or RATE | CHECK COLUMN |
|-------------|---|--------------------------------|---------------|--------------|
| 150 | 55 GAL STEEL DRUMS USED | 6000 # | # | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Subject to Section 7 of conditions, if this shipment is to be delivered to the consignee with our recourse on the consignor, the consignor shall sign the following statement:
The carrier shall not make delivery of this shipment with out payment of freight and all other lawful charges.
Signature of Consignor _____
If charges are to be prepaid write or stamp here, "To be Prepaid"
Received \$ _____
to apply in prepayment of the charges on the property described herein.
Agent or Cashier _____
Per _____
The signature here acknowledges the amount (prepaid) _____
(Charges Advanced)

The Fibre Boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon and all other requirements of Rule 4.1 of the Consolidated Freight Classification.

* If the shipment moves between two ports by a carrier by water, the law requires that the bill of lading shall state whether it is carrier's or shipper's weight.
Note—Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding \$ _____ per _____.

THE JET RIVER RIVER CO
Permanent postoffice address of shipper

Shipped Per **FAY**
PO BOX 212 ATMYRA, N. J. 08065
AGENT MUST DETACH AND RETAIN THIS SHIPPING ORDER AND MUST SIGN THE ORIGINAL BILL OF LADING (2)

PURCHASED
 REC'D FROM *Bayonne Barrel & Drum Co.* RECONDITIONED
 ADDRESS *Industrial 2/24/82* DATE
 No. 15678

| CO | DRUM TYPE | GR 1 QTY | UNIT PRICE | AMOUNT |
|----|----------------------------|----------|------------|--------|
| 1 | 55 GI. FRC N/B B/O | 111 | 2.00 | 222.00 |
| 2 | 55 GI. FRC W/B B/O | | | |
| 3 | 55 GI. FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI. FRC JUNK | 39 | N.V | — |
| 6 | 30 GI. FRC | | | |
| 7 | <i>Rings & Covers.</i> | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI. BT HF UNL'ND | | | |
| 12 | 55 GI. BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 GI BT 2X2 I/C | | | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 GI BT | | 7.4 | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER *JET PULVERIZER* *MADDESTOWN A.J.*
 CARRIER _____ INSPECTED BY _____ APPROVED BY _____
 TOT. DRUMS *150* TOT. AMT. *222.00*

BAYONNE BARREL AND DRUM CO.

T39- BAYONNE BARREL & DRUM CO.
UNLOADING INSPECTION

| NAME: <i>ENGELHART IND</i> | QTY. |
|----------------------------|------|
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | |
| 55 FRC N/B 18 GA. CUT DOWN | 37 |
| 55 FRC N/B 18/20 CUT DOWN | 74 |
| 55 FRC W/B 18-18/20 GA. | 14 |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| <i>W/B</i> | |
| <i>R/B</i> | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| <i>214 N</i> | 39 |

DATE UNLOADED *3-1-82* TOTAL *150*
 INSPECTOR *A. J. ...*
 STARTED *10:00*
 FINISHED *11:30* No 11081

0024

INSPECTION REPORT

PURCHASED RECONDITIONED
 REC'D. FROM: *Engelhart Industries* DATE *2/24/82*
 ADDRESS *Engelhart Industries* No. 15678

| CD | DRUM TYPE | GR I QTY. | UNIT PRICE | AMOUNT |
|----|----------------------------|------------|-------------|---------------|
| 1 | 55 GI FRC N/B B/O | <i>111</i> | <i>2.00</i> | <i>222.00</i> |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI FRC JUNK | <i>39</i> | <i>N/V</i> | <i>—</i> |
| 6 | 30 GI FRC | | | |
| 7 | <i>Rings & Covers.</i> | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 GI BT 2X2 I/C | | | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 GI BT | | <i>7/4</i> | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER *JET PULVERIZER* *MOORESTOWN, N.J.*
 CARRIER *...* INSPECTED BY *...* APPROVED BY *...* TOT DRUMS *150* TOT AMT *222.00*

T-32 BAYONNE BARREL & DRUM CO.
UNLOADING INSPECTION

| NAME: | QTY. |
|----------------------------|------|
| Engelhard | |
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | |
| 55 FRC N/B 18 GA. CUT DOWN | 43 |
| 55 FRC N/B 18/20 CUT DOWN | 124 |
| 55 FRC W/B 18-18/20 GA. | 24 |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| W/B | |
| R/B | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| Junk | 10 |
| TOTAL | 201 |

DATE UNLOADED 3 8 82
INSPECTOR A. P. [Signature]
STARTED 10:00
FINISHED 11:45 No 11133

0027

INSPECTION REPORT

PURCHASED
REC'D FROM: Engelhard Industries
ADDRESS: [Handwritten Address]
RECONDITIONED
DATE: 3/4/82
No. 15309

| CD | DRUM TYPE | GR. 1 QTY. | UNIT PRICE | AMOUNT |
|----|--------------------|------------|------------|--------|
| 1 | 55 GI FRC N/B B/O | 183 | 2.00 | 366.00 |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI FRC JUNK | 18 | NV | — |
| 6 | 30 GI FRC | | | |
| 7 | RINGS & COVERS | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 GI BT 2X2 I/C | | 8/19 | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 GI BT | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER: Jet Pulverizing, Monticello, NJ
CARRIER: Bayonne
INSPECTED BY: [Signature]
APPROVED BY: [Signature]
TOY DRUMS: 201
TOT AMT: 366.00

RECEIVED

FROM

ESS

RECONDITIONED

DATE

Engelhard Industries 3/14/52

No. 15309

| DRUM TYPE | GR 1 QTY. | UNIT PRICE | AMOUNT |
|-----------------------|-----------|------------|--------|
| GI FRC W/B B'O | 183 | 200 | 366.00 |
| GI FRC W/B B'O | | | |
| GI FRC B/B/R | | | |
| GI FRC 17H | | | |
| GI FRC JUNK | 18 | NV | — |
| GI FRC | | | |
| <i>INGS of Covers</i> | | | |
| | | | |
| | | | |
| | | | |
| BT HF UNL'ND | | | |
| BT HF LINED | | | |
| BT HF C'O | | | |
| BT 2X HC | | 2.19 | |
| BT JUNK | | | |
| BT | | | |
| | | | |
| | | | |

Pulverez, Moorestown NJ

| | | | |
|--------------------|--------------------|-----------|----------|
| INSPECTED BY | APPROVED BY | TOT DRUMS | TOT AMT. |
| <i>[Signature]</i> | <i>[Signature]</i> | 201 | 366.00 |

BAYONNE BARREL AND DRUM CO.

Uniform Domestic Straight Bill of Lading, adopted by Carriers in Official, Southern Western and Illinois Classification Territories March 15 1922 as amended August 1, 1930 and June 15, 1941

UNIFORM STRAIGHT BILL OF LADING

THIS SHIPPING ORDER must be legibly filled in, in Ink, in Indelible Pencil, or in Carbon, and retained by the Agent

BAYONNE BARREL TRUCK Company

Shipper's No

Agent's No *08850*

RECEIVE, subject to the classifications and tariffs in effect on the date of issue of this Shipping Order

At *ATTOORESTOWN, N.J. 3-17 1982* From *LANEELHARD IND., ISELIN, N.J.*

the property described below, in apparent good order except as noted (contents and condition of contents of packages unknown), marked consigned, and destined as indicated below, which said company (the word company being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination, if on its own road or its own water line otherwise to deliver to another carrier on the route to said destination. It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property that every service to be performed hereunder shall be subject to all the conditions not prohibited by law, whether printed or written, herein contained, including the conditions on back hereof which are hereby agreed to by the shipper and accepted for himself and his assigns

Consigned to *BAYONNE BARREL CO* (Mall or street address of consignee—For purpose of notification only)
 Destination *150 RAYMOND Blvd* State of _____ County of _____
 Route *NEWARK, N.J.*

Delivering Carrier _____ Car Initial _____ Car No _____

| NO PACKAGES | DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS | * WEIGHT (Subject to Correction) | CLASS or RATE | CHECK COLUMN |
|-------------|---|----------------------------------|---------------|-------------------------------------|
| <i>210</i> | <i>55 gal STEEL DRUMS USED</i> | <i>11,000</i> | | <input checked="" type="checkbox"/> |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Subject in Section 7 of conditions of this shipment is to be delivered to the consignee without recourse on the consignee, the consignee shall sign the following statement:
 The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges

Signature of Consignor
 If charges are to be prepaid, write or stamp here, "To be Prepaid"

Received \$ _____ to apply in payment of the charges on the property described herein

Agent of Consignor
 Per _____ (The signature here acknowledges the amount prepaid)

Charges Advanced

* If the shipment moves between two ports by a carrier by water the law requires that the bill of lading shall state whether it is a carrier's or shipper's weight. Note—Where the rate is dependent on value shippers are required to state specifically in writing the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding \$ _____ per _____

THE JET PULVERIZER CO Shipper, Per *FAY* AGENT MUST DETACH AND RETAIN THIS SHIPPING ORDER AND SIGN THE ORIGINAL BILL OF LADING **(2)**

Permanent postoffice address of shipper

0029

PURCHASED

RECONDITIONED

REC'D FROM

DATE

ADDRESS

Exelhard Industries 3/12/82

No. 15719

| CD | DRUM TYPE | GR 1 QTY | UNIT PRICE | AMOUNT |
|----|----------------------|----------|------------|--------|
| 1 | 55 GI. FRC N/B B/O | 158 | 2.00 | 316.00 |
| 2 | 55 GI. FRC W/B B/O | | | |
| 3 | 55 GI. FRC B/B/R | | | |
| 4 | 55 GI. FRC 17H | | | |
| 5 | 55 GI. FRC JUNK | 52 | NV | |
| 6 | 30 GI. FRC | | | |
| 7 | R&B. WBC | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI. BT HF UNL'ND. | | | |
| 12 | 55 GI. BT HF LINED | | | |
| 13 | 55 GI. BT HF C/O | | | |
| 14 | 55 GI. BT 2X2 1/2" | | 16.16 | |
| 15 | 55 GI. BT JUNK | | | |
| 16 | 30 GI. BT | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

St. Pulverizer - Moorstown NJ
 Bayonne

| | | | |
|--------------|--------------------|------------|-----------|
| INSPECTED BY | APPROVED BY | TOT. DRUMS | TOT. AMT. |
| | <i>[Signature]</i> | 210 | 311.16 |

BAYONNE BARREL AND DRUM CO.

SAYONNE BARREL & DRUM CO.

T11 UNLOADING INSPECTION

| NAME. <i>ENGELHARD</i> | QTY. |
|-------------------------------|------------------|
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | |
| 55 FRC N/B 18 GA. CUT DOWN | <i>47</i> |
| 55 FRC N/B 18/20 CUT DOWN | <i>100</i> |
| 55 FRC W/B 18-18/20 GA. | <i>30</i> |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| <i>JUNK</i> | <i>33</i> |
| DATE UNLOADED <i>3-18-82</i> | TOTAL <i>210</i> |
| INSPECTOR <i>L. J. Little</i> | |
| STARTED <i>9:15</i> | |
| FINISHED <i>11:15</i> | No 11333 |

0032

INSPECTION REPORT

PURCHASED RECONDITIONED
 REC'D. FROM: *Engelhard Industries* DATE: *3/17/82*
 ADDRESS: *Engelhard Industries* No. *15719*

| CD | DRUM TYPE | GR 1 QTY | UNIT PRICE | AMOUNT |
|----|---------------------|------------|--------------|---------------|
| 1 | 55 GI FRC N/B B/O | <i>158</i> | <i>2.00</i> | <i>316.00</i> |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI FRC JUNK | <i>52</i> | <i>N/A</i> | |
| 6 | 30 GI FRC | | | |
| 7 | <i>R&B. WBC</i> | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 GI BT 2X2 1/C | | <i>10/10</i> | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 GI BT | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER: *Get Pulverizer - Mooristown NJ*
 CARRIER: *Bayonne* INSPECTED BY: *[Signature]* APPROVED BY: *[Signature]*
 TOTAL DRUMS: *210* TOTAL AMT: *316.00*

Uniform Domestic Straight Bill of Lading adopted by Carriers in Official Southern Western and Illinois Classification Territories, March 15, 1922, as amended August 1, 1930, and June 15, 1941

UNIFORM STRAIGHT BILL OF LADING

THIS SHIPPING ORDER must be legibly filled in, in Ink, in Indelible Pencil, or in Carbon, and

Shipper's No

BAYONNE BARREL CO.

Company

Agent's No

RECEIVED, subject to the classifications and tariffs in effect on the date of issue of this Shipping Order

At *MOORESTOWN, NJ 3/24 1982* From *ENGELHARD IND, ISELIN, NJ 08830*

the property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as indicated below, which said company (the word company being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to the usual place of delivery at said destination, if on its own road or its own water line otherwise to deliver to another carrier on the route to said destination. It is mutually agreed, as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the conditions not prohibited by law whether printed or written herein contained including the conditions on back hereof, which are hereby agreed to by the shipper and accepted for himself and his assigns

(Mall or street address of consignee—For purposes of notification only)

Consigned to *BAYONNE BARREL CO.*

State of

County of

Destination

Route

Delivering Carrier

Car Initial

Car No

| NO PACKAGES | DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS | * WEIGHT (Subject to Correction) | CLASS or RATE | CHECK COLUMN |
|-------------|---|----------------------------------|---------------|--------------|
| <i>230</i> | <i>55 gal. STEEL DRUMS USED</i> | <i>11,000#</i> | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Subject to Section 7 of conditions, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement:
The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.

Signature of Consignor

If charges are to be prepaid, write "Prepaid" here. To be collected

Received \$ _____ to apply in prepayment of the charges on the property described hereon.

Agent or Cashier

Per _____ (The signature here acknowledges only the amount prepaid.)

Charges Advanced

The Fibre Boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon and all other requirements of Rule 41 of the Consolidated Freight Classification.

* If the shipment moves between two ports by a carrier by water, the law requires that the bill of lading shall state whether it is a carrier's or shipper's weight.
Note—Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property.
The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding \$ _____ per _____.

The Jett Lubrizol
Permanent postoffice address of shipper

Shipper, Per

138V-212

AGENT MUST DETACH AND RETAIN THIS SHIPPING ORDER AND MUST SIGN THE ORIGINAL BILL OF LADING

②

0033

FORM STRAIGHT BILL OF LADING
 (BILL OF LADING ORDER must be legibly filled in, in Ink, in Indelible Peacil, or in Carbon, and returned by the Agent)

BAYUNNE CARREL CO.

RECEIVED subject to the classifications and tariffs in effect on the date of issue of this Shipping Order
 WESTON, NJ 3/24 1982 From **ENGELHARD IND. ISELIN, NJ 08830**

Shipper's No _____ Company _____ Agent's No _____
 (Mail or street address of consignee—For purposes of notification only)
 State of _____ County of _____

Shipping Carrier _____ Car Initial _____ Car No _____

| DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS | WEIGHT (Subject to Correction) | CLASS or RATE | CHECK COLUMN |
|---|-----------------------------------|------------------|-----------------|
| 55 gal. STEEL DRUMS USED | 11,000# | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Subject to Section 7 of conditions of this bill of lading to be delivered to the consignee without recourse to the consignor, the consignor shall make the following statement:
 The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.
 Signature of Consignor
 If charges are to be prepaid, prepare here. To be prepaid
Chilley
 Received \$ _____
 to apply to prepayment of the charges on the property described hereon.
 Agent or Cashier
 Per _____
 (The signature here authorizes only the amount specified.)
 Charges Advanced

Agrees between two parts by a carrier by water the law requires that the bill of lading shall state whether it is carried or shipped by weight, the rate is dependent on value shippers are required to state specifically in writing the agreed or declared value of the property
 declared value of the property is hereby specifically stated by the shipper to be not exceeding \$ _____
 Shipper, Per _____
 postoffice address of shipper _____
 AGENT MUST DETACH AND RETAIN THIS SHIPPING ORDER AND MUST SIGN THE ORIGINAL BILL OF LADING

②

PURCHASED RECONDITIONED

REC'D FROM *Engelhard Industries* DATE *3/24/82*

ADDRESS *Engelhard Industries* No. 15753

| CD | DRUM TYPE | GR I QTY | UNIT PRICE | AMOUNT |
|----|---------------------------|----------|------------|--------|
| 1 | 55 GI FRC N/B B/O | 192 | 2.00 | 384.00 |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI FRC JUNK | 38 | NV. | — |
| 6 | 30 GI. FRC | | | |
| 7 | <i>RINGS & COVERS</i> | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 CI BT 2X2 1/C | | 1.50 | |
| 15 | 55 CI BT JUNK | | | |
| 16 | 30 CI BT | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER *Jet Pulverizer, Moorestown NJ*

INSPECTED BY *[Signature]* APPROVED BY *[Signature]* TOT. DRUMS *230* TOT. AMT. *384.00*

BAYONNE BARREL AND DRUM CO.

0035

BAYONNE BARREL & DRUM CO.
UNLOADING INSPECTION

| NAME | QTY. |
|----------------------------|------|
| ENGE/HARD INN | |
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | |
| 55 FRC N/B 18 GA. CUT DOWN | 50 |
| 55 FRC N/B 18/20 CUT DOWN | 100 |
| 55 FRC W/B 18-18/20 GA. | 50 |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| JUNK | 29 |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |

DATE UNLOADED: 3-26-82
INSPECTOR: [Signature]
STARTED: 7:10
FINISHED: 11:35
TOTAL: 230
No 11448

PURCHASED
REC'D. FROM: Enghard Industries
ADDRESS: [Address]
RECONDITIONED
DATE: 3/24/82
No. 15753

INSPECTION REPORT

| CD | DRUM TYPE | GR I QTY | UNIT PRICE | AMOUNT |
|----|--------------------|----------|------------|--------|
| 1 | 55 GI FRC N/B B/O | 192 | 2.00 | 384.00 |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI FRC JUNK | 38 | NV. | - |
| 6 | 30 GI FRC | | | |
| 7 | RINGS & COVERS | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 GI BT 2X2 I/C | | 12/15 | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 GI BT | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER: Jet Pulverizer, Moorestown, NJ
INSPECTED BY: [Signature]
APPROVED BY: [Signature]
TOT DRUMS: 230
TOT AMT: 384.00

0036

Uniform Domestic Straight Bill of Lading, adopted by Carriers in Official Southern, Western and Illinois Classification Territories, March 15 1922 as amended August 1, 1930 and June 15, 1941

UNIFORM STRAIGHT BILL OF LADING

THIS SHIPPING ORDER must be legibly filled in, in Ink, in Indelible Pencil, or in Carbon, and retained by the Agent.

Shipper's No. _____

BAYONNE BARREL

Company _____

Agent's No. _____

RECEIVE, subject to the classifications and tariffs in effect on the date of issue of this Shipping Order.

AT TOWNESTOWN N.J. 4-2 1942 From RUSSETHARD IND. SELIN N.J.

The property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked consigned and destined as indicated below, which said company (the word company being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agree to carry to its usual place of delivery at said destination if on its own road or its own water line otherwise to deliver to another carrier on the route to said destination. It is mutually agreed, as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property that every service to be performed hereunder shall be subject to all the conditions not prohibited by law, whether printed or written, herein contained including the conditions on back hereof, which are hereby agreed to by the shipper and accepted for himself and his assigns.

(Mail or street address of consignee—For purposes of notification only)

Consigned to

BAYONNE BARREL CO

Destination

150 RAYMOND BLVD

State of _____

County of _____

Route

NEWARK, N.J.

Delivering Carrier

Car Initial _____

Car No _____

| NO PACKAGES | DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS | WEIGHT (Subject to Correction) | CLASS or RATE | CHECK COLUMN | Subject to Section 7 of conditions of this shipment is to be delivered to the consignee with out recourse on the consignee, the consignor shall sign the following statement: The carrier shall not make delivery of this shipment with out payment of freight and all other lawful charges. |
|-------------|---|--------------------------------|---------------|--------------|---|
| <i>138</i> | <i>55 GALLON STEEL DRUMS USED</i> | <i>7000 #</i> | | | Signature of Consignor If charges are to be prepaid, write or stamp here "To be Prepaid" Received \$ _____ to apply in prepayment of the charges on the property described hereon Agent or Cashier Per _____ (The signature here acknowledges receipt of the amount prepaid.) Charges Advanced |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

*# 1-51-1423
Dunk*

* If the shipment moves between two ports by a carrier by water the law requires that the bill of lading shall state whether it is carrier's or shipper's weight.
Note—Where the rate is dependent on value shippers are required to state specifically in writing the agreed or declared value of the property.
The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding \$ _____ per _____

The J. J. Blumenthal Co

Shipper, Per *PH*

AGENT MUST DETACH AND RETURN THIS SHIPPING ORDER AND MUST SIGN THE ORIGINAL BILL OF LADING

P.O. Box 212 Palmdale, N.J. 08065

J. J. Blumenthal

Permanent postoffice address of shipper

0038

The Fibre Boxes used for this shipment conform to the specifications set forth in the certificate thereon and all other requirements of Rule 41 of the Consolidated Freight Code

PURCHASED
 REC'D FROM: *Engelhard Industries* RECONDITIONED
 ADDRESS: *Engelhard Industries* DATE: *7/2/82*
 No. *15729*

| CD | DRUM TYPE | GR. I QTY. | UNIT PRICE | AMOUNT |
|----|---------------------------|------------|-------------|---------------|
| 1 | 55 GI FRC N/B B/O | <i>138</i> | <i>2.00</i> | <i>276.00</i> |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI. FRC 17H | | | |
| 5 | 55 GI. FRC JUNK | | | |
| 6 | 30 GI FRC | | | |
| 7 | <i>RINGS & COVERS</i> | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND. | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | <i>17.8</i> | |
| 14 | 55 GI. BT CX2 I/C | | | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 CI BT | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER: *Engelhard Industries*
 CARRIER: *Moorestown NJ*
 INSPECTED BY: *[Signature]* APPROVED BY: *[Signature]*
 TOT. DRUMS: *138* TOT. AMT.: *276.00*

BAYONNE BARREL AND DRUM CO.

1423

BAYONNE BARREL & DRUM CO.

UNLOADING INSPECTION

| NAME: | QTY. |
|----------------------------|------|
| <i>Engelhard</i> | |
| 55 FRC N/B 18 GA ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | |
| 55 FRC N/B 18 GA. CUT DOWN | 24 |
| 55 FRC N/B 18/20 CUT DOWN | 113 |
| 55 FRC W/B 18-18/20 GA. | |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| <i>W/B</i> | |
| <i>T/B</i> | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| <i>Junk</i> | 3 |

DATE UNLOADED 4 3 82 TOTAL 140
 INSPECTOR A J. [Signature]
 STARTED 11:10
 FINISHED 12:00 No 11720

0040

INSPECTION REPORT

PURCHASED
 RECONDITIONED
 REC'D FROM *Engelhard Industries* DATE *4/2/82*
 ADDRESS
 No. 15729

| CD | DRUM TYPE | GR. QTY. | UNIT PRICE | AMOUNT |
|----|---------------------------|------------|-------------|---------------|
| 1 | 55 GI FRC N/B B/O | <i>138</i> | <i>2.00</i> | <i>276.00</i> |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI FRC JUNK | | | |
| 6 | 30 GI FRC | | | |
| 7 | <i>Rings & Covers</i> | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 GI BT 2X2 1/C | | | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 GI BT | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER *Engelhard Industries*
 CARRIER *Moorestown*
 INSPECTED BY *[Signature]* APPROVED BY *[Signature]* TOT DRUMS *138* TOT AMT *276.00*

ENGELHARD INDUSTRIES DIVISION
 Straight Bill of Lading—Short Form
 ORIGINAL—NOT NEGOTIABLE

652-111 DEPT

BAYONNE BARREL AND DRUM CO.
(Name of Shipper)

Shipper's No. _____

RECEIVED SUBJECT TO THE CLASSIFICATIONS AND TARIFFS IN EFFECT ON THE DATE OF THE ISSUE OF THIS BILL OF LADING

Carrier's No. _____

At MURFREESBORO 6-25-1952 From TET POLYMER CO.

The property described below in apparent good order except as noted in contents and condition of contents of packages and unless marked otherwise, is being transported by the carrier (the word "carrier" being understood throughout this contract as meaning any person or corporation in possession of the property under the contract of carriage) to its usual place of delivery at said destination, if on its route, or to another carrier on the route to said destination. It is mutually agreed, as to each carrier, that the carrier shall be responsible for the safe carriage of the property and for its route, whether interested in all or any of said property, that every vehicle to be performed hereunder shall be subject to all the terms and conditions of the Uniform Domestic Straight Bill of Lading and as to each party at any time Classification in effect on the date hereof, if this is a rail or road-water shipment or (2) in the applicable motor carrier classification or tariff if this is a motor carrier shipment. Shipper hereby certifies that he is familiar with all the terms and conditions of this bill of lading, including those on the back thereof, set forth in the Classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and accepted by the carrier and its agents.

Consigned to BAYONNE BARREL AND DRUM CO.
 Destination NEWARK State N.J. County _____ (Mail or direct address of consignee—For purposes of notification only)
 Route _____ (To be filled in only when shipper desires and governing tariffs provide for delivery thereat)
 Delivering Carrier _____ Car or Vehicle Initials _____ No. _____

| No. Packages | Kind of Package, Description of Articles, Special Marks, and Exceptions | Weight (Sub. or Cor.) | Class or Rate | Check Column | |
|--------------|---|-----------------------|---------------|--------------|--|
| 229 | EMPTY 55 GAL STEEL DRUMS WITH LIDS AND RINGS | | | | NOTE: The carrier will not be responsible for the loss of or damage to property if the shipper fails to insure the property. The carrier shall not be liable for the loss of or damage to property if the shipper fails to insure the property. The carrier shall not be liable for the loss of or damage to property if the shipper fails to insure the property. |
| | ENGELHARD (COP) 497 DELANLY ST NEWARK N.J. | | | | |
| | MARKS | | | | Signature of Comptroller <u>P. Smith</u> |
| | SPECIAL INSTRUCTIONS | | | | Agent's Name _____ |
| | Customer Order No. _____ | | | | Engelnhard Order No. _____ |

If the shipment moves between two ports by a carrier by water the law requires that the Bill of Lading shall state whether it is carrier's or shipper's weight.
 NOTE—Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding _____ per _____.

The fibre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon and all other requirements of the Consolidated Freight Classification.

THE TET POLYMER CO.
1255 N CHURCH ST.
MURFREESBORO N.J.

Shipper, Per P. Smith Agent, P 0043

4. CARRIER COPY

ENGELHARD MINERALS & CHEMICALS CORP.

ENGELHARD INDUSTRIES DIVISION

Straight Bill of Lading—Short Form

ORIGINAL—NOT NEGOTIABLE

DEPT

BAYONNE BARREL AND DRUM CO.
(Name of Carrier)

Carrier's No

RECEIVED Subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading

at MUORESTOWN 6-2-1974 From THE JET PULVERIZER CO.

The property described below in apparent good order except as noted in remarks and conditions of packages, unless otherwise marked as damaged and destined as indicated hereon, which is said to be the word of the shipper, is being understood throughout this contract as being the property of the shipper and is being transported in possession of the carrier under the contract as a carrier's property to its usual place of delivery at said destination, on its route or otherwise, as to be delivered to another carrier on the route in accordance with mutual agreement of each carrier, and to be delivered to the consignee at its usual place of delivery at said destination, on its route or otherwise, in accordance with the terms of the contract as a carrier's property, and as to each party at any time or in effect on the date hereof, if this is a water shipment or if it is the applicable motor carrier classification or tariff, this is a motor carrier shipment. Shipper hereby certifies that he is in compliance with all the terms and conditions of the said Bill of Lading, including those on the back thereof, set forth in the classification or tariff which governs transportation of this shipment, and the said conditions are hereby agreed to by the shipper and accepted by the carrier and its agents.

Consigned to BAYONNE BARREL AND DRUM CO.

Destination NEWARK State N J County _____ Delivery Address ★

Route _____

Delivering Carrier _____ Car or Vehicle Initials _____ No _____

| No. Packages | Kind of Package, Description of Articles, Special Marks and Exceptions | *Weight (Sub or Cor) | Class or Rate | Check Column |
|--------------|--|----------------------|---------------|--------------|
| 229 | Empty 55 GIL STEEL DRUMS WITH LIDS AND RINGS | | | |
| | ENGELHARD (CAP) 417 DELAWARE ST NEWARK N J | | | |
| | MARKS | | | |
| | SPECIAL INSTRUCTIONS | | | |

Signature of Shipper
E. Smith

Signature of Carrier

Received by _____

Per _____

Customer Order No _____ Engelhard Order No _____

If the shipment moves between two ports by a carrier by water the law requires that the Bill of Lading shall state whether it is carrier's or shipper's weight. NOTE—where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding _____

The foregoing bill of lading is in compliance with the specifications set forth in the box maker's certificate thereon and all other requirements of the Consolidated Freight Classification.

THE JET PULVERIZER CO.
1255 N CHURCH ST
MUORESTOWN N J

Signature of Shipper
E. Smith

0044

✓ PURCHASED

RECONDITIONED

C.P. FROM

Engelhard Industries DATE *6/29/82*

ADDRESS

No. 20559

| DRUM TYPE | GR. 1 QTY. | UNIT PRICE | AMOUNT |
|------------------------------|------------|-------------|---------------|
| 55 GI FRC N/B B/O <i>STC</i> | <i>206</i> | <i>2.00</i> | <i>412.00</i> |
| 55 GI FRC W/B B/O | | | |
| 55 GI. FRC B/B/R | | | |
| 55 GI FRC 17H | | | |
| 55 GI FRC JUNK | <i>23</i> | <i>N.V</i> | <i>—</i> |
| 30 GI. FRC | | | |
| <i>R/B N/B</i> | | | |
| | | | |
| | | | |
| 55 GI BT HF UNL'ND. | | | |
| 55 GI BT HF LINED | | | |
| 55 GI BT HF C/O | | | |
| 55 GI BT 2X2 I/C | | | |
| 55 GI BT JUNK | | | |
| 30 GI BT | | | <i>38/9</i> |
| | | | |
| | | | |

ST PULVERIZER - MOORESTOWN NJ

| | | | |
|--------------|--------------------|------------|---------------|
| INSPECTED BY | APPROVED BY | TOT. DRUMS | TOT. AMT. |
| | <i>[Signature]</i> | <i>229</i> | <i>412.00</i> |

BAYONNE BARREL AND DRUM CO.

?

BAYONNE BARREL & DRUM CO.

