



FORMOSA PLASTICS CORPORATION, USA

9 PEACH TREE HILL ROAD • LIVINGSTON, NJ 07039
TEL: (201) 992-2090 • TLX: 4754035 FPC USA • FAX: (201) 992-9627

September 10, 1991

PERSONAL & CONFIDENTIAL
NOT TO BE DUPLICATED OR DISTRIBUTED

Mr. Vernon Stewart
P.O. Box 979
Brazoria, Texas 77422

RE: UPE/FORMOSA PLASTICS CORPORATION, TEXAS

Dear Mr. Stewart:

I have been working with Rick Scott and others at our Formosa Downstream Expansion Center in Point Comfort, Texas in connection with certain alleged "shake downs" involving our employees and certain of our contractors. It has been brought to my attention that UPE may be one such contractor who has been a victim of these alleged "shake downs", a possibility which disturbs me quite dramatically.

It has been further brought to my attention that UPE is willing to cooperate with and assist Formosa in its investigation in this regard, that it has certain documentary evidence confirmatory of the foregoing and that it is prepared to make such documentary evidence available to Formosa provided it receives certain "assurances" as more fully set forth hereinafter. This will confirm to you that Formosa is willing to give these certain assurances and to protect UPE in every reasonable way practicable.

It is my understanding that UPE is seeking comfort in this regard in three (3) principal areas, to wit: (i) non-retaliation in all general respects; (ii) non-initiation of civil proceedings or criminal prosecution; and (iii) non-detrimental activities by Formosa vis-a-vis UPE's capacity as a contractor and or bidder in connection with work on our expansion projects (in this latter regard, since it is Formosa's policy to award contracts to the lowest, responsible bidder, no assurances can be given as respects contract awards, but we can certainly confirm to you that UPE will remain on our approved bidders' list as long as UPE provides quality and on-schedule work on the existing awarded jobs).

I have reviewed the foregoing with my superior, Ms. Susan Wang, Assistant to the President of Formosa (and our