

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 8, 2000

REGISTRATION NO. 333-95093

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

AMENDMENT NO. 1

TO

FORM S-1
REGISTRATION STATEMENT
UNDER THE
SECURITIES ACT OF 1933

CABOT MICROELECTRONICS CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

3291
(PRIMARY STANDARD INDUSTRIAL
CLASSIFICATION CODE NUMBER)

36-4324765
(I.R.S. EMPLOYER
IDENTIFICATION NUMBER)

870 NORTH COMMONS DRIVE

AURORA, ILLINOIS 60504
(630) 375-6631

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

MATTHEW NEVILLE
CABOT MICROELECTRONICS CORPORATION
CHIEF EXECUTIVE OFFICER
870 NORTH COMMONS DRIVE
AURORA, ILLINOIS 60504
(630) 375-6631

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,
OF AGENT FOR SERVICE)

COPIES TO:

THOMAS W. CHRISTOPHER, ESQ.
FRIED, FRANK, HARRIS, SHRIVER & JACOBSON
ONE NEW YORK PLAZA
NEW YORK, NEW YORK 10004
(212) 859-8000

DUNCAN C. MCCURRACH, ESQ.
SULLIVAN & CROMWELL
125 BROAD STREET
NEW YORK, NEW YORK 10004
(212) 558-4000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as
practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on
a delayed or continuous basis pursuant to Rule 415 under the Securities Act,

check the following box. []

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. []

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE
Common Stock, par value \$.001 per share.....	\$75,000,000	\$19,800
Preferred Share Purchase Rights(2).....	--	--
Total.....	\$75,000,000	\$19,800

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

(2) The rights will initially trade together with the common stock. The value attributable to the rights, if any, is reflected in the market price of the common stock.

THE REGISTRANT HEREBY AMENDS THE REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth expenses and costs payable by Cabot Microelectronics (other than underwriting discounts and commissions) expected to be incurred in connection with the issuance and distribution of the securities described in this registration statement. All amounts are estimated except for the Securities and Exchange Commission's registration fee and the National Association of Securities Dealers' filing fee.

	AMOUNT

Registration fee under Securities Act.....	\$19,800
NASD filing fee.....	8,000
Nasdaq National Market fees.....	*
Legal fees and expenses.....	*
Accounting fees and expenses.....	*
Printing and engraving expenses.....	*
Registrar and transfer agent fees.....	*
Miscellaneous expenses.....	*

Total.....	\$
	=====

 * To be filed by amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law (the "DGCL") provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with specified actions, suits and proceedings, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation -- a "derivative action"), if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such action, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement, or otherwise.

Our bylaws and our certificate of incorporation require us to indemnify to the fullest extent authorized by the DGCL any person made or threatened to be made a party to an action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise.

As permitted by section 102(b)(7) of the DGCL, our certificate of incorporation eliminates the liability of a director to the corporation or its stockholders for monetary damages for such breach of fiduciary duty as a director, except for liabilities arising (a) from any breach of the director's duty of loyalty to the corporation or its stockholders; (b) from acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) under

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section 174 of the DGCL; or (d) from any transaction from which the director derived an improper personal benefit.

We intend to obtain primary and excess insurance policies insuring its directors and officers and those of its subsidiaries against certain liabilities they may incur in their capacity as directors and officers. Under these policies, the insurer, on our behalf, may also pay amounts for which we have granted indemnification to the directors or officers.

Additionally, reference is made to the Underwriting Agreement filed as Exhibit 1.1 to this registration statement, which provides for indemnification by our Underwriters, their directors and officers who sign the registration statement and persons who control us, under certain circumstances.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

None.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(A) Exhibits

The following documents are filed as exhibits to this registration statement:

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
1.1	Form of Underwriting Agreement.*
3.1	Certificate of Incorporation of Cabot Microelectronics Corporation.*
3.2	By-Laws of Cabot Microelectronics Corporation.*
4.1	Form of Cabot Microelectronics Corporation common stock certificate.*
4.2	Form of Shareholder Rights Agreement.*
5.1	Opinion of Fried, Frank, Harris, Shriver & Jacobson regarding the legality of the shares being registered.*
10.1	Form of Master Separation Agreement, between Cabot Microelectronics Corporation and Cabot Corporation.*
10.2	Form of IPO and Distribution Agreement, between Cabot Microelectronics Corporation and Cabot Corporation.*
10.3	Form of Tax Sharing Agreement, between Cabot Microelectronics Corporation and Cabot Corporation.*
10.4	Form of Management Services Agreement, between Cabot Microelectronics Corporation and Cabot Corporation.*
10.5	Fumed Metal Oxide Supply Agreement, between Cabot Microelectronics Corporation and Cabot Corporation.+
10.6	Form of Intellectual Property and Confidentiality Agreement, between Cabot Microelectronics Corporation and Cabot Corporation.*
10.7	Form of Trademark License Agreement, between Cabot Microelectronics Corporation and Cabot Corporation.*
10.8	Dispersion Services Agreement, between Cabot Microelectronics Corporation and Cabot Corporation.+
10.9	Form of Employee Matters Agreement, between Cabot Microelectronics Corporation and Cabot Corporation.*
10.10	Form of Registration Rights Agreement, between Cabot Microelectronics Corporation and Cabot Corporation.*

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EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.11	Purchase Agreement between Cabot Corporation and Intel Corporation.+
10.12	Services Agreement by and among Davies -- Imperial Coatings, Inc., Cabot Corporation, Donn Davies and JoAnn Davies.+
10.13	Form of Sublease for Barry, Wales facility.*
10.14	2000 Equity Incentive Plan.*
21.1	List of Subsidiaries.*
23.1	Consent of PricewaterhouseCoopers, LLP.**
23.2	Consent of Fried, Frank, Harris, Shriver & Jacobson (included in Exhibit 5.1).*
24.1	Power of Attorney (included on signature page).

* To be filed by amendment.

** Previously filed.

+ Portions of these exhibits have been omitted pursuant to a request for confidential treatment.

(B) Financial Statement Schedules

Financial statement schedules have been omitted because they are not applicable or the required information is shown in the combined financial statements or notes thereto.

ITEM 17. UNDERTAKINGS.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) To provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(2) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(3) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Aurora, State of Illinois, on February 8, 2000.

CABOT MICROELECTRONICS CORPORATION

By: /s/ MATTHEW NEVILLE

Matthew Neville
President and Chief Executive
Officer

Pursuant to the requirements of the Securities Act, this Amendment No. 1 to the registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE -----	TITLE -----	DATE -----
* ----- Kennett F. Burnes	Chairman of the Board	
/s/ MATTHEW NEVILLE ----- Matthew Neville	President and Chief Executive Officer, Director (Principal Executive Officer)	February 8, 2000
/s/ WILLIAM C. MCCARTHY ----- William C. McCarthy	Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	February 8, 2000
* ----- Samuel W. Bodman	Director	
* ----- William P. Noglows	Director	
*By: /s/ MATTHEW NEVILLE ----- Matthew Neville Attorney-in-Fact		February 8, 2000

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EXHIBITS INDEX

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23.1	Consent of PricewaterhouseCoopers, LLP.**
23.2	Consent of Fried, Frank, Harris, Shriver & Jacobson (included in Exhibit 5.1).*
24.1	Power of Attorney (included on signature page).
27.1	Financial Data Schedule.**

* To be filed by amendment.

** Previously filed.

+ Portions of these exhibits have been omitted pursuant to a request for
confidential treatment.

The omitted portions indicated by brackets have been separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment under Rule 406, promulgated under the Securities Act of 1933, as amended.

FUMED METAL OXIDE SUPPLY AGREEMENT

This FUMED METAL OXIDE SUPPLY AGREEMENT (this "Agreement"), executed this 20th day of January, 2000, is between Cabot Corporation ("Cabot"), a Delaware corporation, and Cabot Microelectronics Corporation ("CMC"), a Delaware corporation. Notwithstanding the execution date hereof, this Agreement shall become effective upon the date of the initial public offering by CMC of shares of CMC common stock.

WHEREAS, Cabot and certain of its subsidiaries and CMC will be parties to a Master Separation Agreement, (the "Master Separation Agreement"), which will provide, in part, for the separation from Cabot, of the business, assets and liabilities of the Microelectronics Materials Division of Cabot (the "MMD Business") and the transfer of the MMD Business to CMC;

WHEREAS, in the past, the Microelectronics Materials Division of Cabot has purchased various fumed metal oxide products from Cabot;

WHEREAS, CMC desires to have Cabot provide to CMC certain fumed metal oxide products after the separation of the MMD Business; and

WHEREAS, Cabot desires to provide such fumed metal oxides to CMC after the separation of the MMD Business;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

SECTION 1. TERM

This Agreement shall commence on the date of the initial public offering by CMC of shares of CMC common stock, and shall continue until June 30, 2005 (the "Initial Term"). Unless either party shall give a notice of nonrenewal prior to December 31, 2003, this Agreement shall continue after the Initial Term until terminated by either party by a written notice of termination, which shall terminate this Agreement effective on the first June 30 or December 31 more than 18 months after the date such notice is delivered. The Initial Term, together with any continuations, are referred to herein as the "Term". Each year of the Term beginning on the effective date or an anniversary thereof is referred to herein as a "Term Year", including the stub period, if any, between the last anniversary of the effective date and the end of the Term.

SECTION 2. PRODUCTS

2.1 Purchase and Sale.

(a) Subject to the terms and conditions of this Agreement, during the Term, Cabot shall provide to CMC, and CMC shall purchase from Cabot, the Products (as defined below) in such quantities as specified by CMC, subject to Sections 2.3 through 2.5 below. "Products" means:

- (i) the fumed silica of the types set forth on Schedule A hereto (the "Fumed Silica"), which shall conform to the specifications, formulae and processes set forth on Schedule A hereto; and
- (ii) the fumed alumina of the types set forth on Schedule B hereto (the "Fumed Alumina" and together with the Fumed Silica, the "Fumed Metal Oxides"), which shall conform to the specifications,

formulae and processes set forth on Schedule B hereto.

(b) Any amendment to Schedule A or Schedule B shall require the consent of both CMC and Cabot. Unless otherwise agreed to by Cabot, any increase in costs incurred by Cabot in manufacturing Products to comply with changes requested by CMC to the specifications as set forth on Schedule A or Schedule B shall be paid by CMC.

2.2 Forecasts.

CMC shall provide Cabot with forecasts (the "Forecasts") of the quantities of Fumed Metal Oxides that CMC expects to purchase from Cabot (the "Forecasted Quantities"). The Forecasts shall identify by grade, the Forecasted Quantities and the Cabot facility or facilities that will produce and deliver to CMC such Forecasted Quantities (including the volume to be made at each plant). CMC shall provide the following Forecasts to Cabot:

(a) not more than sixty (60) but not less than thirty (30) days prior to each January 1, April 1, July 1 and October 1 during the Term, a Forecast indicating the Forecasted Quantity for each month of the calendar quarter commencing on such January 1, April 1, July 1 and October 1 (the "Quarterly Forecast"); provided, however, that in such Quarterly Forecast, the Forecasted Quantity for any month may not exceed the Forecasted Quantity for the previous month by more than []%;

(b) not more than sixty (60) but not less than thirty (30) days prior to each July 1 and January 1 during the Term, a semi-annual Forecast indicating the Forecasted Quantity for the six (6) month period commencing on such July 1 and January 1 (the "Six Month Forecast");

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(c) not more than sixty (60) but not less than thirty (30) days prior to each July 1, a one (1) year Forecast indicating the Forecasted Quantity for the calendar year commencing on the following July 1 (the "Annual Forecast"); and

(d) on or around each July 1, an eighteen (18) month Forecast indicating the Forecasted Quantity for the eighteen month period commencing on the following July 1 (the "18 Month Forecast"); provided, however, that CMC shall provide Cabot with a revised eighteen (18) Month Forecast for the remainder of the eighteen (18) month period covered by the last 18 Month Forecast as soon reasonably practicable after CMC becomes aware of any material changes to such 18 Month Forecast.

For the purposes of this Agreement, Forecasts delivered by CMC to Cabot after the execution hereof shall, upon the effectiveness of this Agreement, be deemed to have been delivered hereunder.

With respect to planned shutdowns of Cabot's manufacturing facilities, the parties shall work together and cooperate with each other regarding necessary adjustments to forecasts and delivery schedules hereunder.

2.3 Cabot's Maximum Supply Obligations.

(a) The obligation of Cabot to supply Products to CMC under this Agreement shall be subject to each of the following maximum monthly volume limitations:

(i) the maximum monthly volume of Fumed Silica from Cabot's Tuscola, Illinois facility (the "Tuscola Plant") shall be [] pounds per month;

(ii) the maximum monthly volume of Fumed Alumina from Cabot's Tuscola, Illinois pilot facility (the "Tuscola Pilot Plant") shall be [] pounds per month; and

- (iii) the maximum monthly volume of Fumed Silica from Cabot's Barry, Wales facility (the "Barry Plant") shall be [] pounds per month.

In clarification of the above, any volumes of Fumed Silica and/or Fumed Alumina supplied by Cabot under the Dispersions Services Agreement, of even date herewith, shall not be considered in calculating the maximum volumes of Fumed Silica and/or Fumed Alumina Cabot is obligated to supply hereunder.

(b) In addition to the volume limitations set forth in 2.3(a) above, in the event that CMC orders volumes of fumed silica from Cabot in excess of Forecasted Quantities, Cabot shall not be obligated to supply to CMC such Products in excess of the following volumes:

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- (i) for any calendar quarter and any plant, []% of the volumes of Fumed Silica for such plant set forth in CMC's Quarterly Forecast;
- (ii) for any calendar half year (beginning on or after July 1, 2000) and for any plant, []% of the volumes of Fumed Silica for such plant set forth in CMC's Sixth Month Forecast; and
- (iii) for any year beginning July 1 and for any plant, []% of the volumes of Fumed Silica for such plant set forth in CMC's Annual Forecast.

(c) The maximum supply obligations set forth in Sections 2.3 (a) and (b) are referred to herein as the "Maximum Volumes". If CMC shall request volumes of Fumed Silica or Fumed Alumina in excess of the Maximum Volumes described above, Cabot shall use commercially reasonable efforts to supply such volumes ("Excess Volumes"); provided that Cabot shall not be obligated to breach its contractual obligations with other customers or to take any actions which it deems detrimental to its business, in order to supply CMC with Excess Volumes.

2.4 Minimum Volumes. CMC shall be obligated to purchase from Cabot during each six month period covered by a Six Month Forecast a "Minimum Volume," meaning at least []% of the aggregate volumes of Fumed Silica forecasted to be purchased by CMC as set forth in each Six Month Forecast. Cabot and CMC recognize that damages for CMC's failure to purchase Minimum Volumes would be difficult to ascertain and prove. Cabot and CMC agree that if, during any six month period CMC fails to purchase from Cabot the Minimum Volume of Fumed Silica for such six month period, CMC shall pay to Cabot liquidated damages in an amount equal to the product obtained by multiplying (i) the difference (in pounds) between (x) the applicable Minimum Volume and (y) the amount of Fumed Silica actually purchased by CMC during the relevant six month period times (ii) \$[]. Cabot and CMC agree that such liquidated damages are the sole and exclusive remedy for CMC's failure to purchase Minimum Volumes. Cabot and CMC further agree that such liquidated damages represent a reasonable estimate of Cabot's damages and do not constitute a penalty.

2.5 Exclusivity; Exception Thereto.

(a) CMC shall purchase from Cabot all of the Fumed Metal Oxides necessary to produce the products produced by CMC on the effective date of this Agreement. With respect to products developed and produced by CMC after the effective date of this Agreement, CMC shall not be obligated to purchase from Cabot any of the Fumed Metal Oxides necessary to produce such products.

(b) During the Term of this Agreement, Cabot shall not knowingly,

without CMC's prior written consent, directly or indirectly, sell any Fumed Metal Oxides to any

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person or entity other than CMC for use in the production of any goods or products that compete with any CMP (chemical mechanical polishing) consumable goods and products produced by CMC.

(c) In the event CMC requests a change to a Product specification, which change is necessary in order to achieve a material performance difference in CMC's end product, and Cabot is not able or is unwilling to modify such Product, CMC shall have the right to obtain such modified product from any third party, subject to any intellectual property rights Cabot may have.

(d) Notwithstanding Section 2.5(a) above, in the event that Cabot fails to supply CMC with its requirements for Products for any reason, CMC shall have the right to obtain such Products from any third party, subject to any intellectual property rights Cabot may have.

SECTION 3. PRICING

3.1 Prices. Cabot shall sell the Products to CMC in accordance with the following prices (the "Prices"):

(a) Fumed Silica Price.