UNLOADING INSPECTION

T 65

| NAME | QTY. |
|--|------|
| JET PULVERIZER | |
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | 20 |
| 55 FRC N/B 18 GA. CUT DOWN | 100 |
| 55 FRC N/B 18/20 CUT DOWN | 100 |
| 55 FRC W/B 18-18/20 GA. | |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| O.H. all 55 gal R/B to N. B. covers | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| 9 - O.H. Junkies | 9 |

DATE UNLOADED 6-29-82 TOTAL 229
 INSPECTOR James Hairney
 STARTED 7:00
 FINISHED 8:45 No. 9328

0046

INSPECTION REPORT

PURCHASED RECONDITIONED
 REC'D. FROM: Engelhard Industries DATE 6/29/82
 ADDRESS No. 20559

| CD | DRUM TYPE | GR. I QTY | UNIT PRICE | AMOUNT |
|----|------------------------------|------------|-------------|---------------|
| 1 | 55 GI FRC N/B B/O <u>STC</u> | <u>206</u> | <u>2.00</u> | <u>412.00</u> |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI FRC JUNK | <u>23</u> | <u>N.V.</u> | <u>—</u> |
| 6 | 30 GI FRC | | | |
| 7 | <u>R/B NBC</u> | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 GI BT 2X2 I/C | | | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 GI BT | | | <u>38/9</u> |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER JET PULVERIZER - MOORESTOWN NJ
 CARRIER 229 INSPECTED BY [Signature] APPROVED BY [Signature] TOT DRUMS 229 TOT AMT 412.00

Uniform Domestic Straight Bill of Lading adopted by Carriers in Official Southern Western and Illinois Classification Territories March 15 1922 as amended August 1 1930 and June 15 1933

UNIFORM STRAIGHT BILL OF LADING

THIS SHIPPING ORDER must be legibly filled in, in Ink, in Indelible Pencil, or in Carbon, and retyped by the Agent.

BAYONNE BARREL

Shipper's No *John Marshall*
Agent's No

RECEIVED, subject to the classifications and tariffs in effect on the date of issue of this Shipping Order

At *MOORESTOWN, N.C. 8-2 1932* From *ENGELHARD IND NEWARK, N.J. 07105*

the property described below in apparent good order except as noted (contents and condition of contents of packages unknown) marked consigned and destined as indicated below, which said company (the word company being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination if on its own road or its own water line otherwise to deliver to another carrier on the route to said destination. It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination and as to each party at any time interested in all or any of said property that every service to be performed hereunder shall be subject to all the conditions not prohibited by law, whether printed or written herein contained including the conditions on back hereof which are hereby agreed to by the shipper and accepted for himself and his assigns

Consigned to *BAYONNE BARREL* (Mail or street address of consignee—For purposes of notification only)
Destination *NEWARK, N.J.* State of _____ County of _____
Route _____
Delivering Carrier _____ Car Initial _____ Car No _____

| NO PACKAGES | DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS | WEIGHT (Subject to Correction) | CLASS or RATE | CHECK COLUMN |
|-------------|--|--------------------------------|---------------|--------------|
| <i>1</i> | <i>LOAD EMPTY USED 55 gallon STEEL DRUMS 225 TOTAL</i> | <i>10000 #</i> | <i>91655</i> | <i>X</i> |

Subject to Section 7 of conditions, if this shipment is to be delivered to the consignee with out recourse on the consignor the consignor shall sign the following statement:
The carrier shall not make delivery of this shipment with out payment of freight and all other lawful charges.
[Signature]
Signature of Consignor
If charges are to be prepaid write or stamp here "to be prepaid"
Received \$ _____
to apply in prepayment of the charges on the property described hereon
Agent or Carrier
Per _____
the amount prepaid
Charges Advanced

J. L. # 104 T 96

* If the shipment moves between two ports by a carrier by water the law requires that the bill of lading shall state whether it is carrier's or shipper's weight. Note—Where the rate is dependent on value shippers are required to state specifically in writing the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding \$ _____ per _____

The Jet Pumper Co. Shipper, Per *FRY* AGENT MUST DETACH AND RETAIN THIS SHIPPING ORDER AND MUST SIGN THE ORIGINAL BILL OF LADING ②
Permanent postoffice address of shipper *1834 212 12th Street, N.Y. 10006*

TOPS FORM 3040

0047

T96

BAYONNE BARREL & DRUM CO.

UNLOADING INSPECTION

| | |
|--|------------------|
| NAME: <u>ENGELHART IND</u> | QTY. |
| 55 FRC N/B 18 GA. ORIGINAL | |
| 55 FRC N/B 18/20 ORIGINAL | |
| 55 FRC N/B 18 GA. CUT DOWN <u>NO 2</u> | <u>34</u> |
| 55 FRC N/B 18/20 CUT DOWN <u>NO 2</u> | <u>162</u> |
| 55 FRC W/B 18-18/20 GA. | <u>7</u> |
| 55 FRC B/B/R. | |
| 55 FRC 17H/17E | |
| 30 FRC | |
| <u>N/B C</u> | |
| <u>TR 177 N/B C</u> | |
| 55 BT H/F 18 GA. | |
| 55 BT H/F 18/20 | |
| 55 BT H/F 4N | |
| 55 BT 2 x 2/3B | |
| 55 BT AGIT. | |
| 55 BT CUT OUT-ALL | |
| <u>2 1/2</u> | <u>23</u> |
| DATE UNLOADED <u>8-12-82</u> | TOTAL <u>221</u> |
| INSPECTOR <u>A. J. Dekey</u> | |
| STARTED <u>2:50</u> | |
| FINISHED <u>7:30</u> | No 12200 |

0048

INSPECTION REPORT

PURCHASED RECONDITIONED

REC'D. FROM: Engelhardt Industries DATE: 8/12/82

ADDRESS: _____ No. 20687

| CD | DRUM TYPE | GR I QTY | UNIT PRICE | AMOUNT |
|----|------------------------------|------------|------------|--------|
| 1 | 55 GI FRC N/B B/O | | | |
| 2 | 55 GI FRC W/B B/O | | | |
| 3 | 55 GI FRC B/B/R | | | |
| 4 | 55 GI FRC 17H | | | |
| 5 | 55 GI FRC JUNK <u>ALL</u> | <u>226</u> | <u>NIV</u> | |
| 6 | 30 GI FRC | | | |
| 7 | <u>Customer Accommodates</u> | | | |
| 8 | <u>No value</u> | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | 55 GI BT HF UNL'ND | | | |
| 12 | 55 GI BT HF LINED | | | |
| 13 | 55 GI BT HF C/O | | | |
| 14 | 55 GI BT 2X2 1/C | | | |
| 15 | 55 GI BT JUNK | | | |
| 16 | 30 GI BT | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |

SHIPPER: Jet Pulverizer - Moorestown NJ

CARRIER: _____ INSPECTED BY: _____ APPROVED BY: _____ TOT DRUMS: _____ TOT AMT: _____

70 WOOD AVENUE SOUTH, CN 770
ISELIN, NEW JERSEY 08830

No. 000773

| MEMO | VENDOR'S REFERENCE | OUR VENDOR NO | GROSS AMOUNT OF INVOICE | DISCOUNT | NET AMOUNT |
|--------|--------------------|---------------|-------------------------|----------|------------|
| P/C 07 | 17285 | 43170 | 60.00 | 0.00 | 60.00 |

PLEASE DETACH BEFORE PRESENTING

EC 1202p

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND—NOT A WHITE BACKGROUND

ENGELHARD CORPORATION
ENGELHARD INDUSTRIES DIVISION
70 WOOD AVENUE SOUTH, CN 770 • ISELIN, NJ 08830



No. 000773

55-2
212

PAY *****\$60*DOLLARS AND 00 CTS

TO THE ORDER OF
BAYONNE BARREL AND DRUM CO
RAYMOND BLVD AND ROUTE 1
NEWARK NJ 07105

14

DATE 04/27/82 AMOUNT *****\$60.00*

ENGELHARD CORPORATION

COPY NOT NEGOTIABLE

TO THE FIRST NATIONAL STATE BANK OF NJ

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK—HOLD AT AN ANGLE TO VIEW

⑆0000000773⑆ ⑆02⑆ ⑆00025⑆ ⑆100⑆ U⑆0297⑆

CHECK STUB
VERBIAGE:
152-201

FOR HAND DRAWN
CHECKS ONLY

PURPOSE: _____

PAY TO THE ORDER OF: _____

BANK NO. _____ CHECK NO. _____

STREET ADDRESS: _____

CITY, STATE, ZIP _____

SEND CHECK TO: _____

REQUESTED BY: _____

APPROVED BY: _____

U.S. MAIL

DATE: _____

0054

RAYONNE BARREL AND DRUM CO.

No. 17285

RAYMOND BLVD. and ROUTE 1
NEWARK, N. J. 07105

UTION:
Mis or
Central ACCTG for Hand Check
Retain at Prft Ctr
Central ACCTG

ENGELHARD INDUSTRIES ACCOUNTS PAYABLE VOUCHER

| FUNCTION | INITIALS | DATE | FUNCTION | INITIALS | DATE |
|--------------------|----------|---------|------------------|----------|------|
| POSTING REPORT | PR | 4.30.83 | POSTED TO P.O. | | |
| EXTENSIONS CHECKED | | | ACCOUNTING AUDIT | | |
| COMPARED P.O. | | | | | |
| ENT APPROVED | | | | | |

| | | | |
|---------------------|----------------|----------------------|--------------------------|
| PRFT. CTR. 32 33 | MONTH 43-44 | VOUCHER NO. 45-48 | CORRECT 19 |
| 07 | 4 | 3180 | <input type="checkbox"/> |

| | | |
|-------------------------|-------|----|
| INVOICE AMOUNT 82-90 | 60.00 | CR |
| CASH DISCOUNT 91-99 | | |
| NET AMOUNT 100-108 | | |

VENDOR NAME **RAYONNE BARREL**

CREDIT CHECK COLUMN

| LINE NO | COST CENTER | STOCK NUMBER | QUANTITY | U/M | G/L | ACCT. NO. | DEPT. NO. | TAX | AMOUNT |
|---------|-------------|-----------------------------------|----------|-------|-----|-----------|-----------|-----|--------|
| 5 | 20-23 | 24-31 PRODUCT PROJECT 24-38 | 62-69 | 70-71 | | 54-61 | | 81 | 72-80 |
| 571 | | | | | | 53400380N | | | 60.00 |

| | | | | | |
|----------------------|----------|------|---------------|-------------|-----------|
| CE NO (LAST 10 CHAR) | DUE DATE | TYPE | VENDOR NUMBER | VENDOR NAME | INDIV. CH |
| 285 | | | | | |

GE. 01

PURPOSE: _____

PAY TO THE ORDER OF: _____

BANK NO: _____ CHECK NO: _____

STREET ADDRESS: _____

CITY, STATE, ZIP: _____

SEND CHECK TO: _____ U.S. MAIL

REQUESTED BY: _____ APPROVED BY: _____ DATE: _____

0055

RAYMOND BLVD. and ROUTE 1
NEWARK, N. J. 07105

ENGELHARD INDUSTRIES
ACCOUNTS PAYABLE VOUCHER

DISPOSITION:
Mk or
Central ACCTG for Hand Check
Retain at Prft. Ctr.
Central ACCTG

| FUNCTION | INITIALS | DATE | FUNCTION | INITIALS | DATE |
|-------------------------|----------|---------|------------------|----------|------|
| LIVING REPORT SIGNATURE | PR | 9/29/82 | POSTED TO P.O. | | |
| EXTENSIONS CHECKED | | | ACCOUNTING AUDIT | | |
| PRICE COMPARED TO P.O. | | | | | |
| MANAGEMENT APPROVED | | | | | |

| | | | |
|-------------------------|----------------|----------------------|---------------|
| PRFT. CTR. 32 33 | MONTH 43-44 | VOUCHER NO. 45-48 | CORRECT 19 |
| 07 | 93190 | | |
| INVOICE AMOUNT 82-90 | 6000 | | |
| CASH DISCOUNT 91-99 | | | |
| NET AMOUNT 100-108 | | | |

VENDOR NAME **BAYONNE BARREL**

CREDIT CHECK COLUMN

| PURCHASE ORDER NO. | COST CENTER | STOCK NUMBER 24-31 PRODUCT PROJECT 24-28 | QUANTITY | U/M | G/L | ACCT. NO. 54-61 | DEPT. NO. | TAX BT | AMOUNT 72-80 | CREDIT |
|--------------------|-------------|---|----------|-------|-----|--------------------|-----------|-----------|-----------------|--------|
| 1-5 5976 | 20-23 | | 62-69 | 70-71 | | 534.00 | 380 N | | 6000 | |

| | | | | | |
|------------------------------------|----------|------|---------------|-------------|-------------|
| INVOICE NO (LAST 10 CHAR.) 9704 | DUE DATE | TYPE | VENDOR NUMBER | VENDOR NAME | INDIV CHECK |
|------------------------------------|----------|------|---------------|-------------|-------------|

CHECK NUMBER: 152-201

PURPOSE: _____

BANK NO. _____ CHECK NO. _____

PAY TO THE ORDER OF: _____

STREET ADDRESS: _____

CITY, STATE, ZIP: _____

FOR HAND DRAWN CHECKS ONLY

SEND CHECK TO: _____

REQUESTED BY: _____ DATE: _____ APPROVED BY: _____ DATE: _____

0057

| EMO | VENDOR'S REFERENCE | OUR VENDOR NO. | GROSS AMOUNT OF INVOICE | DISCOUNT | NET AMOUNT |
|-----|--------------------|----------------|-------------------------|----------|------------|
| 07 | 19705 | 103200 | 66.00 | 0.00 | 66.00 |

PLEASE DETACH BEFORE PRESENTING

EC 1202a

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND - NOT A WHITE BACKGROUND

ENGELHARD CORPORATION
ENGELHARD INDUSTRIES DIVISION
70 WOOD AVENUE SOUTH, CN 770 • ISELIN, NJ 08830



No. 010456

55-2
212

*****\$66*DOLLARS AND 00 CTS

14

DATE

10/27/82

AMOUNT

*****\$66.00*

JAYONNE BARREL AND DRUM CO
RAYMOND BLVD AND ROUTE 1
NEWARK NJ 07105

ENGELHARD
CORPORATION

COPY NOT NEGOTIABLE

AUTHORIZED SIGNATURE

ATIONAL STATE BANK OF N.J.

AUTHORIZED SIGNATURE

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

⑆0000010456⑆ ⑆21200025⑆ 100 01029? 1*

AGE:
201

| | | | | | |
|----------------------|--|----------|--|-------------|--|
| PURPOSE: | | BANK NO. | | CHECK NO. | |
| PAY TO THE ORDER OF: | | | | | |
| STREET ADDRESS: | | | | | |
| CITY, STATE, ZIP | | | | | |
| REQUESTED BY | | | | APPROVED BY | |
| DATE | | | | DATE | |

U.S. MAIL

0058

**ENGELHARD INDUSTRIES
ACCOUNTS PAYABLE VOUCHER**

Central ACCTG for Hand Check
Retain at Prft. Ctr.
Central ACCTG

| FUNCTION | INITIALS | DATE | FUNCTION | INITIALS | DATE |
|-------------------------------|----------|----------|------------------|----------|------|
| RECEIVING REPORT OR SIGNATURE | PR | 10/19/82 | POSTED TO P.O. | | |
| EXTENSIONS CHECKED | | | ACCOUNTING AUDIT | | |
| PRICE COMPARED TO P.O. | | | | | |
| PAYMENT APPROVED | | | | | |

| | | | |
|---------------------|----------------|----------------------|---------------|
| PRFT. CTR. 32 33 | MONTH 43-44 | VOUCHER NO. 45-44 | CORRECT 19 |
| 07 | 10 | 3200 | |

| | | |
|-------------------------|------|-----|
| INVOICE AMOUNT 82-90 | 6600 | CR. |
| CASH DISCOUNT 91-99 | | |
| NET AMOUNT 100-108 | | |

VENDOR NAME

BAYONE BARREL

CREDIT CHECK COLUMN

| PURCHASE ORDER NO. | COST CENTER | STOCK NUMBER | QUANTITY | U/M | G/L | ACCT. NO. | DEPT. NO. | TAX | AMOUNT | CREDIT |
|--------------------|-------------|-----------------------------------|----------|-------|-----|-----------|-----------|-----|--------|--------|
| 15939 | 20-23 | 24-31 PRODUCT PROJECT 24-28 | 62-69 | 70-71 | | 54-61 | 55400380 | 81 | 6600 | |

| | | | | | |
|--------------------------------------|----------|------|---------------|-------------|--------------|
| INVOICE NO. (LAST 10 CHAR.) 19705 | DUE DATE | TYPE | VENDOR NUMBER | VENDOR NAME | INDIV. CHECK |
|--------------------------------------|----------|------|---------------|-------------|--------------|

CHECK STUB
VERBIAGE:
152-201

FOR HAND DRAWN CHECKS ONLY

PURPOSE: _____

PAY TO THE ORDER OF: _____

STREET ADDRESS: _____

CITY, STATE, ZIP: _____

BANK NO. _____ CHECK NO. _____

SEND CHECK TO: _____ U.S. MAIL

REQUESTED BY _____ DATE _____ APPROVED BY _____ DATE _____

EM-12336

0059

INTEROFFICE MEMORANDUM

ENGELHARD INDUSTRIES DIVISION


| | | |
|--|-------------------------------|------------------|
| TO Lee Ogonowski | FROM Karyn Roth/Purchasing | DATE 12/21/82 |
| SUBJECT Bayonne Barrel (1982 Purchase Orders) | | COPY TO File |

Listed below are 1982 Purchase Order Numbers on Bayonne Barrel which were assigned to your Accounting location. Would you please check these orders to see if they have been paid? If so, please supply our Check Number, and if possible, a copy of the cancelled check relative to each individual order.

Your early response to this request will be greatly appreciated.

Thank you.

Purchase Order No. 05354 -- 1/8/82 --- (Dept. 192)
Purchase Order No. 05377 -- 1/14/82 -- (Dept. 193)
Purchase Order No. 07043 -- 2/19/82 -- (Dept. 192)
Purchase Order No. 12161 -- 5/26/82 -- (Dept. 191)
Purchase Order No. 14545 -- 7/19/82 -- (Dept. 193)
Purchase Order No. 19505 -- 11/18/82 - (Dept. 193)


Karyn L. Roth
Purchasing Department

klr

=

| | | |
|--|-------------------------------|------------------|
| TO Pat Rubolotta | FROM Karyn Roth/Purchasing | DATE 12/21/82 |
| SUBJECT Bayonne Barrel (1982 Purchase Orders) | | COPY TO File |

Listed below are 1982 Purchase Order Numbers on Bayonne Barrel which were assigned to your Accounting location. Would you please check these orders to see if they have been paid? If so, please supply our Check Number, and if possible, a copy of the cancelled check relative to each individual order.

Your early response to this request will be greatly appreciated.

Thank you.

| | | |
|--|--------------------------|----------|
| Purchase Order No. 09571 -- 3/25/82 | <i>Check</i> 000773 | \$160.00 |
| Purchase Order No. 15939 -- 8/24/82 | 010454 | 66.00 |
| Purchase Order No. 15976 -- 9/3/82 | 008839 | 66.00 |
| → Purchase Order No. 17317 -- 10/18/82 | → OPEN AS OF 12/24/82 | |

Karyn L. Roth
Karyn L. Roth
Purchasing Department

klr

Linda Sears

| | | |
|----------------|-------------------------------|-------------------------|
| Karyn Roth | FROM L. Ogonowski (83-002) | DATE January 3, 1983 |
| Bayonne Barrel | | COPY TO |

Listed below is the information you requested.

- P.O. Number 05354 - 1/8/82 - Processed on 1/22/82
- P.O. Number 05377 - 1/14/82 - Paid on check #138564 - 2/11/82
- P.O. Number 07043 - 2/19/82 - Processed on 3/12/82
- P.O. Number 12161 - 5/26/82 - Paid on check #004527 - 6/22/82
- P.O. Number 14545 - 7/19/82 - Paid on check #152066 - 9/2/82
- P.O. Number 19505 - 11/18/82 - Processed on 12/31/82

Inspector Report
 15034 \$378.00
 NOT Taken
 ← deduction of 338.00
 Taken

The two orders for Dept. 192 were paid, but I don't have the check copies here. If you should need them please let me know and I will contact our Huntsville office for the information.

LO:ec

L. Ogonowski
 L. Ogonowski

ENGELHARD

ENGELHARD INDUSTRIES DIVISION

7000 BELLE SOUTH DR 770 • BELLEVILLE, MISSOURI 63003 • TEL 314 833 8800 • TELEX 833 211 7

201-321-5313

EXECUTIVE OFFICES

January 6, 1983

Bayonne Barrel & Drum Co.
150 Raymond Blvd.
Newark, NJ 07105

Attention: Sal Russomanno

Gentlemen:


Confirming our telephone conversation of today, enclosed are copies of my memorandums to our various Accounting Departments listing all our purchase order numbers for the year 1982. Please note that those orders, which have been paid, indicate our check number. There are only three orders (17317, 19132 and 19566) which are in the process of being paid. In view of this, my records indicate that Bayonne Barrel & Drum Co. owes Engelhard the amount of \$1,914.00 (our Invoice No. 192-2116 dated 4/28/82) plus \$378.00 on your Inspection Report No. 15034 and \$412.00 on your Inspection Report No. 20559. Total amount due \$2,704.00.

I understand that you are in Chapter 11 and that the court allowed you to contra outstanding debts however, when Engelhard purchased drums from you, you in turn issued an invoice which Engelhard processed for payment in full without taking any deductions.

I do not want the amount due Engelhard to get tied up. We would prefer a check for the aforementioned amount rather than making deductions against any future invoices. Please go over our account and advise.

Very truly yours,

Engelhard Industries Division
ENGELHARD CORPORATION


S. R. Bessasparis
Purchasing Department

SRB/kr
Enclosures
cc: E. Roberts
L. Ogonowski

STATEMENT

ENGELHARD

CUSTOMER # 00058855
G

ENGELHARD INDUSTRIES DIVISION
70 WOOD AVE SO, METRO PK PLAZA
ISELIN, N.J. 08830

CLOSING STMT. DATE 06/25/82
PAYMENTS CREDITED TO YOUR ACCOUNT
AFTER STATEMENT DATE WILL BE REFLECTED
ON YOUR NEXT STATEMENT

BAYONNE BARREL & DRUM CO

150 RAYMOND BLVD
NEWARK
NEW JERSEY

07105

IMPORTANT
PLEASE RETURN COPY
OF STATEMENT OR
SHOW INVOICE NUM-
BER ON PAYMENTS OR
CORRESPONDENCE TO
INSURE PROPER CRED-
IT

REMIT TO
P.O. BOX G-288
NEWARK, N.J.
07101

| PURCHASE ORDER NO. | DEPT | INVOICENO. | DOCUMENT DATE | DUE DATE | TRANSACTION | CURRENT AMOUNT | | PAST DUE AMOUNT | | |
|--------------------|------|------------|---------------|----------|---------------|--------------------------|---------|-----------------|--|---------|
| 2116 | 192 | 002116 | 04/28/82 | 08/28/82 | MISC. INVOICE | | 1914.00 | | | |
| TOTALS ▶ | | | | | | | 1914.00 | | | |
| | | | | | | PAY THIS AMOUNT ▶ | | | | 1914.00 |

TELEPHONE INQUIRIES CALL CREDIT DEPT.
JOHN HALLOWELL 201-321-5963

0064

STATEMENT

ENGELHARD

PAGE 1 OF 1

CUSTOMER# 00058855

G

ENGELHARD INDUSTRIES DIVISION
70 WOOD AVE SO, METRO PK PLAZA
ISELIN, N.J. 08890

CLOSING STMT DATE 02/25/83

PAYMENTS CREDITED TO YOUR ACCOUNT
AFTER STATEMENT DATE WILL BE REFLECTED
ON YOUR NEXT STATEMENT

BAYONNE BARREL & DRUM CO

150 RAYMOND BLVD
NEWARK
NEW JERSEY

07105

IMPORTANT
PLEASE RETURN COPY
OF STATEMENT OR
SHOW INVOICE NUM
BER ON PAYMENTS OR
CORRESPONDENCE TO
INSURE PROPER CREDIT

REMIT TO
PO BOX
G-288
NEWARK, N.J.
07105

| PURCHASE ORDER NO | DEPT | INVOICE NO | DOCUMENT DATE | DUE DATE | TRANSACTION | CURRENT AMOUNT | | | PAST DUE AMOUNT | |
|-------------------|------|------------|---------------|----------|---------------|----------------|--|--|-----------------|------|
| 2116 | 192 | 002116 | 04/28/82 | 08/28/82 | MISC. INVOICE | | | | | 1914 |

TELEPHONE INQUIRIES CALL CREDIT DEPT.

John Hallowell 201-321-5963
All orders are subject to Engelhard's standard terms and conditions which have been supplied previously.

TOTALS ▶

.00

1914

PAY THIS AMOUNT ▶

1914

0065

(201) 589-0110

BAYONNE BARREL AND DRUM CO.

No. 3456

RAYMOND BLVD. and ROUTE 1
NEWARK, N. J. 07105

Date 3-11-83

Sold to Engelhard Industries
70 Wood Ave. -South
CN 770
Iselin, N.J. 08830

CREDIT

| OUR ORDER NUMBER | CUSTOMER'S NO | RECEIPT NO | HOW SHIPPED | SHIPPED TO TOG | TERMS NET TO 01 5 |
|------------------|---------------|------------|-------------|----------------|-------------------|
| | | | | | |

| QUANTITY | DESCRIPTION | PRICE | AMOUNT |
|----------|--|-------|---------|
| | CREDIT YOUR ACCOUNTS FOR DRUMS PURCHASED BY BAYONNE BARREL: | | 2704.00 |
| | CREDIT | | |

WE HEREBY CERTIFY THAT THESE GOODS WERE PRODUCED IN COMPLIANCE WITH ALL FEDERAL AND STATE LABOR LAWS AND THE FAIR LABOR STANDARDS ACT, AS AMENDED, AND ALL PROPER REGULATIONS AND ORDERS OF THE DEPARTMENT OF LABOR. BUYER ASSUMES ALL RESPONSIBILITY TO EXAMINE AND INSPECT BEFORE USING SUCH DRUMS. SELLER'S LIABILITY SHALL BE LIMITED TO THE PURCHASE PRICE.

ALL CLAIMS MUST BE MADE WITHIN 90 DAYS OF RECEIPT OF GOODS.

9900

(201) 589-0110

BAYONNE BARREL AND DRUM CO.

No.

RAYMOND BLVD. and ROUTE 1
NEWARK, N. J. 07105

Date *3-11-83*

Sold to *Engelhard Industries*
70 Wood Ave. South
CN 770
Iselin, N.J. 08830

INVOICE

| OUR ORDER NUMBER | CUSTOMER'S NO. | RECEIPT NO. | HOW SHIPPED | SHIPPED TO - F.O.B. | TERMS NET 10 DAYS |
|------------------|----------------|-------------|-------------|---------------------|-------------------|
| | | | | | |

| QUANTITY | DESCRIPTION | PRICE | AMOUNT |
|----------|--|-------|-----------------|
| | <i>Credit your Account for drums purchased by Bayonne Barrel</i> | | <i>2,704.00</i> |

"WE HEREBY CERTIFY THAT THESE GOODS WERE PRODUCED IN COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF SECTIONS 6, 7 AND 12 OF THE FAIR LABOR STANDARDS ACT, AS AMENDED, AND ALL PROPER REGULATIONS AND ORDERS OF THE UNITED STATES DEPARTMENT OF LABOR ISSUED UNDER SECTION 14, THEREOF"
"SELLER WARRANTS DRUMS SOLD SHALL BE SELLER'S STANDARD QUALITY AND TESTED TO MEET D.O.T. REGULATIONS - BUYER ASSUMES ALL RESPONSIBILITY TO EXAMINE AND INSPECT BEFORE USING SUCH DRUMS SELLER'S LIABILITY SHALL IN NO EVENT EXCEED BUYER'S PURCHASE PRICE"

ALL CLAIMS MUST BE MADE WITHIN 10 DAYS OF RECEIPT OF DRUMS

0067

1994

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1994
OR

--- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-8142

ENGELHARD CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE 22-1586002
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

101 WOOD AVENUE, ISELIN, NJ 08830
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code (908) 205-5000

Securities registered pursuant to Section 12(b) of the Act:

| | |
|---------------------------------------|---|
| Title of each class | Name of each exchange on which registered |
| ----- | ----- |
| Common Stock, par value \$1 per share | New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Number of shares of common stock outstanding as of March 2, 1995 - 95,400,983
Aggregate market value of common stock held by non-affiliates as of March 2, 1995 - \$1,724,284,602

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference to the Proxy Statement for the 1995 Annual Meeting of Shareholders.

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PART I

Item 1. Business

Engelhard Corporation and its Subsidiaries (collectively referred to as the Company) are the successors to the businesses previously operated by Engelhard Minerals & Chemicals Corporation (EMC). In 1981, the Company's Common Stock was distributed to the shareholders of EMC, and the Company became a separate, publicly-held corporation. The Company's principal executive offices are located at 101 Wood Avenue, Iselin, New Jersey, 08830 (telephone number (908) 205-5000).

The Company develops, manufactures and markets technology-based specialty chemical products and engineered materials for a wide spectrum of industrial customers and provides services to precious metals customers.

In 1993 the Company provided for a plan to realign and consolidate businesses, concentrate resources and better position itself to achieve its strategic growth objectives. See Note 2 "Special Charge" of the Notes to Consolidated Financial Statements on pages 31-32 of this 10-K. This plan resulted in a special charge of \$148.0 million (\$91.8 million after tax or \$.95 per share) in 1993 consisting of a \$118.0 million pre-tax restructure provision for asset writedowns related to product lines or sites being exited together with provisions for facility shutdown, rundown and relocation and for employee reassignment, severance and related benefits and a \$30.0 million pretax environmental reserve. See Note 15 "Environmental Costs" of the Notes to Consolidated Financial Statements on pages 44-46 of this 10-K and the "Environmental Matters" section below on pages 8-10 of this 10-K for a discussion of environmental matters and the amount of the Company's environmental reserve.

The Company employed approximately 5,800 people as of January 1, 1995 and operates on a worldwide basis with corporate and operating headquarters and principal manufacturing facilities and mineral reserves in the United States with other operations conducted in the European Community, the Russian Federation and the Asia-Pacific region.

The Company's businesses are organized into three segments - Catalysts and Chemicals, Pigments and Additives, and Engineered Materials and Precious Metals Management.

Information concerning the Company's net sales, operating earnings and identifiable assets by industry segment and by geographic area; inter-area transfers by geographic area; and export sales is included in Note 13 "Industry Segment and Geographic Area Data" of the Notes to Consolidated Financial Statements on pages 41-43 of this 10-K.

Catalysts and Chemicals

The Catalysts and Chemicals segment comprises four principal product groups: the Automotive Emission Systems Group (AES), serving the automotive, off-road vehicle, and aircraft industries; the Stationary Source Emission Control Group (SSEC) serving the power generation and process industries; the Petroleum Catalysts Group, serving the petroleum refining industries; and the Chemical Catalysts Group, serving the chemical, petrochemical, pharmaceutical and food processing industries.

