

AGREEMENT

— BETWEEN —

USAC AND PARTNERS.

Agreement dated as of _____, 1938, made by and between HYDROCARBON SYNTHESIS CORPORATION, a corporation of the State of Delaware, hereinafter called "USAC",

1. THE M.W. KELLOGG COMPANY, a corporation of the State of Delaware, and its Wholly Owned Subsidiaries (together hereinafter called "KELLOGG");

2. SHELL DEVELOPMENT COMPANY, a corporation of the State of Delaware, warranting that for the purpose of this agreement all the following named companies will make available their rights and assume the obligations intended to be placed upon them under this agreement, said companies being N.V. KONINKLIJKE NEDERLANDSCHE MAATSCHAPPIJ TOT EXPLOITATIE VAN PETROLEUMBRONNEN IN NEDERLANDSCH-INDIE, a company of The Netherlands, THE SHELL TRANSPORT AND TRADING COMPANY, LTD., an English company, SHELL UNION OIL CORPORATION, a corporation of the State of Delaware, and their jointly and individually Wholly Owned Subsidiaries (together hereinafter called "SHELL");

3. STANDARD-I.G. COMPANY, a corporation of the State of Delaware, warranting that for the purpose of this agreement all the following named companies will make available their rights and assume the obligations intended to be placed upon them under this agreement, said companies being STANDARD OIL COMPANY, a corporation of the State of New Jersey, and its Wholly Owned Subsidiaries (together hereinafter called "STANDARD") and I.G. FARBENINDUSTRIE AKTIENGESellschaft, a German company, and its Wholly Owned Subsidiaries (together hereinafter called "I.G.");

STANDARD, SHELL, KELLOGG and I.G. are each hereinafter sometimes referred to as a Partner, or collectively as "the Partners".

Subsidiaries Wholly Owned by two or more Partners jointly shall be deemed to have the same rights and obligations hereunder as the Partners to which they belong.

I.—DEFINITIONS.

Certain of the terms used herein shall have the meanings defined in Exhibit A attached hereto and hereby made a part hereof.

II.—HYDROCARBON SYNTHESIS RIGHTS OF THE PARTNERS.

Each of the Partners hereby places and agrees to place hereafter at the disposal of USAC exclusively, for exploitation in the United States and Canada, all its United States and Canadian Rights owned, acquired or controlled by it on or before December 31st, 1952 relating to the Hydrocarbon Synthesis Process, but only for the purpose of producing Hydrocarbons of the Petroleum Type, and each hereby grants and agrees to grant hereafter to USAC an exclusive license under such of the foregoing Rights as are patent rights, for the entire life of the patents with the right to grant licenses hereunder, subject, however, to the reserved right of each of the Partners to use, and to license any of its Rightifying Subsidiaries to use, its own Rights.

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III. SYNTHESIS GAS PRODUCTION RIGHTS OF THE PARTNERS.

Each of the Partners hereby places and agrees to place hereafter at the disposal of USAC exclusively for exploitation in the United States and Canada, all its United States and Canadian Rights owned, acquired or controlled by it on or before December 31st, 1952 relating to Processes of the Production of Synthesis Gas, and each hereby grants and agrees to grant hereafter to USAC an exclusive license under such of the foregoing Rights as are patent rights, for the entire life of the patents with the right to grant licenses thereunder; subject, however, to the reserved right of each of the Partners to use, and to license any of its Ratifying Subsidiaries to use, its own Rights.

IV. RESEARCH.

The Partners hereby agree to make available on reasonable terms to USAC in connection with its research program the help and advice of their technical organizations.

V. WORKING UP OF HYDROCARBONS.

Upon any request from licensees under the Hydrocarbon Synthesis Process for licenses to work up hydrocarbons for other than chemical purposes, USAC and the Partners hereby agree to grant on reasonable terms to such licensees such licenses as may be required to work up the Primary Product to marketable finished products for other than chemical purposes, to the extent that USAC and the Partners normally grant such licenses to third parties and insofar as at the time in question they are entitled to do so. The foregoing applies to existing as well as future licensees in the field of the Hydrocarbon Synthesis. If and to the extent that the Partners and USAC shall have delegated the licensing of their patent rights in this connection to licensing companies, they hereby agree to use their best efforts to cause such licensing companies to make such rights available to the licensees in question on reasonable terms.

VI. PAYMENTS FOR RUHRCHEMIE.

All the amounts which USAC is required to pay to RUHRCHEMIE AKTIENGESSELLSCHAFT a German company, hereinafter called "RUHRCHEMIE", under paragraph 1 (c) of Article VII. of an agreement between them dated as of _____, 1938, shall be paid to USAC in conformity with the rule of payment laid down in paragraph 6 of said Article by the Partners and by their Ratifying Subsidiaries.

VII. SUBSIDIARIES.

The Partners hereby agree that, insofar as the use of the Hydrocarbon Synthesis Process for the purpose of producing Hydrocarbons of the Petroleum Type is concerned, they will not hereafter pass on any technical knowledge, experience or information to a Non-Ratifying Subsidiary.