The price for Fumed Silica shall be equal to the Base Price (as defined below) plus the Feedstock Adjustment (as defined below). The price of Fumed Silica to be purchased shall be determined by the date the order therefor is placed with Cabot, with respect to all volumes specified therein to be delivered within 90 days after the date such order is placed, and by the date specified for delivery, with respect to all volumes specified for delivery thereafter.

The "Base Price" shall be \$[] per pound during the first Term Year. The Base Price shall increase by \$[] per pound for each subsequent Term Year, to be effective commencing on the first day of each subsequent Term Year.

The "Feedstock Adjustment" shall be calculated and applied every six (6) months and is obtained by (i) calculating the difference between the New Feedstock Cost per pound of fumed silica manufactured (as defined below) and the Starting Feedstock Cost per pound of fumed silica manufactured (as defined below) and (ii) dividing this difference by a yield factor of [], provided that if the New Feedstock Cost is less than the Starting Feedstock Cost, the Feedstock Adjustment shall be zero. The Feedstock Adjustment shall be calculated and provided to CMC prior to each July 1 and January 1 with respect to the following six (6) month period and shall be based on CMC's Six Month Forecast for such period as well as the historical feedstock cost information for the most recent six month period ended May 31 (in the case of the July 1 adjustment) and

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November 30 (in the case of the January 1 adjustment).

The "New Feedstock Cost" shall be derived from the following formula:

New Feedstock Cost = []

Where:

A = pounds of [] forecasted to be purchased by CMC in the upcoming [] from the [].
B = pounds of [] forecasted to be purchased by CMC in the upcoming [] from the [].
C = Total "Delivered Cost" of all [] consumed in the manufacture of [] at the [] during the [] divided by the total number of pounds of [] produced at the [] (other than [] which was toll manufactured), including off-quality material. As used herein, the "Delivered Cost" of [] means the purchase price paid by Cabot for such [], including transportation costs and applicable sales and use taxes as well as price adjustments related solely to the [], and excluding [] adjustments or credits and handling costs, labor and depreciation.
D = Total "Delivered Cost" of all [] consumed in the manufacture of [] at the [] during the [] divided by the total number of pounds of [] produced at the [] (other than [] which was toll manufactured), including off-quality material.

The "Starting Feedstock Cost" shall equal the total "Delivered Cost" of all [] consumed at the [] and [] during [] divided by the total number of pounds of [] produced at the [] and [] (other than [] which was toll manufactured), including off-quality material, during such period.

CMC shall have the right to have a recognized accounting firm audit the books and records of Cabot necessary to verify the Feedstock Adjustment provided above. Such accounting firm shall be obligated to keep any information obtained during

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the audit of Cabot's books and records confidential and may confirm to CMC only whether, and to what extent, Cabot's calculations of the Feedstock Adjustment deviate from the calculation of such accounting firm.

(b) Excess Volumes of Fumed Silica. The price for Excess Volumes of Fumed Silica shall be as follows:

(1) Subject to Section 2.3(c) above, if Cabot has the production capacity to produce the Excess Volumes of Fumed Silica at the times and in the volumes requested by CMC without interfering with its supply of products for other customers, Cabot shall produce such Excess Volumes and sell them to CMC at the prices set forth in Section 3.1(a) hereof.

(2) Subject to Section 2.3(c) above, if Cabot would be required to displace volumes intended for other customers, otherwise interfere with its supply of products to other customers or obtain Products from other sources in order to meet a request of CMC in respect of Excess Volumes of Fumed Silica, the price for such Excess Volumes shall be determined by Cabot, provided that such price shall not exceed [].

(c) Fumed Alumina Price.

Until Cabot shall begin commercial scale production of fumed alumina, the price for fumed alumina shall be equal to \$[] per pound. For purposes of this agreement, "commercial scale production of fumed alumina" shall mean Cabot having a fumed alumina production unit capable of producing fumed alumina at a production rate greater than [] per year. Upon commencement by Cabot of such commercial scale production of fumed alumina, Cabot and CMC shall renegotiate the price per pound of Fumed Alumina.

(d) In addition to the above described purchase prices for the fumed metal oxides, MMD shall reimburse Cabot for all reasonable costs incurred by Cabot in conducting analytical services requested by CMC for [].

3.2 Cost Savings. Cabot and CMC acknowledge that it is their intention to decrease the costs associated with manufacturing the Products, and to share any cost savings resulting from joint efforts equally between them (other than cost savings with respect to packaging, which the parties agree shall not be passed on to CMC). Cabot and CMC agree to discuss, from time to time, ways to jointly decrease such costs.

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SECTION 4. ORDERS, SHIPPING, DELIVERY AND PAYMENT

(a) Orders for Products shall be issued by CMC from time to time. Each order shall specify the date(s) the products are to be delivered, which date(s) shall be not less than ten (10) business days prior to the date the order is received by Cabot. For purposes of applying 2.3 and 2.4 only, each volume of Product shall be deemed to be in the month specified for its shipment in CMC's order; and if no date is specified, then in the month following the month in which the order therefor is issued by CMC.

(b) All sales of Products under this agreement are made F.O.B. Cabot's point of shipment. CMC shall be responsible for all transportation costs and title and risk of loss shall pass to CMC upon delivery to carrier.

(c) All Products shall be prepared by Cabot for delivery to CMC, as the case may be, including the necessary dunnage, to prevent damage during the normal course of transportation.

(d) Cabot shall invoice CMC for the Products delivered to CMC during each month by the fifteenth (15th) calendar day of the following month. Cabot shall deliver such invoices to CMC by regular U.S. mail, or other methods such as express U.S. mail, overnight courier or other means, if mutually acceptable.

(e) CMC shall pay each such invoice within fifteen (15) calendar days of receipt thereof. Such payment shall be made by check or wire transfer in readily available same day or next day funds denominated in United States dollars. If payment is to be made by wire transfer, CMC shall request and Cabot shall provide to CMC, wire transfer instructions.

SECTION 5. WARRANTIES

5.1 Warranty as to Products. Cabot represents and warrants to CMC that, when shipped to CMC, the Products will conform in all respects to the specifications then in effect and as then set forth in the materials specified on Schedule A and Schedule B hereto. CABOT MAKES NO OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER MATTER WITH RESPECT TO THE PRODUCTS, WHETHER USED ALONE OR IN COMBINATION WITH OTHER SUBSTANCES, EVEN IF THE PURPOSES OR USES OF SUCH PRODUCTS ARE KNOWN BY CABOT.

5.2 Remedies. If any Products do not conform in all respects to the specifications then in effect and as then set forth on Schedule A and Schedule B hereto, Cabot agrees to replace such Products with Products that conform to such specifications.

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Subject to the following sentence, CMC shall not be obligated to accept or pay for Products that do not conform to the specifications then in effect for such Products. If any such non-conformity is the result of materials, process specifications or formulae provided by CMC to Cabot, CMC shall pay Cabot for the Products and such volumes shall be included in determining the volumes of Products delivered by Cabot to CMC hereunder. IN NO EVENT SHALL CABOT BE

RESPONSIBLE OR LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING AS A RESULT OF ANY BREACH OF WARRANTY IN RESPECT OF ANY PRODUCTS UNDER THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 6. CONSENTS; NOTICES

Unless otherwise set forth herein, whenever any notice, consent or approval is to be given in this Agreement, it must be in writing and delivered in accordance with the provisions of this Section 6. Any such writing will be duly given upon delivery, if delivered by hand, facsimile transmission or mail, to the following addresses:

If to Cabot: Cabot Corporation
Business and Technical Center
Billerica, MA 01821
Attn: Fumed Metal Oxide Product Line Manager
Telecopier:

With a copy to:

Cabot Corporation
75 State Street
Boston, MA 02109
Attn: Law Department
Telecopier: 617-342-6039

If to CMC: Cabot Microelectronics Corporation
870 North Commons Drive
Aurora, IL 60504
Attn: Vice President of Operations
Telecopier: 630-375-5596

or to such other address as may be designated in writing by any of the parties from time to time in accordance herewith.

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SECTION 7. GENERAL

7.1 Severability. If any provision of this Agreement shall be found to be invalid or unenforceable, then such provision or provisions shall not invalidate or in any way affect the enforceability of the remainder of this Agreement and such provision or provisions shall be curtailed and limited to the extent necessary to bring the Agreement within any legal requirement and the parties shall negotiate in good faith with respect to an equitable modification of the provision or application thereof held to be invalid.

7.2 Modification; Waivers. Except as expressly provided herein, this Agreement may be modified or amended only with the written consent of each party hereto. Neither party hereto shall be released from its obligations hereunder without the written consent of the other party. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term, but any such waiver shall be effective only if in a writing signed by the party against which such waiver is to be asserted. Except as otherwise specifically provided herein, no delay on the part of either party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

7.3 Succession. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and other legal representatives and, to the extent that any assignment hereof is permitted hereunder, their assignees.

7.4 Counterparts. This Agreement may be executed in counterparts.

7.5 Further Assurances. Each party agrees to provide any additional documents and take any such further action as may be reasonably requested by the other party in order to carry out the purpose and intent of this Agreement.

7.6 Entire Agreement. This Agreement contains the full and complete undertaking and agreement between the parties hereto with respect to the sale of fumed silica and fumed alumina by Cabot to CMC, and supersedes all other agreements between Cabot and CMC, whether written or oral, except any confidentiality agreements between the parties, which shall, to the extent such agreements do not contradict the terms of this Agreement, continue in effect.

7.7 Headings. The headings of the sections and other subdivisions of this Agreement are for convenient reference only. They shall not be used in any way to

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govern, limit, modify, construe this Agreement or any part or provision thereof nor otherwise be given any legal effect.

7.8 Assignees and Third Parties. This Agreement may not be assigned by either party without the prior written consent of the other party and any attempted assignment without such consent shall be null and void; provided, however, that Cabot may assign this Agreement to a subsidiary or affiliated company. In addition, Cabot may make arrangements for the production and sale of Products required hereunder to be manufactured and sold by a subsidiary or an affiliate, including but not limited to Cabot Carbon Ltd. Such arrangements may take the form of an assignment of certain rights and obligations hereunder or a subcontract of certain obligations hereunder. Similarly, CMC may make arrangements for the purchase of Products hereunder to be made by a subsidiary, including but not limited to Cabot Microelectronics International Corporation. Such arrangements may take the form of an assignment of certain rights and obligations hereunder. However, all sales of Products pursuant to any such arrangement shall be governed by the terms of this Agreement.

7.9 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of Delaware, without giving effect to principles of conflicts or choice of laws of Delaware or of any other jurisdiction.

7.10 Force Majeure. Each of the parties hereto shall be excused from delays in performing or from failure to perform hereunder to the extent that such delays or failures result from causes beyond the reasonable control of such party, including, but not limited to, forces of nature, acts of God, strikes, lockouts, wars, blockades, insurrections, riots, epidemics, restraints or requirements of any government or government agency, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, unavailability of raw material or supplies, strandings, perils of the sea, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable means, and other cause, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. Failure to prevent or settle any strike shall not be considered to be a matter within the control of the party claiming suspension. However, in order to be excused from delay or failure to perform, such party must act diligently to remedy the cause of such delay or failure.

7.11 Confidentiality. Each of Cabot and CMC agree to keep confidential and not disclose, and shall cause their respective subsidiaries and affiliates to keep confidential and not disclose, to any party or use for any purpose (other than the performance of this Agreement), any proprietary or other confidential information of the other party which is received pursuant to this Agreement ("Confidential Information"). Confidential Information shall be subject to the restrictions of this paragraph only if it is marked as confidential or proprietary or, if not disclosed in tangible form, the disclosing party

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notifies the recipient of its confidential or proprietary nature prior to its disclosure. For purposes of this Agreement, Confidential Information of a party does not include, and a party and a party's subsidiaries and affiliates will have no obligations under this provision with respect to, any information of the other party or any subsidiary or affiliate of the other party (the other party and subsidiaries and affiliates of the other party being referred to as the "receiving party") which:

(i) is already known to the receiving party from a source other than the disclosing party as evidenced by competent proof thereof; or

(ii) is or becomes publicly known through no wrongful act of the receiving party (in which event the receiving party's obligations under this Agreement in respect thereto shall terminate on the date such information enters the public domain); or

(iii) is rightfully received by the receiving party from a third party without violation of any obligations of confidentiality owed by the third party to the disclosing party; or

(iv) is disclosed by the disclosing party to a third party without restrictions on the third party's right to use or disclose such information; or

(v) is independently developed by employees or consultants of the receiving party without use of or reference to the disclosing party's Confidential Information; or

(vi) is approved for release by written authorization of the disclosing party

7.12 Independent Contractors. CMC and Cabot are each independent contractors. Nothing herein contained shall be construed to place CMC and Cabot in the relationship of principal and agent, master and servant, partners, or joint venturers, and, except as otherwise set forth in this Agreement, neither party shall have, expressly or by implication, the power to represent itself as having any authority to make contracts in the name of or binding upon the other, or to obligate or bind the other in any manner whatsoever.

7.13 Resale Prohibition. The parties intend and agree that the fumed silica and fumed alumina being sold hereunder to CMC is being sold solely for the use by CMC and its subsidiaries in manufacturing their products. Accordingly, CMC and its subsidiaries are prohibited from reselling any fumed silica or fumed alumina purchased hereunder. However, in the event CMC determines, in good faith, that the fumed metal oxides supplied hereunder, which otherwise meet the specification set forth in Scheduled A or B, but which are not fit for CMC's use in the manufacture of CMP slurries, CMC shall have the right to resell such fumed metal oxides, provided, CMC first offers Cabot the option to purchase such fumed metal oxides back from CMC at a price which is the lower of (i) the price paid by CMC to Cabot for such material, or (ii) the price at which CMC will resell such material.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as a sealed instrument and have delivered this Agreement as of the day and year first above written.

CABOT CORPORATION

By: /s/ Samuel W. Bodman

Name: Samuel W. Bodman

Title: Chief Executive Officer

CABOT MICROELECTRONICS CORPORATION

By: /s/ Matthew Neville

Name: Matthew Neville
Title: President and
Chief Executive Officer

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Schedule A

Fumed Silica Specifications

Product -----	Specification -----
[]	[]
[]	[]
[]	[]

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Schedule B

Fumed Alumina Specifications

Product -----	Specification -----
[]	[]

The omitted portions indicated by brackets have been separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment under Rule 406, promulgated under the Securities Act of 1933, as amended.

DISPERSION SERVICES AGREEMENT

This DISPERSION SERVICES AGREEMENT (the "Agreement"), executed this 20th day of January, 2000, is between Cabot Corporation ("Cabot"), a Delaware corporation, and Cabot Microelectronics Corporation ("CMC"), a Delaware corporation. Notwithstanding the execution date hereof, this Agreement shall become effective upon the date of the initial public offering by CMC of shares of CMC common stock.

WHEREAS, Cabot and certain of its subsidiaries and CMC will be parties to a Master Separation Agreement, (the "Master Separation Agreement"), which will provide for the separation from Cabot of the business, assets and liabilities of Microelectronics Materials Division of Cabot (the "MMD Business") and the transfer of the MMD Business to CMC;

WHEREAS, in the past, the Microelectronics Materials Division of Cabot has performed various dispersion services for Cabot;

WHEREAS, Cabot desires to have CMC provide to Cabot certain dispersion services after the separation of the MMD Business; and

WHEREAS, CMC desires to provide such dispersion services to Cabot as provided herein;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

SECTION 1. TERM

This Agreement shall commence on the date of the initial public offering by CMC of shares of CMC common stock, and shall continue until June 30, 2005 (the "Initial Term"). Unless either party shall give a notice of nonrenewal prior to December 31, 2003, this Agreement shall continue after the Initial Term until terminated by either party by a written notice of termination, which shall terminate this Agreement effective on the first June 30 or December 31 more than 18 months after the date such notice is delivered. The Initial Term, together with any continuations, are referred to herein as the "Term". Each year of the Term beginning on the effective date or an anniversary thereof is referred to herein as a "Term Year", including the stub period, if any, between the last anniversary of the effective date and the end of the Term.

SECTION 2. SERVICES

2.1 Purchase and Sale.

(a) Subject to the terms and conditions of this Agreement, during the Term, CMC shall provide to Cabot, and Cabot shall purchase from CMC, the Services (as defined below) in such quantities as specified by Cabot, subject to Sections 2.3 through 2.6 below. "Services" means:

- (i) the manufacturing and packaging of the type of dispersions set forth on Schedule A hereto (the "Products") in accordance with the specifications, formulae and processes provided by Cabot to CMC and initially as set forth in the materials specified on Schedule A hereto;

- (ii) the packaging of the Products in accordance with specifications set forth on Schedule A, which may be amended from time to time, by mutual agreement; and
- (iii) testing and other ancillary services as related thereto as may be mutually agreed between Cabot and CMC from time to time.