Environmental catalysts, comprising AES and SSEC, are used in applications such as the abatement of carbon monoxide, oxides of nitrogen and hydrocarbons from gasoline, diesel and alternate fueled vehicle exhaust gases to meet emission control standards. These catalysts are also used for the removal of odors, fumes and pollutants generated by a variety of process industries including but not limited to the painting of automobiles, appliances and other equipment; printing processes; the manufacture of nitric acid and tires, in the curing of polymers; and power generation sources. In the third quarter of 1994, the Company purchased the assets of General Plasma, Inc. a supplier of thermal spray coating technology and services. This acquisition, when combined with the Company's catalyst technology, provides for a broader offering of emission control systems.

The Company also participates in the manufacture and supply of automobile exhaust emissions control catalysts through affiliates serving the Asia-Pacific region: N.E. Chemcat Corporation (Japan) - 38.8 percent owned; and Hankuk-Engelhard (South Korea) - 49 percent owned, both of which also produce other catalysts and products. In the third quarter of 1992, the Company and Salem Industries, Inc., formed Salem Engelhard, a jointly owned partnership to produce and market products and services to abate, by catalytic and non-catalytic methods, emissions of volatile organic chemicals and other pollutants generated by a variety of process industries.

The petroleum refining catalyst products consist of a variety of catalysts and processes used in the petroleum refining industry. The principal products are zeolitic fluid cracking catalysts which are widely used to provide economies in petroleum processing. The Company offers commercially a full line of fluid cracking catalyst based on patented technology including the DYNAMICS (registered trademark) line which can be used to control selectivity and cracking activity virtually independently of one another. This characteristic permits custom catalysts formulation for a large number of users.

The Company manufactures petroleum catalysts used for catalytic reforming and isomerization of hydrocarbons to produce higher octane gasoline, for isomerization of xylenes to produce paraxylene and orthoxylene and for selective hydrogenation of alkylation feed stocks. The Company also manufactures hydrotreating catalysts which are used in viscosity improvement and aromatics saturation of lube oil feedstocks and for the removal of contaminant sulfur, nitrogen and metals. These reforming, isomerization and hydrotreating catalysts are marketed in North America and the Caribbean by Acreon Catalysts, a jointly owned partnership formed by the Company and Procatalyse. Process technologies developed by the Company are also offered for license to the petroleum industry.

In March 1994, the Company completed its purchase of the assets of the sorbents and moving bed catalysts businesses of Solvay Catalysts, GmbH, in Nienburg Germany. This acquisition expanded the Company's moving bed catalysts business and provided complementary product lines serving adsorbents applications. Optimization of these operations is being pursued.

The chemical catalysts products consist of catalysts and sorbents used in the production of a variety of products or intermediates, including synthetic fibers, fragrances, antibiotics, vitamins, polymers, plastics, detergents, fuels and lube oils, solvents, oleochemicals and edible products. These catalysts are generally used in both batch and continuous operations requiring special catalysts for each application. Chemical catalysts are based on the Company's proprietary technology and many times are developed in close

cooperation with specific customers. Sorbents are used to purify and decolorize naturally occurring fats and oils for manufacture into shortenings, margarines and cooking oils.

In early 1994, the Company and ICC Technologies, Inc. formed Engelhard/ICC, a jointly owned partnership, to develop and commercialize air conditioning and air-treatment systems based on a proprietary new desiccant developed by Engelhard.

The products of the Catalysts and Chemicals segment compete in the marketplace on the basis of product performance, technical service and price. No single competitor is dominant in the markets in which the Company operates.

The manufacturing operations of the Catalysts and Chemicals segment are carried out in eight states in the United States. Wholly-owned foreign operations are located in Italy, The Netherlands, Germany, the United Kingdom and South Africa with equity investments located in the U.S., Japan and South Korea. The products are sold principally through the Company's sales organizations or its equity investments, supplemented by independent distributors and representatives.

The principal raw materials used by the Catalysts and Chemicals segment include precious metals, procured by the Engineered Materials and Precious Metals Management Segment; kaolin, supplied by the Pigments and Additives Segment; and a variety of minerals and chemicals which are generally readily available. For more information about precious metal supply contracts, see the "Engineered Materials and Precious Metals Management" section below on pages 6-7 of this 10-K.

As of January 1, 1995 the Catalysts and Chemicals segment had approximately 2,250 employees worldwide, many of whom are hourly employees covered by collective bargaining agreements. Employee relations have generally been good.

Pigments and Additives

The Pigments and Additives segment comprises two principal product groups: the Paper Pigments and Chemicals Group, serving the paper industry and the Specialty Minerals and Colors Group, serving the plastics, coatings, paint and allied industries.

Paper pigments and chemicals products consist primarily of coating and extender pigments. The coating pigments provide whiteness, opacity and improved printing properties for high-quality paper and paperboard. Other products are used as extenders and/or combined with fibers during the manufacture of paper or paperboard. Products for the paper market include Ultra White 90 (registered trademark) pigment, a high-brightness material for high-quality paper coating; Ansilex (registered trademark) pigments that provide the desired opacity, brightness, gloss and printability in paper products; Nuclay (registered trademark) specialized coating pigment for lightweight publication papers; EXSILON (trademark) structured pigment that improves the printability of lightweight coated paper and carbonless forms; and Spectrafil (trademark) pigments for the newsprint and groundwood specialties markets.

Specialty minerals and colors kaolin based products are used as pigments and extenders for a variety of purposes in the manufacture of plastic, rubber, ink, ceramic, adhesive products and in paint. Principal products include Satintone (registered trademark) products, ASP (registered trademark) pigments and Translink (registered trademark) surface modified reinforcements. Other specialty minerals and colors products which serve essentially the same end markets as the Company's kaolin-based pigments and extenders comprise a variety of organic and inorganic color pigments. The Group also produces gellants and sorbents for a wide range of applications.

The products of the Pigments and Additives segment compete with similar products as well as products made from other materials on the basis of product performance and price. No single competitor is dominant in the markets in which the Company operates.

Pigments and Additives operations are carried out in four states in the United States and in Finland and Japan. The products are sold principally through the Company's sales organization supplemented by independent distributors and representatives.

The principal raw materials used by the Pigments and Additives segment include kaolin and attapulgite from mineral reserves owned or leased by the Company and a variety of minerals and chemicals which are generally readily available.

As of January 1, 1995 the Pigments and Additives segment had approximately 1,640 employees worldwide, many of whom are hourly employees covered by collective bargaining agreements. Employee relations have generally been good.

Engineered Materials and Precious Metals Management

The Engineered Materials and Precious Metals Management segment includes the Engineered Materials Group, serving a broad spectrum of industries and the Precious Metals Management Group, which is responsible for precious metals sourcing and dealing and for managing the precious metals requirements of the Company and its customers.

The products of the Engineered Materials Group consist primarily of metal-based materials such as temperature-sensing devices, crucibles, bushings, gauze, precious metals coating and electroplating materials, conductive pastes and powders, brazing alloys and precious metal wire, sheet, and tubing. These products are used in the manufacture of automotive components, industrial devices, glass and glass fiber, ceramics, chemicals, instruments, control devices, fine jewelry, dental and medical supplies, hardware, furniture and air conditioners. The Group also provides refining services to internal and external customers.

The products of the Engineered Materials Group compete with similar products as well as products made from other materials on the basis of product performance, technical service and price. No single competitor is dominant in the markets in which the Company operates.

Engineered Materials manufacturing and refining operations are carried out in four states in the United States and in facilities located in the United Kingdom, France and Italy. The products are sold principally through the Company's sales organization, supplemented by independent distributors and representatives.

The principal raw materials used by these operations are precious metals including those of the platinum group (platinum, palladium, rhodium, iridium and ruthenium), silver and gold, all of which are generally available.

As previously announced, the Company has entered into negotiations with CLAL for the establishment of a Paris-based precious metal fabrication joint venture. Consummation of the joint venture is pending appropriate approvals (see Note 2 "Special Charge" of the Notes to Consolidated Financial Statements on pages 31-32 of this 10-K). The joint venture will combine most of the assets of the Engineered Materials business with CLAL.

In January, 1993 the Company sold its 40 percent interest in M&T Harshaw, an affiliate through which the Company had participated in the base metal plating industry. In the fourth quarter of 1992, the Company formed Heraeus Engelhard Electrochemistry Corp., a venture with Heraeus Inc.. The venture, 46 percent owned, markets electrochemical products in the Western Hemisphere.

The Precious Metals Management Group is responsible for procuring precious metals requirements of the Company's operations and its customers. Supplies of newly mined platinum group metals are obtained primarily from South Africa and the Russian Federation and to a lesser extent from the United States and Canada, which four regions are the only known significant sources. Most of these platinum group metals are obtained pursuant to a number of contractual arrangements with different durations and terms. The contracts with one supplier will expire in their present forms on December 31, 1996, the end of the initial period. The Company is proceeding with arrangements to optimize their replacement. Management believes that available supplies of such metals will be adequate to meet the needs of the Company for the foreseeable future. Gold and silver are purchased from various sources. In addition, in the normal course of business, certain customers and suppliers deposit significant quantities of precious metals with the Company under a variety of arrangements. Equivalent quantities of precious metals are returnable as product or in other forms.

The Precious Metals Management Group also engages in precious metal dealing operations with industrial consumers, dealers, central banks, miners and refiners. It also participates in refining and marketing of energy-related services. The group does not routinely speculate in the precious metals market. For more information regarding precious metals operations, see Note 12 "Financial Instruments and Precious Metals Operations" of the Notes to Consolidated Financial Statements on pages 39-41 of this 10-K. Offices are located in the United States, the United Kingdom, Switzerland, Japan and the Russian Federation.

As of January 1, 1995 the Engineered Materials and Precious Metals Management segment had approximately 1,370 employees throughout the world, many of whom are hourly employees covered by collective bargaining agreements. Employee relations have generally been good.

Major Customer

Approximately 11 percent and 12 percent of the Company's net sales for the year ended December 31, 1994 and 1992, respectively, was generated from a customer of both the Catalysts and Chemicals and Engineered Materials and Precious Metals Management segments. Sales to this customer included both fabricated products and precious metal and were therefore significantly

influenced by fluctuations in precious metal prices as well as the quantity of metal purchased. In such cases, the market price fluctuations and quantities purchased can result in material variations in sales reported but do not usually have a direct or substantive effect on earnings.

Research and Patents

The Company currently employs approximately 320 scientists, technicians and auxiliary personnel engaged in research and development in the field of chemistry and metallurgy. These activities are conducted in the United States and abroad. Research and development expense was \$49.0 million in 1994, \$46.9 million in 1993 and \$44.6 million in 1992.

Research facilities include fully staffed instrument analysis laboratories, which the Company maintains in order to achieve the high level of precision necessary for its various businesses and to assist customers in understanding the performance of Engelhard products in their specific application.

The Company owns or is licensed under numerous patents which have been secured over a period of years. It is the policy of the Company to apply for patents whenever it develops new products or processes considered to be commercially viable and, in appropriate circumstances, to seek licenses when such products or processes are developed by others. While the Company deems its various patents and licenses to be important to certain aspects of its operations, it does not consider any significant portion or its business as a whole to be materially dependent on patent protection.

Environmental Matters

In the ordinary course of business, like most other industrial companies, the Company is subject to extensive and changing federal, state, local and foreign environmental laws and regulations, and has made provisions for the estimated financial impact of environmental cleanup related costs.

The Company is currently preparing, has under review, or is implementing, with the oversight of cognizant environmental agencies, environmental investigations and cleanup plans at several locations which it owns and/or operates, including Plainville, Massachusetts; Salt Lake City, Utah; Attapulugus, Georgia; and Newark, New Jersey. With respect to Plainville, in September 1993 the United States Environmental Protection Agency (EPA) and the Company entered into a consent order under which the Company is investigating contamination and will conduct site stabilization measures. Plainville is also included on the Nuclear Regulatory Commission (NRC) "Existing Site Decommissioning Management Plan Sites" list and the Company is currently conducting further investigations of the site pursuant to NRC approved plans. With respect to Salt Lake City, in connection with obtaining an operating permit under the Utah Solid and Hazardous Waste Act, the Company entered into an agreement in December 1993 with the Utah Solid and Hazardous Waste Control Board under which the Company is currently investigating the environmental status of the site. With respect to Attapulugus, in January 1994 the Georgia Department of Natural Resources, Environmental Protection Division and the Company entered into a consent order under which the Company will develop and implement a reclamation program. With respect to Newark, the Company is in the process of implementing a cleanup plan in coordination with the New Jersey Department of Environmental Protection.

The Company has been designated as a potentially responsible party (PRP) by EPA under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended and by certain state environmental authorities under similar state laws (collectively referred to as Superfund) with respect to the cleanup of contamination resulting from the disposal of hazardous substances at 16 sites to which the Company, among others, sent waste in the past. Superfund requires cleanup of certain sites from which there has been a release or threatened release of hazardous substances and authorizes EPA to take any necessary response action at such sites, including ordering PRPs to cleanup or contribute to the cleanup of a site. Courts have interpreted Superfund to impose strict, joint and several liability. These claims are in various stages of administrative or judicial proceedings, and include demands for recovery of past governmental costs and future investigative or cleanup action. In many cases, the dollar amount of the claim is unspecified and claims have been asserted against a number of other entities for the same recovery or other relief as was asserted against the Company. Based on existing information, the Company believes that it is a de minimis contributor at most of the sites referenced above. Subject to outstanding state claims or the reopening of existing settlement agreements for extraordinary circumstances or natural resource damages, the Company has settled a number of other cleanup proceedings. In several additional instances, PRPs designated by EPA or a state equivalent have notified or sued the Company, claiming that the Company should have been named a PRP and allocated a share of cleanup costs. The Company has also responded to information requests from EPA at other CERCLA sites.

The Company's policy is to accrue environmental cleanup related costs of a noncapital nature when those costs are believed to be probable and can be reasonably estimated. The quantification of environmental exposures requires an assessment of many factors, including changing laws and regulations, advancements in environmental technologies, the quality of information available related to specific sites, the assessment stage of each site investigation, preliminary findings, and the length of time involved in remediation or settlement. For the Superfund sites, the Company also assesses the financial capability of other PRPs and, where allegations are based on tentative findings, the reasonableness of the Company's apportionment. The Company has not anticipated recoveries from insurance carriers or other potentially responsible third parties in its consolidated balance sheets. The liabilities for environmental cleanup related costs recorded in the consolidated balance sheets at December 31, 1994 and 1993 were \$62.2 million and \$66.1 million, respectively, including \$10.8 million and \$11.8 million, respectively, for the Superfund sites. These amounts represent those costs which the Company believes are probable and reasonably estimable. Based on currently available information and analysis, the Company's accrual represents approximately 90 percent of what it believes are reasonably possible environmental cleanup related costs of a noncapital nature. The estimate of reasonably possible costs is less certain than the probable estimate upon which the accrual is based.

During the past three-year period, cash payments for environmental cleanup related matters were \$4.5 million, \$3 million and \$7 million for 1994, 1993 and 1992, respectively. In 1994 and 1992, the amounts accrued in connection with environmental cleanup related matters were not significant. In 1993, \$30.0 million was accrued as a result of developments during that year

which caused the Company to revise its estimates of environmental cleanup related costs at sites being idled or affected by restructuring, where conditions had recently changed, or where studies and cleanup plans had been approved and the assessment of the likelihood or extent of remediation had changed.

For the past three-year period, environmental related capital projects have averaged less than 10 percent of the Company's total capital expenditure programs and the expense of environmental compliance (environmental testing, permits, consultants and in-house staff) was not significant.

There can be no assurances that the environmental laws and regulations will not become more stringent in the future or that the Company will not incur significant costs in the future to comply with such laws and regulations. Based on existing information and currently enacted environmental laws and regulations, cash payments for environmental cleanup related matters are projected to approximate \$10.0 million for 1995, all of which has already been accrued. Further, the Company anticipates that the future amounts of capitalized environmental projects and the future expense of environmental compliance will approximate current levels. While it is not possible to predict with certainty, management believes that environmental cleanup related reserves at December 31, 1994 are reasonable and adequate and that environmental matters are not expected to have a material adverse effect on financial condition or on the results of operations.

Item 2. Properties

The Company owns approximately 15 acres of land and three buildings with a combined area of approximately 168,000 square feet in Iselin, New Jersey. These buildings serve as the major research and development facilities for the Company's operations. The Company also owns a research facility in the Cleveland, Ohio area. In 1990, the Company entered into a 15 year lease for a 271,000 square foot building in Iselin, New Jersey, proximate to its owned facilities, which serves as the principal executive and administrative offices of the Company and its operating segments. This lease provides for three consecutive five-year-period extensions. The building is owned by a partnership in which the Company holds a significant interest.

The Catalysts and Chemicals segment owns and operates a complex of plants in Georgia that manufactures petroleum cracking catalysts, and other domestic plants located in Union, New Jersey; Huntsville, Alabama; Seneca, South Carolina; Elyria, Ohio; East Windsor, Connecticut; and Jackson, Mississippi. Foreign manufacturing operations are conducted at owned facilities in Italy, The Netherlands, Germany and the United Kingdom. In addition, the segment owns a mine in Mississippi and leases a mine in Arizona.

The Pigments and Additives segment owns and operates five kaolin mines and five milling facilities in Middle Georgia which serve an 85 mile network of pipelines to four processing plants. It also owns land containing kaolin clay and leases, on a long-term basis, kaolin mineral rights to additional acreage. The segment also owns and operates an attapulgite processing plant in Attapulgus, Georgia near the area containing its attapulgite reserves. It also owns and operates a plant in Little Rock, Arkansas. Management believes that the Company's crude kaolin and attapulgite reserves will be sufficient to meet its needs for the foreseeable future. The segment also owns and operates color pigments manufacturing facilities

in Louisville, Kentucky, Sylmar, California and Elyria, Ohio. Foreign operations are conducted at owned facilities in Finland. In addition, the segment owns mines in Florida.

The Engineered Materials and Precious Metals Management segment owns and operates manufacturing facilities in Carteret and East Newark, New Jersey; Anaheim and Fremont, California; Lincoln Park, Michigan; and Warwick, Rhode Island. Other manufacturing operations are conducted at owned facilities in the United Kingdom, France and Italy.

The Company is currently restructuring its operations (see Note 2 "Special Charge" of the Notes to Consolidated Financial Statements on pages 31-32 of this 10-K). Management believes that the Company's processing and refining facilities, plants and mills are suitable and have sufficient capacity to meet its normal operating requirements for the foreseeable future.

Item 3. Legal Proceedings

The Company is a defendant in a number of lawsuits covering a wide range of matters. In some of these pending lawsuits, the remedies sought or damages claimed are substantial. The Company is vigorously defending against these claims. The Company is also subject to a number of environmental contingencies (See "Environmental Matters"). While it is not possible to predict with certainty the ultimate outcome of these lawsuits or the resolution of the environmental contingencies, management believes, after consultation with counsel, that resolution of these matters is not expected to have a material adverse effect on financial condition or on the results of operations.

In January, 1995, the Company received and is reviewing a civil investigative demand to produce documents and answer interrogatories in connection with an investigation by the Antitrust Division of the U.S. Department of Justice into "price coordination and market allocation by kaolin producers".

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity
and Related Stockholder Matters

As of March 3, 1995, there were 8,772 holders of record of the Company's common stock, which is traded on the New York Stock Exchange (ticker symbol "EC"), as well as on the London and Swiss stock exchanges.

The range of market prices and cash dividends paid for each quarterly period were as follows:

| | NYSE market price | | Cash dividends paid per share |
|----------------|----------------------|----------|-------------------------------------|
| | High | Low | |
| 1994 | | | |
| First quarter | \$31 1/2 | \$23 5/8 | \$.11 |
| Second quarter | 28 1/4 | 24 1/4 | .11 |
| Third quarter | 28 5/8 | 21 1/2 | .12 |
| Fourth quarter | 27 5/8 | 20 7/8 | .12 |
| 1993 | | | |
| First quarter | \$29 7/8 | \$22 7/8 | \$.10 |
| Second quarter | 28 5/8 | 19 3/8 | .10 |
| Third quarter | 27 3/8 | 25 1/4 | .11 |
| Fourth quarter | 28 3/4 | 22 3/4 | .11 |

<TABLE>

Item 6. Selected Financial Data

Selected Financial Data

| <S> (\$ in millions, except per share amounts) | <C> 1994 | <C> 1993 | <C> 1992 | <C> 1991 | <C> 1990 |
|--|-------------|-------------|-------------|-------------|-------------|
| Net sales | \$2,385.8 | \$2,150.9 | \$2,399.7 | \$2,436.4 | \$2,942.2 |
| Net earnings (a) | 118.0 | .7 | 10.6 | 87.9 | 70.3 |
| Net earnings per share(a) | 1.23 | .01 | .11 | .87 | .70 |
| Property, plant and equipment, net | \$ 540.4 | \$ 494.4 | \$ 514.4 | \$ 533.3 | \$ 563.4 |
| Total assets | 1,440.8 | 1,279.1 | 1,287.7 | 1,279.4 | 1,343.3 |
| Long-term debt | 111.8 | 112.2 | 113.9 | 114.5 | 119.4 |
| Shareholders' equity | 614.7 | 531.3 | 647.2 | 756.6 | 709.8 |
| Cash dividends paid per share | \$.46 | \$.42 | \$.37 | \$.33 | \$.30 |
| Return on average shareholders' equity(a) | 20.6% | .1% | 1.5% | 12.0% | 10.4% |
| Current ratio | 1.0 | 1.1 | 1.5 | 1.5 | 1.3 |
| Net cash provided by operating activities | \$ 114.8 | \$ 130.4 | \$ 169.5 | \$ 135.4 | \$ 150.0 |

(a) Results in 1994 include a special credit of \$5.0 million after tax (\$.05 per share) representing the reversal of excess restructuring reserves; and an after-tax net charge of \$5.3 million (\$.05 per share) for a change in the Company's estimate of compensation expense relating to stock awards.

Results in 1993 include a special charge of \$91.8 million after tax (\$.95 per share) for realignment and consolidation of businesses and environmental matters; an after-tax gain of \$6.3 million (\$.06 per share) from the sale of the Company's interest in M&T Harshaw, a base-metal plating business; and an after-tax charge for the cumulative effect of an accounting change of \$16.0 million (\$.16 per share) as a result of adopting the provisions of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits."

Results in 1992 include an after-tax charge for the cumulative effect of accounting changes of \$89.5 million (\$.89 per share) as a result of adopting the provisions of Statements of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and No. 109, "Accounting for Income Taxes."

Management's Discussion and Analysis
Item 7. of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Engelhard Corporation Condition and Results of Operations

Results of Operations

The Company reported net earnings before cumulative effect of accounting changes of \$118.0 million (\$1.23 per share) in 1994 compared with \$16.7 million (\$.17 per share) in 1993 and \$100.1 million (\$1.00 per share) in 1992. 1994 net earnings included a special credit (see "Special Charge") of \$5.0 million (\$.05 per share) representing the reversal of excess restructuring reserves and a net charge of \$5.3 million (\$.05 per share) for a change in the Company's estimate of compensation expense relating to stock awards (see "Selling, Administrative and Other"). 1993 net earnings included a special charge (see "Special Charge") of \$91.8 million (\$.95 per share) and a gain on the sale of an investment (see "Gain on Sale of Investment") of \$6.3 million (\$.06 per share).

In 1993, the Company adopted the provisions of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits." The impact of this change on 1993 results was a one-time, noncash, after-tax charge of \$16.0 million (\$.16 per share). 1993 net earnings after the cumulative effect were \$.7 million (\$.01 per share).

In 1992, the Company adopted the provisions of Statements of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and No. 109, "Accounting for Income Taxes." The impact of these changes on 1992 results was a one-time, noncash, after-tax charge of \$89.5 million (\$.89 per share). 1992 net earnings after the cumulative effect were \$10.6 million (\$.11 per share).

Special Charge

In 1993, the Company provided for a plan to realign and consolidate businesses, concentrate resources and better position itself to achieve its strategic

growth objectives. That plan resulted in a special charge of \$148.0 million (\$91.8 million after tax or \$.95 per share) in 1993, consisting of a \$118.0 million pretax restructure provision for asset writedowns related to product lines or sites being exited together with provisions for facility shutdown, rundown and relocation and for employee reassignment, severance and related benefits and a \$30.0 million pretax environmental reserve. See Note 15 "Environmental Costs" of the Notes to Consolidated Financial Statements for a discussion of environmental matters and the amount of the Company's environmental reserve.

The Company's restructuring reserve at December 31, 1993, consisted of the \$118.0 million 1993 special charge and \$32.4 million of previously established provisions associated with idled sites, as rundown costs continue to be incurred at these sites and their disposition is pending completion of environmental cleanup and/or consummation of sales. During the fourth quarter of 1994, the Company reversed \$8.0 million of its restructuring reserve because its idle Canadian facility was sold earlier and at more favorable terms than originally estimated and because of a revised, and less costly, approach to the cleanup/disposition of its idle Newark, New Jersey site.

Generally, the 1993 restructuring plan is being implemented as originally contemplated. The following table sets forth the components of the Company's restructuring reserve and related activity for the year:

| Restructuring Reserve (in millions) | Employee separation | Asset writedowns | Other | Total |
|--|------------------------|---------------------|--------|---------|
| | ----- | ----- | ----- | ----- |
| Balance at December 31, 1993 | \$35.9 | \$72.2 | \$42.3 | \$150.4 |
| Asset writeoffs/writedowns | - | (66.6) | - | (66.6) |
| Cash spending | (8.8) | - | (8.4) | (17.2) |
| Cash proceeds | - | 1.7 | - | 1.7 |
| Reclassification | - | 7.5 | (7.5) | - |
| Reversal | - | - | (8.0) | (8.0) |
| | ----- | ----- | ----- | ----- |
| Balance at December 31, 1994 | \$27.1 | \$14.8 | \$18.4 | \$60.3 |

In 1994, the Company reconfigured certain production processes of the Middle Georgia facility of the Paper Pigments and Chemicals Group, which resulted in the writeoff of the associated assets. Two other Company-owned sites, originally identified for closure, will remain open. One of these facilities, a part of the Engineered Materials Group, will continue to operate because of improved economics and the lack of synergy to be achieved from relocating the manufacturing process. The other facility, a part of the Chemical Catalysts Group, will continue to operate because the product lines are complementary to the Company's other businesses. The impairment of this facility, as opposed to the originally planned shutdown and relocation, resulted in a reclassification of shutdown and relocation costs to asset writedowns.

To date, the Company has been unable to implement two of the originally planned restructuring projects. Delayed Department of Justice clearance has impeded the completion of the Floridin acquisition which was formally announced in June 1994 and is an integral part of the rationalization of the Company's attapulgite business. Further, although negotiations began in late 1993 for the establishment of a Paris-based precious metal fabrication joint venture with CLAL, consummation of the joint venture is pending appropriate approvals. The Company anticipates implementation of both of these projects as soon as appropriate approvals/clearances are obtained.

As indicated in the table above, the reserve balance at December 31, 1994, will be used for severance and related benefits, asset writeoffs and other expenses, primarily rundown costs at idle sites. The Company continues to expect that approximately 600 employees will be impacted; currently, about half of these employees have been separated or notified of their impending termination.

During 1994, restructuring savings of approximately \$7.0 million were realized, primarily as a result of reduced depreciation. Additional savings will be realized in 1995, and by the end of 1996 the Company anticipates annual cost savings of about \$20 to \$25 million as a result of lower manufacturing and operating expenses, with annual cash savings of about \$15 million.

Gain on Sale of Investments

In the first quarter of 1993, the Company sold its share of M&T Harshaw, formed in 1990, to its partner, Elf Atochem North America, Inc., for \$40 million in cash with the buyer assuming all assets and liabilities. The Company realized an after-tax gain of \$6.3 million (\$.06 per share).

Catalysts and Chemicals

The Catalysts and Chemicals segment develops, manufactures and markets a wide range of catalysts and related products and processes for the automotive, off-road vehicle, aircraft, power generation, petroleum refining, chemical, petrochemical, pharmaceutical and food processing industries, among others. The Company's products are used by customers in these industries to reduce emissions, achieve desired manufacturing yields and improve quality and/or cost-efficiency.

Results of Operations (in millions)

| | 1994 | 1993 | 1992 |
|--------------------|---------|---------|---------|
| | ---- | ---- | ---- |
| Net sales | \$602.5 | \$541.1 | \$511.0 |
| Operating earnings | 96.9 | 81.9 | 70.9 |
| Special charge | - | (79.1) | - |

1994 Compared with 1993

Operating earnings for the Catalysts and Chemicals segment rose 18 percent in 1994 while sales increased 11 percent over the prior year. Favorable factors included strong volume gains for automotive and diesel truck catalysts and for some petroleum refining catalysts. Lower manufacturing costs in the Chemical Catalysts Group also contributed to the increase although volumes were lower.

Automotive Emission Systems

The newly named "Automotive Emission Systems" Group (which includes the mobile-source emission control business of the former Environmental Catalysts Group) posted higher sales and earnings in 1994. Brisk vehicle sales in the U.S. more than countered continued sluggishness in vehicle sales in Europe and Japan.

The Group's new plant in Nienburg, Germany, contributed to substantial market share gains in Europe. After lagging behind expectations during the first half of 1994, production increased during the second half of the year. Certain European auto makers adopted the Group's new trimetal catalyst technology, Trimax, more quickly than anticipated.

Similarly, another new technology, the PdPLUS all-palladium catalyst, won an award from Ford, the Group's largest customer and the co-developer of PdPLUS catalysts. This technology offers greater thermal stability, permitting the catalyst to be placed closer to the engine and activate faster.

Production of catalytic converters for truck diesel engines, which started in September 1993, reached full stride in 1994. As the sole supplier to the world's leading maker of diesel engines, Engelhard has a large share of the truck diesel catalyst market.

While automotive products account for a large part of its sales, Automotive Emission Systems also made progress with its off-highway business. Consolidation of manufacturing facilities is lowering costs and a new soot filter for fork-lift trucks was launched.

Looking forward, the Group intends to expand its role as a supplier of complete emission systems to the automotive, truck and bus industries. To that end, Engelhard acquired the business and assets of General Plasma, a leading North American supplier of thermal spray coatings that provide emissions-control and fuel-economy benefits when applied to gasoline and diesel engines.

In early 1995, the Group further strengthened its geographic presence with the opening of a small catalyst facility in South Africa. In February 1995, the Group formed a joint venture with W.R. Grace to develop, manufacture and market technologically advanced metallic-substrate catalytic converters that will help automakers comply with regulations. This joint venture is not expected to have a material impact on the operations or cash flows of the Company in the near term.

The Group expects continued strength in 1995 through its efforts to work more closely with customers, starting with initial product design through development of advanced technologies that meet increasingly stringent emission standards.

Stationary Source Emission Control

Salem Engelhard, the Company's joint venture in controlling emissions of volatile organic compounds, developed new technology based on the capabilities of both partners. Called Regenerative Catalytic Oxidation, this new technology will be at the heart of systems ordered in early 1995 by a major forest products company. Financial performance improved in 1994, but the joint venture operated at a slight loss. Salem Engelhard has an improved outlook for 1995 due to strong orders coming into the year.