VIII. USAC'S LICENSING POLICY.

1. USAC shall in granting licenses endeavour to obtain back from the licensee a royalty-free license (if possible, exclusive) for the entire world with the right to grant licenses thereunder, on a definition of the process in question as broad as the definition in the license which it grants.

2. Any request by a Partner for a license from USAC on a definition of the Hydrocarbon Synthesis which is broader than the definition under which the Partner in question shall have placed its Hydrocarbon Synthesis Rights at the disposal of USAC shall be granted only on condition that the Partner to which such license shall be granted shall grant to USAC a royalty-free license for the entire world, with the right to grant sub-licenses, on a definition of the Hydrocarbon Synthesis as broad as that contained in the license requested by it.

IX.—CO-OPERATION CONCERNING PATENTS.

1. Each of the Partners hereby agrees that it will give full opportunity to USAC to make suggestions with respect to any application for a patent to be made in the United States or Canada concerning an invention involving the Hydrocarbon-Synthesis-Process or Processes for the Production of Synthesis Gas which the Partners are obligated hereunder to place at the disposal of USAC, and that it it has already sought protection for any such invention outside the United States and Canada it will promptly notify USAC of the fact application for a patent and promptly furnish USAC with a copy of such first application. Each of the Partners further hereby agrees that it will promptly furnish USAC with copies of all documents received from the Patent Offices in the United States and Canada and will give full opportunity to USAC to make suggestions relating to answering these documents well in advance of the time such answers are due. If any one of the Partners is not inclined to file a patent application in the United States or Canada on a certain invention relating to said processes, it will nevertheless do so at the request of USAC and duly prosecute said application to issue of patent.

2. All ordinary expenses arising from the date of this agreement and up to December 31st, held in applying for patents of the Partners relating to the above processes in the United States and Canada, including the further prosecution in the United States and Canadian Patent Offices thereof and of patent applications of the Partners in existence at the date of this agreement, shall be borne by the Partners. USAC shall bear the ordinary expenses involved in those patent applications covering inventions relating to said processes which are filed in accordance with the provisions of the last sentence of the preceding paragraph by the Partners at the request of USAC, and any further expenses incurred as a result of steps requested by USAC shall be borne by USAC.

3. If in the opinion of USAC it shall become necessary or desirable to prosecute any suit for infringement of any of the aforesaid United States or Canadian patents of the Partners, each of the Partners hereby agrees that it will at the request and at the expense of USAC become a party to any such suit or that it will permit USAC to bring such suit in the name of the Partner in question. All benefits of the recovery in any such suit shall belong to USAC.

X. RESERVATION OF INDEPENDENT LICENSING RIGHTS BY PARTNERS.

Notwithstanding anything in this agreement to the contrary, it is hereby expressly understood that each Partner, except KELLOGG as long as it is licensing agent for USAC, retains the full and complete right, power and authority, without the help of an agent, non-exclusive and non-transferable, to grant licenses, with or without the right to grant sub-licenses, under any or all of its own inventions, processes or products, and that such independent licensing rights are vested in USAC under Articles II, and III of the agreement. The HEMMEL would have received from USAC under the agreement between USAC and HEMMEL, dated as of 1938, if the license in question had been granted by USAC instead of by such licensing Partner, it being understood that the retention of the independent licensing rights shall not in any way adversely affect RHEMCHIE's position under its agreement with USAC and the Partners, dated as of 1938; to pay to KELLOGG a sum which will compensate KELLOGG for any loss it might incur through the fact that such license was granted by the Partner instead of by USAC; and to pay to each of the Partners (except KELLOGG, as long as it is licensing agent for USAC) the sum of one cent per Ton of Primary Product produced by the licensee during the full life of the license. Furthermore, such independently licensing Partner shall in granting licenses under its above-mentioned patent rights endeavour to obtain back from the licensee a royalty-free license (if possible, for the entire world with the right to grant licenses thereunder, on a definition of the product in question as broad as the definition in the licence which it grants.

XI.—CHANGES IN WHOLLY OWNED SUBSIDIARIES.

The Wholly Owned Subsidiaries which shall have at any time become subject to the provisions of this agreement shall not thereafter lose their rights nor be relieved of their obligations hereunder by reason of a change in their status.

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XII. DURATION AND TERMINATION.

This agreement shall terminate on December 31st, 1952.

XIII. WHAT LAW GOVERNS. ARBITRATION.

1. This agreement shall be construed and the legal relations between the parties determined in accordance with the laws of the State of New York. The titles of the articles shall not be construed as a part of this agreement.

2. Any controversy arising between the parties with respect to this agreement shall be determined with binding effect in accordance with the arbitration laws of the State of New York.

XIV. GENERAL PROVISIONS.

1. Neither this agreement nor the use of the word Partner herein nor anything herein contained shall be deemed to create a partnership relation.

2. This agreement is personal in its nature and no party shall without the consent of the others assign or transfer its rights or obligations hereunder except to a successor of substantially the whole of its business.

IN WITNESS WHEREOF the parties have caused this agreement to be duly executed as of the day and year first above written.

THE M.W. KELLOGG COMPANY

SHELL DEVELOPMENT COMPANY.

STANDARD-I.G. COMPANY.

HYDROCARBON SYNTHESIS CORPORATION.