(b) Any amendment to Schedule A shall require the consent of both CMC and Cabot. Any increase in costs incurred by CMC in manufacturing and/or packaging Products to comply with changes requested by Cabot to the specifications as set forth on Schedule A shall be paid by Cabot.

(c) With respect to Products to be sold to customers of Cabot and/or its subsidiaries which are located in the United States, Canada or Mexico (collectively "North America"), Services shall be performed either by (i) CMC at its facility in Aurora, Illinois (the "Aurora Plant"), or (ii) Davies Imperial Coatings ("Davies"), pursuant to an agreement between CMC and Davies (the "Davies Agreement"); provided that CMC shall continue to remain primarily liable to Cabot for any Services provided by Davies. Cabot and CMC shall confer in good faith in order to determine whether Services will be provided by the Aurora Plant or Davies.

(d) With respect to Products to be sold to customers of Cabot and/or its subsidiaries located in Europe, Services shall be performed at the dispersions facility of Cabot Microelectronics International Corporation ("CMIC"), a wholly owned subsidiary of CMC, in Barry, Wales (the "Barry Plant").

(e) With respect to Products to be sold to customers of Cabot and/or its subsidiaries located in regions other than North America or Europe, CMC shall determine

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the appropriate facility to perform such Services after review of its regional capacity and capabilities and after consultation with Cabot.

(f) Notwithstanding anything to the contrary in subsections (c) and (d) above, and subject to 2.3(a)(i), Cabot may specify Products to be manufactured at the Aurora Plant, regardless of the ultimate geographic market for such Products, provided that such Products would not be incompatible with the dispersions manufacturing capabilities at the Aurora Plant or that such Products would not create contamination issues with respect to the products CMC manufactures at its Aurora Plant.

2.2 Forecasts.

Cabot shall provide CMC with forecasts (the "Forecasts") of the quantities of Products that Cabot expects to purchase from CMC (the "Forecasted Quantities"). The Forecasts shall identify the Forecasted Quantities of the Products and the geographic locations for manufacture (i.e., the Aurora Plant, Davies or the Barry Plant). Cabot shall provide the following Forecasts to CMC:

(a) not more than sixty (60) but not less than thirty (30) days prior to each January 1, April 1, July 1 and October 1 during the Term, a Forecast indicating the Forecasted Quantity for each month of the calendar quarter commencing on such January 1, April 1, July 1 and October 1 (the "Quarterly Forecast");

(b) not more than sixty (60) but not less than thirty (30) days prior to on each July 1 and January 1 during the Term, a semi-annual Forecast indicating the Forecasted Quantity for the six (6) month period commencing on such July 1 and January 1 (the "Six Month Forecast");

(c) not more than sixty (60) but not less than thirty (30) days prior to on each July 1, a one (1) year Forecast indicating the Forecasted Quantity for the calendar year commencing on the following July 1 (the "Annual Forecast"); and

(d) on or around each July 1, an eighteen (18) month Forecast indicating the Forecasted Quantity for the eighteen month period commencing on the July 1 (the "18 Month Forecast"); provided, however, that Cabot shall

provide CMC with a revised eighteen (18) Month Forecast for the remainder of the eighteen (18) month period covered by the last 18 Month Forecast as soon reasonably practicable after Cabot becomes aware of any material changes to such 18 Month Forecast.

For the purposes of this Agreement, Forecasts delivered by Cabot to CMC after the execution hereof shall, upon the effectiveness of this Agreement, be deemed to have been delivered hereunder.

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2.3 CMC's Maximum Supply Obligations.

(a) The obligation of CMC to provide Products to Cabot shall be subject to each of the following maximum monthly volume limitations:

(i) the maximum monthly volume of Products from CMC's Aurora, Illinois facility (the "Aurora Plant") shall be [] gallons per month;

(ii) the maximum monthly volume of Products from Davies' Hammond, Indiana facility (the "Hammond Plant") shall be [] gallons per month; and

(iii) the maximum monthly volume of Products from the Barry Plant shall be [] gallons per month.

(b) In addition to the volume limitations set forth in 2.3(a) above, in the event that Cabot orders volumes of Products from CMC in excess of Forecasted Quantities, CMC shall not be obligated to supply to Cabot such Products in excess of the following volumes:

(i) for any calendar quarter and any plant, []% of the volumes for such plant set forth in Cabot's Quarterly Forecasts;

(ii) for any calendar half year (beginning on or after July 1, 2000) and any plant, []% of the volumes for such plant set forth in Cabot's Sixth Month Forecast; and

(iii) for any year beginning July 1 and any plant, []% of the volumes for such plant set forth in Cabot's Annual Forecast.

(c) The maximum supply volumes set forth in Sections 2.3 (a) and (b) are referred to herein as the "Maximum Volumes". If Cabot shall order volumes of Products in excess of the Maximum Volumes described above, CMC shall use commercially reasonable efforts to supply such volumes ("Excess Volumes").

(d) Notwithstanding anything to the contrary in subsections (a) or (b) above, if CMC shall increase its production capacity at its current dispersions plants or at newly acquired or constructed dispersions plants, Cabot and CMC shall negotiate in good faith regarding additional dispersions capacity that may be available to Cabot and the price for dispersions services related to such additional capacity.

2.4 Minimum Order Volumes.

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Cabot agrees to order Products from CMC subject to the minimum batch size requirements set forth on Schedule A hereto.

2.5 Exclusivity.

(a) Except in connection with its [] businesses, and subject to other existing obligations, during the Term Cabot will not contract with any third party (other than Cabot affiliates, CMC, CMIC or Davies) for the provision of contract or toll manufacturing services for the production of fumed metal oxide dispersions.

(b) Notwithstanding subsection (a) above or subsection (c) below:

(i) Cabot shall have the right during the Term to produce fumed metal oxide dispersions for sale, its own use or the sale or use of its subsidiaries;

(ii) if CMC or Davies is unable or unwilling to supply certain products or volumes in accordance with the terms hereof, or above the Maximum Volumes set forth in Section 2.3 hereof, Cabot shall have the right to have such products or additional volumes of dispersions manufactured for it by other parties;

(iii) In the event Cabot requests a change to the specifications, formulae or processes set forth on Schedule A, which change is necessary in order to achieve a material performance difference in Cabot's end product, and CMC is not able or is unwilling to modify such Product, Cabot shall have the right to have such changed products manufactured for it by any other party; and

(iv) Cabot shall have the right to contract for and purchase from third parties fumed metal oxide dispersions that are produced with fumed metal oxides that are not supplied by Cabot.

(c) If Cabot terminates this Agreement, Cabot shall, for a period of [] following the date of such termination purchase fumed metal oxide dispersions products and services only from CMC, Davies or third parties who are not engaged in the production and/or marketing of CMP (chemical mechanical polishing) consumables.

(d) During the Term of this Agreement, CMC shall not knowingly, without Cabot's prior written consent, directly or indirectly, (i) perform dispersions services for any person or entity other than Cabot for use in the production of any goods or products that compete with any Cabot products, or (ii) sell fumed metal oxide dispersions products into applications, other than CMP applications, which compete with any Cabot product.

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2.6 Supply of Raw Materials

Cabot shall be responsible for the supply to CMC of the fumed metal oxide particles necessary for the manufacture of the Products ordered by Cabot. Any such volumes of fumed metal oxides shall not be deemed supplied pursuant to the Fumed Metal Oxide Supply Agreement, of even date herewith. CMC shall be responsible for the supply of all other materials necessary for the manufacture of the Products, including packaging materials.

SECTION 3. PRICING

3.1 Prices. CMC shall perform the Services and sell the Products in accordance with the following prices (the "Prices"):

(a) with respect to Products manufactured and the services performed by CMC, the price shall equal the "Dispersion Manufacturing Cost" incurred by CMC plus []% of such Dispersion Manufacturing Cost. As used herein, the "Dispersion Manufacturing Cost" of fumed metal oxide dispersions shall mean, []. CMC's [] may be used for calculating such Dispersion Manufacturing Cost, provided that both parties mutually agree that it fairly approximates the above stated Dispersion Manufacturing Cost, and that both

parties mutually agree upon a method to make adjustments due to variances between the [] and the actual Dispersion Manufacturing Cost.

(b) with respect to Products manufactured and the services performed by Davies, the price shall equal the Dispersion Manufacturing Cost incurred by CMC (excluding the costs of the fumed metal oxide particle supplied by Cabot) plus []% of such costs as an administrative charge.

Cabot shall have the right to have a recognized accounting firm audit the books and records of CMC necessary to verify the Dispersions Manufacturing Cost provided above. Such accounting firm shall be obligated to keep any information obtained during the audit of CMC's books and records confidential and may confirm to Cabot only whether, and to what extent, CMC's calculations of the Dispersions Manufacturing Cost deviate from the calculation of such accounting firm.

3.2 Cost Savings. Cabot and CMC acknowledge that it is their intention to decrease the costs associated with manufacturing the Products, and to share any cost

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savings resulting from joint efforts therefrom equally between them. Cabot and CMC agree to discuss, from time to time, ways to jointly decrease such costs.

SECTION 4. SHIPPING, DELIVERY AND PAYMENT

(a) Orders for Products shall be issued by Cabot from time to time. Each order shall specify the date(s) the Products are to be delivered, which date(s) shall be not less than ten (10) business days prior to the date the order is received by CMC. For purposes of applying Section 2.3 only, each volume of Product shall be deemed to be in the month specified for its shipment in Cabot's order; and if no date is specified, then in the month following the month in which the order therefor is issued by Cabot.

(b) All sales of Products under this agreement are made F.O.B. CMC's point of shipment. Cabot shall be responsible for all transportation costs and title and risk of loss shall pass to Cabot upon delivery to carrier.

(c) All Products shall be prepared by CMC for delivery to Cabot in accordance with Cabot's reasonable instructions to be supplied by Cabot to CMC as far in advance of, and not later than ten (10) business days prior to, a requested shipment date.

(d) CMC shall invoice Cabot for the Products delivered to Cabot during each month by the fifteenth (15th) calendar day of the following month. CMC shall deliver such invoices to Cabot by regular U.S. mail, or other methods such as express U.S. mail, overnight courier or other means, if mutually acceptable.

(e) Cabot shall pay each such invoice within fifteen (15) calendar days of receipt thereof. Such payment shall be made by check or wire transfer in readily available same day or next day funds denominated in United States dollars. If payment is to be made by wire transfer, Cabot shall request and CMC shall provide to Cabot, wire transfer instructions.

SECTION 5. WARRANTIES

5.1 Warranty as to Products. CMC represents and warrants to Cabot that, when delivered to Cabot, the Products and Services will conform in all respects to the specifications then in effect and as then set forth in the materials specified on Schedule A hereto. CMC MAKES NO OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER MATTER WITH RESPECT TO THE PRODUCTS OR SERVICES, WHETHER USED ALONE OR IN COMBINATION WITH OTHER SUBSTANCES, EVEN IF THE PURPOSES OR USES OF SUCH PRODUCTS ARE KNOWN BY CMC.

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5.2 Remedies. If any Products do not conform in all respects to the specifications then in effect and as then set forth on Schedule A hereto, CMC agrees to replace such Products with Products that conform to such specifications. Subject to the following sentence, Cabot shall not be obligated to accept or pay for Products not conforming to the specifications then in effect for such Products. If such non-conformity is the result of materials or formulae provided by Cabot to CMC, Cabot shall pay CMC for the Services and such volumes shall be included in determining the volumes of Products delivered by CMC to Cabot hereunder. IN NO EVENT SHALL CMC BE RESPONSIBLE OR LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING AS A RESULT OF ANY BREACH OF WARRANTY IN RESPECT OF ANY PRODUCTS OR SERVICES UNDER THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 6. RELATIONSHIP OF PARTIES

(a) CMC and Cabot are each independent contractors. Nothing herein contained shall be construed to place CMC and Cabot in the relationship of principal and agent, master and servant, partners, or joint venturers, and, except as otherwise set forth in this Agreement, neither party shall have, expressly or by implication, the power to represent itself as having any authority to make contracts in the name of or binding upon the other, or to obligate or bind the other in any manner whatsoever.

(b) Cabot recognizes and agrees that certain dispersion services shall be performed on CMC's behalf by Davies. However, such services by Davies shall be considered to have been subcontracted by CMC to Davies, and ultimate responsibility for the performance of such services shall remain with CMC. Cabot shall have no direct contractual relationship with Davies with respect to dispersion services obtained by CMC pursuant to this Agreement.

SECTION 7. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

(a) Any intellectual property relating to the process engineering or method of production of dispersions ("Dispersions Intellectual Property") developed by CMC or CMIC principally in the course of performing Services for Cabot hereunder shall be jointly owned by Cabot and either CMC or CMIC, as the case may be. Notwithstanding the above, Cabot shall not sublicense or assign such intellectual property to any party (other than a subsidiary or affiliate of Cabot) for use in the production and/or sale of CMP consumables. Similarly, CMC shall not sublicense or assign such intellectual property to any party (other than a subsidiary or affiliate of CMC) for use in the production and/or sale of products for use in non-CMP applications.

(b) CMC or CMIC shall, upon the request of Cabot, grant a non-exclusive license to Cabot, in exchange for a commercially reasonable royalty payment from Cabot

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to CMC or CMIC, as the case may be, to be mutually agreed between the appropriate parties, any Dispersions Intellectual Property developed by CMC or CMIC other than in the performance of Services but which is used by CMC or CMIC in the production of Products. Notwithstanding the above, Cabot shall not sublicense or assign such intellectual property to any party (other than a subsidiary or affiliate of Cabot) for use in the production and/or sale of CMP consumables.

(c) CMC and CMIC shall use their commercially reasonable best efforts, including by seeking to have included in the Davies Agreement appropriate provisions, to have Davies bound by the provisions of subsections (a) and (b) above to the same extent as CMC and CMIC.

(d) Each of Cabot and CMC agree to keep confidential and not disclose, and shall cause their respective subsidiaries and affiliates to keep confidential and not disclose, to any party or use for any purpose (other than the performance of this Agreement), any proprietary or other confidential information of the other party which is received pursuant to this Agreement ("Confidential Information"). Confidential Information shall be subject to the restrictions of this paragraph only if it is marked as confidential or proprietary or, if not disclosed in tangible form, the disclosing party notifies

the recipient of its confidential or proprietary nature prior to its disclosure. For purposes of this Agreement, Confidential Information of a party does not include, and a party and a party's subsidiaries and affiliates will have no obligations under this provision with respect to, any information of the other party or any subsidiary or affiliate of the other party (the other party and subsidiaries and affiliates of the other party being referred to as the "receiving party") which:

(i) is already known to the receiving party from a source other than the disclosing party as evidenced by competent proof thereof; or

(ii) is or becomes publicly known through no wrongful act of the receiving party (in which event the receiving party's obligations under this Agreement in respect thereto shall terminate on the date such information enters the public domain); or

(iii) is rightfully received by the receiving party from a third party without violation of any obligations of confidentiality owed by the third party to the disclosing party; or

(iv) is disclosed by the disclosing party to a third party without restrictions on the third party's right to use or disclose such information; or

(v) is independently developed by employees or consultants of the receiving party without use of or reference to the disclosing party's Confidential Information; or

(vi) is approved for release by written authorization of the disclosing party

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SECTION 8. CONSENTS; NOTICES

Unless otherwise set forth herein, whenever any notice, consent or approval is to be given in this Agreement, it must be in writing and delivered in accordance with the provisions of this Section 8. Any such writing will be duly given upon delivery, if delivered by hand, facsimile transmission or mail, to the following addresses:

If to Cabot: Cabot Corporation
Business and Technical Center
Billerica, MA 01821
Attn: Fumed Metal Oxide Product Line Manager
Telecopier:

With a copy to:

Cabot Corporation
75 State Street
Boston, MA 02109
Attn: Law Department
Telecopier: 617-342-6039

If to CMC: Cabot Microelectronics Corporation
870 North Commons Drive
Aurora, IL 60504
Attn: Global Manufacturing Manager
Telecopier: 630-375-5596

or to such other address as may be designated in writing by any of the parties from time to time in accordance herewith.

SECTION 9. GENERAL

9.1 Severability. If any provision of this Agreement shall be found to be invalid or unenforceable, then such provision or provisions shall not invalidate or in any way affect the enforceability of the remainder of this Agreement and such provision or provisions shall be curtailed and limited to the

extent necessary to bring the Agreement within any legal requirement and the parties shall negotiate in good faith with respect to an equitable modification of the provision or application thereof held to be invalid.