Engelhard's business in NOx reduction from power-generating facilities is still developing. While the Company has innovative technology, strong regulations are not yet in place. Progress in 1994 included two successful demonstrations of a new cost-effective system to control NOx emissions from coal-fired power plants. A third demonstration began earlier this year in New England. Engelhard also received several orders for NOx control systems for gas turbine power plants in California.

Petroleum Catalysts

The Petroleum Catalysts Group also increased sales and profit in 1994. The Group achieved increased volumes of fluid catalytic cracking (FCC) catalysts in the Asia-Pacific region as new products developed especially for the market were introduced. Heavier feedstocks are widely used in Asia-Pacific refineries placing tougher demands on catalysts. In mid-1994 Engelhard introduced Millennium catalysts for this application and achieved its first sales in Asia Pacific and in Europe by year's end.

Increased volumes of moving-bed catalysts (MBC) also contributed to the Group's performance. MBC products are used in older refineries, many of which are in Russia. For the most part the Russian petroleum industry manufactures

its own catalysts. In 1994, Engelhard purchased a complementary MBC business to augment its existing capabilities in these products. As a result, the Group was able to place local catalysts at several Russian refineries. Additional gains are anticipated in 1995 as well.

In the United States, where the refinery industry has been consolidating in recent years, cost-effective products and excellent customer service are the Group's emphasis. In 1994, Engelhard gained market share at several major refiners by customizing products and services for their needs.

In addition to FCC and MBC products, the Group is involved in hydroprocessing products and services through its joint venture company, Acreon Catalysts. In 1994, Acreon operated at a loss due to poor market demand. The Group is addressing strategies to improve this business.

In 1994, the Petroleum Catalysts Group also upgraded a facility in Savannah, Georgia, that was purchased in 1993. The plant is expected to be a positive contributor to earnings in 1995. It also has allowed Engelhard to develop a new FCC technology called Syntec. This technology combines benefits from the production method used in Savannah and a proprietary Engelhard production method. The first products arising from this new technology were introduced in late 1994.

Chemical Catalysts

Operating earnings increased in the Chemical Catalysts Group on constant sales. Consolidation and productivity initiatives led to the profit growth. Sales growth in certain product lines and in Asia Pacific were balanced by sales declines in other product lines.

The Group has not yet benefitted from the upturn in the overall chemical industry because of adverse trends in some of its market segments. These include lower catalyst consumption and declining end markets. New initiatives begun over the last few years are helping to counter these trends and provide growth opportunities for Chemical Catalysts.

The Group is maintaining its pressure on costs, pursuing opportunities in the economically thriving Asia-Pacific region, joining forces with some customers to manufacture custom catalysts and building alliances to develop new, more efficient manufacturing processes using advanced catalysts. In 1994, exports to its key markets in the Asia-Pacific region--Korea, Taiwan, Japan, Malaysia, Indonesia and India increased significantly. In 1993, a large U.S. consumer products company chose Engelhard to supply a catalyst the company formerly made for itself, and in 1994 the second such agreement was made. The new agreement is with a leading European chemical company that will be working with Engelhard in the area of polymers.

The Group is pursuing alliances with engineering firms that are developing new manufacturing processes. Working with the M.W. Kellogg Company, Engelhard is participating in the design and construction of the first plant that will be using a new ammonia process the two companies developed together.

1993 Compared with 1992

Operating earnings increased 16 percent while sales increased six percent over the prior year. Significantly higher earnings from the Petroleum and Chemical Catalysts Groups more than offset lower earnings from the Environmental Catalysts Group.

Increased demand and favorable pricing in FCC catalysts produced significantly higher results in the Petroleum Catalysts Group. The Chemical Catalysts Group benefitted from substantial reductions in manufacturing costs as a result of its reengineering programs. These more than offset lower volumes caused by the timing of customer orders. The decline in the Environmental

Catalysts Group earnings was due to an increase in new product development expenses and lower non-automotive volumes, which more than offset an increase in U.S. and European auto catalyst volumes, including the initial sales of diesel truck catalysts.

1992 Compared with 1991

Operating earnings increased 27 percent in 1992. Sales increased 28 percent, in part as a result of the acquisition of the remainder of the Company's former German auto-catalyst joint venture (see "Investments"). The Petroleum Catalysts Group generated increased sales and earnings mainly as a result of favorable pricing and product mix for fluid catalytic cracking catalysts. Lower Environmental Catalysts Group earnings were due to reduced domestic auto catalysts shipments, higher costs associated with the European auto catalysts business and increased new product development and marketing expenses, partially offset by technology transfer income. The Chemical Catalysts Group earnings benefitted from cost reductions, which were offset by the impact of the recession on the chemical, construction and automotive industries.

Outlook

The outlook for this segment in 1995 is favorable. The Automotive Emission Systems business should benefit from a continued strong automotive industry and from its initiatives in advanced technology and systems. Stationary Source Emission Control should improve with strong orders coming in to Salem Engelhard. Petroleum Catalysts is expected to take advantage of new capacity and make further inroads in the growing Asia-Pacific market, while Chemical Catalysts intends to continue cost management efforts, building close customer alliances and pursuing opportunities in Asia Pacific.

Pigments and Additives

Engelhard's Pigments and Additives segment develops, manufactures and markets coating and extender pigments for the paper industry and color pigments and specialty minerals for a variety of industries. The Company's paper pigments are used principally to make coating and uncoated papers. Its color pigments are used primarily in paints and coatings, plastics, rubber and printing inks, while specialty mineral products are sold to the plastics, rubber, wire and cable, coatings, inks and adhesives industries.

Most of the minerals used by this segment are mined by the Company from reserves it owns or has under long-term leases. Engelhard has sufficient mineral reserves for its operations.

Results of Operations

| (in millions) | 1994 | 1993 | 1992 |
|--------------------|---------|---------|---------|
| | ---- | ---- | ---- |
| Net sales | \$376.0 | \$369.0 | \$362.2 |
| Operating earnings | 72.0 | 55.0 | 56.8 |
| Special charge | - | (30.3) | - |

1994 Compared with 1993

Operating earnings increased 31 percent while sales increased two percent over the prior year. Earnings increased for both the Paper Pigments and Chemicals Group and the Specialty Minerals and Colors Group. Increased volumes of calcined paper pigments and lower manufacturing costs in the Paper Pigments and Chemicals Group produced significantly higher earnings. The Specialty Minerals and Colors Group experienced significantly higher earnings due to favorable product mix and lower manufacturing costs.

Paper Pigments and Chemicals

For the paper industry, 1994 started out as another difficult year, but signs of economic recovery were evident by year's end. The industry is anticipated to stabilize and improve through 1995 with North America and Europe leading the recovery.

The Company took a number of steps to respond to the recovery in the paper industry and to build competitive advantages.

In April 1995, a new calciner will go on stream in Middle Georgia to meet the paper industry's increasing demand for calcined-kaolin products. This additional capacity will also address growing demand for specialty mineral products and intermediates for petroleum-refining catalysts.

To better serve the important Japanese market, Engelhard opened a new distribution center close to some of that country's largest paper mills. In addition to increased storage capability, the facility allows more flexible packaging options.

The drive for superior service is being extended into all areas of the order-fulfillment process. After equipping a fleet of 1,100 rail cars with quick disconnect fittings to simplify and speed unloading, the business implemented its Quick-Trax system on a pilot basis. It tells customers exactly where their shipments are at all times. In addition, electronic data interchange is being applied to allow easier, faster order placement tracing, invoicing and payment.

In early 1995, the Paper Pigments and Chemicals and the Specialty Minerals and Colors Groups were combined under one management. This consolidation is expected to yield cost and productivity benefits in purchasing, manufacturing and administration while separate sales, marketing and technical service functions will continue to respond to the different customer requirements for these product lines.

Specialty Minerals and Colors

The Specialty Minerals and Colors business also achieved growth in operating earnings, primarily through effective cost management efforts, new products and an improved product mix. Sales volumes overall remained about even with the 1993 level.

Kaolin-based products introduced over the last few years helped fuel the earnings increase. They include ASP extender pigments for high-gloss paints and Translink reinforcing agents for plastics. Toward the end of the year, the Group introduced MetaMax additives for reinforcing concrete and received early positive reviews from customers.

For attapulgite products, the planned acquisition of a more modern manufacturing facility, from Floridin, will help this business to continue cost-management efforts, while broadening product and service capabilities. This acquisition was under review by the U.S. Department of Justice Anti-Trust Division at the time of publication.

In colors, the Group experienced continued success with organic traffic-grade pigments as more municipalities made the switch from lead-based products. In addition, development work continued on the Company's low-VOC colorants. A new line of low VOC colorants with better performance than competitive products has been developed and is being commercialized in 1995.

Technology advances are playing an important part in new products for in-store paint mixing. The new line is being developed with a leading manufacturer of high-quality paint. It will offer consumers a much broader palette from which to choose than is available today.

1993 Compared with 1992

Operating earnings decreased three percent while sales increased slightly. Earnings declined for both the Paper Pigments and Chemicals Group and the Specialty Minerals and Colors Group.

The decline in the Paper Pigments and Chemicals Group was primarily due to lower pricing and higher manufacturing and operating costs, these factors more than offset increased volumes. The Specialty Minerals and Colors Group experienced unfavorable attapulgite volumes and higher manufacturing costs in its minerals business, which more than offset favorable volumes and pricing for its colors business.

1992 Compared with 1991

Operating earnings and sales increased four percent in 1992. Higher volumes, favorable sales prices and lower manufacturing costs, partially offset by lower sales of commodity grades of attapulgite products. A decline in the Paper Pigments and Chemicals Group earnings reflected lower prices and higher energy costs, partially offset by higher volumes and lower operating expenses.

Outlook

The Pigments and Additives segment should benefit from efficiencies gained as its two core businesses are being combined under one management. Capacity increases will allow the Group to take advantage of strengthening worldwide economies and a recovery in the paper industry. A favorable product mix and higher volumes are expected for Specialty Minerals and Colors.

Engineered Materials and Precious Metals Management

The Engineered Materials and Precious Metals Management segment develops, manufactures and markets fabricated products and coatings based on precious metals for a broad spectrum of industries. This segment also engages in precious metals management on behalf of Engelhard businesses and customers that use precious metals. It also participates in refining and marketing of energy-related services.

Results of Operations

| (in millions) | 1994 | 1993 | 1992 |
|--------------------|-----------|-----------|-----------|
| | ---- | ---- | ---- |
| Net sales | \$1,407.3 | \$1,240.8 | \$1,526.5 |
| Operating earnings | 36.8 | 31.0 | 42.0 |
| Special charge | - | (38.6) | - |

Precious metals are included in the sales figures if the metal has been supplied by Engelhard. In these cases, precious metal market price fluctuations can result in material variations in sales. Often, customers supply the precious metals for the manufactured product. In these cases precious metals values are not included in the sales numbers. The mix of such arrangements and the extent of market price fluctuations can significantly impact the level of sales reported but do not usually have a direct material effect on earnings. Purchase of metal for customers' products are normally hedged. See Note 12, "Financial Instruments and Precious Metals Operations," of the Notes to Consolidated Financial Statements for further information about hedging activities.

1994 Compared with 1993

This segment increased operating earnings 19 percent and sales 13 percent. Higher earnings from the Engineered Materials Group more than offset slightly lower earnings from the Precious Metals Management Group. Higher sales volumes in the U.S. and Asia Pacific combined with lower manufacturing costs produced increased earnings in the Engineered Materials Group. The Precious Metals Management Group experienced weak worldwide market conditions.

Engineered Materials

The Engineered Materials Group has the widest product line and broadest customer base in Engelhard. The Group continued to adjust its operations and products to market trends. Most of the Group's markets are classified as mature and cyclical with modest growth rates.

In 1994, the Group's diversity was an advantage. Favorable market influences in the United States balanced the impact of the lingering recession in Europe. In the United States, higher sales for applications in such basic industries as housing, glass and electronics have more than offset lower sales to the defense industry. Sales of plating products for the electronics industry and metal-joining products were strong. Growth in Asia Pacific also was achieved.

A planned joint venture with the French precious metals company CLAL (see "Current Developments") should provide significant efficiencies. The joint venture, which is expected to be finalized in May 1995, will combine most of the assets of Engelhard's Engineered Materials business with CLAL. Synergies between the geographic and technology positions of the two companies will help expand market reach and new product development efforts.

Precious Metals Management

The Engelhard-CLAL joint venture also offers growth opportunities for Engelhard's Precious Metals Management Group. The Group will provide virtually all of the precious metals consumed by the joint venture, while remaining the supplier to all Engelhard business groups and many external customers that use precious metals.

The Precious Metals Management Group reported somewhat lower earnings and flat sales for 1994. The major causes were weak worldwide market conditions and expenses associated with steps to diversify. To achieve consistent profit growth, the Group is focusing on geographic expansion and ways to offer its commodity management skills to a wider array of industries and customers.

Advances were made on both fronts during 1994. Business development activities in Moscow, Tokyo and South America were advanced, while a subsidiary was formed to market electric power in the United States. The Group assumed responsibility for platinum group metals refining and associated operations, transferred from the Chemical Catalysts Group. The move groups related services into a "full-loop" package for customers.

1993 Compared with 1992

Operating earnings decreased 26 percent as sales declined 19 percent. The drop in sales was principally the result of lower volumes and pricing for certain platinum group metals. Lower earnings from the Precious Metals Management Group more than offset higher earnings from the Engineered Materials Group. The Engineered Materials Group achieved cost savings and sales increases in the U.S. market.

1992 Compared with 1991

Operating earnings decreased 12 percent and sales were down 11 percent. The sales decline was principally the result of the acquisition of the remainder of the Company's former German joint venture (see "Investments") and lower precious metals prices. Earnings for the Engineered Materials Group were about the same as 1991, as higher volumes in the United States were partially offset by the impact of weak European markets. Earnings from the Precious Metals Management Group decreased as a result of generally weaker market conditions.

Outlook

This segment will be altered significantly by the formation of the Engelhard-CLAL joint venture. Most of the Engineered Materials Group will become part of the new venture. Profit will be reported as equity earnings. The joint venture, and geographic and service expansions in Precious Metals Management, is expected to lead to improved overall results in 1995.

Selling, Administrative and Other

Selling, administrative and other expenses increased in 1994 to \$244.6 million from \$213.0 million in 1993 and \$224.1 million in 1992. In 1994, based on a study of incentive compensation and in response to changing demographics, the Company revised its estimate of current compensation expense relating to stock awards to include the cost of shares where the risk of forfeiture by the employee has been removed. The impact of this revised estimate was a net charge to 1994 earnings of \$8.6 million (\$5.3 million after tax \$.05 per share). See Note 14, "Stock Option and Bonus Plans," of the Notes to Consolidated Financial Statements. In addition, the increase in 1994 reflects increased spending on research and development as well as higher expenses overall related to acquisitions and growth programs (see also "Investments").

Equity Earnings, Interest and Taxes

Equity in earnings of affiliates decreased to \$0.6 million in 1994 from \$3.4 million in 1993 and \$7.4 million in 1992. The decrease in 1994 was primarily due to the startup losses of a new joint venture Engelhard/ICC and lower volumes at Acreon Catalysts. The decrease in 1993 was primarily due to the absence of M&T Harshaw (sold in January 1993).

Net interest expense was \$22.0 million in 1994 compared with \$13.7 million in 1993 and \$16.2 million in 1992. Gross interest expense and offsetting contango income, which are components of net interest expense, reflect the extent of precious metals financed by spot and forward transactions during each year. The higher net interest expense in 1994 was primarily due to higher interest rates and average debt balances as a result of acquisitions of and investments in businesses, capital spending and purchases of the Company's common stock during the year. The lower net interest expense in 1993 was primarily due to the expiration of an unfavorable interest rate swap agreement in 1992 and the initiation of a then favorable interest rate swap agreement in 1993. See Note 12, "Financial Instruments and Precious Metals Operations," of the Notes to the Consolidated Financial Statements for further information about these interest rate swap agreements. The lower net interest expense in 1992 resulted from the Company's planned debt reductions.

Interest income, included as a component of net sales, was \$1.1 million, \$2.0 million and \$2.5 million in 1994, 1993 and 1992, respectively.

The Company recorded a \$39.3 million income tax provision in 1994, a \$21.4 million income tax benefit in 1993 (primarily as a result of the special

charge) and a \$33.7 million income tax provision in 1992. Excluding the impact of the special charge, the effective income tax expense rate was 25.0 percent in 1994 and 24.3 percent in 1993 and 25.2 percent in 1992. The lower expense rate in 1993 was primarily due to 1993 U.S. tax legislation which reinstated the research and development credit and increased the U.S. income tax rate, which had a favorable impact on the Company's net deferred tax asset. At December 31, 1994, the net deferred tax asset included in the balance sheet was \$105.4 million and related primarily to the accrued postretirement and postemployment benefit obligations, the restructuring reserve, the environmental cleanup reserve and other accruals. Management believes that the Company will generate sufficient taxable earnings and tax planning opportunities to ensure realization of these tax benefits.

Investments

In July 1994, the Company purchased the business and assets of General Plasma, Inc., a supplier of thermal spray-coating technology and services. The acquisition when combined with the Company's catalyst technology aids the development of complete emission control systems.

In March 1994, the Company purchased the assets of the sorbents and moving bed catalysts businesses of Solvay Catalysts, GmbH, in Nienburg, Germany. This acquisition expanded the Company's moving bed catalysts business and provides complementary product lines serving adsorbents applications.

In early 1994, the Company and ICC Technologies, Inc. formed Engelhard/ICC, a jointly owned partnership, to develop and commercialize air-conditioning and air-treatment systems based on a proprietary new desiccant developed by Engelhard.

In the fourth quarter of 1992, the Company and Procatalyse formed Acreon Catalysts, a jointly owned partnership that markets hydroprocessing catalysts in North America and the Caribbean.

In the fourth quarter of 1992, the Company formed Heraeus Engelhard Electrochemistry Corp., a venture with Heraeus Inc., 46 percent owned by Engelhard, which markets electrochemical products in the Western Hemisphere.

In the third quarter of 1992, the Company formed Salem Engelhard with Salem Industries, Inc., a Michigan-based supplier of air pollution control systems. The jointly owned partnership markets products and services to abate emissions of volatile organic chemicals and other pollutants.

In the first quarter of 1992, the Company acquired the remaining 50 percent of Engelhard Kali-Chemie GmbH, an auto catalyst manufacturer and marketer in Germany.

Current Developments

In November 1994, the Company formally announced that Engelhard Corporation and Paris-based CLAL (Groupe FIMALAC) had signed a letter of intent to enter into discussions with the objective of establishing a 50/50 joint venture for the purpose of refining, manufacturing and selling certain precious and base metal containing products. Consummation of the joint venture is pending appropriate approvals.

In June 1994, the Company announced that it intends to acquire certain assets of the Floridin Company's Specialty Minerals operations. The assets include a manufacturing facility and mineral rights. The proposal to purchase the plant and certain related assets is contingent on several actions, including the appropriate government approvals and a definitive agreement.

Financial Condition and Liquidity

At December 31, 1994, the Company had \$24.9 million of working capital, including \$26.4 million of cash. The year-end market value of the Company's precious metals exceeded its carrying cost by \$71.0 million. At December 31, 1994, the Company's ratio of current assets to current liabilities decreased to 1.0 from 1.1 a year earlier, primarily due to increased borrowings.

Short-term bank and commercial paper borrowings increased to \$179.7 million at December 31, 1994, primarily due to the acquisition of General Plasma and certain assets of Solvay, the formation of Engelhard/ICC, and the Company's stock purchase program. In addition, short-term borrowings were used to finance precious metals in excess of the Company's owned inventories needed for manufacturing and refining operations, as well as for precious metals dealing activities.

The Company's total debt to total capital ratio increased to 32 percent at December 31, 1994, from 29 percent at December 31, 1993, as a result of higher short-term borrowings. The Company currently has available \$605 million in committed revolving credit facilities. The Company also has authorization from its Board of Directors to issue up to \$200 million of commercial paper (\$127.3 million outstanding at December 31, 1994) and \$100 million of additional long-term financing and has uncommitted lines of short-term credit exceeding \$700 million. In 1996, management expects to call the \$100 million 10% Notes due in 2000. Management believes that the Company will continue to have adequate access to short-term and long-term credit and capital markets to meet its needs for the foreseeable future.

Net cash provided by operating activities was \$114.8 million in 1994 compared with \$130.4 million in 1993 and \$169.5 million in 1992. For the past three-year period, cash and internally generated funds were adequate to fund working capital requirements, support capital projects and sustain increased dividend payments. For 1995, management anticipates that cash and cash flows will again be adequate to fund operational and capital requirements.

Capital Expenditures, Commitments and Contingencies

Capital projects designed to maintain capacity, expand operations, improve efficiency or protect the environment amounted to \$97.5 million in 1994 compared with \$107.1 million in 1993 and \$54.1 million in 1992. Capital expenditures in 1995 are projected to approximate \$120.0 million. See also Note 15, "Environmental Costs," and Note 16, "Litigation and Contingencies," of the Notes to Consolidated Financial Statements for further information about commitments and contingencies.

Effect of Foreign Currency Transactions and Translation

Generally, the Company does not speculate in foreign currency, but enters into foreign currency and transactions in the normal course of business and has investments in a number of different currencies. As a result, the Company is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. The Company uses a variety of strategies, including foreign currency forward contracts and internal hedging, to minimize or eliminate foreign currency exchange rate risk associated with substantially all of its foreign currency transactions. In selected circumstances, the Company enters into foreign currency forward contracts to hedge the U.S. dollar value of its foreign investments. See Note 12, "Financial Instruments and Precious Metals Operations," of the Notes to Consolidated Financial Statements for further information about foreign currency hedging activities. Precious metals inventories are generally not impacted by foreign currency rate fluctuations because they are denominated in U.S. dollars.

Dividends and Capital Stock

In the third quarter of 1994, the Board of Directors approved a nine percent increase in the quarterly dividend on common stock to \$.12 effective as of September 30, 1994. The annualized common stock dividend rate at the end of 1994 was \$.48 per share.

In the third quarter of 1993, the Board of Directors authorized a three-for-two split of common stock effective as of September 30, 1993. In the fourth quarter of 1993, the Board of Directors elected to retire 3.5 million shares of stock previously held in treasury and approved a plan to purchase up to 2.4 million shares of common stock for delivery under its stock incentive and employee benefit plans. At December 31, 1994, 1.1 million shares had been purchased under this plan. The plan has now been closed.

In the third quarter of 1992, the Board of Directors authorized a three-for-two split of common stock effective as of September 30, 1992. In the second quarter of 1992, the Board of Directors approved two separate plans to purchase up to 8.3 million shares of the Company's common stock. At December 31, 1994, 7.4 million shares had been purchased under these plans.

Item 8. Financial Statements and Supplementary Data

<TABLE>

Consolidated Statements of Earnings

Engelhard Corporation

| <S> | <C> | <C> | <C> |
|---|-------------|-------------|-------------|
| Year ended December 31. | 1994 | 1993 | 1992 |
| (In thousands, except per share amounts) | ----- | ----- | ----- |
| Net sales | \$2,385,802 | \$2,150,845 | \$2,399,749 |
| Cost of sales | 1,970,563 | 1,794,438 | 2,033,012 |
| Gross profit | 415,239 | 356,427 | 366,737 |
| Selling, administrative and other expenses | 244,611 | 213,018 | 224,093 |
| Special charge (credit) | (8,000) | 149,000 | - |
| Earnings (loss) from operations | 178,628 | (4,591) | 142,644 |
| Gain on sale of investment | - | 10,145 | - |
| Equity in earnings of affiliates | 632 | 3,433 | 7,445 |
| Interest expense, net of capitalized amounts | 23,010 | 17,292 | 19,067 |
| Less contango on futures and forward contracts | (1,056) | (3,596) | (2,836) |
| Net interest expense | 21,954 | 13,696 | 16,231 |
| Earnings (loss) before income taxes and cumulative effect of accounting changes | 157,306 | (4,709) | 133,858 |
| Income tax expense (benefit) | 39,326 | (21,381) | 33,733 |
| Net earnings before cumulative effect of accounting changes | 117,980 | 16,672 | 100,126 |
| Cumulative effect of accounting changes | - | (16,000) | (89,509) |
| Net earnings | \$ 117,980 | \$ 672 | \$ 10,617 |
| Net earnings per share of common stock | | | |
| Before cumulative effect of accounting changes | \$1.23 | \$.17 | \$1.00 |
| Cumulative effect of accounting changes | - | (.16) | (.89) |
| Net earnings per share | \$1.23 | \$.01 | \$.11 |
| Average number of shares outstanding | 96,067 | 96,792 | 100,287 |

See accompanying Notes to Consolidated Financial Statements.

</TABLE>

<TABLE>

Consolidated Balance Sheets
Corporation

Engelhard

| <S> | <C> | <C> |
|---|-------------|-------------|
| | 1994 | 1993 |
| | ---- | ---- |
| December 31, (in thousands) | | |
| Assets | | |
| Cash | \$ 26,404 | \$ 25,613 |
| Receivables | 165,639 | 230,593 |
| Inventories | 243,439 | 216,279 |
| Other current assets | 38,155 | 44,095 |
| | ----- | ----- |
| Total current assets | 573,637 | 516,580 |
| | | |
| Investments | 112,855 | 97,147 |
| Property, plant and equipment, less accumulated depreciation, depletion and amortization | 540,361 | 494,440 |
| Other noncurrent assets | 213,906 | 170,931 |
| | ----- | ----- |
| Total assets | \$1,440,759 | \$1,279,098 |
| | ----- | ----- |
| Liabilities and Shareholders' Equity | | |
| Short-term bank borrowings | \$ 52,342 | \$ 79,987 |
| Commercial paper | 127,325 | 20,000 |
| Current maturities of long-term debt | 489 | 440 |
| Accounts payable | 86,230 | 56,342 |
| Accrued liabilities | 282,313 | 105,968 |
| | ----- | ----- |
| Total current liabilities | 548,699 | 462,737 |
| | | |
| Long-term debt | 111,762 | 112,240 |
| Other noncurrent liabilities | 165,563 | 172,803 |
| | ----- | ----- |
| Total liabilities | 826,024 | 747,780 |
| | ----- | ----- |
| Commitments and contingent liabilities | | |
| Preferred stock, no par value, 5,000 shares authorized and unissued | | |
| Common stock, \$1 par value, 200,000 shares authorized and 98,197 shares issued | 98,197 | 98,197 |
| Retained earnings | 582,520 | 497,490 |
| Treasury stock, at cost, 1,099 and 2,251 shares, respectively | (74,054) | (55,210) |
| Cumulative translation adjustment | 8,072 | (9,151) |
| | ----- | ----- |
| Total shareholders' equity | 614,735 | 531,318 |
| | ----- | ----- |
| Total liabilities and shareholders' equity | \$1,440,759 | \$1,279,098 |
| | ----- | ----- |

See accompanying Notes to Consolidated Financial Statements.

</TABLE>

<TABLE>

| Consolidated Statements of Cash Flows | | Engelhard Corporation | | |
|---|------------|-----------------------|-----------|--|
| <S> | <C> | <C> | <C> | |
| Year ended December 31, (in thousands) | 1994 | 1993 | 1992 | |
| Cash flows from operating activities | | | | |
| Net earnings | \$ 117,980 | \$ 672 | \$ 10,617 | |
| Adjustments to reconcile net earnings to net cash provided by operating activities | | | | |
| Depreciation, depletion and amortization | 69,104 | 68,177 | 73,798 | |
| Special charge (credit) | (8,000) | 148,000 | - | |
| Gain on sale of investment | - | (10,145) | - | |
| Cumulative effect of accounting changes | - | 16,000 | 89,509 | |
| Equity earnings, net of dividends | 3,201 | (854) | (4,375) | |
| Net change in assets and liabilities | (67,497) | (91,488) | (83) | |
| Net cash provided by operating activities | 114,788 | 130,362 | 169,466 | |
| Cash flows from investing activities | | | | |
| Capital expenditures, net of disposals | (97,531) | (107,088) | (54,112) | |
| Acquisition of businesses and investments | (44,298) | - | (11,152) | |
| Proceeds from sale of investment | - | 39,787 | - | |
| Other | (1,036) | (2,749) | (22,096) | |
| Net cash used in investing activities | (142,865) | (70,050) | (87,360) | |
| Cash flows from financing activities | | | | |
| Increase in short-term borrowings | 79,585 | 49,305 | 10,081 | |
| Proceeds from issuance of long-term debt | - | - | 2,379 | |
| Repayment of long-term debt | (429) | (1,935) | (6,975) | |
| Purchase of treasury stock | (41,280) | (90,648) | (66,485) | |
| Stock bonus and option plan transactions | 33,672 | 19,030 | 14,304 | |
| Dividends paid | (44,178) | (40,631) | (37,861) | |
| Net cash provided by (used in) financing activities | 27,370 | (64,879) | (84,557) | |
| Effect of exchange rate changes on cash | 1,498 | (1,146) | (2,460) | |
| Net increase (decrease) in cash | 791 | (5,713) | (4,911) | |
| Cash at beginning of year | 25,613 | 31,326 | 36,237 | |
| Cash at end of year | \$ 26,404 | \$ 25,613 | \$ 31,326 | |

See accompanying Notes to Consolidated Financial Statements.

</TABLE>

<TABLE>

Consolidated Statements of Shareholders' Equity
Engelhard Corporation

| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
|--|-----------------|----------------------------------|----------------------|-------------------|---|----------------------------------|
| | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Cumulative translation adjustment | Total shareholders' equity |
| (in thousands, except per share amounts) | | | | | | |
| Balance at December 31, 1991 | \$45,200 | \$ 63,407 | \$633,420 | \$(10,556) | \$ 25,143 | \$756,614 |
| Net earnings | - | - | 10,617 | - | - | 10,617 |
| Dividends (\$.37 per share) | - | - | (37,861) | - | - | (37,861) |
| Three-for-two stock split | 22,600 | (22,600) | - | - | - | - |
| Foreign currency translation adjustment | - | - | - | - | (29,985) | (29,985) |
| Treasury stock acquired | - | - | - | (66,485) | - | (66,485) |
| Stock bonus and option plan transactions | - | (3,483) | - | 17,787 | - | 14,304 |
| Balance at December 31, 1992 | \$7,800 | \$7,324 | \$66,176 | \$(9,254) | \$(4,842) | \$67,204 |
| Net earnings | - | - | 672 | - | - | 672 |
| Dividends (\$.42 per share) | - | - | (40,631) | - | - | (40,631) |
| Three-for-two stock split | 33,897 | (33,897) | - | - | - | - |
| Foreign currency translation adjustment | - | - | - | - | (4,309) | (4,309) |
| Treasury stock acquired | - | - | - | (90,648) | - | (90,648) |
| Stock bonus and option plan transactions | - | (3,427) | (1,989) | 24,444 | - | 19,030 |
| Retirement of treasury stock | (3,500) | - | (66,738) | 70,238 | - | - |
| Balance at December 31, 1993 | \$8,197 | - | \$97,490 | \$(55,218) | \$(9,151) | \$53,318 |
| Net earnings | - | - | 117,980 | - | - | 117,980 |
| Dividends (\$.46 per share) | - | - | (44,178) | - | - | (44,178) |
| Foreign currency translation adjustment | - | - | - | - | 17,223 | 17,223 |
| Treasury stock acquired | - | - | - | (41,280) | - | (41,280) |
| Stock bonus and option plan transactions | - | - | 11,228 | 22,444 | - | 33,672 |
| Balance at December 31, 1994 | \$8,197 | \$ - | \$582,520 | \$(74,054) | \$ 8,072 | \$614,735 |

See accompanying Notes to Consolidated Financial Statements.