9.2 Modification; Waivers. Except as expressly provided herein, this Agreement may be modified or amended only with the written consent of each party hereto. Neither party hereto shall be released from its obligations hereunder without the

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written consent of the other party. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term, but any such waiver shall be effective only if in a writing signed by the party against which such waiver is to be asserted. Except as otherwise specifically provided herein, no delay on the part of either party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

9.3 Succession. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and other legal representatives and, to the extent that any assignment hereof is permitted hereunder, their assignees.

9.4 Counterparts. This Agreement may be executed in counterparts.

9.5 Further Assurances. Each party agrees to provide any additional documents and take any such further action as may be reasonably requested by the other party in order to carry out the purpose and intent of this Agreement.

9.6 Entire Agreement. This Agreement contains the full and complete undertaking and agreement between the parties hereto with respect to the manufacture and supply of fumed metal oxide dispersions, and supersedes all other agreements between Cabot, on the one hand, and CMC, on the other, whether written or oral except any confidentiality agreements between the parties, which shall, to the extent such agreements do not contradict the terms of this Agreement, continue in effect.

9.7 Headings. The headings of the sections and other subdivisions of this Agreement are for convenient reference only. They shall not be used in any way to govern, limit, modify, construe this Agreement or any part or provision thereof nor otherwise be given any legal effect.

9.8 Assignees and Third Parties. This Agreement may not be assigned by either party without the prior written consent of the other party and any attempted assignment without such consent shall be null and void; provided, however, that Cabot may assign this Agreement to a subsidiary or affiliated company. In addition, CMC may make arrangements for the production and sale of Services and Products required hereunder to be manufactured and sold by a subsidiary or an affiliate, including but not limited to Cabot Microelectronics International Corporation. Such arrangements may take the form of an assignment of certain rights and obligations hereunder or a subcontract of certain obligations hereunder. Similarly, Cabot may make arrangements for the purchase of

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Products and Services hereunder to be made by a subsidiary, including but not limited to Cabot Carbon Ltd. Such arrangements may take the form of an assignment of certain rights and obligations hereunder. However, all sales of Products and Services pursuant to any such arrangement shall be governed by the terms of this Agreement.

9.9 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of Delaware, without giving effect to principles of conflicts or choice of laws of Delaware or of any other jurisdiction.

9.10 Force Majeure. Each of the parties hereto shall be excused from delays in performing or from failure to perform hereunder to the extent that such delays or failures result from causes beyond the reasonable control of such party, including, but not limited to, forces of nature, acts of God, strikes, lockouts, wars, blockades, insurrections, riots, epidemics, restraints or requirements of any government or government agency, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, unavailability of raw material or supplies, strandings, perils of the sea, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable means, and other cause, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. Failure to prevent or settle any strike shall not be considered to be a matter within the control of the party claiming suspension. However, in order to be excused from delay or failure to perform, such party must act diligently to remedy the cause of such delay or failure.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as a sealed instrument and have delivered this Agreement as of the day and year first above written.

CABOT CORPORATION

By: /s/ Samuel W. Bodman

Name: Samuel W. Bodman
Title: Chief Executive Officer

CABOT MICROELECTRONICS CORPORATION

By: /s/ Matthew Neville

Name: Matthew Neville
Title: President and
Chief Executive Officer

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SCHEDULE A
North America
Products, Materials Specifying Specifications, Formulae,
Processes, Quality Control, Maintenance

PRODUCT	FORMULA (REVISION DATE)	CONTROL PLAN (EFFECTIVE DATE/REVISION LEVEL)	SPECIFICATION (SPECIFICATION NO./ REVISION DATE)	CMC TEST METHODS (TEST METHOD NUMBER)
[]	9/19/96	8-5-96, Rev. A	[]-10/98-Rev. 1-10/98	101, 200, 300, 302

[]	1/19/00	5-1-97, Rev. A	[]-10-1/0-Rev. 3-1/00	203, 6010A (1)
[]	5/4/95	10-1-97, Rev. A	[]-4/98-Rev. 1-5/97	101, 200, 300, 302
[]	7/5/94	8-5-96, Rev. A	[]-4/98-Rev. 1-5/97	101, 200, 300, 302
[]	2/1/93	10-1-97, Rev. A	[]-4/98-Rev. 1-5/97	101, 200, 300, 302
[]	7/5/93	10-1-97, Rev. A	[]-4/98-Rev. 1-5/97	101, 200, 300, 302
[]	7/6/94	10-1-97, Rev. A	[]-4/98-Rev. 1-5/97	101, 200, 300, 302
[]	7/16/93	10-1-97, Rev. A	[]-4/98-Rev. 1-5/97	101, 200, 300, 302
[]	9/27/94	10-1-97, Rev. A	[]-4/98-Rev. 1-5/97	101, 200, 300, 302
[]	11/18/93	10-1-97, Rev. A	[]-4/98-Rev. 1-5/97	101, 200, 300, 302
[]	8/23/96	10-1-97, Rev. A	[]-4/98-Rev. 1-5/97	101, 200, 300, 302
[]	9/19/96	8-5-96, Rev. A	[]-4/98-Rev. 1-4/98	101, 200, 300, 302
[]	9/19/96	8-5-96, Rev. A	[]-4/98-Rev. 1-4/98	101, 200, 300, 302
[]	6/9/98	6-9-98, Rev. B	[]-6/98-Rev. B 6/98	400, 404, 408
[]	8/31/99	8-31-96, Rev. A	[]-8/99-Rev. A 8/99	DTM 101, 201, 302, 303, 500, 607
[]	1/19/00	1-19-00, Rev. B	[]-1/00-Rev. 1	203, 6010A (1)

STANDARD PACKAGE	MINIMUM ORDER QUANTITY
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]
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[]	[]
[]	[]
[]	[]

SCHEDULE A
 Europe
 Products, Materials Specifying Specifications, Formulae,
 Processes, Quality Control, Maintenance

PRODUCT	FORMULA (REVISION DATE)	CONTROL PLAN (EFFECTIVE DATE/REVISION LEVEL)	SPECIFICATION (SPECIFICATION NO./ REVISION DATE)
[]	(US-[]) 5/4/95	10-1-97 Rev. A	[]-4/98-Rev. 1-5/97
[]	D1.701.013 Rev 3 23/12/99	D1.701.013 Rev. 3 23/12/99	D1.701.013 Rev 3 23/12/99
[]	D1.701.003 Rev.2 15/12/99	D1.701.003 Rev. 2 15/12/99	D1.701.003 Rev.2 15/12/99
[]	D1.701.005 Rev 3 16/12/99	D1.701.005 Rev. 3 16/12/99	D1.701.005 Rev 3 16/12/99
[]	D1.701.024 Rev. 2 16/12/99	D1.701.024 Rev. 2 16/12/99	D1.701.024 Rev. 2 16/12/99
[]	(US-A1695) 7/5/93	10-1-97 Rev. A	A1695-4/98-Rev. 1-5/97
[]	D1.701.036 Rev.2 23/12/99	D1.701.036 Rev. 2 23/12/99	D1.701.036 Rev. 2 23/12/99
[]	D1.701.037 Rev. 2 06/01/00	D1.701.037 Rev. 2 06/01/00	D1.701.037 Rev. 2 06/01/00
[]	D1.701.038 Rev. 2 06/01/00	D1.701.038 Rev. 2 06/01/00	D1.701.038 Rev. 2 06/01/00
[]	D1.701.040 Rev. 3 15/12/99	D1.701.040 Rev, 3 15/12/99	D1.701.040 Rev. 3 15/12/99
[]	D1.701.002 Rev. 2 05/01/00	D1.701.002 Rev. 2 05/01/00	D1.701.002 Rev. 2 05/01/00
[]	D1.701.017 Rev. 2 15/12/99	D1.701.017 Rev. 2 15/12/99	D1.701.017 Rev. 2 15/12/99
[]	D1.701.033 Rev. 2 08/12/99	D1.701.033 Rev. 2 08/12/99	D1.701.033 Rev. 2 08/12/99

CMC TEST METHODS (TEST METHOD NUMBER)	STANDARD PACKAGE	MINIMUM ORDER QUANTITY
CTM 400, 407, 404	[]	[]
CTM 400, 407, 405	[]	[]
CTM 400, 407, 406	[]	[]
CTM 400, 407, 407	[]	[]
CTM 400, 407, 411	[]	[]
CTM 400, 407, 413	[]	[]
CTM 400, 407, 416	[]	[]
CTM 400, 407, 417	[]	[]
CTM 400, 407, 418	[]	[]
CTM 400, 407, 420	[]	[]
CTM 400, 407, 424	[]	[]
CTM 400, 407, 425	[]	[]
CTM 400, 407, 426	[]	[]

The omitted portions indicated by brackets have been separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment under Rule 406, promulgated under the Securities Act of 1933, as amended.

INTEL CORPORATION PURCHASE AGREEMENT - CHEMICALS/GASES

Agreement #: C-06438

 Effective Date: FEB. 18, 1999

 Expiration Date: DEC. 31, 2001

 CNDA #: 17452

BUYER: Intel Corporation (and all Intel divisions and subsidiaries, hereinafter "BUYER" or "INTEL")
 Intel Corporation
 2200 Mission College Blvd
 Santa Clara, CA 95052-8119

SUPPLIER: Cabot Corporation (hereinafter "SUPPLIER")
 500 Commons Drive
 Aurora, IL 60504

	X		Terms and Conditions of Purchase Agreement - Goods

Addenda attached here to and	X	A	Product Description and Price Schedule

Incorporated herein by reference	X	B	Key Contacts & Intel Fab Locations

(Mark "X" where applicable.)	X	C	Quality Requirements

	X	D	Volume Commitments

		E	

		F	

Buyer will purchase and Supplier will sell certain Items in accordance with the Terms and Conditions and Addenda attached hereto. All Purchase Orders issued to Supplier by Buyer during the term of this Agreement shall be governed only by the Terms and Conditions of this Agreement notwithstanding any preprinted terms and conditions on Supplier's acknowledgment or Buyer's Purchase Order. Any additional or different terms in documents exchanged by the parties subsequent to execution of this agreement are hereby deemed to be material alterations and notice of objection to and rejection of them is hereby given.

INTEL CORPORATION
 By: /s/ Mumtaz Ahmed

 Signature
 Mumtaz Ahmed

SUPPLIER
 By: /s/ Matthew Neville

 Signature
 Matthew Neville

Printed Name

Printed Name

Commodity Manager

GM & VP

Title

Title

2/18/99

2/18/99

Date

Date

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TERMS AND CONDITIONS OF PURCHASE AGREEMENT - CHEMICALS/GASES

1. DEFINITIONS

- A. "Release" means Buyer's authorization to ship in accordance with the Buyer's Purchase Order, and authorizing Supplier to ship a definite quantity of Items to a specified schedule. The Release is contained in the Purchase Order sent to Supplier.
- B. "Items" means the goods which Supplier is to provide to Buyer as set forth on Addendum A. Any Item which is custom made for Buyer shall be indicated by an asterisk (*) on such Addenda A.
- C. "Estimated Usage" or "Forecast" is the quantity Buyer reasonably expects to Release, however, Buyer shall not be obligated to Release such quantities of Items.
- D. "Purchase Order" is Buyer's document setting forth specific line Items ordered and Release information.
- E. "CIF" means "Cost, Insurance and Freight (named port of shipment)." Reference Incoterms 1990.
- F. "DDP" means "Delivered Duty Paid (named place of destination)." Reference Incoterms 1990.
- G. "DDU" means "Delivered Duty Unpaid (named place of destination)." Reference Incoterms 1990.
- H. "FMO" is Fab Materials Operation (a department within Intel Corporation).
- I. "FOB" means "Freight on Board (named port of shipment)." Reference Incoterms 1990.
- J. "FCA" means "Free Carrier (named place of destination)". Reference Incoterms 1990.

2. TERM OF AGREEMENT

- A. The term of this Agreement shall begin on the Effective Date and continue to the Expiration Date, unless renewed pursuant to the terms of this Section. After the initial term, this Agreement shall be automatically renewed from year to year (for one-year periods) without action by either party, unless terminated pursuant to Section 5 of this Agreement. At Buyer's option, Items may be scheduled for delivery up to three (3) months following expiration or termination of this Agreement.
- B. This Agreement shall be effective to all Intel manufacturing facilities in the U.S. and the non-U.S. facilities identified in Addenda hereto.

3. PRICING

- A. Prices of Items are as set forth in Addendum A, and may only be modified by mutual agreement. Supplier will publish newly negotiated prices to corporate representative and all Site buyers within 10 days of signed agreement.
- B. For any Item of which Supplier supplied Buyer [], during the previous calendar year, Supplier agrees that the price for such Item shall always

be Supplier's lowest net price charged any customer for like volumes of such Item. If the net price charged to Buyer for such is greater than that charged to another customer of Supplier for like volumes, Supplier shall adjust its price to Buyer to the lower price for as long as Supplier continues to offer such lower price to another customer. In addition, to the extent Buyer was charged a higher price during a period that Supplier was selling like volumes of such Item to another customer at a lower price, Supplier shall refund to Buyer the difference in the purchase price paid by Buyer and such lower price.

- C. In the event Supplier offers any Item of which Supplier supplied Buyer [] during the previous calendar year at a lower price (taking into account volume discounts) either as a general price drop or only to some customer(s) for any reason, Supplier shall immediately inform Buyer of this price.

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- D. Applicable taxes and other charges such as duties, customs, tariffs, imposts and government imposed surcharges, and freight shall be stated separately on Supplier's invoice.
- E. Additional costs, except those described in Section 3(D) or in Addenda A or D, will not be reimbursed without Buyer's prior written approval.
- F. Buyer reserves the right to have Supplier's records inspected and audited only by an independent third party auditor to ensure compliance with section 3B of this Agreement. At Buyer's option or upon Supplier's written demand, such audit will be performed by an independent third party at Buyer's expense. However, if Supplier is found to not be complying with section 3B of this Agreement in any way, Supplier shall reimburse Buyer for all costs associated with the audit. The results of such audit shall be kept confidential by the auditor, and only Supplier's failures to abide by the obligations of this Agreement shall be reported to Buyer.
- G. If a new product not included in Addendum A is to be purchased regularly, its price will be negotiated by a corporate representative at the time of initial purchase. If the product is for test purposes only at a given site, its price may be established between Supplier and a Sitebuyer. Said price shall be in effect until such time as an Intel part number is created, at which time a corporate-wide price will be negotiated by a corporate representative.
- H. Supplier will publish quarterly updates of Addendum A to FMO, all Buyer's Site Chemicals buyers and Buyer's Accounts Payable department, including new chemicals, their negotiated prices, supplier part numbers, Intel part numbers and any other changes. Quarterly updates of Addendum A will be issued on 1/30, 4/30, 7/30 and 10/30 of each year. Names and addresses of all parties to receive the updates will be provided and updated by Site buyer (see Addendum B).
- I. U.S. and non-U.S. prices will be fixed in U.S. dollars regardless of the Item country of origin or destination. Buyer retains the right to buy from Supplier or any subsidiaries of Supplier in U.S. dollars.
- J. The cost of containers, both returnable and disposable, diptubes and any required accessories will be included in the cost of the chemical
- K. Warehousing costs will be separate from this Agreement and will be billed separately.

4. INVOICING AND PAYMENT

- A. Any applicable prompt payment discounts will be computed from the latest of: (i) the scheduled delivery date; (ii) the date of actual delivery; or (iii) the date a properly filled out original invoice or packing list is received. Payment is made when Buyer's check is mailed or EDI funds transfer initiated. Buyer shall make payment within forty-five (45) days

of receipt of the proper original invoice or packing list.

- B. Original invoices or packing lists shall be submitted and shall include: full legal company name, payment terms, freight terms, tax status and rate, purchase agreement number from the Purchase Order, purchase order number, line Item number, Release number, part number, complete bill to address, description of Items, quantities, unit price and extended totals. Buyer's payment shall not constitute acceptance. Invoice must match Buyer's PO and packing slip exactly including unit of measure.
- C. Supplier shall provide to Buyer's Accounts Payable, and update as necessary, the names and phone numbers of a contact in Accounts Receivable.
- D. All international shipments must be accompanied by original invoice.
- E. Supplier will invoice Buyer for material and services no later than 120 days after delivery.

5. TERMINATION

This Agreement may not be terminated by either party prior to the Expiration Date, except upon material breach by the other party. The Agreement may be terminated by

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either party on or after the Expiration Date by delivering to the other party written notice of termination at least one year prior to the date of such termination.

6. CONTINGENCIES

Neither party shall be responsible for its failure to perform due to causes beyond its reasonable control such as acts of God, fire, theft, war, riot, embargoes or acts of civil or military authorities. If delivery is to be delayed by such contingencies, Supplier shall immediately notify Buyer in writing and Buyer may either: (i) extend time of performance; or (ii) terminate all or part of the uncompleted portion of the Purchase Order at no cost to Buyer.

7. DELIVERY, RELEASES AND SCHEDULING

- A. Any Forecasts provided by Buyer are for planning purposes only and do not constitute a Release or other commitment by Buyer.
- B. [Left intentionally blank]
- C. Supplier shall notify Buyer in writing within two (2) business days of receipt of Buyer's Purchase Order if Supplier is unable to make any scheduled delivery and state the reasons therefor. The absence of such notice constitutes acceptance of the Purchase Order and commitment to the Release terms.
- D. Supplier shall not deliver Items earlier than five (5) business days prior to agreed scheduled delivery dates and Buyer may return early, excess, or non-conforming shipments at Supplier's risk and expense.
- E. Buyer may reschedule or cancel any Release in whole or in part prior to the Release date at no additional charge.
- F. Buyer may place any portion of a Release on hold by notice which shall take effect immediately upon receipt. Releases placed on hold will be rescheduled or canceled within a reasonable time.
- G. Supplier shall not deliver Items until such Items are specified in an issued Purchase Order which contains specific Release dates for specific Items.
- H. Purchase orders will specify the destination date at Buyer dock or designated warehouse.

- I. Supplier must notify FMO, Accounts Payable and all Site Chemical buyers immediately in writing of any changes, including changes in delivery schedules, part numbers, contact persons and the party to be invoiced.
- J. Supplier must provide FMO with a Certificate of Analysis (C of A) or sample for each lot to be shipped, as directed in the most current appropriate Intel Specification (Addendum C).
- K. Buyer may return any standard Item in same condition as received within [] days of receipt. Buyer will pay return freight and disposal costs, if necessary (Disposal costs paid only if the product conformed to all required specifications in place). Reimbursement for Items returned will be made by credit memo.
- L. Supplier shall ship all Items according to the delivery address provided on each Purchase Order submitted by Buyer.
- M. Supplier shall provide and update as necessary the name and phone number of one person which Buyer's representative may contact regarding scheduling and delivery. Additionally, Supplier will provide 24-hour hotline/contact number which Buyer may contact in case of emergency.
- N. Supplier agrees to maintain safety stock on specified Items as mutually agreed with Buyer's local sites. Supplier shall notify Buyer whenever safety stock falls below minimum levels and will provide a corrective action plan to replenish Items. In the event Buyer no longer intends to purchase a particular Item from Supplier for use at a particular site, Buyer shall so notify Supplier of such fact and Buyer shall purchase Buyer's minimum required safety stock of such Items at that site.

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- O. Supplier shall maintain an on-hand supply of emergency packaging material sufficient to meet pre-agreed requirements with Buyer's Site Chemical buyer.
8. ACCEPTANCE AND WARRANTY
- A. Buyer may with reasonable advance notification inspect and test all Items at reasonable times before, during and after manufacture. If any inspection or test is made on Supplier's premises, Supplier shall provide reasonable facilities and assistance for the safety and convenience of Buyer's inspectors in such manner as shall not unreasonably hinder or delay Supplier's performance. All Items shall be received subject to Buyer's inspection, testing, approval and acceptance at Buyer's premises notwithstanding any inspection or testing at Supplier's premises or any prior payment for such Items. Items rejected by Buyer as not conforming to this Agreement or Item specifications whether provided by Buyer or furnished with the Item may be returned to Supplier at Supplier's risk and expense and, at Buyer's request shall immediately be repaired or replaced.
 - B. Supplier warrants that all Items furnished here under shall be new, of the grade and quality specified, conform to all agreed-to specifications, and will be free of liens and encumbrances (excluding claims of intellectual property infringement, which are the exclusive subject of Section 14). These warranties shall survive any delivery, inspection, acceptance, payment or resale of the Items. Original specifications and any subsequent modifications to those specifications shall be agreed upon by both Buyer and Supplier. SUPPLIER MAKES NO OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER MATTER WITH RESPECT TO THE ITEMS, WHETHER USED ALONE OR IN COMBINATION WITH OTHER SUBSTANCES, EVEN IF THE PURPOSES OR USES OF SUCH PRODUCTS ARE KNOWN BY SUPPLIER.
 - C. During the Items' specified shelf life, at Buyer's option, Supplier shall promptly repair, replace or refund the purchase price of all Items not conforming to the foregoing warranties, and shall also refund the cost of return shipping of such Items. Supplier will bear the risk of loss of such Items while in transit. [] As used herein, "Non-Conformance Event"

shall mean the receipt by Buyer of a lot of Items which are not in conformity with the warranty given in Section 8B above. IN NO EVENT SHALL SELLER BE RESPONSIBLE OR LIABLE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING IN WARRANTY UNDER THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. [] NOTHING IN THIS SECTION IS INTENDED TO PLACE A LIMITATION ON EITHER PARTY'S LIABILITY IN TORT FOR PERSONAL INJURY.

- D. Freight charges for returned non-conforming Items shall be paid by Supplier with the understanding that returns must be authorized in accordance with Supplier's return authorization procedures. Returns must be authorized by Supplier within 10 days of Buyer's request. Credit for returned Items will be issued within 30 days of notification by Buyer.
- E. Notwithstanding anything to the contrary contained in this Agreement, Supplier represents and warrants to Buyer that there will be no disruption in the supply of those goods and/or services which are under the direct control of the Supplier as a result of or due to the date change from and between December, 1999, and January, 2000, nor due

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to the year 2000 being a leap year. Supplier does not provide any such warranty for disruptions caused by those goods and/or services which are not under the Supplier's direct control. As used herein, "direct control" refers to goods and/or services which the Supplier actively manages by contract and/or owns. []

9. PRODUCT SPECIFICATIONS/IDENTIFICATION/ ERRATA

- A. Supplier shall not modify the specifications for Items without Buyer's written consent. Supplier shall notify FMO and all Site Chemical buyers immediately in writing of any change in Supplier's part number, in the manufacturing process, packaging or description for any Item sold to Buyer at least ninety (90) days in advance of any changes. Such notice shall also be included in the quarterly update mentioned in Section 3 (I).
- B. Supplier shall cooperate with Buyer to provide configuration control and traceability systems for Items supplied hereunder.
- C. Items must comply with Buyer's raw material specifications (Intel Specification 07-400).
- D. As long as Buyer is purchasing a particular Item, Supplier shall notify FMO and all Site Chemical buyers at least one year in advance of expected discontinuance of that Item. Exception: In the event of changes or discontinuation required by governmental order or requirement, Supplier shall notify Buyer in writing immediately. Notification of any change in product specification must follow Intel's " Materials Change Control Procedure." (Intel Specification 07-120).
- E. Where an existing agreed-to Intel Specification (Addendum C) is updated, the updated Specification must be agreed to by Buyer and Supplier before it will be in effect.

10. CONTAINERS AND DIPTUBES

- A. All necessary chemical containers, packaging and diptubes will be provided by Supplier and included in the cost of the Item.
- B. All containers and diptubes shall be inspected by Supplier before each use and repaired or replaced as necessary.
- C. At all times, ownership and title of containers and diptubes will remain with the Supplier.
- D. Buyer will not be responsible for any additional charges for acquisition, termination or disposal of containers or diptubes.

- E. In the event that containers or diptubes become damaged through neglect or misuse by Buyer, Buyer will reimburse Supplier an amount agreed upon and pro-rated based upon useful life.
- F. All packaging including quartz, stainless steel, bottles, drums and ICBs, shall be equipped with tamper evident seals.

11 PACKING AND SHIPMENT

- A. Shipments to Israel: Delivery terms for Israel will be DDP Intel, Jerusalem. Supplier fulfills its obligation to deliver when Items are made available at Buyer's dock or designated warehouse. Supplier will bear all risks, liabilities and costs involved in bringing the Items thereto. Buyer will ship empty containers to the point of manufacture in a timely manner.
- B. Shipments to Ireland: Delivery terms for Ireland will be DDU Intel, Leixlip. Supplier fulfills its obligation to deliver when Items are made available at Buyer's dock or designated warehouse. Supplier will bear all risks, liabilities and costs involved in bringing the Items thereto, excluding duties, taxes and other official charges payable upon importation. Buyer will ship empty containers to the point of manufacture in a timely manner.
- C. For all other Intel Factories, both U.S. and non-U.S., Items shall be DDP Buyer's dock or as otherwise specified in the Release. Buyer will ship empty containers to the point of manufacture in a timely manner. All Items shall be prepared for shipment in a manner

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which: (i) follows good commercial practice; (ii) is acceptable to common carriers for shipment at the lowest rate; and (iii) is adequate to ensure safe arrival. Supplier shall mark all containers with necessary lifting, handling and shipping information, purchase order number, date of shipment and the names of the Buyer and Supplier. Buyer shall notify Supplier of the method of shipment and expected delivery date. If no instructions are given, Supplier shall select the most cost effective carrier, given the time constraints known to Supplier. Supplier shall ship only the quantity of Items specified in the Release. Buyer may return at Supplier's expense any Items in excess of the quantity stated in the Release.

- D. Supplier shall be responsible for all Supplier's activities through manufacture, storage, transport, and delivery of Items to Buyer. In the event that Buyer must deploy emergency, safety, or materials personnel in response to an emergency or non-compliance with Intel or regulatory procedure involving Items supplied hereunder, Buyer and Supplier will review the incident. If Buyer and Supplier agree that (i) such deployment was necessary, and (ii) Supplier's negligent act or failure to act was the proximate cause of such emergency or non-compliance, then Supplier agrees to reimburse Buyer for the out-of-pocket cost incurred by Buyer in deploying its personnel to respond to such incident. Supplier will not be responsible for costs incurred by such deployment due to Buyer's negligent act or failure to act. International shipments: Supplier will provide Buyer's representative with shipping documents as requested. Buyer's purchase orders will contain detailed shipping instructions.
- E. Shipment of all Items qualified for Buyer's Preship or Direct Ship Programs will be done in accordance with latest mutually accepted Intel Specification 07-402 (Intel Chemical and Gas Quality Program.).

12. OWNERSHIP AND BAILMENT RESPONSIBILITIES

- A. Any specifications, drawings, schematics, technical information, data, tools, dies, patterns, masks, gauges, test equipment, and other materials furnished or paid for by Buyer shall: (i) be kept confidential; (ii) remain Buyer's property; (iii) be used by Supplier exclusively for Buyer's orders; (iv) be clearly marked as Buyer's property and segregated when not in use; (v) be kept in good working condition at Supplier's expense; and (vi) be shipped to Buyer promptly on demand.

B. Supplier shall insure Buyer's property and be liable for loss or damage while in Supplier's possession or control, ordinary wear and tear excepted.

13. CONFIDENTIALITY AND PUBLICITY

A. During the course of this Agreement, either party may have or may be provided access to the other's confidential information and materials. Provided such are marked in a manner reasonably intended to make the recipient aware, or the recipient is sent written notice within forty-eight (48) hours of disclosure, that the information or materials are "Confidential", each party agrees to maintain such information in accordance with the terms of this Agreement and the CNDA referenced on the signature page of this Agreement or any applicable separate nondisclosure agreement between Buyer and Supplier. In the absence of a CNDA or other written agreement, at a minimum each party agrees to maintain such information in confidence and limit disclosure on a need to know basis, to take all reasonable precautions to prevent unauthorized disclosure, and to treat such information as it treats its own information of a similar nature, until the information becomes publicly available through no fault of the non-disclosing party. Supplier's employees who access Buyer's facilities may be required to sign a separate non-disclosure agreement prior to admittance to Buyer's facilities.

B. The parties agree that neither will disclose the existence of this Agreement, nor any of its details or the existence of the relationship created by this Agreement, to any third party without the specific, written consent of the other. If disclosure of this Agreement

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or any of the terms hereof is required by applicable law, rule or regulation, or is compelled by a court or governmental agency, authority or body: (i) the parties shall use all legitimate and legal means available to minimize the disclosure to third parties of the content of the Agreement, including without limitation seeking a confidential treatment request or protective order; (ii) the disclosing party shall inform the other party at least ten (10) business days (i.e., not a Saturday, Sunday or a day on which banks are not open for business in the geographic area in which the non-disclosing party's principal office is located) in advance of the disclosure; and (iii) the disclosing party shall give the other party a reasonable opportunity to review and comment upon the disclosure, and any request for confidential treatment or a protective order pertaining thereto, prior to making such disclosure. The parties may disclose this Agreement in confidence to their respective legal counsel, accountants, bankers and financing sources as necessary in connection with obtaining services from such third parties. The obligations stated in this section shall survive the expiration or termination of this Agreement.

14. PATENTS, COPYRIGHTS, TRADE SECRETS, TRADEMARKS AND MASKWORK RIGHTS

A. Supplier makes no agreement to defend, indemnify or hold Buyer harmless from any costs, expenses, losses, damages or liabilities incurred because of actual or alleged infringement of any patent, trade secret or other intellectual property right by, or arising from use of, [] slurry or any other Items designated as custom by the parties. For all other Items, Supplier agrees to indemnify and hold Buyer harmless from any costs and expenses (including reasonable attorneys' fees) incurred in connection with, and damages awarded to a third party as a direct result of, adjudicated claims of infringement of any third party patent, trade secret, trademark or other intellectual property right arising out of the purchase of Items by Buyer or the use of Items by Buyer or Buyer's customers, provided, however, that Seller is not obligated to so indemnify Buyer, if (i) the sale of such Item by Supplier does not constitute contributory infringement or inducement to infringe; or (ii) Buyer modifies the Item; or (iii) Buyer uses the Item in a manner other than the specific use for which the Item is sold by Supplier. Buyer shall promptly notify Supplier of such claim or demand and shall permit Supplier to participate in the defense thereof.

B. [] Supplier shall have the right to settle said claim at its discretion.

C. If an injunction issues as a result of any such claim or action or if Supplier determines in good faith that it is unable or unwilling to supply an Item because the Item itself or the use of the Item may infringe a patent or may constitute a misappropriation of a trade secret, Supplier agrees at its expense and Buyer's option to either: (i) procure for Buyer and Buyer's customers the right to continue using Items; (ii) replace them with non-infringing Items; or (iii) modify them so they become non-infringing. Buyer's sole remedy for Supplier's failure to supply or to obtain the remedy elected shall be [], and upon [] Supplier shall not be deemed in breach of this Agreement.

D. []

15. HAZARDOUS MATERIALS

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A. If Items or any services provided hereunder include hazardous materials as defined by relevant local, state, and national law, Supplier represents and warrants that Supplier and its personnel providing services to Buyer understand the nature of and hazards associated with the design and/or service of Items including handling, transportation, and use of such hazardous materials, as applicable to Supplier. Prior to causing hazardous materials to be on Buyer's property, Supplier shall obtain written approval from Buyer's Site Environmental/Health/Safety organization. Supplier will indemnify Buyer from any environmental liability incurred by Buyer which results from the shipment and delivery of hazardous Items to Buyer, provided Buyer's negligence was not a proximate cause of such liability.

B. Supplier will timely provide Buyer with material safety data sheets and any other documentation reasonably necessary to enable Buyer to comply with applicable laws and regulations.

C. Supplier hereby certifies that Items supplied to Buyer do not contain and are not manufactured with any ozone depleting substances, as those terms are defined by law.

16. CUSTOMS CLEARANCE

Upon Buyer's request, Supplier will promptly provide Buyer with a statement of origin for all Items and with applicable customs documentation for Items wholly or partially manufactured outside of the country of import.

17. COMPLIANCE WITH LAWS

A. Supplier shall comply with all national, state, and local laws and regulations governing the manufacture, transportation, and/or sale of Items and/or the performance of services in the course of this Agreement. In the United States, these may include, but are not limited to, Department of Commerce, Environmental Protection Agency, and Department of Transportation regulations applicable to hazardous materials.

B. Supplier represents and agrees that it is in compliance with Executive Order 11246 and implementing Equal Employment Opportunity regulations and the Immigration Act of 1987, unless exempted or inapplicable.

18. MERGER, MODIFICATION, WAIVER, AND REMEDIES

A. This Agreement contains the entire understanding between Buyer and Supplier with respect to the subject matter hereof and merges and

supersedes all prior and contemporaneous agreements, dealings and negotiations. No modification, alteration or amendment shall be effective unless made in writing, dated and signed by duly authorized representatives of both parties.

- B. No waiver of any breach hereof shall be held to be a waiver of any other or subsequent breach.
- C. Except as otherwise expressly limited herein, the parties' rights and remedies herein are in addition to any other rights and remedies provided by law or in equity.
- D. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, such determination shall not affect the validity of the remaining provisions unless Buyer determines in its discretion that the court's determination causes this Agreement to fail in any of its essential purposes.