</TABLE>

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Engelhard Corporation and its wholly-owned subsidiaries (collectively referred to as the Company). All significant inter-company transactions and balances have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform with the current year presentation.

Cost of Sales and Inventories

Inventories are stated at the lower of cost or market. The elements of cost include direct labor and materials, variable overhead and the full absorption of fixed manufacturing overhead. The cost of precious metals inventories is determined using the last-in, first-out (LIFO) method of inventory valuation. The cost of other inventories is principally determined using either the average cost or first-in, first-out (FIFO) method.

The Company routinely enters into a variety of arrangements for the sourcing and supply of precious metals. These arrangements are spread among a number of counter-parties, which are generally major industrial companies or highly rated financial institutions. The conduct of this business is closely monitored and appropriate reserves for potential losses are maintained.

Depreciation, Depletion and Amortization

Additions to property, plant and equipment are stated at cost. Depreciation and amortization of plant and equipment are provided primarily on a straight-line basis over the estimated useful lives of the assets. Depletion of mineral deposits and mine development are provided under the unit of production method.

When assets are sold or retired, the cost and related accumulated depreciation or amortization are removed from the accounts and any gain or loss is included in earnings.

Amortization and Intangible Assets

Goodwill and other acquired intangible assets are recorded at cost and amortization is provided on a straight-line basis over the estimated useful lives of the assets, but not in excess of 40 years.

Accounting Changes

Effective January 1, 1993, the Company adopted the provisions of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits." This standard requires the accrual method of accounting for certain benefits provided to former or inactive employees after employment but before retirement. As of January 1, 1993, the Company recognized the full actuarially calculated amount of its estimated accumulated postemployment benefit obligation. The charge to 1993 earnings was \$26.0 million (\$16.0 million after tax--\$.16 per share). The after-tax amount has been reflected in 1993 as a cumulative effect of an accounting change.

Effective January 1, 1992, the Company adopted the provisions of Statements of Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions" (SFAS 106) and No. 109 "Accounting for Income Taxes" (SFAS 109). The cumulative effect of these accounting changes was to reduce 1992 earnings by \$134.5 million (\$83.4 million after tax--\$.83 per share) for SFAS 106 and by \$6.1 million (\$.06 per share) for SFAS 109.

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2. Special Charge

In 1993, the Company provided for a plan to realign and consolidate businesses, concentrate resources and better position itself to achieve its strategic growth objectives. That plan resulted in a special charge of \$148.0 million (\$91.8 million after tax--\$.95 per share) in 1993, consisting of a \$118.0 million pretax restructure provision for asset writedowns related to product lines or sites being exited together with provisions for facility shutdown, rundown and relocation and for employee reassignment, severance and related benefits and a \$30.0 million pretax environmental reserve. See Note 15, "Environmental Costs," for a discussion of environmental matters and the amount of the Company's environmental reserve.

The Company's restructuring reserve at December 31, 1993, consisted of the \$118.0 million 1993 special charge and \$32.4 million of previously established provisions associated with idled sites, as rundown costs continue to be incurred at these sites and their disposition is pending completion of environmental cleanup and/or consummation of sales. During the fourth quarter of 1994, the Company reversed \$8.0 million of its restructuring reserve because its idle Canadian facility was sold earlier and at more favorable terms than originally estimated and because of a revised, and less costly, approach to the cleanup/disposition of its idle Newark, New Jersey site.

Generally, the 1993 restructuring plan is being implemented as originally contemplated. The following table sets forth the components of the Company's restructuring reserve and related activity for the year:

| Restructuring Reserve (in millions) | Employee separations | Asset writedowns | Other | Total |
|--|-------------------------|---------------------|--------|---------|
| | ----- | ----- | ----- | ----- |
| Balance at December 31, 1993 | \$35.9 | \$72.2 | \$42.3 | \$150.4 |
| Asset writeoffs/writedowns | - | (66.6) | - | (66.6) |
| Cash spending | (8.8) | - | (8.4) | (17.2) |
| Cash proceeds | - | 1.7 | - | 1.7 |
| Reclassification | - | 7.5 | (7.5) | - |
| Reversal | - | - | (8.0) | (8.0) |
| | ----- | ----- | ----- | ----- |
| Balance at December 31, 1994 | \$27.1 | \$14.8 | \$18.4 | \$ 60.3 |

In 1994, the Company reconfigured certain production processes of the Middle Georgia facility of the Paper Pigments and Chemicals Group, which resulted in the writeoff of the associated assets. Two other Company-owned sites, originally identified for closure, will remain open. One of these facilities, a part of the Engineered Materials Group, will continue to operate because of improved economics and the lack of synergy to be achieved from relocating the manufacturing process. The other facility, a part of the Chemical Catalysts Group, will continue to operate because the product lines are complementary to the Company's other businesses. The impairment of this facility, as opposed to the originally planned shutdown and relocation, resulted in a reclassification of shutdown and relocation costs to asset writedowns.

To date, the Company has been unable to implement two of the originally planned restructuring projects. Delayed Department of Justice clearance has

impeded the completion of the Floridin acquisition which was formally announced in June 1994, and is an integral part of the rationalization of the Company's attapulgitte business. Further, although negotiations began in late 1993 for the establishment of a Paris-based precious metal fabrication joint venture with CLAL, consummation of the joint venture is pending appropriate approvals. The Company anticipates implementation of both of these projects as soon as appropriate approvals/clearances are obtained.

As indicated in the table above, the reserve balance at December 31, 1994, will be used for severance and related benefits, asset writeoffs and other expenses, primarily rundown costs at idle sites. The Company continues to expect that approximately 600 employees will be impacted; currently, about half of these employees have been separated or notified of their impending termination.

During 1994, restructuring savings of approximately \$7.0 million were realized, primarily as a result of reduced depreciation. Additional savings will be realized in 1995, and by the end of 1996 the Company anticipates annual cost savings of about \$20 to \$25 million as a result of lower manufacturing and operating expenses, with annual cash savings of about \$15 million.

3. Research and Development Costs

Research and development costs are charged to expense as incurred and were \$49.0 million in 1994, \$46.9 million in 1993 and \$44.6 million in 1992.

4. Benefits

The Company has pension plans covering substantially all employees. Plans covering most salaried employees generally provide benefits based on years of service and the employee's final average compensation. Plans covering most hourly, bargaining unit members generally provide benefits of stated amounts for each year of service. The Company makes contributions to the plans to the extent such contributions are currently deductible for tax purposes. Plan assets primarily consist of listed stocks and fixed income securities.

The components of the net pension credit for all plans are shown in the following table:

| Net Pension Credit (in millions) | 1994 | 1993 | 1992 |
|-------------------------------------|----------|----------|----------|
| | ---- | ---- | ---- |
| Service cost | \$ 9.3 | \$ 8.1 | \$ 8.2 |
| Interest cost | 19.1 | 18.8 | 18.1 |
| Actual return on plan assets | (9.3) | (26.9) | (20.6) |
| Net amortization and deferral | (21.0) | (2.2) | (11.1) |
| | ----- | ----- | ----- |
| Net pension credit | \$ (1.9) | \$ (2.2) | \$ (5.4) |

The weighted-average discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligations for the pension plans are 7.5 to 9.0 percent and 3.5 to 6.5 percent, respectively. The expected long-term rate of return on assets is 7.5 to 10.5 percent.

The following table sets forth the plans' funded status:

| Funded Status (in millions) | 1994 | 1993 |
|---|---------|---------|
| | ---- | ---- |
| Actuarial present value of benefit obligations | | |
| Vested benefit obligation | \$206.9 | \$209.4 |
| Accumulated benefit obligation | \$217.8 | \$220.2 |
| Projected benefit obligation | \$254.3 | \$250.2 |
| Plan assets at fair value | \$283.6 | \$280.9 |
| Plan assets in excess of projected benefit obligation | \$ 29.3 | \$ 30.7 |
| Unrecognized net loss | 39.8 | 34.8 |
| Unrecognized prior service cost | 6.8 | 6.3 |
| Unrecognized transition asset, net of amortization | (14.7) | (19.7) |
| | ----- | ----- |
| Prepaid pension expense | \$ 61.2 | \$ 52.1 |

The Company also sponsors two savings plans covering certain salaried and hourly paid employees. The Company's contributions, which may equal up to 50 percent of certain employee contributions, were \$2.0 million in 1994, 1993 and 1992.

The Company also currently provides postretirement medical and life insurance benefits to certain retirees (and their spouses), certain disabled employees (and their families) and spouses of certain deceased employees. Substantially all U.S. salaried employees and certain hourly paid employees are eligible for these benefits, which are paid through the Company's general health care and life insurance programs, except for certain medicare-eligible salaried and hourly retirees who are provided a defined contribution towards the cost of a partially insured health plan. In addition, the Company provides postemployment benefits to former or inactive employees after employment but before retirement. These benefits are substantially similar to the postretirement benefits but cover a much smaller group of employees.

The components of the net expense for these postretirement and postemployment benefits are shown in the following table:

| Postretirement and Postemployment Benefit Expense (in millions) | 1994 | 1993 | 1992 |
|--|--------|--------|--------|
| | ---- | ---- | ---- |
| Service cost | \$ 2.3 | \$ 2.1 | \$ 2.6 |
| Interest cost | 10.0 | 13.3 | 11.0 |
| Net amortization | (4.5) | (3.2) | (1.0) |
| | ----- | ----- | ----- |
| Net benefit expense | \$ 7.8 | \$12.2 | \$12.6 |

Annual cash spending for postretirement and postemployment benefits averaged approximately \$7 million for the past three-year period.

The following table sets forth the components of the accrued postretirement and postemployment benefit obligation, all of which are unfunded:

| Postretirement and Postemployment Benefit Obligation (in millions) | 1994 | 1993 |
|---|---------|---------|
| | ---- | ---- |
| Accumulated benefit obligation | | |
| Retirees | \$ 72.3 | \$ 92.6 |
| Fully eligible active participants | 16.0 | 19.9 |
| Other active participants | 33.1 | 39.2 |
| | ----- | ----- |
| | 121.4 | 151.7 |
| Unrecognized prior service cost | 37.1 | 39.6 |
| Unrecognized net gain (loss) | 7.1 | (23.6) |
| | ----- | ----- |
| Accrued benefit obligation | \$165.6 | \$167.7 |

The weighted-average discount rate used in determining the actuarial present value of the accumulated postretirement and postemployment benefit obligation is 8.5 percent. The average assumed health care cost trend rate used for 1994 is 12 percent, gradually decreasing to 5 percent by 2004. A one percent increase in the assumed health care cost trend rate would increase aggregate service and interest cost in 1994 by \$1.9 million and the accumulated postretirement and postemployment benefit obligation as of December 31, 1994, by \$15.8 million.

5. Related Party Transactions

The Company, in the ordinary course of business, has raw material supply arrangements with entities in which it is informed Anglo American Corporation of South Africa Limited (Anglo) has a material interest. Anglo indirectly holds a significant minority interest in the common stock of the Company. The Company's purchases from such entities amounted to \$233.1 million in 1994, \$228.7 million in 1993 and \$254.5 million in 1992, and metal leases to such entities amounted to \$49.7 million in 1994. These transactions were under terms no less favorable to the Company than those arranged with other parties. At December 31, 1994 and 1993 amounts due to such entities totaled \$14.8 million and \$3.4 million, respectively.

6. Income Taxes

The components of income tax expense are shown in the following table:

| Income Tax Expense (Benefit) (in millions) | 1994 | 1993 | 1992 |
|---|--------|----------|--------|
| | ---- | ---- | ---- |
| Current income tax expense | | | |
| Federal | \$13.3 | \$18.4 | \$13.0 |
| State | 1.3 | 1.6 | 1.0 |
| Foreign | 7.5 | 7.8 | 2.5 |
| | ----- | ----- | ----- |
| | 22.1 | 27.8 | 16.5 |
| Deferred income tax expense (benefit) | | | |
| Federal | 13.2 | (39.8) | 11.5 |
| Changes in tax rates | 1.3 | (1.6) | - |
| State | 2.7 | (2.7) | 2.8 |
| Foreign | 8.1 | (1.2) | 6.4 |
| Loss carryforwards/tax credits | (8.1) | (3.9) | (3.5) |
| | ----- | ----- | ----- |
| | 17.2 | (49.2) | 17.2 |
| | ----- | ----- | ----- |
| Income tax expense (benefit) | \$39.3 | \$(21.4) | \$33.7 |

The foreign portion of income (loss) before income tax expense (benefit) was income of \$51.0 million in 1994, \$20.9 million in 1993 and \$36.4 million in 1992. Taxes on income of foreign consolidated subsidiaries and affiliates are provided at the tax rates applicable to their respective foreign tax jurisdictions. Tax credits (charges) of \$3.6 million in 1994, \$6.2 million in 1993 and (\$0.8) million in 1992, in connection with equity adjustments, are included in such adjustments for those years and are not reflected in the amounts shown above.

The following table sets forth the components of the net deferred income tax asset which results from temporary differences between the amounts of assets and liabilities recognized for financial reporting and tax purposes:

| Net Deferred Income Tax Asset (in millions) | 1994 | 1993 |
|--|---------|---------|
| | ---- | ---- |
| Deferred tax assets | | |
| Accrued liabilities | \$ 78.1 | \$102.1 |
| Noncurrent liabilities | 66.4 | 68.1 |
| Tax credits and carryforwards | 41.3 | 30.3 |
| Deferred tax liabilities | | |
| Prepaid pension expense | (28.5) | (24.5) |
| Property, plant and equipment | (16.1) | (22.6) |
| Other assets | (35.8) | (36.1) |
| | ----- | ----- |
| Net deferred income tax asset | \$105.4 | \$117.3 |

As of December 31, 1994, the Company had approximately \$16.8 million of nonexpiring alternative minimum tax credit carryforwards and approximately \$4.8 million of research and development credits with expiration dates through 2009 available to offset future U.S. Federal income taxes. Also, as of December 31, 1994, the Company had approximately \$11.6 million of foreign nonexpiring net operating loss carryforwards and approximately \$6.0 million of foreign investment tax credits expiring in 2000 available to offset certain future foreign income taxes.

A reconciliation of the difference between the Company's consolidated income tax expense (benefit) and the expense (benefit) computed at the federal statutory rate is shown in the following table:

Consolidated Income Tax Expense (Benefit) Reconciliation

| (in millions) | 1994 | 1993 | 1992 |
|--|--------|----------|--------|
| | ---- | ---- | ---- |
| Income tax expense (benefit) at federal statutory rate | \$55.0 | \$ (1.6) | \$45.5 |
| Special charge | - | (4.4) | - |
| Effect of tax law changes | 1.3 | (1.6) | - |
| State income taxes, net of federal effect | 2.6 | 2.8 | 2.5 |
| Percentage depletion | (11.6) | (11.6) | (10.0) |
| Equity earnings | (.6) | - | (1.7) |
| Effect of different tax rates on foreign earnings, net | 2.3 | (4.0) | (3.1) |
| Benefit of tax credits | (7.5) | (1.0) | - |
| Foreign sales corporation | (3.4) | (1.4) | (1.8) |
| Other items, net | 1.2 | 1.4 | 2.3 |
| | ----- | ----- | ----- |
| Income tax expense (benefit) | \$39.3 | \$(21.4) | \$33.7 |

At December 31, 1994, the Company's share of the cumulative undistributed earnings of foreign subsidiaries was approximately \$251.8 million. No provision has been made for U.S. or additional foreign taxes on the undistributed earnings of foreign subsidiaries because such earnings are expected to be reinvested indefinitely in the subsidiaries' operations. It is not practicable to estimate the amount of additional tax that might be payable on these foreign earnings in the event of distribution or sale; however, under existing law, foreign tax credits would be available to substantially reduce, or in some cases eliminate, U.S. taxes payable.

7. Inventories

Inventories consist of the following:

| Inventories (in millions) | 1994 | 1993 |
|------------------------------|---------|---------|
| | ---- | ---- |
| Raw materials | \$ 62.9 | \$ 49.1 |
| Work in process | 24.1 | 31.1 |
| Finished goods | 103.0 | 82.7 |
| Precious metals | 53.4 | 53.4 |
| | ----- | ----- |
| Total inventories | \$243.4 | \$216.3 |

All precious metals inventories are stated at LIFO cost. The market value of the precious metals inventories exceeded cost by \$61.0 million and \$55.7 million at December 31, 1994 and 1993, respectively. The Company also has a long-term investment in precious metals. The combined market value of precious metals in inventories and the investment exceeded cost by \$71.0 million and \$74.5 million at December 31, 1994 and 1993, respectively.

In the normal course of business, certain customers and suppliers deposit significant quantities of precious metals with the Company under a variety of arrangements. Equivalent quantities of precious metals are returnable as product or in other forms.

8. Investments

The Company has investments in affiliates that are accounted for on the equity method. The most significant of these investments is N.E. Chemcat Corporation (N.E. Chemcat), a 38.8 percent owned, publicly-traded Japanese corporation and a leading producer of automotive and chemical catalysts, electronic chemicals and other precious metals-based products. At December 31, 1994, the quoted market value of the Company's investment in N.E. Chemcat was in excess of \$20 million. The valuation represents a mathematical calculation based on a closing quotation published by the Tokyo over-the-counter market and is not necessarily indicative of the amount that could be realized upon sale.

In the first quarter of 1993, the Company sold its investment in M&T Harshaw to its partner for \$40 million in cash with the buyer assuming all assets and liabilities. As a result, the Company realized an after-tax gain of \$6.3 million (\$.06 per share).

The summarized unaudited financial information below represents an aggregation of the Company's nonsubsidiary affiliates:

| Financial Information (unaudited) (in millions) | 1994 | 1993 | 1992 |
|--|---------|---------|---------|
| Earnings data | ---- | ---- | ---- |
| Revenue | | | |
| Gross profit | \$348.1 | \$327.3 | \$445.5 |
| Net earnings | 62.0 | 55.4 | 120.3 |
| Company's equity in net earnings | 6.4 | 10.4 | 18.3 |
| Balance sheet data | | | |
| Current assets | .6 | 3.4 | 7.4 |
| Noncurrent assets | \$231.2 | \$222.3 | |
| Current liabilities | 123.5 | 103.0 | |
| Noncurrent liabilities | 103.1 | 103.4 | |
| Net assets | 18.8 | 15.6 | |
| Company's equity in net assets | 232.8 | 206.3 | |
| | 105.5 | 90.5 | |

The Company's share of undistributed earnings of affiliated companies included in consolidated retained earnings was \$41.8 million at December 31, 1994. Dividends from affiliated companies were \$3.8 million in 1994, \$2.6 million in 1993 and \$3.1 million in 1992.

The Company has other investments, including an investment in precious metal, that are accounted for at cost.

9. Property, Plant, and Equipment

Property plant and equipment consist of the following:

| Property, Plant and Equipment (in millions) | 1994 | 1993 |
|--|----------|----------|
| | ---- | ---- |
| Land | \$ 14.0 | \$ 13.0 |
| Buildings and building improvements | 155.5 | 139.6 |
| Machinery and equipment | 982.5 | 883.5 |
| Construction in progress | 62.9 | 66.9 |
| Mineral deposits and mine development | 70.2 | 68.0 |
| | ----- | ----- |
| | 1,285.1 | 1,171.0 |
| Accumulated depreciation, depletion and amortization | 744.7 | 676.6 |
| | ----- | ----- |
| Property, plant and equipment, net | \$ 540.4 | \$ 494.4 |

10. Short-term Borrowings and Long-term Debt

At December 31, 1994, unsecured committed revolving credit agreements include a \$300 million facility with a group of North American money center banks and a \$305 million facility with a group of major foreign banks which expire in 1997 and 1998, respectively. Commitment fees are paid on unused portions of these lines. In connection with its credit facilities, the Company has agreed to certain covenants, none of which is considered restrictive to the operations of the Company.

At December 31, 1994 and 1993, short-term bank borrowings were \$52.3 million and \$80.0 million, respectively, at a weighted average interest rate of 6.3% and 3.7%, respectively. At December 31, 1994 and 1993, commercial paper borrowings were \$127.3 million and \$20.0 million, respectively, at a weighted average interest rate of 6.0% and 3.3%, respectively.

Additional unused lines of credit available exceeded \$700 million at December 31, 1994. The Company's lines of credit with its banks are available in accordance with normal terms for prime commercial borrowers and are not subject to commitment fees or other restrictions.

The following table sets forth the components of long-term debt:

| Debt Information (in millions) | 1994 | 1993 |
|--|---------|---------|
| | ---- | ---- |
| 10% Notes, callable at par in 1996, due 2000 (net of discount) | \$ 99.8 | \$ 99.8 |
| Industrial revenue bond, 7.91% adjustable to market in 1995, due 1997 | 5.5 | 5.5 |
| Industrial revenue bonds 64.5% to 68% of prime rate, due 1997-1999 | 5.5 | 5.5 |
| Foreign bank loans with a weighted-average interest rate of 7.0%, due 1995-1999 | 1.5 | 1.8 |
| | ----- | ----- |
| | 112.3 | 112.6 |
| Amounts due within one year | .5 | .4 |
| | ----- | ----- |
| Total long-term debt | \$111.8 | \$112.2 |

As of December 31, 1994, the aggregate maturities of long-term debt for the succeeding five years are as follows: \$0.5 million in 1995, \$0.5 million in 1996, \$6.8 million in 1997 and \$4.5 million in 1999. In addition, management expects to call the \$100 million 10% Notes in 1996. See Note 12, "Financial Instruments and Precious Metals Operations," for a discussion about interest rate swap agreements.

11. Lease Commitments

The Company rents real property and equipment under long-term operating leases. Future minimum rental payments required under noncancellable operating leases, having initial or remaining lease terms in excess of one year, are \$8.6 million in 1995, \$7.6 million in 1996, \$6.9 million in 1997, \$6.5 million in 1998, \$6.4 million in 1999 and \$37.6 million thereafter. Rental/lease expense, including all leases, amounted to \$14.5 million in 1994, \$13.5 million in 1993 and \$12.0 million in 1992.

12. Financial Instruments and Precious Metals Operations

The Company does not generally speculate in or engage in the trading of derivative financial instruments. Derivative financial instruments are used by the Company primarily for hedging purposes to mitigate risk and include foreign currency forward contracts and interest rateswap agreements. The Company's nonderivative financial instruments consist primarily of cash in banks, temporary investments, accounts receivable and debt.

The fair value of financial instruments in working capital approximates book value. At December 31, 1994, the fair value of long-term debt was about \$114.2 million based on current interest rates, compared with a book value of \$112.3 million.

The Company's financial instruments do not represent a concentration of credit risk because the Company deals with a variety of major banks worldwide, and its accounts receivable are spread among a number of major industries, customers and geographic areas. In addition, a centralized credit committee reviews significant credit transactions before consummation and an appropriate level of reserves is maintained. Provisions to these reserves were not significant in 1994, 1993 or 1992. Management believes that should a counterparty fail to perform according to the terms of an agreement, it is unlikely that any of the Company's off-balance sheet financial instruments would result in a significant loss to the Company.

Foreign Currency Forward Contracts

In the normal course of business, the Company enters into transactions denominated in foreign currencies. In addition, the Company has subsidiary and nonsubsidiary investments in a number of different currencies. As a result, the Company is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. The Company uses a variety of strategies, including foreign currency forward contracts and internal hedging, to minimize or eliminate foreign currency exchange rate risk associated with substantially all of its foreign currency transactions. Gains and losses on these hedging transactions are generally recorded in earnings in the same period as they are realized, which is usually in the same period as the underlying or originating transactions. In selected circumstances, the Company enters into foreign currency forward contracts to hedge the U.S. dollar value of its foreign investments. Gains and losses on these hedging contracts are recognized as cumulative translation adjustments. In limited and closely monitored situations, for which pre-approved exposure levels have been set, the Company may enter into speculative foreign currency transactions. Gains and losses on

these transactions are recognized in earnings in the period of the change.

There were no speculative positions in foreign currencies as of December 31, 1994 and 1993, and there were no material gains or losses from such positions for any year presented. The following table sets forth, in U.S. dollars, the Company's open foreign currency forward contracts used for hedging:

| Foreign Currency Forward Contracts Information | | | | |
|--|---------|---------|--------|--------|
| (in millions) | 1994 | | 1993 | |
| | Buy | Sell | Buy | Sell |
| Deutschemark | \$ 17.3 | \$ 29.8 | \$ 4.6 | \$25.6 |
| Japanese Yen | 68.9 | 99.9 | 16.8 | 38.2 |
| Pound Sterling | 38.9 | 15.8 | 11.5 | 14.8 |
| South African Financial Rand | 1.4 | - | - | - |
| Total open foreign currency forward contracts | \$126.5 | \$145.5 | \$32.9 | \$78.6 |

None of these contracts exceeds a year in duration and the net amount of deferred income and expense on foreign currency forward contracts, which will predominately be recognized as cumulative translation adjustments, was \$1.0 million expense in 1994 and \$.3 million income in 1993.

Interest Rate Swap Agreements

The Company occasionally enters into interest rate swap agreements to modify the characteristics of its outstanding borrowings from fixed to floating rate debt or vice versa. The intent of these transactions is to reduce interest expense. The use and mix of such instruments can vary depending on business and economic conditions and management's interest rate outlook. The Company uses swap instruments only as hedges or as integral parts of borrowings. See Note 10, "Short-term Borrowings and Long-term Debt." As such, the differential to be paid or received is accrued and recognized in income as an adjustment to interest expense. During the past three-year period, the Company used two interest rate swap agreements intended to reduce interest expense on certain of its outstanding debt. These swap agreements were based on amounts and maturities which coincide with the debt agreements. There has been no speculative trading in these instruments and of these two agreements, one was held to maturity and the other is intended to be held to maturity. In connection with the \$100 million 10½ Notes due in 2000, callable in 1996, the Company entered into a \$100 million notional principal amount swap contract running from May 11, 1993, to May 13, 1996, to receive 4.5½ and to pay LIBOR. In connection with the \$100 million 11.75% Eurobonds due in 1992, the Company entered into a \$100 million notional principal amount swap contract running from June 9, 1986, to March 29, 1992, to receive LIBOR and to pay 11.15%. The impact of these swap contracts was to increase interest expense by \$.3 million in 1994, to decrease interest expense by \$.7 million in 1993 and to increase interest expense by \$1.3 million in 1992. The resulting impact on the Company's weighted average borrowings rate was not material for any year presented.

Precious Metals Operations

Some of the Company's businesses use precious metals in their manufacturing processes. In addition, sales and purchases of precious metals to/from industrial and refining customers are transacted through the Company's dealing operations. Secondly, and usually as a consequence of the above

transactions, the Company also engages in precious metals dealing with other counterparties. Generally, all of these precious metals transactions are hedged on a daily basis, using spot, forward, futures or option transactions, to substantially eliminate the exposure to price risk. In limited and closely monitored situations, for which pre-approved exposure levels have been set, the Company holds unhedged precious metal positions. Changes in the market value of unhedged (open) precious metal positions are recognized in earnings in the period of the change by marking these positions to their current market value.

The following table sets forth the Company's open precious metal positions:

| Precious Metal Positions Information (in millions) | | | | |
|---|----------|-------------|----------|-------------|
| | 1994 | | 1993 | |
| | Position | Gross value | Position | Gross value |
| Platinum group metals | Long | \$5.8 | Long | \$7.5 |
| Gold | Short | (.6) | Short | - |
| Silver | Long | .1 | Short | (2.0) |
| | | ----- | | ----- |
| Total open precious metal positions | | \$5.3 | | \$5.5 |

The total mark-to-market adjustment related to the above positions was \$.2 million expense in 1994 and \$.1 million expense in 1993.

As a result of its precious metals transactions, the Company earned contango income of \$1.1 million in 1994, \$3.6 million in 1993 and \$2.8 million in 1992. Contango is a term common to precious metal transactions representing the premium received or paid when settlement of the precious metal transaction is in the future. This premium constitutes an offset to the financing costs associated with carrying the precious metal that underlies the transaction. As such, contango is reflected in the statement of earnings as an adjustment to interest expense because it is an integral component of the Company's financing costs.

13. Industry Segment and Geographic Area Data

The Company operates in three industry segments: Catalysts and Chemicals, Pigments and Additives, and Engineered Materials and Precious Metals Management.

The Catalyst and Chemicals segment develops, manufactures and markets a wide range of catalysts and related products and processes for the automotive, off-road vehicle, aircraft, power generation, petroleum refining, chemical, petrochemical, pharmaceutical and food processing industries, among others. The Company's products are used by customers in these industries to reduce emissions, achieve desired manufacturing yields and improve quality and/or cost-efficiency.

The Pigments and Additives segment develops, manufactures and markets coating and extender pigments for the paper industry and color pigments and specialty minerals for a variety of industries. The Company's paper pigments are used principally to make coated and uncoated papers and paper board. Its color pigments are used primarily in paints and coatings, plastics, rubber and printing inks, while specialty mineral products are sold to the plastics, rubber, wire and cable, coatings, inks and adhesives industries.

The Engineered Materials and Precious Metals Management segment develops, manufactures and markets fabricated products and coatings based on precious metals for a broad spectrum of industries. This segment also engages in precious metals management on behalf of Company businesses and customers that use precious metals. It also participates in refining and marketing of energy-related services.

<TABLE>

The following table presents certain data by industry segment:

| Industry Segment Information (in millions) | <C> | <C> | <C> Engineered Materials & Precious Metals | <C> Corporate and Other | <C> Consolidated |
|--|---------|---------|--|-------------------------------|---------------------|
| 1994 | | | | | |
| Net sales | \$602.5 | \$376.0 | \$1,407.3 | \$ - | \$2,385.8 |
| Operating earnings excluding special credit | 96.9 | 72.0 | 36.8 | - | 205.7 |
| Special credit | - | - | - | 8.0 | 8.0 |
| Depreciation, depletion and amortization | 29.5 | 27.6 | 7.0 | 5.0 | 69.1 |
| Identifiable assets | 453.5 | 431.6 | 220.9 | 334.8 | 1,440.8 |
| Capital expenditures, net | 33.8 | 54.0 | 5.2 | 4.5 | 97.5 |
| 1993 | | | | | |
| Net sales | \$541.1 | \$369.0 | \$1,240.8 | \$ - | \$2,150.9 |
| Operating earnings excluding special charge | 81.9 | 55.0 | 31.0 | - | 167.9 |
| Special charge | (79.1) | (30.3) | (30.6) | - | (140.0) |
| Depreciation, depletion and amortization | 27.0 | 29.7 | 7.1 | 4.4 | 68.2 |
| Identifiable assets | 394.4 | 393.5 | 212.7 | 279.5 | 1,279.1 |
| Capital expenditures, net | 61.0 | 36.2 | 7.5 | 2.4 | 107.1 |
| 1992 | | | | | |
| Net sales | \$511.0 | \$362.2 | \$1,526.5 | \$ - | \$2,399.7 |
| Operating earnings | 70.9 | 56.8 | 42.0 | - | 169.7 |
| Depreciation, depletion and amortization | 31.7 | 29.2 | 7.9 | 5.0 | 73.8 |
| Identifiable assets | 401.5 | 409.4 | 255.2 | 221.6 | 1,287.7 |
| Capital expenditures, net | 23.2 | 20.2 | 9.2 | 1.5 | 54.1 |

Intersegment sales are not significant. In 1993, the special charge reduced identifiable assets by \$33.2 million in Catalysts and Chemicals, \$25.4 million in Pigments and Additives and \$7.5 million in Engineered Materials and Precious Metals Management while the related tax benefit increased identifiable assets by \$48.3 million in Corporate and Other.