19. ASSIGNMENT

Neither party may assign or factor any rights in nor delegate any obligations under this Agreement or any portion thereof without the written consent of the other. However, Supplier may assign its rights and obligations hereunder to its direct and indirect subsidiaries, without such consent. Buyer may cancel this Agreement for cause should Supplier attempt to make an unauthorized assignment of any right or obligation arising hereunder.

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20. APPLICABLE LAW

This Agreement is to be construed and interpreted according to the laws of the State of Delaware, excluding its conflict of laws provisions. This Agreement is not subject to the United Nations Convention on Contracts for the International Sale of Goods, in accordance with Article 6 thereof.

21. HEADINGS

The headings provided in this Agreement are for convenience only and shall not be used in interpreting or construing this Agreement.

22. SPECIFIC PERFORMANCE

Notwithstanding anything else contained in this Agreement, the parties hereto agree that failure to perform certain obligations undertaken in connection with this Agreement would cause irreparable damage, and that monetary damages would not provide an adequate remedy in such event. The parties further agree that failure to deliver against accepted Purchase Orders, or to deliver confirmed supply or pricing, are such obligations. Accordingly, it is agreed that, in addition to any other remedy to which the non breaching party may be entitled, at law or in equity, the non breaching party shall be entitled to injunctive relief to prevent breaches of the provisions of this Agreement, and an order of specific performance to compel performance of such obligations in any action instituted in any court of the United States or any state thereof having subject matter jurisdiction.

23. SURVIVAL

The provisions of Sections: 1, 8, 13, 14, 15, 20 will survive any termination or expiration of this Agreement. In addition, any license granted pursuant to Section 25 which is exercised prior to the Expiration Date shall remain in force and effect for a period of three (3) years following the Expiration Date, and Section 25 shall survive for this three-year time period following the Expiration Date.

24. VOLUME COMMITMENTS

- A. Buyer's and Supplier's volume obligations and sales commitments for [] are set forth in Addendum D for the years set forth therein.

- B. Notwithstanding the volume obligations described above and set forth in detail in Addendum D of this Agreement, in the event that (i) Buyer is made a party to litigation arising from a claim of intellectual property infringement for which Buyer is indemnified, pursuant to Section 14 above, and (ii) Buyer determines, in good faith, after a thorough review of the claim, underlying patent, requested relief, Buyer's defenses and other relevant facts, that [], unless Supplier agrees in writing to increase [] set forth in Section 14 to a level which exceeds [].
- C. Notwithstanding the volume obligations described above and set forth in detail in Addendum D of this Agreement, in the event Supplier does not supply a particular

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Item for the reasons stated in Section 14C above, Supplier shall be released from its contractual obligation to supply the affected Item to Buyer.

25. LICENSE

- A. Supplier agrees to grant to Buyer and/or its designee a contingent, royalty-free, fully-paid, worldwide, non-exclusive, irrevocable license, under those intellectual property rights that are owned by Supplier, or licensed to Supplier (which Supplier has the right to sublicense), that are necessary to make, use and import, and in the case of any such designee, to sell to Buyer or offer for sale to Buyer, those specific Items that Supplier is not able to supply under this Agreement for one of the following reasons:

[]

The above described license is expressly limited to the right to make Items for Buyer's sole use, or in the case of a designee, to make, sell or offer for sale Items (not supplied for the reasons set forth above), in an amount not to exceed those set forth in Addendum D, for Buyer's sole use. In addition, the above described license shall not obligate Supplier to disclose any trade secrets to Buyer or its designee other than the formulation (i.e., the ingredients and proportions) of the Item which has not been supplied. Any disclosure of such Item's formulation to Buyer and/or its designee shall be subject to Buyer and/or its designee entering into appropriate obligations of confidentiality with respect to such formulation.

- B. In the event (i) Buyer is made a defendant in litigation by any person or entity other than [], arising from a claim of patent infringement for which Buyer is indemnified, pursuant to Section 14 above; and (ii) Supplier is willing to continue to supply the affected Items; and (iii) Supplier is unable to settle such litigation []; and (iv) Buyer determines, in good faith, after a thorough review of the claim, underlying patent, requested relief, Buyer's defenses and other relevant facts, that []:

(i) [] to Buyer and/or its designee [], and in the case of any such designee, [], those specific Items (in an amount not to exceed that set forth in Addendum D) that are the subject of such litigation, provided, that Supplier []. The [] in such case with respect to the [] shall be []

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of the purchase price or fair market value (if produced by Buyer internally) of the Item that is []; or

(ii) [] to Buyer and/or its designee [], and in the case of any such designee, [], those specific Items that are the subject of such litigation. The [] in such case shall be [] of the purchase price or fair market value (if produced by Buyer internally) of the Item that is []. The foregoing [] is expressly limited to the right to [] (in an amount not to exceed that set forth in Addendum D) for Buyer's sole use.

In the event Buyer exercises its right to have a [] to Buyer and/or its designee under this Section 25B, any such [] shall not subsequently revert to a [] under Section 25A, regardless of whether Supplier subsequently stops supplying the affected Item.

ADDENDUM A

PRODUCT DESCRIPTION AND PRICE SCHEDULE

A. []

TABLE A

PRICES WHICH APPLY IF BUYER PURCHASES []

CABOT PART #	PKG	POINT OF MANUFACTURE	DESTINATION	PRICE PER GALLON
[]	IBC	United States	United States (FOB local Warehouse)	\$([])
			Ireland (DDU)	\$([])
			Israel (DDP)	\$([])
[]	IBC	Barry, Wales	United States (FOB local Warehouse)	\$([])
			Ireland (DDU)	\$([])
			Israel (DDP)	\$([])
[]	IBC/DTA	United States	United States (FOB local Warehouse)	\$([])

TABLE B

PRICES WHICH APPLY IF BUYER PURCHASES []

CABOT PART #	PKG	POINT OF MANUFACTURE	DESTINATION	PRICE PER GALLON
[]	IBC	United States	United States (FOB local Warehouse)	\$()
			Ireland (DDU)	\$()
			Israel (DDP)	\$()
[]	IBC	Barry, Wales	United States (FOB local Warehouse)	\$()
			Ireland (DDU)	\$()
			Israel (DDP)	\$()
[]	IBC/DTA	United States	United States (FOB local Warehouse)	\$()

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TABLE C

PRICES WHICH APPLY IF BUYER PURCHASES []

CABOT PART #	PKG	POINT OF MANUFACTURE	DESTINATION	PRICE PER GALLON
[]	IBC	United States	United States (FOB local Warehouse)	\$()
			Ireland (DDU)	\$()
			Israel (DDP)	\$()
[]	IBC	Barry, Wales	United States (FOB local Warehouse)	\$()
			Ireland (DDU)	\$()
			Israel (DDP)	\$()
[]	IBC/DTA	United States	United States (FOB local Warehouse)	\$()

Prices for purchases of [] between the [] shown in the above tables [] shall be determined by a straight line extrapolation of the prices shown in the above tables.

The price per gallon of [] shall be calculated based upon the percent share of Buyer's requirements for [] which Buyer forecasts for the relevant calendar year. For example, if Buyer purchases [] from Supplier in calendar year 2000, the price will be determined using Table B. However, if Buyer purchases [] from Supplier in calendar year 2000, the price will be determined using Table A.

B. []

CABOT PART #	PKG	POINT OF MANUFACTURE	DESTINATION #	PRICE BASED ON CUMULATIVE VOLUMES OF [] PURCHASED
[]	IBC	United States	United States (FOB local warehouse)	\$[]
		United States	Israel (DDP)	\$[]
		United States	Ireland (DDU)	\$[]

* volumes in thousands of gallons

The price per gallon of [] shall be calculated based upon the cumulative volume of gallons of [] purchased by Buyer from

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Supplier during the term of this Agreement. Adjustments to the price, based upon the cumulative gallons of [] purchased by Buyer from Supplier, shall take effect in the quarter following the quarter in which Buyer surpasses a volume threshold.

C. []*

CABOT PART #	PKG	POINT OF MANUFACTURE	DESTINATION #	PRICE PER GALLON
[]	IBC	United States	United Sates (FOB local warehouse)	\$[]
[]	IBC	United States	Ireland (DDU)	\$[]
[]	IBC	Barry, Wales	Ireland (DDU)	\$[]
[]	IBC	Barry, Wales	United Sates (FOB local warehouse)	\$[]

* []

D. []

CABOT PART #	PKG	POINT OF MANUFACTURE	DESTINATION #	PRICE PER GALLON
[]	IBC	United States	United Sates (FOB local warehouse)	\$[]

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ADDENDUM B

KEY CONTACTS & INTEL FAB LOCATIONS

DEPARTMENT/TITLE	NAME	PHONE
OHKA:		
Account Representative	Brad Staley	630-375-5508
Accounts Receivable		630-585-9471
24-Hour Emergency Contact	Brad Staley	630-375-5508
Schedule/Delivery Contact	Soni Pahia	916-939-9364
General	Bruce Zwicker	630-375-5540
INTEL:		
FMO		
Commercial	Mumtaz Ahmed	408-765-88
Technical	Ara Philipossian	408-765-6256
	Joe Schoenholtz	408-765-2435
Buyers		
Ireland	Caitriona Delaney	011-353-1-606-8630
New Mexico	Tami Freeman	505-893-3538
Fab 6	Oscar Ochoa	602-554-8417
Fab 12	Oscar Ochoa	602-554-8417
Israel		
Fab 8	Anna Provad	011-972-2-5896357
Fab 18	Yaron Ozer	011-972-7-666-6953
Santa Clara		
D2	Karen Ma	408-765-6152
	Ethel Swindall	408-765-2392
Oregon	Heather Holcomb	503-642-8693
Massachusetts		
F17	Tony Quarta	
Accounts Payable:		
AZ/CA	Linda Medill	503-696-3237
OR	Jessica Ailshie	503-696-3046
NM	Debbie Martin	503-696-3302

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ADDENDUM C
QUALITY REQUIREMENTS

LIST OF GOVERNING INTEL SPECIFICATIONS

SPEC. NO.	REV.	TITLE	ISSUE DATE
07-116	0	MATERIALS CHANGE CONTROL POLICY	05/22/98
07-123	2	SUPPLIER CORRECTIVE ACTION POLICY	02/25/98
07-124	4	FMO/ATMO-DISCREPANT RAW MATERIAL DISPOSITION POLICY	06/09/98
07-400	7	CHEMICALS SPECIFICATION SYSTEM	06/05/97
07-401	6	PROCEDURE FOR SHIPPING & RECEIVING OF CHEMICALS	12/05/97
07-402	5	INTEL CHEMICAL QUALITY PROGRAM	06/26/98

07-403	2	SHIPPING OF TEMP-SENSITIVE CHEMICALS	12/05/97
07-411	4	PROCUREMENT SPEC FOR CHEMICALS	11/25/98

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ADDENDUM D
VOLUME OBLIGATIONS

A. []

During the years set forth below, Buyer shall be obligated to purchase from Supplier [] During the years specified below, Supplier shall be obligated to supply to Buyer []

[] SLURRY VOLUME OBLIGATIONS

CALENDAR YEAR	BUYER'S [] PERCENTAGE	SUPPLIER'S [] PERCENTAGE
1999	[]%	[]%
2000	[]%	[]%
2001	[]%	[]%

Ninety days prior to the commencement of each calendar year, Buyer shall commit and obligate itself to purchase from Supplier [] which it shall purchase from Supplier during the upcoming year. The amount of [] which Buyer will purchase, above the [], will be determined according to whether Supplier meets requirements set by Buyer's Supplier Score Card.

B. []

During the years set forth below, Buyer shall be obligated to purchase from Supplier [] During the years specified below, Supplier shall be obligated to supply to Buyer []

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Notwithstanding the foregoing, during the course of any calendar year, Buyer may, by giving 4 months advance written notification to Supplier, increase its forecasted [] requirements for the remainder of the year (starting after the 4 month notice period), provided, however, such new forecasted amount may not exceed a volume which is greater than the product of the remaining volumes from the original forecasted amount, multiplied by [].

[] SLURRY VOLUME OBLIGATIONS

CALENDAR YEAR	BUYER'S [] PERCENTAGE	SUPPLIER'S [] PERCENTAGE
1999	[]%	[]%
2000	[]%	[]%
2001	[]%	[]%

90 days prior to the commencement of 2001, Buyer shall commit and obligate itself to purchase from Supplier [] which it shall purchase from Supplier during 2001. The amount of [] which Buyer will purchase, above the [], will be determined according to whether Supplier meets requirements set by Buyer's Supplier Score Card.

C. []

During the years set forth below, Buyer shall be obligated to purchase from Supplier [] For each month of this Agreement, Supplier shall be obligated to supply to Buyer []

[] SLURRY VOLUME OBLIGATIONS

CALENDAR YEAR	[] PERCENTAGE	[] PERCENTAGE
1999	[]%	[]%
2000	[]%	[]%
2001	[]%	[]%

D. []

Neither Buyer nor Supplier have any volume obligations with respect to []

With respect to all of the above describe Items, in the event Buyer does not purchase a particular Item for use in its facilities in either [] for any [] Supplier shall no longer be obligated to supply such Item to Buyer's facilities in the relevant geographic region.

The omitted portions indicated by brackets have been separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment under Rule 406, promulgated under the Securities Act of 1933, as amended.

SERVICES AGREEMENT

This SERVICES AGREEMENT (the "Agreement"), dated October 27, 1998, by and among Davies-Imperial Coatings, Inc. ("Davies"), an Indiana corporation having a place of business at 1275 State Street, Hammond, Indiana, Cabot Corporation ("Cabot"), a Delaware corporation having a place of business at 75 State Street, Boston, Massachusetts, and, for purposes of Sections 10.1, 11, 13.4, 15, 18, 19, 20.6 and 20.9, Donn Davies, an individual, and JoAnn Davies, an individual.

WHEREAS, Cabot desires to have Davies provide to Cabot metal oxide dispersion services; and

WHEREAS, Davies desires to provide metal oxide dispersion services to Cabot;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

SECTION 1. TERM

This Agreement shall commence on October 27, 1998, and shall continue until October 27, 2004 (the "Initial Term"). This Agreement shall thereupon be automatically renewed for additional one (1) year periods (each a "Renewal Term", and together with the Initial Term, the "Term"; each year of the Term referred to herein as a "Term Year"), unless either party gives written notice of its intention to terminate the Agreement at least 90 days prior to the expiration of the Initial Term or any Renewal Term.

SECTION 2. SERVICES

2.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, during the Term, Davies shall provide to Cabot, and Cabot shall purchase from Davies, the Services (as defined below) in such quantities as specified by Cabot, subject to Section 2.4, below. "Services" means (a) the manufacturing of the metal oxide dispersions set forth on Schedule A hereto (the "Products") in accordance with the specifications, formulae and processes provided by Cabot to Davies and initially as set forth in the materials specified on Schedule A hereto, (b) the packaging of the Products in accordance with specifications provided by Cabot from time to time, and (c) such ancillary services as specified herein. Cabot may amend Schedule A from time to time on 30 days written notice to Davies provided such amendments either do not result in a material increase in cost to Davies or are agreed to in advance by Davies; Davies may only amend such schedule with Cabot's prior written consent.

2.2 Materials, Labor, etc.

(a) Subject to the following sentence, Cabot shall supply to Davies all raw materials, packaging materials and filter media, with the exception of wooden pallets and nominal filter bags, necessary for Davies to perform the Services. In the event Cabot requests that Davies purchase specified materials, Davies shall acquire the specified materials and shall bill Cabot therefor at Davies' cost, including any handling charges incurred by Davies in connection therewith. Title to all such materials shall remain with Cabot at all times.

(b) Davies shall supply all materials and services, other than as set forth in Section 2.2(a), above, necessary to provide the Services, including, but not limited to, labor, administration, raw materials management, inventory management, on-site warehousing, security, facility space, utilities, maintenance, quality control, quality assurance, preparation of certificates of analysis, order fulfillment, sample fulfillment, wooden pallets, coordination of shipping and implementation of ISO conformance, as such may be set forth in greater detail elsewhere in this Agreement. Subject to the following sentence, Davies shall adequately insure all equipment at its Hammond, Indiana facility, including the Cabot Assets, as defined below and as set forth on Schedule C hereto. With respect to Products, as defined herein, Cabot shall adequately insure all raw materials, finished goods and works-in-process.

2.3 Payment. Davies shall make good faith efforts to invoice Cabot for its Services and for other charges on or before the second business day of each month during the Term, but in no event later than the tenth day of such month, and shall send such invoices to Cabot by express mail or similar means of delivery. Cabot shall make a good faith effort to pay such invoices as soon as possible following its first check run after it receives the relevant invoice, but in any event, payment shall be made within ten (10) days after the date of invoice.

2.4 Quantity. During each Term Year, Cabot will purchase Services from Davies for not less than the lesser of (i) [] gallons of Product or (ii) [] percent ([]%) of the total amount of orders received by Cabot for Products for shipment to customer locations in North America. Cabot's purchase of Services from Davies shall reflect its good faith expectations of customer demand and Cabot shall use its reasonable efforts to distribute substantially evenly the quantities of its purchases of Services to avoid creating production capacity problems for Davies.

2.5 Failure to Provide Services. In addition to any other rights and remedies of Cabot under this Agreement, in the event that Davies fails to supply Cabot with its requirements for Services for any reason, Cabot shall have the right to provide such Services for itself or purchase Services from sources other than Davies. In such event, the amount of Products so provided or purchased shall count toward the volume requirements of Section 2.4 hereof (each a "Setoff"), provided, however, that in order for Cabot to be entitled to a Setoff, Cabot must have provided Davies at least one week lead time on the relevant order and the relevant order must not be for a quantity in excess of [] per week.

SECTION 3. SHIPPING; DELIVERY

All Products shall be prepared for delivery to Cabot or a customer of Cabot, as the case may be, in accordance with Cabot's instructions.

SECTION 4. PRICING

4.1 Prices. Davies shall perform the Services and provide such miscellaneous services in connection therewith in accordance with the prices set forth on Schedule B hereto (the "Prices").

4.2 Renegotiation. Cabot and Davies acknowledge that it is their intention simultaneously to increase the quality of the Products and to decrease the costs associated with manufacturing the Products, and to share any cost savings between them. Recognizing that intention, on each two-year anniversary of the execution of this Agreement, Cabot and Davies shall in good faith negotiate any necessary changes (increases or decreases) to the Prices. Necessary changes are changes that reflect changes in Davies' manufacturing costs. In determining the changes to be made, the parties shall give consideration to price pressures in the marketplaces of which the relevant Products are a part. In no event shall the Price for Services relating to any one Product be increased more than []% per year.

SECTION 5. CAPITAL EXPENDITURES

5.1 CapEx Investment. Cabot agrees to invest not less than One Hundred Fifty Thousand Dollars (\$150,000) (the \$150,000 minimum referred to herein as the "CapEx Investment") in capital improvements, capacity expansions and/or capital expenditures to maintain capacity at Davies' facility relating to the Services during each Term Year. Prior to making any such capital expenditures, Cabot will consult with Davies to identify the priorities for such expenditures.

5.2 CapEx Carryover. If Cabot does not spend the total amount of the CapEx Investment in a given Term Year, Davies may carry over the unspent portion of such CapEx Investment to the next Term Year, provided, however, that Cabot may, at its sole option, pay Davies within ninety (90) days of the end of such Term Year an amount in cash equal to such unspent portion, in which case there shall be no carryover for such Term Year. Notwithstanding the foregoing sentence, if in any given Term Year Cabot agrees to spend more than the CapEx Investment for that Term Year (including any carryover) on capital improvements and/or capital expansions at Davies' facility, the excess shall be credited toward the CapEx Investment in future Term Years, beginning with the immediately succeeding Term Year.

SECTION 6. MAINTENANCE AND IMPROVEMENTS

6.1 Maintenance.

(a) Davies shall be responsible for the proper customary maintenance of all assets used, directly or indirectly, in its provision of Services, including the Cabot Assets (as defined below). Notwithstanding the foregoing, Cabot shall be responsible for costs under third-party maintenance contracts relating to the [] system located at Davies' facility in Hammond, Indiana. The parties acknowledge that to the extent certain maintenance items are not individually specified on Schedule A hereto, the cost of such maintenance items are reflected in the Prices for the Services.

(b) If Cabot makes a good faith determination that Davies is not complying with Section 6.1(a) hereof, Cabot shall have the right to enter upon Davies' premises in order to perform the maintenance required by Section 6.1(a). Any amounts expended by Cabot pursuant to this Section 6.1(b) shall be credited toward the CapEx Investment for such Term Year. The fact that Cabot makes use of this Section 6.1(b) shall have no effect on any of its rights and remedies with respect to Davies' failure to comply with Section 6.1(a).

6.2 Improvements. After taking into account the improvements made pursuant to Section 5.1 hereof, Davies agrees to make all capital improvements to its Hammond, Indiana facility that are necessary or advisable in order to continue to provide the Services in a timely manner.

SECTION 7. RIGHT TO BID

Cabot shall provide Davies the opportunity to bid to provide the Services with respect to all Cab-O-Sperse(R) and Semi-Sperse(R) metal oxide dispersions to be manufactured in North America, other than those to be manufactured solely by Cabot or any Cabot affiliate. As used in this Agreement, "affiliate" means, with respect to any person or entity, any person or entity, directly or indirectly controlling, controlled by, or under common control with any such person or entity.

SECTION 8. PROPRIETARY INFORMATION; CONFIDENTIALITY

8.1 Proprietary Information.

(a) Subject to Section 8.1(b) hereof, the term "Proprietary Information" shall mean, whether disclosed prior to, on or after the date hereof and whether or not marked or identified as confidential, formulae, specifications, demographic and trade information, costs, intellectual property and applications for the same (including, but not limited to, patents, copyrights, trademarks, trade names, service marks, service names, technology, know-how, processes, trade secrets, inventions, data and software), names of investors and customers, and other strategic business, marketing, sales and financial information relating to the relevant party's business (including, but not limited to business plans, marketing strategy, and production information).

(b) The term "Proprietary Information" does not include any information which (i) at the time of disclosure or thereafter is generally available to or known by the public (other than as a result of the acts by the recipient or its representatives in breach of this Agreement), (ii) was or becomes available to the recipient on a non-confidential basis from a source other than the provider or its advisors, provided that such source is not and was not bound by a confidentiality agreement with the provider, or (iii) has been independently acquired or developed by the recipient without violating any of its obligations under this Agreement.

8.2 Ownership. All information and materials, including Proprietary Information of Cabot, its subsidiaries and its affiliates and all physical manifestations thereof, that are received by Davies from Cabot prior to, on or after the date hereof in connection with the Services or that are or were created or produced by Davies and are based upon, or are otherwise prepared with use of or reference to, Proprietary Information of Cabot, shall be and remain the sole and exclusive property of Cabot. Upon written request by Cabot, Davies shall return to Cabot all tangible forms of the Proprietary Information of Cabot, including any and all copies, and all unused samples of materials Cabot may have provided.

8.3 Confidentiality.

(a) Davies acknowledges, understands and agrees that all Proprietary Information of Cabot and its subsidiaries and affiliates is confidential and shall remain the exclusive property of Cabot, its subsidiaries or its affiliates, as the case may be. Cabot acknowledges, understands and agrees that all Proprietary Information of Davies is confidential and shall remain the exclusive property of Davies. Each of Cabot and Davies agrees that for a period of [] from and after the termination or expiration of the Term, it shall keep and hold as confidential, and shall require its directors, officers, employees, agents and representatives, to keep and hold as confidential, any and all Proprietary Information of the other unless disclosure is required by applicable law or by terms of a subpoena or other order issued by a court of competent jurisdiction. Each party shall promptly notify the other of any such subpoena or order, shall contest any such subpoena or order and shall (to the extent possible) permit the owner of such Proprietary Information to contest any such subpoena or order. Except as so required, neither party shall disclose any Proprietary Information of the other to third parties, or to its employees or representatives who do not have a need to know it in connection with the subject of the transactions contemplated by this Agreement, and neither party shall use (or permit to be used) any Proprietary Information of the other except for the purposes contemplated hereby. For purposes of this Section 8, the party providing any of its Proprietary Information is sometimes referred to as the "provider" and the party receiving any of the other's Proprietary Information is sometimes referred to as the "recipient."

(b) Davies agrees to cause each of its employees as of the date of this Agreement, and any person who becomes an employee of Davies during the Term, to enter into a confidentiality agreement with Cabot that provides for essentially the same kind and degree of confidentiality as set forth in Section 8.3(a) hereof with respect to Davies.

8.4 Redelivery Upon Termination. The recipient shall deliver or cause to be delivered to the provider, or destroy, promptly after termination of this Agreement for any reason any documents containing Proprietary Information

and any copies thereof which the recipient (or others to whom the recipient has disclosed the same hereunder whether authorized hereby or not) may have and shall permanently erase or cause to be erased all Proprietary Information from any computer memory or storage.

SECTION 9. INTELLECTUAL PROPERTY

9.1 Intellectual Property.

(a) With regard to any inventions, improvements and technical information that are created or produced on or after the date of this Agreement by any of the parties hereto in connection with the Services, or that are based upon or suggested by any Proprietary Information of Cabot (the foregoing, collectively, referred to herein as the "Term IP"), Davies agrees that Cabot will be the sole and exclusive owner thereof, including all patents, copyrights, and other intellectual property rights therein. Davies hereby assigns and agrees to assign, without any additional compensation, all right, title and interest in and to such inventions, improvements and technical information, including all patents, copyrights and other intellectual property rights therein, to Cabot. Davies further agrees, at Cabot's request and expense, to provide assistance to Cabot in every reasonable way to perfect and vest title in and to such inventions, improvements and technical information, including all patents, copyrights and other intellectual property rights therein, in Cabot and to assist Cabot in every reasonable way in obtaining and enforcing patents, copyrights, and other intellectual property rights in and to such inventions, improvements and technical information throughout the world.

(b) The parties acknowledge that over the course of their relationship and prior to the date of this Agreement, they, individually or jointly, have created or produced certain inventions, improvements and technical information relating to the processes and techniques for dispersing metal oxides (the "Existing IP"). Except as provided in Section 8.2 hereof, the portion of the Existing IP created or produced solely by Davies is referred to herein as the "Davies IP." The portion of the Existing IP created or produced solely by Cabot or jointly by Cabot and Davies, together with the Term IP, is referred to herein as the "Cabot IP."

9.2 Licenses.

(a) Davies hereby grants to Cabot a fully paid-up, nonexclusive, irrevocable, world-wide, perpetual license to use the Davies IP, including the right for Cabot to sub-license the Davies IP to any of its subsidiaries, affiliates or any third parties (collectively the "Sub-licensees"). Notwithstanding Section 8.3 hereof, the license provided for by this Section 9.2(a) shall include Cabot's and the Sub-licensees' right to use the Proprietary Information of Davies.

(b) Subject to Section 9.3 hereof, Cabot hereby grants to Davies a fully paid-up, nonexclusive, irrevocable, world-wide, perpetual license to use the Cabot IP, provided, however, that Davies may neither transfer any or all of the Cabot IP to any third party, nor grant a sub-license with respect to any or all of the Cabot IP.

(c) The licenses granted pursuant to this Section 9.2 shall survive the termination of this Agreement.

9.3 Use of IP to Benefit Competitors. Davies agrees that from and after the date hereof, and notwithstanding any termination of this Agreement, it will not use either the Davies IP or the Cabot IP for the benefit of any entity which, directly or indirectly, competes with any business carried on by Cabot or any of Cabot's affiliates.

SECTION 10. RIGHT OF FIRST REFUSAL TO PURCHASE DAVIES' BUSINESS

10.1 Offer.

(a) If, at any time, Davies, Donn Davies or JoAnn Davies desires to sell

part or all of the equity of Davies (in an aggregate amount greater than 10% of the total equity) or the assets owned by Davies and used or useful in connection with its metal oxide dispersion business (in a single transaction or series of transactions) (the portion of assets or equity, as the case may be, that Davies, Donn Davies or JoAnn Davies desires to sell referred to herein as the "Business"), whether by merger, stock sale, asset sale or otherwise or in a single transaction or a series of transactions, such party or parties shall submit a written offer (the "Offer") to sell the Business to Cabot as provided herein. The Offer shall disclose which assets or stock is proposed to be sold, the terms and conditions, including price and payment terms, of the proposed sale, and the prospective purchaser of the Business. The Offer shall further state that Cabot may acquire all but not less than all of the Business for the price and upon the other terms and conditions set forth therein.

(b) If Cabot wishes to purchase the Business at the price and on the terms and conditions set forth in the Offer, it shall, within 30 days from the date of the Offer, notify Davies in writing (the "Acceptance").

10.2 No Transfer Except as Provided. Davies shall not, at any time during the Term of this Agreement, in any manner convey or transfer the Business, or any part thereof, except in accordance with the terms and conditions contained in this Section 10.

10.3 Right to Sell to Third Party. If Cabot does not provide Davies with an Acceptance within the 30-day period set forth in Section 10.1(b) hereof (or if Cabot by notice to Davies earlier waives its right to purchase), Davies shall be free, during the 120-day period following Davies' submission of the Offer pursuant to Section 10.1(a) hereof, to convey the Business to the third party identified in the Offer on terms and conditions (including price) no more favorable to the third party than those contained in the Offer. If Davies does not sell the Business within such 120-day period, the Business shall again become subject to this right of first refusal.

10.4 Right to Remove Assets. If Davies enters into an agreement to sell the Business to such third party in accordance with the provisions of this Section 10, it shall notify Cabot at least 30 days prior to the closing of such sale and Cabot shall be permitted at Cabot's expense to remove the Cabot Assets (as defined below) prior to any such sale.

SECTION 11. NONCOMPETITION AND RELATED PAYMENTS

(a) Each of Davies, Donn Davies and JoAnn Davies (collectively, the "Davies Group") hereby acknowledges the value each shall receive from the execution of this Agreement by the other parties hereto, including Cabot, and the benefits associated therewith. In consideration for such value each member of the Davies Group hereby agrees that during the Term and the Additional Non-Compete Period (as defined below), none of the members of the Davies Group shall provide or assist any other person or entity to provide metal oxide dispersion services to any Competitor. In the event of a breach of this Section 11(a) by any member of the Davies Group, none of the members of the Davies Group shall receive any part of the Noncompetition Payment. For purposes of this Section 11, "Competitor" shall mean any person or entity (other than Cabot and Cabot's affiliates) that, directly or indirectly, competes with any business carried on by Cabot or any of Cabot's affiliates. As used herein, "Additional Non-Compete Period" shall mean (a) if Davies shall give notice of election not to renew the Agreement in accordance with Section 1 hereof (a "Non-Renewal Notice") or if Cabot shall terminate this Agreement pursuant to Section 13.1 hereof, a period of [] after the termination of the Agreement, or (b) if Cabot shall give a Non-Renewal Notice or if both Davies and Cabot shall give a Non-Renewal Notice or if Davies shall terminate this Agreement pursuant to Section 13.3 hereof, a period of [] after the termination of the Agreement.

(b) If Cabot shall give a Non-Renewal Notice, if Davies shall terminate this Agreement pursuant to Section 13.3 hereof or if Cabot shall terminate this Agreement pursuant to Section 13.1(a), 13.1(b) or 13.1(c), Cabot shall pay to the Davies Group in consideration for such noncompetition covenant the following total amount (the "Noncompetition Payment"), to be divided equally among those members of the Davies Group in existence or living at the commencement of the Additional Non-Compete Period:

(i) [] if such notice by Cabot is at the end of the Initial Term;

(ii) [] if such notice by Cabot is at the end of the first Renewal Term (if at all);

(iii) [] if such notice by Cabot is at the end of the second Renewal Term (if at all); and

(iv) [] if such notice by Cabot is at the end of any Renewal Term thereafter.

The Noncompetition Payment will be payable in two equal installments on the date of any such termination and on the first anniversary thereof.

SECTION 12. WARRANTIES

12.1 Warranty as to Products. Davies represents and warrants to Cabot that, when shipped to Cabot or a customer of Cabot, as the case may be, by Davies, the Products will conform in all respects to the specifications then in effect and as then set forth in the materials specified on Schedule A hereto.

12.2 Quality Control. Quality control with respect to the Products shall be performed in accordance with the terms contained in the materials specified on Schedule A hereto.

12.3 Rejection. Subject to the following sentence, Cabot shall not be obligated to accept or pay for Services relating to any batch or lot containing Product not conforming to the specifications then in effect for such Product. If such non-conformity is the result of materials or formulae provided by Cabot, Cabot shall pay Davies for the Services relating to such batch or lot and such amount shall count toward the volume requirements contained in Section 2.4 hereof.

12.4 Warranty as to Violations. Davies represents and warrants that there is no past or present violation of, and there is no pending or threatened action, suit or proceeding relating to, any alleged violation of any laws, ordinances, rules or regulations relating to the environment or otherwise governing, directly or indirectly, any hazardous substances, wastes or materials in connection with the business, properties or operations of Davies.