The following table presents certain data by geographic area:

| Geographic Area Data (in millions) | Net sales | Inter-area sales | Operating earnings | Special (charge) credit | Identifiable assets |
|---------------------------------------|--------------|---------------------|-----------------------|-------------------------------|------------------------|
| 1994 | | | | | |
| United States | \$1,568.6 | \$ 32.5 | \$164.7 | \$ 2.0 | \$655.4 |
| Foreign | 817.2 | 77.0 | 41.0 | 6.0 | 450.6 |
| 1993 | | | | | |
| United States | \$1,396.8 | \$ 30.9 | \$118.5 | \$(120.3) | \$598.1 |
| Foreign | 754.1 | 86.0 | 49.4 | (27.7) | 402.5 |
| 1992 | | | | | |
| United States | \$1,544.2 | \$119.6 | \$134.0 | - | \$661.6 |
| Foreign | 855.5 | 49.2 | 35.7 | - | 404.5 |

</TABLE>

Inter-area sales are generally based on market prices. In 1993, the special charge reduced identifiable assets by \$10.8 million in the United States and \$7.0 million for foreign operations. Most of the Company's foreign operations are conducted by European subsidiaries. United States export sales to customers throughout the world were \$237.0 million in 1994, \$231.2 million in 1993 and \$316.3 million in 1992.

The following table reconciles segment operating earnings with the earnings before income taxes and cumulative effect of accounting changes as shown in the Consolidated Statements of Earnings:

Reconciliation to Consolidated Statements of Earnings

| (in millions) | 1994 | 1993 | 1992 |
|--|---------|----------|---------|
| Operating earnings | \$213.7 | \$ 19.9 | \$169.7 |
| Gain on sale of investment | - | 10.1 | - |
| Equity earnings | .6 | 3.4 | 7.4 |
| Interest and other expenses, net | (57.0) | (38.1) | (43.2) |
| Earnings (loss) before income taxes and cumulative effect of accounting changes | \$157.3 | \$ (4.7) | \$133.9 |

For the years ended December 31, 1994 and 1992, one customer of both the Catalysts and Chemicals and the Engineered Materials and Precious Metals Management segments accounted for 11 percent and 12 percent, respectively, of the Company's net sales.

<TABLE>

14. Stock Option and Bonus Plans

The Company's Stock Option Plans of 1991 and 1981, as amended (the Key Option Plans) generally provide for the granting to key employees of options to purchase an aggregate of 11,250,000 and 4,556,250 common shares, respectively, at fair market value on the date of grant. No options under the Key Option Plans may be granted after June 30, 2001. In 1993, the Company established the Employee Stock Option Plan of 1993, as amended, which generally provides for the granting to all employees (excluding U.S. bargaining unit employees and key employees eligible under the Key Option Plans) of options to purchase an aggregate of 1,875,000 common shares at fair market value on the date of grant. No options under this plan may be granted after December 31, 1994. Options under all plans become exercisable in installments after one year, and no options may be exercised after 10 years from the date of grant. Outstanding options may be cancelled and reissued under terms specified in the plan documents. The effect of outstanding stock options has been excluded from the calculation of the number of shares outstanding used to compute earnings per share of common stock because it is not significant.

Stock option transactions under all plans are as follows:

Stock Option Information

| <S> | <C> 1994 | | <C> 1993 | | <C> 1992 | |
|----------------------------------|------------------|------------------------|------------------|------------------------|------------------|------------------------|
| | Number of shares | Option price per share | Number of shares | Option price per share | Number of shares | Option price per share |
| Outstanding at beginning of year | 4,451,352 | \$ 6.81-28.58 | 3,353,427 | \$ 6.81-23.04 | 3,205,723 | \$ 6.81-14.19 |
| Granted | 1,800,762 | 21.31-28.58 | 1,850,647 | 22.04-28.58 | 1,006,575 | 17.17-23.04 |
| Cancelled | (63,305) | 8.31-28.58 | (93,067) | 7.89-28.58 | (16,734) | 7.89-17.17 |
| Exercised | (449,562) | 7.89-28.58 | (459,655) | 6.81-17.17 | (842,137) | 6.81-12.25 |
| Outstanding at end of year | 5,739,247 | \$ 6.81-28.58 | 4,451,352 | \$ 6.81-28.58 | 3,353,427 | \$ 6.81-23.04 |
| Exercisable at end of year | 1,698,861 | \$ 6.81-28.58 | 1,289,318 | \$ 6.81-23.04 | 1,185,632 | \$ 6.81-14.19 |
| Available for future grants | 7,784,252 | | 7,323,709 | | 9,406,289 | |

The Company's Key Employee Stock Bonus Plan, as amended (the Bonus Plan) provides for the award of up to 11,250,000 common shares to key employees as compensation for future services, not exceeding 1,812,500 shares in any year (plus any cancelled awards or shares available for award, but not previously awarded). The Bonus Plan terminates on June 30, 1996. Shares awarded vest in five annual installments, providing the recipient is still employed by the Company on the vesting date. Compensation value is measured on the date the award is granted.

In 1994, based on a study of incentive compensation and in response to changing demographics, the Company revised its estimate of current compensation expense relating to stock awards to include the cost of shares where the risk of forfeiture by the employee has been removed. The impact of this revised estimate was a net charge to 1994 earnings of \$8.6 million (\$5.3 million after tax--\$.05 per share). Excluding the above change in estimate, in 1994, compensation expense relating to stock awards was \$8.6 million in 1994, \$6.4 million in 1993 and \$6.9 million in 1992. Shares awarded, net of cancellations, are included in average shares outstanding.

</TABLE>

15. Environmental Costs

In the ordinary course of business, like most other industrial companies, the Company is subject to extensive and changing federal, state, local and foreign environmental laws and regulations, and has made provisions for the estimated financial impact of environmental cleanup related costs.

The Company is currently preparing, has under review, or is implementing, with the oversight of cognizant environmental agencies, environmental investigations and cleanup plans at several locations which it owns and/or operates, including Plainville, Massachusetts; Salt Lake City, Utah;

Attapulgus, Georgia; and Newark, New Jersey. With respect to Plainville, in September 1993 the United States Environmental Protection Agency (EPA) and the Company entered into a consent order under which the Company is investigating contamination and will conduct site stabilization measures. Plainville is also included on the Nuclear Regulatory Commission (NRC) "Existing Site Decommissioning Management Plan Sites" list and the Company is currently conducting further investigations of the site pursuant to NRC approved plans. With respect to Salt Lake City, in connection with obtaining an operating permit under the Utah Solid and Hazardous Waste Act, the Company entered into an agreement in December 1993 with the Utah Solid and Hazardous Waste Control Board under which the Company is currently investigating the environmental status of the site. With respect to Attapulgus, in January 1994 the Georgia Department of Natural Resources, Environmental Protection Division and the Company entered into a consent order under which the Company will develop and implement a reclamation program. With respect to Newark, the Company is in the process of implementing a cleanup plan in coordination with the New Jersey Department of Environmental Protection.

In addition, the Company has been designated as a potentially responsible party at 16 sites by EPA under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended and by certain state environmental authorities under similar state laws (collectively referred to as Superfund).

The Company's policy is to accrue environmental cleanup related costs of a noncapital nature when those costs are believed to be probable and can be reasonably estimated. The quantification of environmental exposures requires an assessment of many factors, including changing laws and regulations, advancements in environmental technologies, the quality of information available related to specific sites, the assessment stage of each site investigation, preliminary findings, and the length of time involved in remediation or settlement. For the Superfund sites, the Company also assesses the financial capability of other potentially responsible parties and, where allegations are based on tentative findings, the reasonableness of the Company's apportionment. The Company has not anticipated recoveries from insurance carriers or other potentially responsible third parties in its consolidated balance sheets. The liabilities for environmental cleanup related costs recorded in the consolidated balance sheets at December 31, 1994 and 1993 were \$62.2 million and \$66.1 million, respectively, including \$10.8 million and \$11.8 million, respectively, for the Superfund sites. These amounts represent those costs which the Company believes are probable and reasonably estimable. Based on currently available information and analysis, the Company's accrual represents approximately 90 percent of what it believes are reasonably possible environmental cleanup related costs of a noncapital nature. The estimate of reasonably possible costs is less certain than the probable estimate upon which the accrual is based.

During the past three-year period, cash payments for environmental cleanup related matters were \$4.5 million, \$.3 million and \$.7 million for 1994, 1993 and 1992, respectively. In 1994 and 1992, the amounts accrued in connection with environmental cleanup related matters were not significant. In 1993, \$30.0 million was accrued as a result of developments during that year which caused the Company to revise its estimates of environmental cleanup related costs at sites being idled or affected by restructuring, where conditions had recently changed, or where studies and cleanup plans had been approved and the assessment of the likelihood or extent of remediation had changed.

For the past three-year period, environmental related capital projects have averaged less than 10 percent of the Company's total capital expenditure programs and the expense of environmental compliance (environmental testing, permits, consultants and in-house staff) was not significant.

There can be no assurances that environmental laws and regulations will not become more stringent in the future or that the Company will not incur significant costs in the future to comply with such laws and regulations. Based on existing information and currently enacted environmental laws and regulations, cash payments for environmental cleanup related matters are projected to approximate \$10.0 million for 1995, all of which has already been accrued. Further, the Company anticipates that the future amounts of capitalized environmental projects and the future expense of environmental compliance will approximate current levels. While it is not possible to predict with certainty, management believes that environmental cleanup related reserves at December 31, 1994, are reasonable and adequate and that environmental matters are not expected to have a material adverse effect on financial condition or on the results of operations.

16. Litigation and Contingencies

The Company is a defendant in a number of lawsuits covering a wide range of matters. In some of these pending lawsuits, the remedies sought or damages claimed are substantial. The Company is vigorously defending against these claims. The Company is also subject to a number of environmental contingencies (see Note 15 "Environmental Costs"). While it is not possible to predict with certainty the ultimate outcome of these lawsuits or the resolution of the environmental contingencies, management believes, after consultation with counsel, that resolution of these matters is not expected to have a material adverse effect on financial condition or on the results of operations.

In January 1995, the Company received and is reviewing a civil investigative demand to produce documents and answer interrogatories in connection with an investigation by the Antitrust Division of the U.S. Department of Justice into "price coordination and market allocation by kaolin producers."

17. Supplemental Information

The following table presents certain supplementary information to the Consolidated Statements of Cash Flows:

| Supplementary Cash Flow Information (in millions) | 1994 | 1993 | 1992 |
|--|----------|----------|---------|
| | ---- | ---- | ---- |
| Cash paid during the year for | | | |
| Interest, net of capitalized amounts and contango | \$ 24.2 | \$ 17.9 | \$ 23.6 |
| Income taxes | 22.1 | 20.1 | 15.9 |
| Change in assets and liabilities-source (use) | | | |
| Receivables | \$(27.5) | \$ 11.7 | \$ 27.0 |
| Inventories | (20.2) | 17.0 | 7.7 |
| Other current assets | 6.0 | (5.5) | (3.4) |
| Other noncurrent assets | (27.2) | (60.0) | 1.8 |
| Accounts payable | 28.1 | (15.3) | (4.5) |
| Accrued liabilities | (19.4) | (34.9) | (54.0) |
| Accrued benefit obligation | (2.2) | 4.0 | 5.7 |
| Deferred income taxes | (5.1) | (8.5) | 19.6 |
| | ----- | ----- | ----- |
| Net change in assets and liabilities | \$(67.5) | \$(91.5) | \$ (.1) |

The following table presents certain supplementary information to the Consolidated Balance Sheets:

| Supplementary Balance Sheet Information (in millions) | 1994 | 1993 |
|--|---------|---------|
| | ---- | ---- |
| Payroll-related accruals | \$ 36.4 | \$ 50.1 |
| Environmental reserve | 62.2 | 66.1 |
| Restructuring reserve | 45.5 | 78.2 |
| Other | 138.2 | 111.4 |
| | ----- | ----- |
| Accrued liabilities | \$282.3 | \$306.0 |

Report of Independent Accountants

To the Shareholders and Board of Directors of Engelhard Corporation:

We have audited the accompanying consolidated balance sheets of Engelhard Corporation and Subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of earnings, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Engelhard Corporation and Subsidiaries as of December 31, 1994 and 1993, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, in 1993 the Company changed its method of accounting for postemployment benefits and in 1992 the Company changed its methods of accounting for income taxes and postretirement benefits other than pensions.

Coopers & Lybrand, L.L.P.

New York, New York
February 2, 1995

<TABLE>

Selected Quarterly Financial Data (unaudited)

| <S> | <C> | | | |
|--|------------------|-------------------|------------------|-------------------|
| | First quarter | Second quarter | Third quarter | Fourth quarter |
| (in millions, except per share amounts) | | | | |
| 1994 | | | | |
| Net sales | \$557.7 | \$633.4 | \$578.6 | \$616.1 |
| Gross profit | 89.8 | 104.4 | 103.3 | 117.7 |
| Earnings before income taxes | 30.3 | 42.5 | 39.6 | 44.9 |
| Net earnings | 22.8 | 31.9 | 29.7 | 33.6 |
| Net earnings per share of common stock | .24 | .33 | .31 | .35 |
| 1993 | | | | |
| Net sales | \$490.2 | \$563.2 | \$558.1 | \$539.4 |
| Gross profit | 78.6 | 93.4 | 91.4 | 93.0 |
| Earnings (loss) before income taxes and cumulative effect of an accounting change | 29.7 | 38.1 | 35.2 | (107.7) |
| Earnings (loss) before cumulative effect of an accounting change | 22.2 | 28.5 | 27.6 | (61.6) |
| Net earnings (loss) | 6.2 | 28.5 | 27.6 | (61.6) |
| Net earnings (loss) per share of common stock: | | | | |
| Before cumulative effect of an accounting change | .22 | .29 | .29 | (.64) |
| Net earnings (loss) | .06 | .29 | .29 | (.64) |

Results in the fourth quarter of 1994 include a special credit of \$8.0 million (\$5.0 million after tax--\$.05 per share) representing the reversal of excess restructuring reserves and a net charge of \$8.6 million (\$5.3 million after tax--\$.05 per share) for a change in the Company's estimate of compensation expense relating to stock awards.

Results in the first quarter of 1993 include a \$10.1 million gain on the sale of M&T Marshaw (\$6.3 million after tax--\$.06 per share) and a charge for the cumulative effect of an accounting change (\$16.0 million net of tax--\$.16 per share). Results in the fourth quarter of 1993 include a \$148.0 million special charge (\$91.0 million after tax--\$.95 per share) for realignment and consolidation of businesses and environmental matters and \$4.1 million of income from the sale of environmental catalyst technology to Russia (approximately \$2.4 million after tax).

Earnings per share amounts are calculated independently for each of the quarters presented. The sum of the quarters may not equal the full year earnings per share amounts.

</TABLE>

Item 9. Changes in and Disagreements with
Accountants on Accounting and Financial Disclosure

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

(a) Directors -

Information concerning directors of the Company is included under the caption "Election of Directors" and "Information with Respect to Nominees and Directors Whose Terms Continue" on pages 3 through 6 of the Proxy Statement for the 1995 Annual Meeting of Shareholders and is incorporated herein by reference.

(b) Executive Officers -

ORIN R. SMITH * Age 59. Chairman and Chief Executive Officer of the Company since January 1995. President and Chief Executive Officer of the Company from prior thereto. Mr. Smith is also a director of Vulcan Materials Company, The Summit Bancorporation, The Louisiana Land and Exploration Company and Perkin-Elmer Corporation.

L. DONALD LATORRE * Age 57. President and Chief Operating Officer of the Company since January 1995. Senior Vice President and Chief Operating Officer of the Company from June 1990 to January 1995. Vice President of the Company and President of the Pigments and Additives Division from prior thereto.

ROBERT L. GUYETT * Age 58. Senior Vice President and Chief Financial Officer of the Company since September 1991. Senior Vice President and Chief Financial Officer of Fluor Corporation from prior thereto. Mr. Guyett is also a director of Smith Environmental Technologies Corporation and Newport Corporation. (Mr. Guyett has announced his intention to retire from the Company).

MARTIN J. CONNOR, JR. Age 62. Controller of the Company from prior to 1990.

ARTHUR A. DORNBUSCH, II Age 51. Vice President, General Counsel and Secretary of the Company from prior to 1990.

*Also a director of the Company

WILLIAM M. DUGLE

Age 52. Vice President, Human Resources of the Company from prior to 1990

ROBERT J. SCHAFFHAUSER

Age 56. Vice President, Technology and Corporate Development since January 1995. Vice President, Corporate Development from prior thereto.

MICHAEL A. SPERDUTO

Age 37. Treasurer of the Company since January 1993. Vice President of Finance of the Precious Metals Management Group from prior thereto.

FRANCIS X. VITALE, JR.

Age 50. Vice President, Strategic Planning and Corporate Affairs since January 1995. Vice President, Investor Relations and Corporate Communications of the Company from prior thereto.

Officers of the Company are elected at the meeting of the Board of Directors held in May of each year after the annual meeting of shareholders and serve until their successors shall be elected and qualified and shall serve as such at the pleasure of the Board.

Item 11. Executive Compensation

Information concerning executive compensation is included under the caption "Executive Compensation and Other Information" on pages 11 through 21 of the Proxy Statement for the 1995 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 12. Security Ownership of Certain
Beneficial Owners and Management

Information concerning security ownership of certain beneficial owners and management is included under the captions "Information as to Certain Shareholders" and "Share Ownership of Directors and Officers" on pages 2 through 3 and page 7, respectively, of the Proxy Statement for the 1995 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 13. Certain Relationships
and Related Transactions

Information concerning certain business relationships of nominees for director and directors and related transactions is included under the captions "Information as to Certain Shareholders", "Information with Respect to Nominees and Directors Whose Terms Continue", "Share Ownership of Directors and Officers" and "Compensation Committee Interlocks, Insider Participation and Certain Transactions" on pages 2 through 3, pages 3 through 6, page 7, and page 10, respectively, of the Proxy Statement for the 1995 Annual Meeting of Shareholders and is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement
Schedules and Reports on Form 8-K

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| (a) (1) Financial Statements and Schedules | |
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| Consolidated Statements of Earnings for each of the three years in the period ended December 31, 1994 | 26 |
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| Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 1994 | 28 |
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| Notes to Consolidated Financial Statements | 30-47 |
| (2) Financial Statement Schedules | |
| Consolidated financial statement schedules not filed herein have been omitted either because they are not applicable or the required information is shown in the Notes to Consolidated Financial Statement on pages 30-47 on this 10-K. | |

(3) Exhibits

- (3a) Certificate of Incorporation of the Company
(incorporated by reference to Form 10, as amended on Form 8-K filed with the Securities and Exchange Commission on May 19, 1981). *
- (3b) By-laws of the Company as amended September 17, 1981
(incorporated by reference to Form 10-Q for the quarter ended September 30, 1981). *
- (3c) Certificate of Amendment to the Restated Certificate of Incorporation of the Company (incorporated by reference to Form 10-K for the year ended December 31, 1987). *
- (3d) Article XVII of the Registrant's By-laws as amended on May 2, 1988 (incorporated by reference to Form 8-K filed with the Securities and Exchange Commission on May 21, 1988). *
- (3e) Certificate of Amendment to the Restated Certificate of Incorporation of the Company (Incorporated by reference to Form 10-Q for the quarter ended March 31, 1993). *
- (10) Material Contracts.
 - (a) Form of Agreement of Transfer entered into between Engelhard Minerals & Chemicals Corporation and the Company, dated May 18, 1981 (incorporated by reference to Form 10, as amended on Form 8 filed with the Securities and Exchange Commission on May 19, 1981). *
 - (b) Engelhard Corporation Non-Qualified Stock Option Plan of 1981 (incorporated by reference to the Proxy Statement for 1981 Annual Meeting of Shareholders of the Engelhard Minerals & Chemicals Corporation). *
 - (c) Amendment to the Engelhard Corporation Non-Qualified Stock Option Plan of 1981 adopted January 7, 1982 (incorporated by reference to the Engelhard Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1981). *
 - (d) Supplementary Supply Agreement between Rustenburg Platinum Mines Limited and Engelhard Minerals & Chemicals Corporation, effective as of January 1, 1972 (incorporated by reference to the Engelhard Minerals & Chemicals Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1972). **

* Incorporated by reference as indicated.

** Incorporated by reference as indicated and granted confidential treatment pursuant to an application filed by Engelhard Minerals & Chemicals Corp.

Location:

- (e) Amendment to the Supplementary Supply Agreement between Rustenburg Platinum Mines Limited and Engelhard Minerals & Chemicals Corporation, effective as of January 1, 1972 dated April 1, 1973 (incorporated by reference to the Engelhard Minerals & Chemicals Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1973). **
- (f) Addendum to the Supplementary Supply Agreement between Rustenburg Platinum Mines Limited and Engelhard Minerals & Chemicals Corporation dated June 18 and July 5, 1974 (incorporated by reference to Form 10-K, as amended on Form 8 filed with the Securities and Exchange Commission on May 19, 1981). **
- (g) Amendment dated December 14, 1977 as supplemented January 10, 1978 to the Main Supply Agreement and Supplementary Supply Agreement between Rustenburg Platinum Mines Limited and Engelhard Minerals & Chemicals Corporation (incorporated by reference to the Engelhard Minerals & Chemicals Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1977). **
- (h) Amendment dated April 3, 1979 to the Supplemental Supply Agreement between Rustenburg Platinum Mines Limited and Engelhard Minerals & Chemicals Corporation (incorporated by reference to the Engelhard Minerals & Chemicals Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1979). **
- (i) Main Supply Agreement between P.G.M. (Brakspruit) (Proprietary) Limited and Engelhard Industries International Limited effective as of January 1, 1972 and supplementary letter with respect thereto (incorporated by reference to the Engelhard Minerals & Chemicals Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1972). **
- (j) Agreement between Rustenburg Platinum Mines Limited and Engelhard Minerals & Chemicals Corporation, dated November 3, 1972 (incorporated by reference to the Engelhard Minerals & Chemicals Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1972). **
- (k) Amendment to the Engelhard Corporation Stock Option Plan of 1981 adopted January 6, 1983 (incorporated by reference to the Engelhard Corporation Registration Statement on Form S-8 dated June 15, 1983). *

* Incorporated by reference as indicated.

** Incorporated by reference as indicated and granted confidential treatment pursuant to an application filed by Engelhard Minerals & Chemicals Corp.

- (l) Form of agreement with elected officers with employment agreements in the event of an acquisition of a control interest in the Company (incorporated by reference to the Engelhard Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1983).
- (m) Form of agreement with elected officers without employment agreements in the event of an acquisition of a control interest in the Company (incorporated by reference to the Engelhard Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1983).
- (n) Amendment to the Engelhard Corporation Non-qualified Stock Option Plan of 1981 adopted March 7, 1986 (incorporated by reference to Engelhard Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1986).
- (o) Key Employees Stock Bonus Plan of Engelhard Corporation effective July 1, 1986 (incorporated by reference to the Engelhard Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1986).
- (p) Employee Agreement with Orin R. Smith, President and Chief Executive Officer of the Company, dated May 21, 1986 (incorporated by reference to the Engelhard Corporation Annual Report, Form 10-K for the fiscal year ended December 31, 1986).
- (q) Amendment to the Key Employees Stock Bonus Plan of Engelhard Corporation adopted March 7, 1991 (incorporated by reference to the Engelhard Corporation 1991 definitive Proxy Statement as filed with the Securities and Exchange Commission on March 27, 1991).
- (r) Stock Option Plan of 1991 (incorporated by reference to the Engelhard Corporation 1991 definitive Proxy Statement as filed with the Securities and Exchange Commission on March 27, 1991).
- (s) Letters from Rustenburg Platinum Mines Limited dated March 13, 1992 advising that the Main Supply and Supplementary Supply Agreement (Exhibits D through J above) will terminate in their present forms on December 31, 1996, the end of the initial period.

* Incorporated by reference as indicated.

| | Location: |
|--|-----------|
| (21) Subsidiaries of the Registrant | 59-60 |
| (23) Consent of Independent Accountants | 61-62 |
| (24) Powers of Attorney | 63-72 |
| (99) (a) Annual Report on Form 11-K of the Salary Deferral Savings Plan of Engelhard Corporation for each of the three years in the period ended December 31, 1994. | 73-93 |
| (b) Annual Report on Form 11-K of the Engelhard Corporation Savings Plan for Hourly Paid Employees for each of the three years in the period ended December 31, 1994. | 94-109 |
| (b) Report on Form 8-K ----- | |
| Not applicable | |

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in Iselin, New Jersey on the 28th day of March 1995.

Engelhard Corporation

Registrant

/s/Orin R. Smith

Orin R. Smith
(Chairman and Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature ----- | Title ----- | Date ----- |
|--|---|----------------|
| /s/Orin R. Smith ----- Orin R. Smith | Chairman and Chief Executive Officer & Director (Principal Executive Officer) | March 28, 1995 |
| /s/Robert L. Guyett ----- Robert L. Guyett | Senior Vice President and Chief Financial Officer & Director (Principal Financial Officer) | March 28, 1995 |
| /s/Martin J. Connor, Jr. ----- Martin J. Connor, Jr. | Controller (Principal Accounting Officer) | March 28, 1995 |

| | | |
|--------------------|----------|----------------|
| * | Director | March 28, 1995 |
| ----- | | |
| Linda G. Alvarado | | |
| * | Director | March 28, 1995 |
| ----- | | |
| Marion H. Antonini | | |
| * | Director | March 28, 1995 |
| ----- | | |
| L. Donald LaTorre | | |
| * | Director | March 28, 1995 |
| ----- | | |
| Anthony W. Lea | | |
| * | Director | March 28, 1995 |
| ----- | | |
| James V. Napier | | |
| * | Director | March 28, 1995 |
| ----- | | |
| Norma T. Pace | | |
| * | Director | March 28, 1995 |
| ----- | | |
| Reuben F. Richards | | |
| * | Director | March 28, 1995 |
| ----- | | |
| Henry R. Slack | | |
| * | Director | March 28, 1995 |
| ----- | | |
| Douglas G. Watson | | |

* By this signature below, Arthur A. Dornbusch, II has signed this Form 10-K as attorney-in-fact for each person indicated by an asterisk pursuant to duly executed powers of attorney filed with the Securities and Exchange Commission included herein as Exhibit 25.

| | |
|----------------------------|----------------|
| /s/Arthur A. Dornbusch, II | March 28, 1995 |
| ----- | |
| Arthur A. Dornbusch, II | |

Subsidiaries of the Registrant

| <u>Name of Subsidiary</u> | <u>Jurisdiction Under Which Incorporated Or Organized</u> |
|--|---|
| Engelhard West, Inc. | California |
| EC Delaware, Inc. | Delaware |
| Engelhard Metal Plating, Inc. | Delaware |
| Engelhard Strategic Investments, Inc. | Delaware |
| Engelhard Supply Corporation | Delaware |
| Porocel Corporation | Delaware |
| Mustang Property Corporation | Delaware |
| Engelhard Pollution Control, Inc. | Delaware |
| Engelhard Export Corporation | U. S. Virgin Islands |
| The Harshaw Chemical Company | New Jersey |
| Engelhard Australia Pty Ltd | Australia |
| Engelhard Canada Limited | Canada |
| Engelhard Industries International Limited | Canada |
| Engelhard Technologies Limited | Canada |
| Engelhard Pyrocontrols S.A. | France |
| Engelhard S.A. | France |
| Engelhard S.R.L. | Italy |
| Engelhard Italiana S.P.A. | Italy |
| Engelhard Holdings GmbH | Germany |
| Engelhard Technologies Verwaltung GmbH | Germany |
| Petroleum Catalysts GmbH | Germany |
| Engelhard (Hong Kong) Ltd. | Hong Kong |
| Engelhard DeMeern B.V. | The Netherlands |
| Engelhard Terneuzen, B.V. | The Netherlands |
| Engelhard Netherlands, B.V. | The Netherlands |
| Engelhard (Singapore) Pte Ltd | Singapore |
| Engelhard Metals A.G. | Switzerland |
| Engelhard Limited | United Kingdom |
| Engelhard Metals Limited | United Kingdom |
| Engelhard Sales Limited | United Kingdom |
| Engelhard Technologies Limited | United Kingdom |
| The Sheffield Smelting Co. Ltd | United Kingdom |
| EC Pigments OY | Finland |
| Engelhard Metals Japan Limited | Japan |

Name of Affiliate

| | |
|------------------------------------|--------------|
| N. E. Chemcat Corporation | Japan |
| Hankuk-Engelhard Corporation | South Korea |
| Salem Engelhard | Michigan |
| Acreon Catalysts | Texas |
| HERAEUS Engelhard Electrochemistry | Delaware |
| Engelhard/ICC | Pennsylvania |
| Metreon | Delaware |

The names of other subsidiaries have been omitted since such subsidiaries, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as that term is defined in Rule 12b-2 (17 CFR 240.12b-2) promulgated under the Securities Exchange Act of 1934.



November 14, 1995

VIA FEDERAL EXPRESS

Mr. Joseph Cosentino
OSC Removal Action Branch
Emergency and Remedial Division
U.S. Environmental Protection Agency
Region II
2890 Woodbridge Avenue
Edison, New Jersey 08837

Re: Bayonne Barrel & Drum Superfund Site, 150-154
Raymond Boulevard, Newark, Essex County, NJ

Dear Mr. Cosentino:

Minnesota Mining and Manufacturing Co. ("3M") is in receipt of the United States Environmental Protection Agency ("EPA") request for information pursuant to Section 104(e) dated September 28, 1995 and received by 3M on October 9, 1995. Pursuant to the request, 3M had 30 days to provide EPA with its response. 3M's outside counsel made a request to Mark Seidenberg, Esq. of the Office of Regional Counsel for an extension of 30 days to provide its response. However, Mr. Seidenberg only agreed to extend the due date for the response 15 days to November 15, 1995.

By letter dated October 10, 1995, 3M submitted a freedom of information request to the EPA requesting any and all documents in its possession concerning 3M's alleged nexus with the Bayonne Barrel & Drum site. By letter dated October 25, 1995, the EPA advised 3M that the Agency had 10 working days to respond to 3M's request and that a reply should be received shortly thereafter. As of the date of this letter 3M had not received any documents pursuant to its FOIA request.