SECTION 13. TERMINATION

Cabot and Davies each acknowledge that in the performance of this Agreement, including any exercise of termination rights under this Section, it will act in good faith.

13.1 Davies Default. Cabot may terminate this Agreement in the event of any one or more of the following occurrences (each a "Davies Default"):

(a) upon Davies' filing a petition for adjudication as a bankrupt, for reorganization or for an arrangement under any bankruptcy or insolvency law;

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(b) if any involuntary petition under any bankruptcy or insolvency law is filed against Davies, is not dismissed within thirty (30) days thereafter and is then continuing;

(c) if Davies shall make an assignment of all or substantially all of its assets for the benefit of creditors, or if Davies' interest under this Agreement shall be taken upon execution;

(d) if Davies shall fail to perform any material covenant or material obligation hereunder, except as excused under Section 20.10 hereof, and such failure has not been cured within thirty (30) days following Cabot's written notice to Davies of such failure; or

(e) in the event that Davies is no longer owned or controlled by either

Donn Davies or JoAnn Davies.

13.2 Continuation of Supply. Notwithstanding any termination of this Agreement, in the event of a Davies Default, Davies shall nevertheless continue to have the obligation to perform the Services for Cabot for a period of 120 days after termination of this Agreement by Cabot on the terms and conditions contained herein.

13.3 Cabot Default. Davies may terminate this Agreement in the event of any one or more of the following occurrences (each a "Cabot Default"):

(a) upon Cabot's filing a petition for adjudication as a bankrupt, for reorganization or for an arrangement under any bankruptcy or insolvency law;

(b) if any involuntary petition under such law is filed against Cabot, is not dismissed within thirty (30) days thereafter and is then continuing;

(c) if Cabot shall make an assignment of all or substantially all of its assets for the benefit of creditors, or if Cabot's interest under this Agreement shall be taken upon execution; or

(d) if Cabot shall fail to perform any material covenant or material obligation hereunder and such failure has not been cured within thirty (30) days following Davies' written notice to Cabot of such failure.

13.4 Effect of Termination.

(a) Termination of this Agreement, whether by lapse of time, mutual consent, operation of law, exercise of right of termination or otherwise shall not affect the ownership interests in the respective proprietary and other rights of the parties.

(b) Upon any termination of this Agreement, Davies shall continue to have the obligation to perform the Services to fill any outstanding orders received by Davies prior to the receipt of notice of termination.

(c) The provisions contained in Sections 8, 9, 10.4, 11, 12, 13.2, 13.4, 14, 15, 18, 19 and 20.9 hereof shall survive the termination of this Agreement.

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SECTION 14. CABOT ASSETS; PROTECTION OF RIGHTS

14.1 Cabot Assets. The parties acknowledge and agree that Cabot owns all right, title and interest in (a) the equipment and assets listed on Schedule C hereto and which are located at Davies' facility in Hammond, Indiana, (b) those assets purchased with the CapEx Investment pursuant to Section 5 hereof, (c) all raw materials and packaging materials provided to Davies pursuant to Section 2.2(a) hereof, and (d) all Products (collectively, the "Cabot Assets"). All of the Cabot Assets shall be subject to removal in accordance with the terms of this Agreement; provided, however, that all pipes, cables and wiring installed in the walls, ceilings, roof, floors or subfloors of Davies' facility and used in connection with the Cabot Assets shall remain property of Davies whether supplied or installed by Cabot or Davies.

14.2 Protection of Rights. Davies shall do all such things and execute all such documents (including without limitation, financing statements) as Cabot deems necessary or desirable to enable Cabot to protect its title to and preserve its rights in the Cabot Assets.

SECTION 15. REMEDIES

The relationship between Davies, Donn Davies or JoAnn Davies on the one hand, and Cabot on the other hand, and which is reflected in this Agreement is unique and has a value which may not be readily measured in monetary terms. Each of Cabot, Davies, Donn Davies and JoAnn Davies agrees that in the event of a violation by it of any of its undertakings hereunder, the non-breaching party shall be entitled (a) to specific performance and injunctive and other equitable relief; (b) to recover from the breaching party monetary damages caused by any such violation; and (c) to any other rights and remedies that may be available at law or in equity, which rights and remedies may be exercised, at the option

of the non-breaching party, concurrently with any other right or remedy provided in this Agreement. The remedies provided herein shall not be exclusive and shall be in addition to any other rights or remedies now or hereafter existing at law or in equity, by statute or otherwise.

SECTION 16. RELATIONSHIP OF PARTIES

Davies and Cabot are each independent contractors. Nothing herein contained shall be construed to place Davies and Cabot in the relationship of principal and agent, master and servant, partners, joint venturers, and, except as otherwise set forth in this Agreement, neither party shall have, expressly or by implication, the power to represent themselves as having any authority to make contracts in the name of or binding upon the other, or to obligate or bind the other in any manner whatsoever.

SECTION 17. COMPLIANCE WITH LAWS

Davies warrants and agrees that during the Term it shall observe and comply in all material respects with all applicable federal, state, local and foreign laws, ordinances, statutes, standards, rules, regulations and orders, including but not limited to those relating to safety and health and the environment. Davies shall be responsible for obtaining all permits and licenses from governmental authorities and from private parties that are required in connection therewith. Davies shall be responsible for the handling, disposal and release of packaging material waste generated by Davies during the term of this Agreement. Cabot shall be responsible for the disposal of all off-quality Product, except for that which is off-quality through no fault of Cabot. Cabot and Davies shall make good faith efforts to jointly pursue a waste minimization program in connection with the manufacturing of Products pursuant to this Agreement.

SECTION 18. CONSENTS; NOTICES

Unless otherwise set forth herein, whenever any consent or approval is required of either party, it must be given to the other party in writing and delivered in accordance with the provisions of this Section 18. Any notice of a party shall be in writing and shall be given by (a) telecopier with original posted first class mail, postage prepaid, within two (2) business days thereafter; (b) certified or registered mail with an acknowledgment of receipt, postage prepaid, return receipt requested; or (c) a reputable private courier, such as Federal Express, which provides evidence of receipt as a part of its delivery service, and addressed as follows:

- If to Cabot: Cabot Corporation
500 Commons Drive
Aurora, IL 60504
Attn: Operations Director
Telecopier: (630) 585-9981

- If to Davies: Davies-Imperial Coatings, Inc.
1275 State Street
P.O. Box 790
Hammond, IN 46325
Attn: Donn T. Davies
Telecopier: -----

- If to Donn T. Davies: Donn T. Davies
c/o Davies-Imperial Coatings, Inc.
1275 State Street
P.O. Box 790
Hammond, IN 46325
Telecopier: -----

- If to JoAnn Davies: JoAnn Davies
c/o Davies-Imperial Coatings, Inc.
1275 State Street

or to such other address as may be designated in writing by any of the parties from time to time in accordance herewith, and shall be deemed delivered two (2) business days following delivery by hand, by private courier or when so telecopied and five (5) business days following proper dispatch by certified or registered mail. A business day is any Monday through Friday on which first class mail is delivered.

SECTION 19. ATTORNEYS' FEES

If any action or proceeding is brought to enforce or interpret any provision of this Agreement then, in addition to any other relief to which the prevailing party may be entitled, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees.

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SECTION 20. GENERAL

20.1 Severability. If any provision of this Agreement shall be found to be invalid or unenforceable, then such provision or provisions shall not invalidate or in any way affect the enforceability of the remainder of this Agreement and such provision or provisions shall be curtailed and limited to the extent necessary to bring the Agreement within any legal requirement and the parties shall negotiate in good faith with respect to an equitable modification of the provision or application thereof held to be invalid.

20.2 Modification; Waivers. Except as expressly provided herein, this Agreement may be modified or amended only with the written consent of each party hereto. Neither party hereto shall be released from its obligations hereunder without the written consent of the other party. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term, but any such waiver shall be effective only if in a writing signed by the party against which such waiver is to be asserted. Except as otherwise specifically provided herein, no delay on the part of either party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

20.3 Succession. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and other legal representatives and, to the extent that any assignment hereof is permitted hereunder, their assignees.

20.4 Counterparts. This Agreement may be executed in counterparts. Each counterpart, including a signature page executed by each of the parties hereto, shall be an original counterpart of this Agreement, but all of such counterparts together shall constitute one instrument.

20.5 Further Assurances. Each party agrees to provide any additional documents and take any such further action as may be reasonably requested by the other party in order to carry out the purpose and intent of this Agreement.

20.6 Entire Agreement. This Agreement contains the full and complete undertaking and agreement among the parties hereto with respect to the within subject matter, and supersedes all other agreements between Cabot on the one hand, and Davies, Donn Davies, or JoAnn Davies on the other, whether written or oral except any confidentiality agreements between the parties, which shall, to the extent such agreements do not contradict the terms of this Agreement, continue in effect.

20.7 Headings. The headings of the sections and other subdivisions of this Agreement are for convenient reference only. They shall not be used in any

way to govern, limit, modify, construe this Agreement or any part or provision thereof nor otherwise be given any legal effect.

20.8 Assignees and Third Parties. This Agreement may not be assigned by either party without the prior written consent of the other party and any attempted assignment without such consent shall be null and void; provided, however, that Cabot may assign this Agreement to a subsidiary or affiliated company.

20.9 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, without giving effect to principles of conflicts or choice of laws of Massachusetts or of any other jurisdiction.

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20.10 Force Majeure. Each of the parties hereto shall be excused from delays in performing or from failure to perform hereunder to the extent that such delays or failures result from causes beyond the reasonable control of such party; provided that, in order to be excused from delay or failure to perform, such party must act diligently to remedy the cause of such delay or failure.

[remainder of page intentionally left blank]

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IN WITNESS WHEREOF, the parties hereto have set their hands to this Agreement as a sealed instrument and have delivered this Agreement as of the day and year first above written.

DAVIES-IMPERIAL COATINGS, INC.

By: /s/ Donn Davies

Its: President

CABOT CORPORATION

By: /s/ Matthew Neville

Its: Vice President and General Manager

Solely for purposes of Sections 10.1, 11, 13.4, 15, 18, 19, 20.6 and 20.9:

/s/ Donn Davies

Donn Davies

Solely for purposes of Sections 10.1, 11, 13.4, 15, 18, 19, 20.6 and 20.9:

/s/ JoAnn Davies

JoAnn Davies

SCHEDULE A

Products, Materials Specifying Specifications, Formulae,
Processes, Quality Control, Maintenance

PRODUCT	FORMULA (REVISION DATE)	CONTROL PLAN (EFFECTIVE DATE/ REVISION LEVEL)	SPECIFICATION (SPECIFICATION NO./ REVISION DATE)	DAVIES TEST METHODS (TEST METHOD NUMBER)
[]	9/19/96	8-5-96, Rev A	[]	101, 200, 300, 302
[]	5/04/95	10-1-97, Rev A	[]	101, 200, 300, 302
[]	9/27/94	4-28-98, Rev B	[]	101, 200, 300, 302
[]	10/07/94	6-1-97, Rev A	[]	101, 200, 300, 302
[]	9/18/96	6-1-97, Rev A	[]	101, 200, 300, 302
[]	3/28/95	5-1-97, Rev A	[]	101, 200, 300, 302
[]	7-10-98	5-1-97, Rev A	[]	101, 300
[]	5/04/95	10-1-97, Rev A	[]	101, 200, 300, 302
[]	7/5/94	8-5-96, Rev A	[]	101, 200, 300, 302
[]	2/1/93	10-1-97, Rev A	[]	101, 200, 300, 302
[]	7/5/93	10-1-97, Rev A	[]	101, 200, 300, 302
[]	7/6/94	10-1-97, Rev A	[]	101, 200, 300, 302
[]	7/16/93	10-1-97, Rev A	[]	101, 200, 300, 302
[]	9/27/94	10-1-97, Rev A	[]	101, 200, 300, 302
[]	11/18/93	10-1-97, Rev A	[]	101, 200, 300, 302
[]	5/16/96	10-1-97, Rev A	[]	101, 200, 300, 302
[]	7/6/94	10-1-97, Rev A	[]	101, 200, 300, 302
[]	7/6/94	10-1-97, Rev A	[]	101, 200, 300, 302
[]	8/23/96	10-1-97, Rev A	[]	101, 200, 300, 302
[]	8/23/96	10-1-97, Rev A	[]	101, 200, 300, 302
[]	8/23/96	10-1-97, Rev A	[]	101, 200, 300, 302
[]	9/18/96	10-1-97, Rev A	[]	101, 200, 300, 302
[]	8/23/96	10-1-97, Rev A	[]	101, 200, 300, 302
[]	1/12/96	10-1-97, Rev A	[]	101, 200, 300, 302
[]	1/12/96	5-1-97, Rev A	[]	101, 200, 300, 302
[]	5/04/95	4-28-98, Rev B	[]	101, 200, 300, 302, 600
[]	12-June-98	8-5-96, Rev A	[]	101, 200, 300, 302, 600
[]	5/4/95	4-28-98, Rev B	[]	101, 200, 300, 302, 600
[]	5/13/97	10-1-97, Rev A	[]	101, 200, 300, 302
[]				
[]	7/11/97	5-1-97, Rev A	[]	101, 200, 300, 302, 400, 600, 606
[]				
[]	5/17/96	N/A	[]	101, 200, 300, 302, 500

[] []

[]	5/17/96	8-5-96, Rev A	[]	101, 200, 300, 302, 500
[]	3/21/96	N/A	[]	101, 200, 300, 302, 500
[]	5/23/96	8-5-96, Rev A	[]	101, 200, 300, 302, 501
[]	7/02/96	5-1-97, Rev A	[]	101, 200, 300, 302, 501
[]	9/19/96	8-5-96, Rev A	[]	101, 200, 300, 302
[]	12/18/96	8-5-96, Rev A	[]	101, 200, 300, 302
[]	9/19/96	8-5-96, Rev A	[]	101, 200, 300, 302

SCHEDULE B

Prices

CONVERSIONS CHARGES:

Product	Weight per 55-gal. Drum	Price/Lb., F.O.B. Hammond, IN
[]	516	\$([])
[]	500	\$([])
[]	491	\$([])
[]	531	\$([])
[]	505	\$([])
[]	506	\$([])
[]	492	\$([])
[]	548	\$([])
[]	509	\$([])
[]	516	\$([])
[]	506	\$([])
[]	500	\$([])
[]	499	\$([])
[]	500	\$([])
[]	500	\$([])
[]	500	\$([])
[]	500	\$([])
[]	500	\$([])
[]	548	\$([])
[]	492	\$([])
[]	495	\$([])
[]	492	\$([])
[]	613	\$([])
[]	489	\$([])
[]	493	\$([])

[]	536	\$[]
[]	536	\$[]
[]	531	\$[]
[]	504	\$[]
[]	489	\$[]
[]	480	\$[]
[]	480	\$[]
[]	480	\$[]
[]	480	\$[]
[]	480	\$[]
[]	516	\$[]
[]	515	\$[]

MISCELLANEOUS CHARGES:

Monthly Storage	\$[]
Monthly Equipment Maintenance	\$[]
Sample preparation 25 or less	\$[]
over 25	\$[]
Hazardous Material Labeling Charge	\$[]
Dangerous Goods Preparation	\$[]
Palletizing with 6-way bands	\$[]
Pallets for Bracing Intel Tote Loads	\$[]
Drum Condoms single	\$[]
double	\$[]
Power Washing Regular	\$[]
Wash and Insert Dip-Tubes	\$[]

Aurora Delivery via Davies truck	\$[]
Recertify Totes and install certification placard	\$[]
Install metal [] on totes	\$[]
Rebills	\$[] per invoice

SCHEDULE C

Asset List
 Cabot Owned Equipment at Davies*
 10/27/98

*The parties agree that this schedule is substantially accurate as of October 27, 1998, but that greater detail, and any assets inadvertently left off the list, will be added within a reasonable time after execution of the agreement

DESCRIPTION	QUANTITY
10,000 pound Cardinal Scale	1
500 pound scale	1
75 pound scale	1
[]	5
[]	5
[]	10
Clean filling room	2
36,000 BTU air conditioners	4
24,000 BTU air conditioners	2
200,000 BTU furnaces	2
York air handler	2
Stainless steel power washers	5
Brass power washer	1
[]	1
[]	1
[]	3
Single housing filter unit	8
Double housing filter units	5
[]	1
[]	1
[]	1
[]	1
[]	1
[]	3
[]	6
Bag dump/compactor units	4
RO equipment only (excludes instrumentation)	1

Mettler Toledo density meter	1
[]	1
Weber label printers	2
VWR lab oven	1

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[]	1
[]	2
And lab balance	1