In addition to the above, 3M's outside counsel made a request with the Bayonne Barrel & Drum hotline for any documents relating to 3M's alleged use of the Bayonne facility. By letter dated November 1, 1995 and received by our outside counsel on November 6, 1995, the EPA provided 3M with documents which it alleged "connected 3M Company...with the

Mr. Joseph Cosentino
November 14, 1995
Page 2

Bayonne Barrel & Drum Superfund Site...".¹ All of the documents provided to 3M by EPA evidences straight purchases of empty drums from Bayonne Barrel & Drum by 3M's Freehold and Newark facilities. There is no indication that any of the purchases were other than straight purchases or involved any hazardous substances whatsoever. Accordingly, based upon the documents, there is no alleged Comprehensive Environmental Response Compensation Liability Act ("CERCLA") nexus or connection to the site.

It is always 3M's objective to respond quickly to EPA information requests. However, as noted above, 3M did not receive the documents requested from the Bayonne hotline until November 6, 1995. Moreover, the company is still awaiting receipt of a response to its FOIA request. 3M is diligently searching for any documents concerning its use of the Bayonne facility. However, given 3M's current retention policy, many, if not all documents relating to any use of the Bayonne facility pre-1984² would most likely be destroyed. However, as stated, 3M is diligently reviewing its files to determine whether any documentation exists. Of course, all non-privileged documents will be provided to the EPA.

Based upon the documentation received from the EPA, it appears that 3M's Freehold and Newark facilities were customers of Bayonne Barrel & Drum. With respect to the Newark facility, 3M sold the operations in 1983 to Tony Stonis. 3M has attempted, and is in the process of, contacting present employees of 3M as well as former employees who may have worked at the Newark facility. Although 3M has confirmed that the Newark facility was a customer of Bayonne Barrel & Drum, given the short time period in which 3M had to respond, it has been unable to obtain any specific information concerning its operations and its alleged connection with Bayonne Barrel & Drum. As such, 3M is continuing its investigation and will supplement its responses as soon as possible.

As with the Newark facility, 3M has also terminated the operation of its Freehold facility. 3M is in the process of obtaining information concerning the operations of the Freehold facility and is also attempting to contact present employees who may have worked at the Freehold facility as well as former employees. As set forth above, 3M has confirmed that the Freehold facility was a customer of Bayonne Barrel & Drum. However, 3M is continuing to conduct its due diligence investigation and will supplement its responses accordingly.

¹ In the letter, the EPA stated that it could not ensure that there are not other documents which allegedly connect 3M with the site. As such, it is in the process of scheduling an appointment with Donna Murphy of the Bayonne Barrel & Drum Hotline to review the records at EPA's Edison, New Jersey facility.

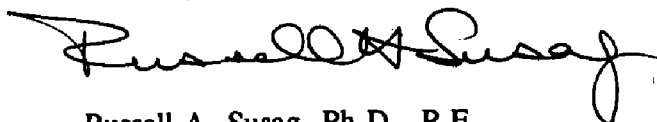
²3M has been advised that Bayonne Barrel & Drum terminated operations in 1984.

Mr. Joseph Cosentino
November 14, 1995
Page 3

The scope of many of the questions posed by the EPA in its request for information are overly broad, irrelevant and not limited to scope of time. 3M objects to the 104(e) request on this basis. However, subject to this objection, and with full reservation of any other objections to the questions posed, 3M encloses its initial response to EPA's 104(e) request.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Russell A. Susag". The signature is fluid and cursive, with a large loop at the end.

Russell A. Susag, Ph.D., P.E.
Director, Environmental Regulatory Affairs
RAS:lah
Encl.

RESPONSE OF MINNESOTA MINING AND MANUFACTURING
COMPANY TO THE INFORMATION REQUEST OF
THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
DATED SEPTEMBER 28, 1995 FOR THE
BAYONNE BARREL & DRUM SITE

In response to the Information Request of the United States Environmental Protection Agency ("EPA") relating to the Bayonne Barrel & Drum Site, dated September 28, 1995 and received by Minnesota Mining and Manufacturing ("3M") Office of General Counsel on October 10, 1995, 3M responds pursuant to 42 U.S.C. § 9601 et seq. ("CERCLA").

3M states that Russell H. Susag, Director, 3M Environmental Technology and Services, and other staff of 3M, including in-house counsel, and attorneys with Bressler, Amery and Ross, have been involved in preparing answers to these inquiries. Additionally, 3M refers EPA to Exhibit A for names of additional persons consulted. In further response to these Requests, 3M answers as follows:

PRELIMINARY STATEMENT

The responses and objections set forth herein are based upon the information currently available and known to 3M. 3M reserves all rights and objections to supplement or amend these responses.

General Objections

Defendants set forth their general objections in response to the 104(e) Request. Each response by 3M to the Requests shall be subject to the general objections set forth herein whether or not such objection is incorporated expressly into each response.

1. General Information About the Company

- a. State the correct legal name of the Company.

ANSWER: Minnesota Mining and Manufacturing Company ("3M")

- b. Identify the legal status of the Company (corporation, partnership, sole proprietorship, specify if other) and the state in which the Company was organized.

ANSWER: 3M is a Delaware corporation.

- c. State the name(s) and address(es) of the President and the Chairperson of the Board of the Company.

ANSWER: Objection. 3M objects to this request insofar as it is irrelevant. Without waiving this objection, see attached Annual Report (Exhibit B).

- d. If the Company has subsidiaries or affiliates, or is a subsidiary of another organization, identify these related companies and state the name(s) and address(es) of the President(s) and the Chairperson(s) of the Board of those organizations. Provide such information for any further parent/subsidiary relationships.

ANSWER: Objection. 3M objects to this request insofar as it is irrelevant. Without waiving this objection, see attached Annual Report (Exhibit B).

- e. If the Company is a successor to, or has been succeeded by, another company, identify such other company and provide the same information requested above for the predecessor or successor company.

ANSWER: Not applicable.

- f. If the Company transacted business with Bayonne Barrel & Drum in the name of an entity not disclosed above, give the name of such entity and state its relationship to the Company.

ANSWER: 3M objects to this request insofar as the term "business" has not been defined at this date. 3M has only confirmed that it purchased empty drums from Bayonne Barrel & Drum. Without waiving any objections and limiting its response to this "business." Not applicable.

2. Company's Relationship to Bayonne Barrel & Drum

- a. State whether the Company or any Company facility transacted any business with Bayonne Barrel & Drum for the disposal, treatment, or storage of any barrels, drums, or other containers (hereinafter collectively referred to as "Containers").

ANSWER: 3M objects to this request insofar as the term "business" has been defined. Without waiving any objections, see cover letter of Russell Susag, Ph.D., P.E. dated November 11, 1995.

- i. If so, describe the relationship (nature of services rendered or products sold to the Company) between the Company and Bayonne Barrel & Drum;

ANSWER: Id.

- ii. Provide copies of any contracts or agreements between the Company and Bayonne Barrel & Drum;

ANSWER: Id.

- iii. For each such facility, state the nature of the operations conducted at the facility, including the time period in which the facility operated; and

ANSWER: Id.

- iv. For each such facility, state its name, address, and current RCRA Identification Number.

ANSWER: Id.

- b. In addition, if the Company transacted business with Bayonne Barrel & Drum, provide the following information for each transaction:

- i. Identify the specific dates of each transaction. Where an exact date cannot be provided for a transaction, provide an approximation by month and year;

ANSWER: Id.

- ii. Identify the number of Containers that were the subject of each such transaction;

- iii. Generically describe each Container that was the subject of each such transaction (example: closed-head steel drums, etc.);

ANSWER: Id.

iv. Identify the intended purpose of each such transaction;

ANSWER: Id.

v. State whether each Container that was the subject of the transaction contained any substance at the time of the transaction. As to each Container that contained any substances: Id.

- (1) Identify each such substance, including its chemical content, physical state, quantity by volume and weight, and other characteristics; and
- (2) Provide all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance;

vi. If you contend that any such Container did not contain any substance at the time of the transactions: Id.

- (1) State whether such Container had previously been used by the Company to contain any substance, and if so:
 - (a) Identify all substances previously contained within such Container, including its chemical content, physical state, and other characteristics; and
 - (b) Provide as to such substances, all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance;

vii. Describe in detail any treatment of any Container that may have been performed by or on behalf of the Company prior to the time that the Container was transferred from the Company, including any process or procedure by which the Container was emptied or cleaned;

Id.

- viii. Provide copies of all documents relating in any way to each transaction, including copies of delivery receipts, invoices, or payment devices;

Id.

- ix. Identify all persons who might have knowledge of the transaction or who had any responsibility regarding the transaction; and

Id.

- x. If you sent any Container by means of any third party transporter, identify each such transporter, including the name and address of such transporter, and identify in which of the transactions such transporter acted.

Id.

- 3. Identify any other person (e.g., individual, company, partnership, etc.) having knowledge of facts relating to the questions which are the subject of this inquiry. For each such person that you identify, provide the name, address, and telephone number of that person, and the basis of your belief that he or she has such knowledge. For past and present employees, include their job title and a description of their responsibilities.

ANSWER: Charles Dabrowski
Ron North

- 4. Identify each person consulted in responding to these questions and correlate each person to the question on which he or she was consulted.

ANSWER: See Exhibit A.

- 5. Provide a list of all insurance policies and indemnification agreements held or entered into by you that may indemnify you against any liability that you may be found to have under CERCLA. Specify the insurer, type of policy, effective dates, and state per occurrence policy limits for each policy. Copies of policies may be provided in lieu of a narrative response. In response to this request, please provide not only those policies and agreements that are currently in effect, but also those in effect since your company began sending Containers to the Site.

ANSWER: 3M objects to this request to the extent it requests information that is irrelevant and not in accordance with law. 3M also objects to the extent it implies that 3M has any CERCLA liability with respect to the Site. Without waiving any

objections, 3M is currently self-insured and 3M is reviewing its insurance policies to determine which, if any, may relate to the Site. 3M is unaware of any indemnification agreements which would indemnify it against any liability under CERCLA.

6. State whether there exists any agreement or contract (other than an insurance policy) which may indemnify the Company, present or past directors, officers or owners of shares in the Company, for any liability that may result under CERCLA. Provide a copy of any such agreement or contract. Identify any agreement or contract that you are unable to locate or obtain.

ANSWER: Objection: 3M objects to this request to the extent it requests information that is irrelevant and not in accordance with law. 3M also objects to the extent it implies that 3M has any CERCLA liability with respect to the Site. Without waiving any objections, 3M is unaware of any such agreements or contracts.

7. Supply any additional information or documents that may be relevant or useful to identify other sources who disposed of or transported Containers to the Site.

ANSWER: 3M objects to this request to the extent it seeks information that is privileged. Without waiving any objections, 3M is unaware of any information or documentation that is responsive to this inquiry.

Exhibit A*

Mike Cooper
(Current 3M employee)

Charles Dabroski
(Current 3M employee)

Dwight Illk
(Current 3M employee)

Ed Getz
(Current 3M employee)

Joel Mickelson
(Current 3M employee)

Ron North
(Current 3M employee)

Catharine Palm
(Current 3M employee)

Robert Paschke
(Current 3M employee)

Dan Schmid
(Current 3M employee)

* These persons were contacted during 3M's investigations. If EPA determines that follow-up inquiries are needed, 3M will assist in making these persons available.

CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

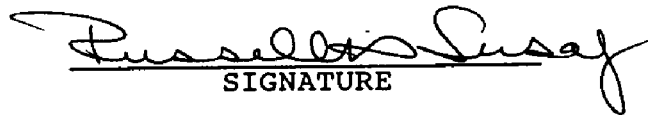
State of MINNESOTA

County of RAMSEY

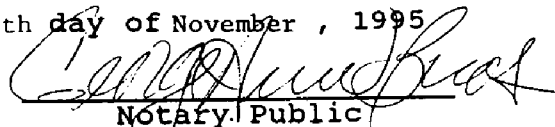
I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

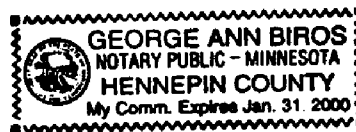
RUSSELL H. SUSAG
NAME (print or type)

DIRECTOR, ENVIRONMENTAL
REGULATORY AFFAIRS
TITLE (print or type)


SIGNATURE

Sworn to me before this

14th day of November, 1995

Notary Public





PSE&G Public Service
Electric and Gas
Company

80 Park Plaza, T5C, Newark, NJ 07101

Thomas A. Waldman Attorney

MAILING ADDRESS / P.O. Box 570, Newark, NJ 07101

Telephone No. 201/430-6124

Telecopy No. 201/802-1267

December 4, 1995

Joseph Cosentino, OSC
Office of Regional Counsel
U.S. Environmental Protection Agency
290 Broadway - 17th Floor
New York, New York 10007

Marc Seidenberg, Esq.
Removal Action Branch
Emergency and Remedial Response Div.
U.S. Environmental Protection Agency
2890 Woodbridge Avenue
Edison, New Jersey 08837

**Re: Request for Information Pursuant to Section 104(e)
of CERCLA, 42 U.S.C. §9604(e); Bayonne Barrel &
Drum Superfund Site, 150-154 Raymond Boulevard,
Newark, New Jersey**

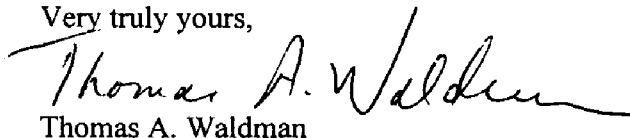
Gentlemen:

Under cover of this correspondence, Public Service Electric and Gas Company ("PSE&G") provides its response to the above-referenced request for information. PSE&G's response consists of a document entitled "Response by PSE&G to Request for Information Pursuant to Section 104(e) of CERCLA - Bayonne Barrel & Drum Site" ("Response") and certain attachments referred to in the Response.

The enclosed response was prepared based upon a search of company records from across all facets of PSE&G's business. It is the synthesized product of searches performed by approximately twenty different line operating and support departments of PSE&G.

PSE&G acknowledges its continuing obligation to provide additional relevant and responsive information, by way of a supplement to the attached, when and if such additional information comes to its attention.

Very truly yours,



Thomas A. Waldman

TAW:amm
attachment

amm'sgeneralworkdisk#3A\USEPA.TAW

The power is in your hands.

TIERRA-B-006226

**Response by Public Service Electric and Gas Company to Request
for Information Pursuant to Section 104(e) of CERCLA - Bayonne
Barrel and Drum Superfund Site; Newark, New Jersey**

Public Service Electric and Gas Company ("PSE&G") hereby provides its response to the request for information served upon it by the United States Environmental Protection Agency pursuant to Section 104(e) of CERCLA, 42 U.S.C. §9604(e), relating to the Bayonne Barrel & Drum Superfund Site, 150-154 Raymond Boulevard, Newark, New Jersey

Response to Request for Information

1. **General Information About the Company**
 - a. Public Service Electric and Gas Company
 - b. Corporation - New Jersey
 - c. President: Lawrence R. Codey
PSE&G
80 Park Plaza
Newark, NJ

Chairperson: E. James Ferland
PSE&G
80 Park Plaza
Newark, NJ
 - d. PSE&G is a wholly-owned subsidiary of Public Service Enterprise Group, Incorporated. See attached organizational charts for a complete list of affiliated entities and requested officer information.
 - e. Not applicable for relevant time period (1940-1986).
 - f. Not applicable

2. Company's Relationship to Bayonne Barrel & Drum
- a. The search of company records conducted in response to this request for information indicates that PSE&G did transact business with Bayonne Barrel & Drum. It is unknown whether that business was for the disposal, treatment or storage of barrels, drums or other containers. Rather, company accounting records indicate that from time to time PSE&G sold empty 55 gallon drums to Bayonne Barrel and Drum during the period from 1971 through 1979.
 - i. See above.
 - ii. None located.
 - iii. Existing located records do not identify specific facilities.
 - iv. See response to iii. above.
 - b. To the extent that the information requested by subsections i. through x of this request exists or is known, it is contained in the company accounting documents produced herewith.
3. Searches and inquiries performed in response to this request for information have not resulted in the identification of any other person with knowledge of facts relating to the questions which are the subject of this inquiry.
4. A list of persons consulted is attached hereto.
- 5/6. In response to USEPA's request for insurance or indemnification information, be advised that PSE&G has a significant self-insurance threshold. Should PSE&G become aware that its potential liability, if any, under CERLA relating to the Bayonne Barrel and Drum Site approaches or may exceed that threshold, PSE&G will supplement this response with additional potentially relevant insurance information.
7. Not applicable

[Required Certifications is attached.]

amm'sgeneralworkdisk#3A:\RESPONSE.TAW

CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of NEW JERSEY
County of ESSEX

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete; and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

THOMAS A. WALDMAN
NAME (print or type)

ATTORNEY
TITLE (print or type)

Thomas A Waldman
SIGNATURE

Sworn to me before this

day of 4th, 1995

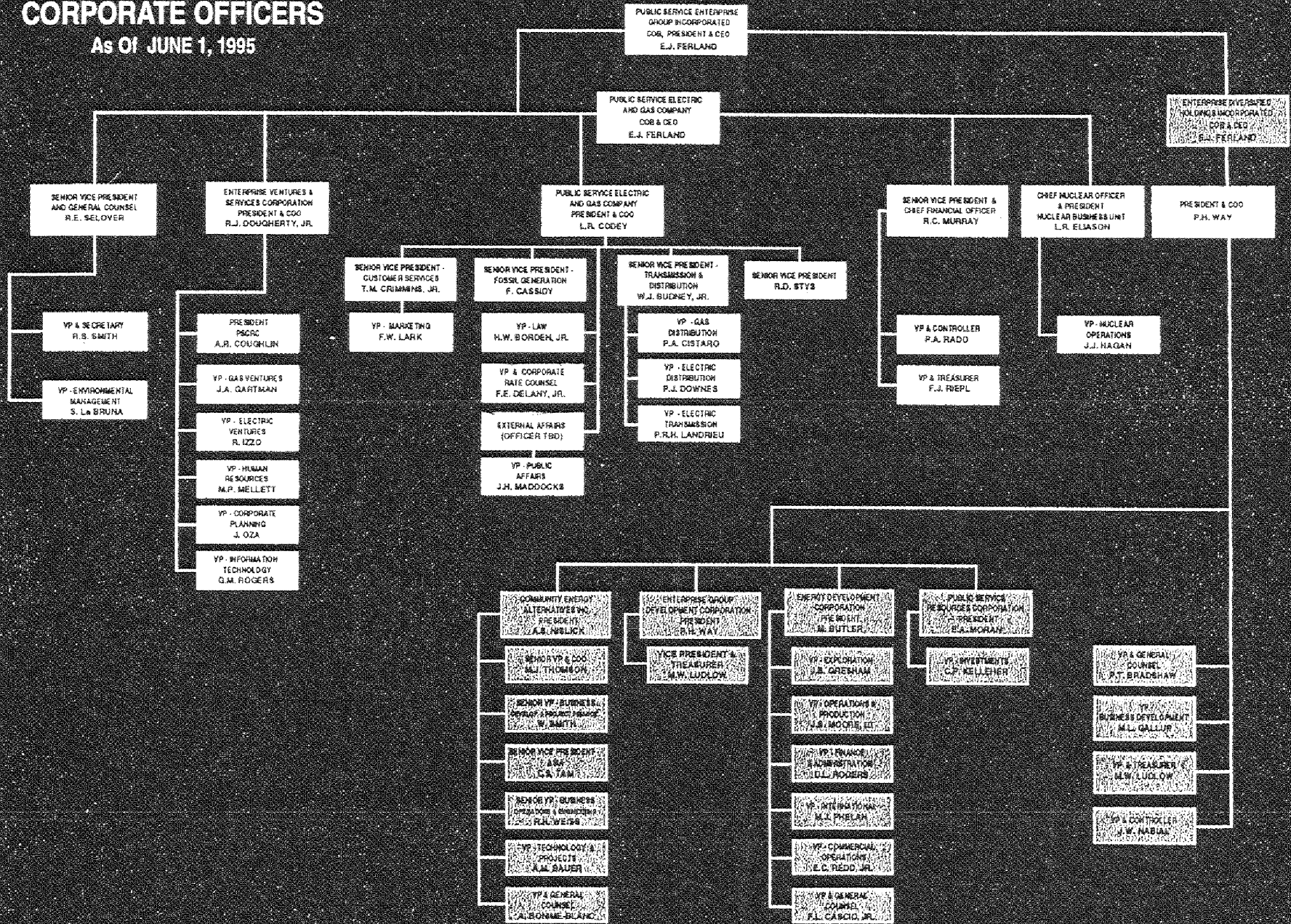
December
Notary Public

Anna Marie J. Marques

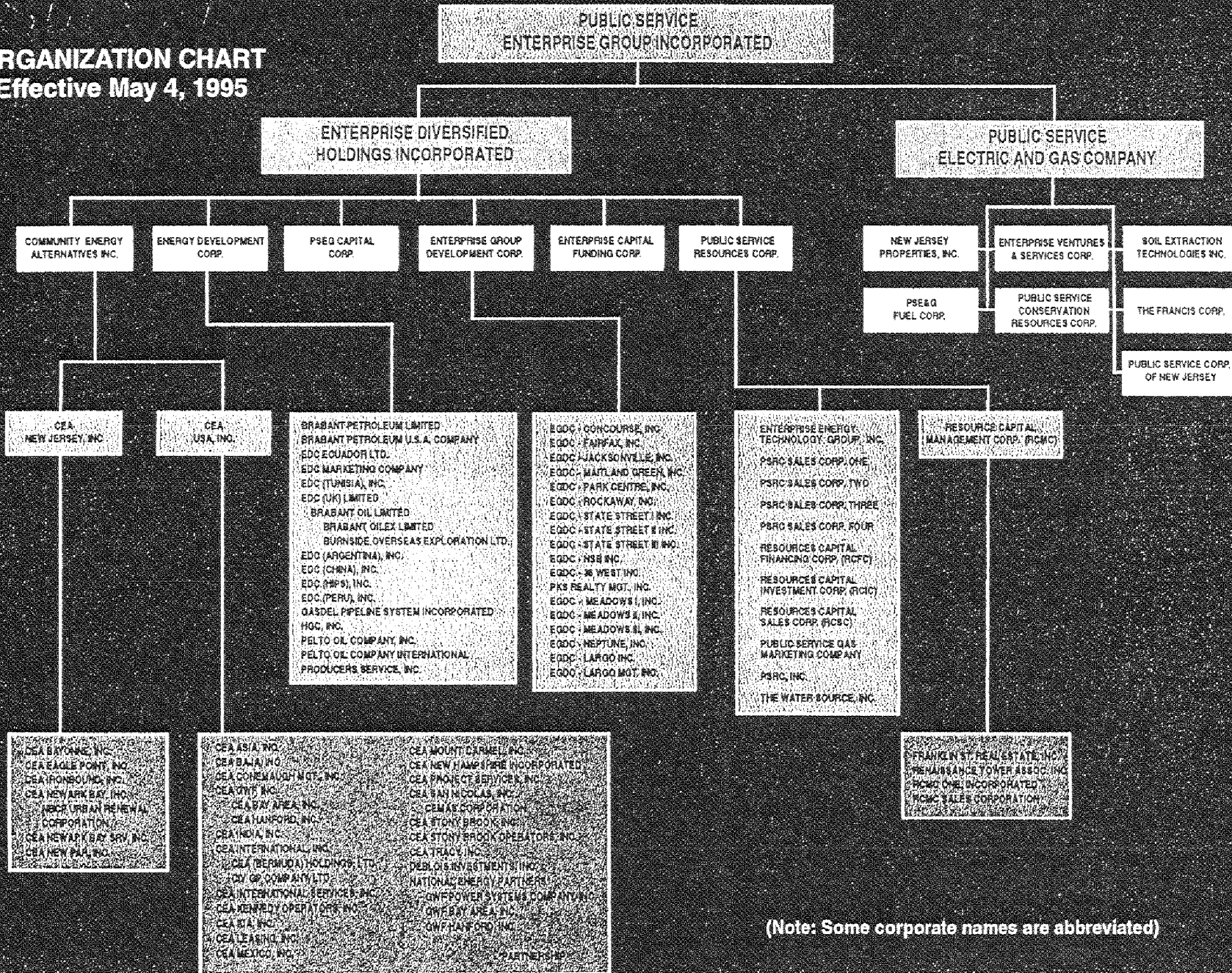
ANNA M. MARQUES
A Notary Public of New Jersey
My Commission Expires April 21, 1998

ORGANIZATION OF CORPORATE OFFICERS

As Of JUNE 1, 1995



ORGANIZATION CHART
Effective May 4, 1995



(Note: Some corporate names are abbreviated)

Electric DEPARTMENT

AUDITORS CHARGE

NOTE—WHERE MATERIAL IS RETURNED, STATE REASON, SHOW DATE OF SHIPMENT, AND COMPANY'S ORDER NUMBER UNDER WHICH MATERIAL WAS PURCHASED. MARK WITH X WHETHER TRANSPORTATION CHARGES ARE PREPAID OR COLLECT, IF MATERIAL RETURNED IS TO BE REPLACED, NEW REQUISITION MUST BE ISSUED TO COVER THIS REPORT TO BE MADE IN TRIPLICATE, TWO COPIES TO BE SENT TO THE VICE PRESIDENT AND COMPTROLLER, THE OTHER TO BE KEPT ON FILE IN THE LOCAL OFFICE.

DATE June 7, 1972 DISTRICT Linden Generating Station ORDER NO.

CHARGE Bayonne Barrel & Drum Co. ADDRESS Raymond Blvd. & U.S. Rte. 1, Newark

SHIPPED TO Same ADDRESS Same N.J. 0710

DATE OF SHIPMENT May 18, 1972 VIA Their Truck CHARGES COLLECT PREPAID

| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|----------|------------------------|------------|--------|
| 46 | Empty Drums. | .75 | 34.50 |
| | Scrap Drum Removal. | | |
| | Shipping Memo No. 6015 | | |

TAX EXEMPT.

TOTAL 34.50

CORRECT L. Torres

APPROVED J. G. Britton

| LOCAL OFFICE NUMBER | AUTH. NO. AND/OR ACCOUNT | DISTRICT OR DIVISION INDIVIDUAL OR COMPANY | GENERAL OFFICE NUMBER | AMOUNT |
|---------------------|--------------------------|--|-----------------------|--------|
| 893 | E506 | 1513 | | 34.50 |
| | | | AC38556 | |

APPROVED FOR ENTRY
ACCT. 14211
DATE 6/13/72
R. G. 13

USE FORM WITH PUNCHING ON SIDE TO BE USED AS DUPLICATE ONLY

ONE ACCOUNT ONLY TO EACH OF THE ABOVE BLOCKS

TOTAL 34.50

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Electric DEPARTMENT
AUDITERS BARGE

NOTE—WHERE MATERIAL IS RETURNED, STATE REASON, SHOW DATE OF SHIPPER'S BILL AND COMPANY'S ORDER NUMBER UNDER WHICH MATERIAL WAS PURCHASED. MARK WITH X WHETHER TRANSPORTATION CHARGES ARE PREPAID OR COLLECT, IF MATERIAL RETURNED IS TO BE REPLACED. NEW REQUISITION MUST BE ISSUED TO CORRECT THIS REPORT TO BE MADE IN TRIPPLICATE. TWO COPIES TO BE SENT TO THE VICE PRESIDENT AND COMPTROLLER. THE OTHER TO BE KEPT ON FILE IN THE LOCAL OFFICE.

DATE July 16, 1973 DISTRICT Linden Generating Station ORDER NO. _____
 CHARGE Bayonne Barrel & Drum Co. ADDRESS Raymond Blvd. & U.S. No. 1, Newark N.J.
 SHIPPED TO Same ADDRESS Same
 DATE OF SHIPMENT 5-29-73 VIA Their Truck CHARGES COLLECT _____ PREPAID _____

| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|--------------------|--------------------------------|------------|--------|
| 104 | Miscellaneous Empty Drums | 1.00 | 104.00 |
| | Returned to vendor for credit. | | |
| | Shipping Memo No. 6552 | | |
| TAX EXEMPT. | | | |
| | | TOTAL | 104.00 |

CORRECT Leo J. Tomas

APPROVED J. A. Britton

| LOCAL OFFICE NUMBER | AUTH. NO. AND/OR ACCOUNT | DISTRICT OR DIVISION (INDIVIDUAL OR COMPANY) | GENERAL OFFICE NUMBER | AMOUNT |
|---------------------|--------------------------|--|-----------------------|--------|
| 968 | E506 | 1513 | | 104.00 |
| | | | AC52436 | |

APPROVED FOR ENTRY
ACC 311
DEF 7-12

Released 104.00
Nov 28 1973 SIGNED
CHARGE A/C [Signature]
Del on Vol # 11/2202

RECEIVED
13 JUL 18 4 8:34
GENERAL ACCOUNTING DEPT.

BUFF FORM WITH PUNCHING ON SIDE TO BE USED AS DUPLICATE ONLY.

ONE ACCOUNT ONLY TO EACH OF THE ABOVE BLOCKS

TOTAL 104.00

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
Electric DEPARTMENT
AUDITORS CHARGE

NOTE—WHERE MATERIAL IS RETURNED, STATE REASON, SHOW DATE OF SHIPPER'S BILL AND COMPANY'S ORDER NUMBER UNDER WHICH MATERIAL WAS PURCHASED. MARK WITH X WHETHER TRANSPORTATION CHARGES ARE PREPAID OR COLLECT. IF MATERIAL RETURNED IS TO BE REPLACED, NEW REQUISITION MUST BE ISSUED TO COVER THIS REPORT TO BE MADE IN TRIPlicate, TWO COPIES TO BE SENT TO THE VICE PRESIDENT AND COMPTROLLER, THE OTHER TO BE KEPT ON FILE IN THE LOCAL OFFICE.

DATE May 1, 1974 DISTRICT Linden Generating Station ORDER NO. _____
 CHARGE Bayonne Barrel & Drum Co. ADDRESS Raymond Blvd. & U.S. Rt. 1, Newark, N.J. 0710
 SHIPPED TO Same ADDRESS Same
 DATE OF SHIPMENT 10-22-73 VIA Their Truck CHARGES COLLECT _____ PREPAID _____

| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|----------|------------------------|------------|--------|
| 80 | Empty Drums. | 1.00 | 80.00 |
| | Sale of Empty Drums. | | |
| | Shipping Memo No. 6818 | | |
| | 21 | | |
| | TOTAL | | 80.00 |

CORRECT Les J. Tamm APPROVED H. F. Steinkamp

| LOCAL OFFICE NUMBER | AUTH. NO. AND/OR ACCOUNT | DISTRICT OR DIVISION INDIVIDUAL OR COMPANY | GENERAL OFFICE NUMBER | AMOUNT |
|---------------------|--------------------------|--|-----------------------|--------|
| 1024 | E506.10 | 1513 | | 80.00 |

APPROVED FOR ENTRY
 ACCT. 43.11
 DATE 5/2/74
 15-2

AC62038

ONE ACCOUNT ONLY TO TOTAL 80.00

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

ELECTRIC DEPARTMENT

AUDITORS CHARGE

NOTE—WHERE MATERIAL IS RETURNED, STATE REASON, SHOW DATE OF SHIPPER'S BILL AND COMPANY'S ORDER NUMBER UNDER WHICH MATERIAL WAS PURCHASED. MARK WITH X WHETHER TRANSPORTATION CHARGES ARE PREPAID OR COLLECT. IF MATERIAL RETURNED IS TO BE REPLACED, NEW REQUISITION MUST BE ISSUED TO COVER HIS REPORT TO BE MADE IN TRIPLICATE, TWO COPIES TO BE SENT TO THE VICE PRESIDENT AND COMPTROLLER, THE OTHER TO BE KEPT ON FILE IN THE LOCAL OFFICE.

DATE 1/21/74 DISTRICT Hudson Gen. Station ORDER NO. See below
 CHARGE Bayonne Barrel & Drum Co. ADDRESS Raymond Blvd Newark N.J.
 SHIPPED TO Jame ADDRESS Same
 DATE OF SHIPMENT 12/13/73 VIA Their Truck CHARGES COLLECT _____ PREPAID _____

| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|------------|-------------------------------------|------------|--------|
| 87M # 6958 | | | |
| 65 | Empty 55 Gallon Drums for credit | 1.00 | 65.00 |
| | 13 - P.O. 871833 | | |
| | 12 - P.O. 875934 | | |
| | 3 - P.O. 903490 | | |
| | 11 - P.O. 909802 | | |
| | 16 - P.O. 914828 | | |
| | 5 - P.O. 920683 | | |
| | 4 - P.O. 922995 | | |
| | 1 - Scrap Drum | | |

TAX EXEMPT

TOTAL

65.00

CORRECT

J. L. ...

APPROVED *[Signature]*

| LOCAL OFFICE NUMBER | AUTH. NO. AND/OR ACCOUNT | DISTRICT OR DIVISION (INDIVIDUAL OR COMPANY) | GENERAL OFFICE NUMBER | AMOUNT |
|---------------------|--------------------------|--|-----------------------|--------|
| 918 | E506.10 | 1212 | | 31.00 |
| 918 | E505 | 1212 | | 33.00 |
| 918 | E570.2 | 1223 | | 1.00 |

Hand 65.00
 1/24/74
 CHARGE VC AP 405
 Paid by CR + red.

AC59167

THIS FORM WITH FUNCHING ON SIDE TO BE USED IN DUPLICATE ONLY

ONE ACCOUNT ONLY TO EACH OF THE ABOVE BLOCKS

TOTAL

65.00

AUDITORS CHARGE

NOTE—WHERE MATERIAL IS RETURNED, STATE REASON, SHOW DATE SHIPPER'S BILL AND COMPANY'S ORDER NUMBER UNDER WHICH MATERIAL WAS PURCHASED. MARK WITH X WHETHER TRANSPORTATION CHARGES ARE PREPAID OR COLLECT. IF MATERIAL RETURNED IS TO BE REPLACED, NEW REQUISITION MUST BE ISSUED TO COVER THIS REPORT TO BE MADE IN TRIPPLICATE, TWO COPIES TO BE SENT TO THE VICE PRESIDENT AND COMPTROLLER, THE OTHER TO BE KEPT ON FILE IN THE LOCAL OFFICE.

DATE 3/11/74 DISTRICT Hudson Gen. STATION ORDER NO. See below
 CHARGE Bayonne Barrel & Drum Co. ADDRESS Newark N.J.
 SHIPPED TO Same ADDRESS Same
 DATE OF SHIPMENT 3/8/74 VIA Their Truck CHARGES COLLECT _____ PREPAID _____

| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|----------|---|------------|--------|
| 87 | Empty 55 GAL Drums Returned for credit | 1.00 | 87.00 |
| 1 | P.O. 914828 | | |
| 2 | P.O. 967122 | | |
| 2 | P.O. 969121 | | |
| 4 | P.O. 336418 | | |
| 3 | P.O. 336562 | | |
| 17 | P.O. 399673 | | |
| 14 | P.O. 700488 | | |
| 44 | Scrap drums No P.O. | | |

CORRECT Johann Lora APPROVED [Signature] TOTAL 87.00

| LOCAL OFFICE NUMBER | AUTH. NO. AND/OR ACCOUNT | DISTRICT OR DIVISION INDIVIDUAL OR COMPANY | GENERAL OFFICE NUMBER | AMOUNT |
|---|--------------------------|--|-----------------------|--------|
| 934 | E502 | 1212 | | 22.00 |
| 934 | E505 | 1212 | | 17.00 |
| 934 | E506 10 | 1212 | | 47.00 |
| 934 | E512 10 | 1212 | | 1.00 |
| <p><i>Refund 87.00</i> <i>3/14/74</i> <i>John Lora</i> <i>AP 405</i> <i>by c.t. bed</i></p> | | | | |
| | | | AC60812 | |

BUFF FORM WITH PUNCHING ON SIDE TO BE USED AS DUPLICATE ONLY. ONE ACCOUNT ONLY TO EACH OF THE ABOVE BLOCKS. TOTAL 87.00

Electric DEPARTMENT

AUDITORS CHARGE

NOTE—WHERE MATERIAL IS RETURNED, STATE REASON, SHOW DATE OF SHIPPER'S BILL AND COMPANY'S ORDER NUMBER UNDER WHICH MATERIAL WAS PURCHASED. MARK WITH X WHETHER TRANSPORTATION CHARGES ARE PREPAID OR COLLECT. IF MATERIAL RETURNED IS TO BE REPLACED, NEW REQUISITION MUST BE ISSUED TO COVER THIS REPORT TO BE MADE IN TRIPPLICATE, TWO COPIES TO BE SENT TO THE VICE PRESIDENT AND COMPTROLLER, THE OTHER TO BE KEPT ON FILE IN THE LOCAL OFFICE.

DATE June 11, 1974 DISTRICT Linden Generating Station ORDER NO. _____

CHARGE Bayonne Barrel & Drum Co. ADDRESS Raymond Blvd. & U.S. Rt. 1, Newark N.J. 071

SHIPPED TO Same ADDRESS Same

DATE OF SHIPMENT May 13, 1974 VIA Their Truck CHARGES COLLECT _____ PREPAID _____

| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|-----------------------|------------------------|------------|--------|
| 120 | Empty Barrels | 1.00 | 120.00 |
| | Sale of Empty Barrels. | | |
| | Shipping Memo No. 7168 | | |
| TAX EXEMPT. 21 | | | |
| TOTAL | | | 120.00 |

CORRECT Leo J. Tom APPROVED [Signature]

| LOCAL OFFICE NUMBER | AUTH. NO. AND/OR ACCOUNT | DISTRICT OR DIVISION INDIVIDUAL OR COMPANY | GENERAL OFFICE NUMBER | AMOUNT |
|---------------------|--------------------------|--|-----------------------|--------|
| 1033 | E506.10 | 1513 | | 120.00 |
| | | | AC63527 | |

APPROVED FOR ENTRY
ACCT: 1033
DATE: 6-13

BUFF FORM WITH PUNCHING ON SIDE TO BE USED AS DUPLICATE ONLY. ONE ACCOUNT ONLY TO EACH OF THE ABOVE BLOCKS. TOTAL 120.00

U1 1977 589-0100

DEPARTMENT _____ DATE 11/26/73

CONSIGNEE TO Bayonne Barrell CARE OF _____

AT Newark via their man CHARGES _____

MATERIAL SHIPPED FROM Auto maint Coal St Newark

REASON FOR SHIPMENT _____

GENERAL STORES CREDIT ORDER, AUDITOR'S CHARGE OR VOUCHER FOR JOURNAL ENTRY NUMBER

| | | | | | |
|---------------|------------------|-------------|---------|---------------|----------------------------------|
| TRANSFER TO | STOREROOM NUMBER | TRANS. CODE | ACCOUNT | LOCATION CODE | ISSUED BY <u>Finance Council</u> |
| TRANSFER FROM | | 5 | XXXXXX | XXXXXX | |
| | | 6 | | | APPROVED (ISSUING LOC.) |

| ISSUING LOC. (TRANS. CODE 8) | | REC'G. LOC. (TRANS. CODE 9) | | DESCRIPTION | QUANTITY | UNIT PRICE | AMOUNT |
|------------------------------|------|-----------------------------|------|---|-----------|------------|--------|
| CLASS | CODE | CLASS | CODE | | | | |
| | | | | <u>55 gal drums</u> | <u>18</u> | | |
| | | | | <u>sold to Bayonne Barrell for \$1.00</u> | | | |
| | | | | <u>Per Barrell</u> | | | |
| | | | | <u>E 993, 841 1181</u> | | | |
| | | | | <u>ck to be sent.</u> | | | |

ON RECEIPT OF THE ABOVE MATERIAL, CHECK CAREFULLY, NOTING ANY SHORTAGE OR BREAKAGE.

DATE MATERIAL RECEIVED 11-26-73 BY A. LaSuso #61

REMARKS _____

APPROVED _____

GENERAL STORES TRANSFER NO. SHIPPING MEMORANDUM NO. 883



99-2108 180M 8-72

ENTRY 7.0.1 SOURCE ACCT. R157 ACCOUNTING PERIOD MO. YR. 09 78 LOCAL OFFICE NUMBER 12.18 AUDITORS CHARGE TITLE

JOURNAL VOUCHER



| UNITS | METER | WORK ACTIVITY | ACCOUNT | LOCATION CODE | AMOUNT | R & D NUMBER | EXPLANATION |
|-------|-------|---------------|---------|---------------|--------|--------------|--------------------|
| | | | | | | | |
| 041 | 3698 | J5060.00 | | | | | Sale of Drums |
| 11 | 1010 | 14319 | | | 215.00 | | to: |
| | | | | | | | Bayonne Canal Drum |
| | | | | | | | Raymond Blvd. |
| | | | | | | | Newark, N.J. |
| TOTAL | | | | | 215.00 | 215.00 | |

ADDITIONAL INFORMATION:

(34) Empty Drums @ 2.00 = 68.00
 (42) Empty Exxon Drums @ 3.50 = 147.00
 215.00

Shipping Memo 2387

APPROVED FOR ENTRY
 ACCT. 143.11
 DATE 8/31/78

[Signature]

OFFICE OF:
 AUG 31 1978
 MANAGER - GENERAL ACCOUNTING

Conf # 220-899-325

| | | | |
|------------------|--------------------------|------|---------|
| OFFICE OF ORIGIN | Lyden Generating Station | DATE | |
| PREPARED BY | J. Blazewski | DATE | 8/30/78 |
| CHECKED BY | R. Chasler | DATE | 8/30/78 |
| APPROVED BY | <i>[Signature]</i> | DATE | 8/30/78 |

1

GENERAL STORES TRANSFER AND SHIPPING MEMORANDUM

DEPARTMENT: Electric Production

CONSIGNEE TO: Raymond [unclear] AT: 1st [unclear] CARE OF: _____

MATERIAL SHIPPED FROM: London Ga. TA VIA: T-T CHARGES: _____

DATE REQUESTED: _____ DELIVERY DATE: _____ GENERAL STORES CREDIT ORDER AUDITORS CHARGE OR VOUCHER FOR JOURNAL ENTRY NUMBER: _____

DATE SHIPPED: 8-30-78 REASON FOR SHIPMENT: Credit

| | | | | |
|---------------------|-------------|----------|--------------------------------|--------------------------------|
| STRM NO. OR R/C NO. | TRANS. CODE | ACCOUNT | RECEIVING STRM. NO. OR R/C NO. | ISSUED BY: <u>[Signature]</u> |
| Transfer To | 5 | XXXXXX | XXXXXX | |
| Transfer From | 6 | C154.114 | | APPROVED (ISSUING LOC.): _____ |

| ISSUING LOC. TRANS. CODE 6 | | RECEIVING LOC. TRANS. CODE 5 | | DESCRIPTION | QUANTITY REQUESTED | QUANTITY SHIPPED | UNIT PRICE | AMOUNT | EX. CODE |
|----------------------------|------|------------------------------|------|------------------------------------|--------------------|------------------|------------|--------|----------|
| CLASS | CODE | CLASS | CODE | | | | | | |
| | | | | <u>FIFTY DOLLARS</u> | | | | | |
| | | | | <u>(34) 55 gal. drums @ \$2.00</u> | | | | | |
| | | | | <u>(42) Esso drums @ \$3.50</u> | | | | | |
| | | | | <u>(28) 55 gal drums - junk</u> | | | | | |
| | | | | <u>(12) 30 gal. drums - junk</u> | | | | | |

DATE MATERIAL RECEIVED: 8-30-78 BY: [Signature]

REMARKS: _____

General Stores Transfer No. _____

Shipping Memorandum No. 2387

PSEG
95-2165 30M-10/77

5

CARRIER'S COPY

ON RECEIPT OF ABOVE MATERIAL, CHECK CAREFULLY, NOTING ANY SHORTAGE OR BREAKAGE.

**GENERAL STORES TRANSFER
AND SHIPPING MEMORANDUM**

77-412

DEPARTMENT Electric Production

CONSIGNEE TO Bryanne Baird + Drum AT _____ CARE OF _____

MATERIAL SHIPPED FROM Hudson Gen. Station VIA _____ CHARGES _____

DATE REQUESTED _____ DELIVERY DATE _____ GENERAL STORES CREDIT ORDER
AUDITORS CHARGE OR VOUCHER
FOR JOURNAL ENTRY NUMBER

DATE SHIPPED 8-22-77 REASON FOR SHIPMENT SCRAP DRUMS

STOREROOM NUMBER _____ TRANS. CODE _____ ACCOUNT _____ LOCATION CODE _____

Transfer To _____ 5 XXXXXX XXXXXX ISSUED BY R. Smiley LMA

Transfer From _____ 6 _____ APPROVED (ISSUING LOC.) _____

| ISSUING LOC. TRANS. CODE 6 | RECEIVING LOC. TRANS. CODE 5 | DESCRIPTION | QUANTITY REQUESTED | QUANTITY SHIPPED | UNIT PRICE | AMOUNT | EX. COU. |
|----------------------------|------------------------------|----------------------------|--------------------|------------------|------------|--------|----------|
| CLASS CODE | CLASS CODE | | | | | | |
| | | Empty Drums for Scrap. | | 27 | 1.50 | 40.50 | |
| | | <i># 1.50 each</i> | | | | | |
| | | <i>Sale of Scrap Drums</i> | | | | | |

DATE MATERIAL RECEIVED 8-22-77 BY [Signature]

REMARKS _____

5

General Stores Transfer No. _____ Shipping Memorandum No. 77-412



CARRIER'S COPY

95-2165 30M-10/75

ON RECEIPT OF ABOVE MATERIAL CHECK CAREFULLY NOTING ANY SHORTAGE OR DAMAGE

**GENERAL STORES TRANSFER
AND SHIPPING MEMORANDUM**

77-412

DEPARTMENT Electric Production

CONSIGNEE TO Bayonne Basin + Drum AT _____ CARE OF _____

MATERIAL SHIPPED FROM Hudson Gen. Station VIA _____ CHARGES _____

DATE REQUESTED _____ DELIVERY DATE _____ GENERAL STORES CREDIT ORDER
AUDITORS CHARGE OR VOUCHER
FOR JOURNAL ENTRY NUMBER

DATE SHIPPED 8-22-77 REASON FOR SHIPMENT SCRAP Drums

STOREROOM NUMBER _____ TRANS. CODE _____ ACCOUNT _____ LOCATION CODE _____

Transfer To _____ ISSUED BY R. Smiley Lma

Transfer From _____ APPROVED (ISSUING LOC.) _____

| ISSUING LOC. TRANS. CODE 6 | | RECEIVING LOC. TRANS. CODE 5 | | DESCRIPTION | QUANTITY REQUESTED | QUANTITY SHIPPED | UNIT PRICE | AMOUNT | | FR COO |
|-------------------------------|------|---------------------------------|------|-------------------------------|-----------------------|---------------------|-------------|-----------|-----------|-----------|
| CLASS | CODE | CLASS | CODE | | | | | | | |
| | | | | <u>Empty Drums for Scrap.</u> | | <u>27</u> | <u>1.50</u> | <u>40</u> | <u>50</u> | |
| | | | | <u># 1.50 each</u> | | | | | | |
| | | | | <u>Sale of Scrap Drums</u> | | | | | | |

DATE MATERIAL RECEIVED 8-22-77 BY [Signature]

REMARKS _____

5

General Stores Transfer No. _____ Shipping Memorandum No. 77-412



**CARRIER'S
COPY**

ON RECEIPT OF ABOVE MATERIAL CHECK CAREFULLY NOTING ANY SHORTAGE OR BREAKAGE

JOURNAL VOUCHER



PSEG Public Service Electric and Gas Company

ENTRY: 70.1 SOURCE: HC ACCOUNTING PERIOD: MO. 03 YR. 79 LOCAL OFFICE NUMBER: 1289 TITLE: 100 Empty Oil Cans (55 Gal.)

| RESPONSIBILITY | ACCOUNT NUMBER | WORK ACTIVITY | | ACQUISITION | LOCATION CODE | V-VEHICLE NO. | | AMOUNT | | R & D NUMBER | EXPLANATION |
|----------------|----------------|---------------|-------------------|-------------|---------------|---------------|----------------|--------|--------|--------------|-------------|
| | | IND | SPECIFIC ACTIVITY | | | IND | L.M.S. PRU NO. | DEBIT | CREDIT | | |
| | | | | | | | | | | | |
| | | IND | | | | | | | | | |
| | 3698 | | 7546990 | | | | | | | | |
| | 111010 | | 113110 | | | | | | | | |
| TOTAL | | | | | | | | | | | |

APPROVED FOR ENTRY
 ACCT. 143.11
 DATE 3/13/79
[Signature]

APPROVED FOR ENTRY
 ACCT. 143.11
 DATE 3/13/79
[Signature]

ADDITIONAL INFORMATION:

100 Empty Oil Cans (55 Gal.)

Sold To:

Bayonne Drum and Barrel Co.
 Raymond Boulevard & U.S. 1
 Newark, NJ 07101

Picked Up On 2-5-79 S/M #2681

Post # 220-899-325
 OFFICE OF
 J-3-14
 MAR 9 1979
 MANAGER - GENERAL ACCOUNTING

| | |
|--------------------------------|--------|
| OFFICE OF ORIGIN | DATE |
| PREPARED BY <i>[Signature]</i> | 3/8/79 |
| CHECKED BY <i>[Signature]</i> | 3/8/79 |
| APPROVED BY <i>[Signature]</i> | 3/8/79 |

1

GENERAL STORES TRANSFER
AND SHIPPING MEMORANDUM

DEPARTMENT *Khatae Production*

CONSIGNEE TO *Bahraini Dism Co* AT

MATERIAL SHIPPED FROM *LINDEN GEN. STA.* VIA *T-T.*

DATE REQUESTED *2-5-79* DELIVERY DATE

GENERAL AUDITORS FOR JOUR

DATE SHIPPED REASON FOR SHIPMENT *SALE*

STRM. NO. OR R/C NO. TRANS. CODE ACCOUNT RECEIVING STRM. NO. OR R/C NO.

Transfer To *XXXXXX* *XXXXXX*

ISSUED BY

Transfer From *6* *C154.114*

APPROVED (ISSUING LC

| ISSUING LOC. TRANS. CODE 6 | RECEIVING LOC. TRANS. CODE 5 | DESCRIPTION | QUANTITY REQUESTED | C |
|----------------------------|------------------------------|-------------|--------------------|---|
| CLASS CODE | CLASS CODE | | | |

| | | | | |
|--|--|--------------------------|--|--|
| | | <i>EMPTY DUMPS (oil)</i> | | |
|--|--|--------------------------|--|--|

| | | | | |
|--|--|-----------------|--|--|
| | | <i>55 GALS.</i> | | |
|--|--|-----------------|--|--|

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|--|--|-------------------------|--|--|
| | | <i>DUMPS (NO VALUE)</i> | | |
|--|--|-------------------------|--|--|

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DATE MATERIAL RECEIVED *2-5-79* BY *HL61*

REMARKS

General Stores Transfer No. Shipping Memorandum No. *2681*

Reichhold Chemicals, Inc.
Corporate Headquarters
P.O. Box 13582
Research Triangle Park, NC 27709-3582

REICHHOLD

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

November 14, 1995

Joseph Cosentino, OSC
Removal Action Branch
Emergency and Remedial Response Division
U. S. Environmental Protection Agency, Region II
2890 Woodbridge Avenue
Edison, NJ 08837

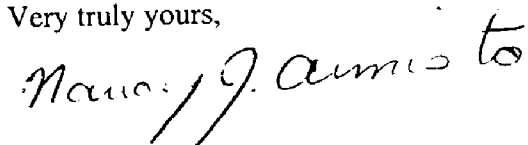
RE: REQUEST FOR INFORMATION FOR THE BAYONNE BARREL AND DRUM
SITE IN NEWARK, NJ

Dear Mr. Cosentino:

This letter is in response to the letter from Kathleen Callahan, Director, Emergency and Remedial Response Division dated September 28, 1995 and sent to Cellomer Corporation in Newark, NJ. Reichhold Chemicals, Inc. was granted an extension of time in which to reply to November 15, 1995.

We submit the enclosed response to "Request For Information" for Cellomer Corporation. We hereby request copies of any and all records of other documents pertaining to Cellomer, Polychrome Chemicals Corporation or Reichhold Chemicals, Inc. ("Reichhold") in the possession of EPA or any of their contractors or consultants with respect to the Site. In addition, we ask that any future communications with Reichhold with respect to the Site be directed to my attention at the address above.

Very truly yours,



Nancy J. Armisto
Manager - Superfund

cc: Marc Seidenberg, Esq. - EPA, Region II
Attachments

Tel: (919) 990-7500
Fax: (919) 990-7711

TIERRA-B-006256

**BAYONNE BARREL & DRUM SITE
REQUEST FOR INFORMATION**

1. General Information About the Company

a. State the correct legal name of the Company.

Reichhold Chemicals, Inc. This information request was sent to "Cellomer Corp." in Newark, NJ. Cellomer Corp. ("Cellomer") no longer exists. Cellomer was a subsidiary of Polychrome Chemicals Corporation ("Polychrome Chemicals") that was merged into Polychrome Chemicals on July 1, 1983. Ownership of all the shares of Polychrome Chemicals was transferred to Reichhold on April 2, 1988. Polychrome Chemicals was then merged into Reichhold in March 1989.

B. Identify the legal status of the Company (corporation, partnership, sole proprietorship, specify if other) and the state in which the Company was organized.

Reichhold Chemicals, Inc. is a corporation incorporated in the state of Delaware.

C. State the name(s) and address(es) of the President and the Chairperson of the Board of the Company.

Phillip D. Ashkettle is the President & Chief Executive Officer of Reichhold Chemicals, Inc. Hiroshi Maeda is the Chairman of the Board of Directors. They can be reached through Reichhold Chemicals, Inc.

D. If the Company has subsidiaries or affiliates, or is a subsidiary of another organization, identify these related companies and state the name(s) and address(es) of the President(s) and the Chairperson(s) of the Board of those organizations. Provide such information for any further parent/subsidiary relationships.

See Attachment #1.

E. If the Company is a successor to, or has been succeeded by, another company, identify such other company and provide the same information requested above for the predecessor or successor company.

Not applicable.

F. If the Company transacted business with Bayonne Barrel & Drum in the name of an entity not disclosed above, give the name of such entity and state its relationship to the Company.

To the best of Reichhold's knowledge and belief, the facility located on Albert Ave., Newark, NJ ("Albert Ave.") transacted business with Bayonne Barrel & Drum prior to Reichhold's acquisition of the facility. See Question 1a.

2. Company's Relationship to Bayonne Barrel & Drum

a. State whether the Company or any Company facility transacted any business with Bayonne Barrel & Drum for the disposal, treatment, or storage of any barrels, drums, or other containers (hereinafter collectively referred to as "Containers").

Yes.

I. If so, describe the relationship (nature of services rendered or products sold to the Company) between the Company and Bayonne Barrel & Drum;

To the best of Reichhold's knowledge and belief, the Albert Ave. facility purchased reconditioned drums from Bayonne Barrel & Drum and sent empty drums to Bayonne Barrel & Drum for reconditioning prior to Reichhold's acquisition of the facility.

II. Provide copies of contracts or agreements between the Company and Bayonne Barrel & Drum;

None have been located.

III. For each facility, state the nature of the operations conducted at the facility, including the time period in which the facility operated; and

Upon information and belief, Vita-Var Paint Manufacturing began operations in the 1930's which continued through 1966. In 1966 Cellomer purchased the facility from the Vita-Var Company, Division of Textron, Inc. Cellomer manufactured synthetic resins and polymer coatings at the facility beginning in 1966 until 1983. This activity was continued by Polychrome Chemicals from 1983 through 1989. Reichhold continued such activity to the present

IV. For each such facility, state its name, address, and current RCRA Identification Number.

**Reichhold Chemicals, Inc. 46 Albert Ave., Newark, NJ 07105.
NJD048797195.**

B. In addition, if the Company transacted business with Bayonne Barrel & Drum, provide the following information for each transaction:

I. Identify the specific dates of each transaction. Where an exact date cannot be provided for a transaction, provide an approximation by month and year;

Reichhold has no information regarding specific dates of transactions with Bayonne Barrel and Drum. To the best of Reichhold's knowledge and belief, all transactions took place prior to Reichhold's acquisition of the facility.

II. Identify the number of Containers that were the subject of each such transaction;

Reichhold has no information regarding the number of Containers that were the subject of each such transaction. To the best of Reichhold's knowledge and belief, all transactions took place prior to Reichhold's acquisition of the facility.

III. Generically describe each Container that was the subject of each such transaction (example: closed-head steel drums, etc.);

Reichhold has no information regarding the type of Containers that were the subject of each such transaction. To the best of Reichhold's knowledge and belief, all transactions took place prior to Reichhold's acquisition of the facility.

IV. Identify the intended purpose of each such transaction;

To the best of Reichhold's knowledge and belief, the Albert Ave. facility purchased reconditioned drums from Bayonne Barrel & Drum and sent empty drums there for reconditioning prior to Reichhold's acquisition of the facility.

V. State whether each Container that was the subject of the transaction contained any substance at the time of the transaction. As to each Container that contained any substance:

Reichhold has no knowledge regarding whether or not any Container contained any substance at the time of any transaction. To the best of Reichhold's knowledge and belief, all transactions took place prior to Reichhold's acquisition of the facility.

(1) Identify each such substance, including its chemical content, physical state, quantity by volume and weight, and other characteristics; and

Not applicable.

(2) Provide all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance;

Not applicable.

vi. If you contend that any such Container did not contain any substance at the time of the transaction:

Reichhold has no knowledge regarding whether or not any Container contained any substance at the time of any transaction. To the best of Reichhold's knowledge and belief, all transactions took place prior to Reichhold's acquisition of the facility.

(1) State whether such Container had previously been used by the Company to contain any substance, and if so:

Reichhold has no knowledge regarding whether or not any Container had previously been used to contain any substance. To the best of Reichhold's knowledge and belief, all transactions took place prior to Reichhold's acquisition of the facility.

(a) Identify all substances previously contained within such Container, including its chemical content, physical state, and other characteristics; and

Not applicable.

(b) Provide as to such substances, all written analyses that may have been made for each such substance or which may be in the custody or control of the Company and all material safety data sheets, if any, relating to each such substance:

Not applicable.

vii. Describe in detail any treatment of any Container that may have been performed by or on behalf of the Company prior to the time that the Container was transferred from the Company, including any process or procedure by which the Container was emptied or cleaned;

Reichhold has no knowledge regarding any treatment of any Container that may have been performed prior to the time that the Container was transferred from/to the facility. To the best of Reichhold's knowledge and belief, all transactions took place prior to Reichhold's acquisition of the facility.

viii. Provide copies of all documents relating in any way to each transaction, including copies of delivery receipts, invoices, or payment devices;

Reichhold has been unable to locate any documents relating in any way to any transactions with Bayonne Barrel and Drum.

ix. Identify all persons who might have knowledge of the transaction or who had any responsibility regarding the transaction; and

To the best of our knowledge and belief, Lou Caplan, a manager at the facility, had responsibility for all transactions with Bayonne Barrel and Drum. Mr. Caplan is deceased.

x. If you sent any Container by means of any third party transporter, identify each such transporter, including the name and address of such transporter, and identify in which of the transactions such transporter acted.

Reichhold has no information regarding any third party transporters who may have sent containers to the Site. To the best of Reichhold's knowledge and belief, all transactions took place prior to Reichhold's acquisition of the facility.

3. Identify any other person (e.g., individual, company, partnership, etc.) having knowledge of facts relating to the questions which are the subject of this inquiry. For each such person that you identify, provide the name, address, and telephone number of that person, and the basis of your belief that he or she has such knowledge. For past and present employees, include their job title and a description of their responsibilities.

Mik Gasparik, who was employed at the facility from 1978 to 1988 recalled that the Albert Ave. facility purchased drums from Bayonne Barrel and Drum and sent empty drums to Bayonne Barrel & Drum for reconditioning sometime during that period. He has been unable to provide any other specific information regarding any transactions with Bayonne Barrel & Drum. Mr. Gasparik is currently a Production Manager for Reichhold Chemicals, Inc. and can be reached through Reichhold. Reichhold has no knowledge of any other person who has knowledge of facts relating to these questions.

4. Identify each person consulted in responding to these questions and correlate each person to the question on which he or she was consulted.

All persons consulted in responding to these questions were consulted regarding the entire questionnaire. In addition to Mik Gasparik, the following persons were consulted though none of them had any information regarding Bayonne Barrel and Drum:

**Paul Brustofski - Regional Environmental Engineer
Ron Kurtz - Environmental Manager
Eric Lau - Chemist/Safety Coordinator
Greg Lodato - Material Purchasing Supervisor**

Mike Baxi - Previous Environmental Engineer for the Albert Ave. Facility
Lena Bridgeman - Previous Controller for the Albert Ave. Facility

All of these individuals are employed by Reichhold Chemicals, Inc. and can be reached through Reichhold.

5. Provide a list of all insurance policies and indemnification agreements held or entered into by you that may indemnify you against any liability that you may be found to have under CERCLA. Specify the insurer, type of policy, effective dates, and state per occurrence policy limits for each policy. Copies of policies may be provided in lieu of a narrative response. In response to this request, please provide not only those policies and agreements that are currently in effect, but also those in effect since your company began sending containers to the Site.

See Attachment #2.

6. State whether there exists any agreement or contract (other than an insurance policy) which may indemnify the Company, present or past directors, officers or owners of shares in the Company, for any liability that may result under CERCLA. Provide a copy of any such agreement or contract. Identify any agreement or contract that you are unable to locate or obtain.

Reichhold knows of no such agreement or contract.

7. Supply any additional information or documents that may be relevant or useful to identify other sources who disposed of or transported Containers to the Site.

None known.