

## SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE (this “*Agreement*”) is made as of \_\_\_\_\_, 2010, by and among Oaktree Capital Management, L.P., and entities owned or controlled by it that are signatories to this Agreement (collectively “*Oaktree*”), and Almatris B.V., Almatris Holdings 7 B.V., Almatris Holdings 9 B.V., Almatris Holdings 3 B.V., DIC Almatris Bidco B.V., DIC Almatris Muidco B.V., DIC Almatris Holdco B.V., Almatris US Holding, Inc., Almatris Asset Holdings LLC, Almatris, Inc., and Blitz F07-neunhundert-sechzig-drei GmbH, (collectively, the “*Debtors*”). The parties to this Agreement are collectively referred to as “Parties” and individually as a “Party.”<sup>1</sup>

WHEREAS, on April 30, 2010, the Debtors filed voluntary cases (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “*Court*”), which Chapter 11 Cases have been procedurally consolidated under the caption *In Re Almatris B.V. et al*, Chapter 11 Case No. 10-12308, and, as debtors in possession, have continued to manage their business and remained in possession of their property; and

WHEREAS, as of the date hereof, Oaktree holds approximately 46% of the senior funded debt of the Debtors; and

WHEREAS, prior to the filing of the Chapter 11 Cases, the Debtors, Oaktree and various other senior lenders entered into that certain Plan Support Agreement, executed by the Debtors on April 14, 2010 (the “*Initial Plan Support Agreement*”); and

WHEREAS, pursuant to the Initial Plan Support Agreement, the Debtors, with the support of the parties to the Initial Plan Support Agreement, proposed and filed in the Chapter 11 Cases a joint prepackaged chapter 11 plan of reorganization for the Debtors (the “*Initial Plan*”); and

WHEREAS, consistent with their fiduciary obligations, the Debtors also engaged in discussions with Dubai International Capital (“*DIC*”) and a significant percentage of the holders of the Debtors’ junior funded debt (the “*Supporting Junior Lenders*”) on the terms of an alternative plan; and

WHEREAS, on July 23, 2010, the Debtors filed with the Court that certain Motion Pursuant to Sections 105(a), 363(b), and 1125(b) of the Bankruptcy Code and Bankruptcy Rule 6004 for an Order Authorizing: (A) the Debtors and Other Parties Thereto to Enter Into the Plan Support Agreement; (B) the Debtors to Execute the Escrow Agreement and the Commitment Letters and Pay the Fees, Other Amounts, and Reimbursement of Expenses Required Thereunder; and (C) the Debtors to Enter Into Currency Rate Hedging Transactions (the

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<sup>1</sup> Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Amended Plan and the related Uniform Glossary of Defined Terms for Plan Documents.

“*Authorization Motion*”) seeking, among other things, authority from the Court to enter into an alternative plan support agreement with DIC and the Supporting Junior Lenders (the “*New Plan Support Agreement*”); and

WHEREAS, the New Plan Support Agreement obligates the Debtors to withdraw the Initial Plan and pursue confirmation of an alternative plan (as such plan, from time to time, may be supplemented, modified or amended, the “*Amended Plan*”) supported by DIC and the Supporting Junior Lenders; and

WHEREAS, Oaktree has repeatedly expressed its concerns with, among other things, the feasibility and deliverability of the Amended Plan and the treatment of Oaktree thereunder and has indicated that it may pursue litigation over confirmation of the Amended Plan that may prove to be expensive and time consuming and could potentially delay confirmation of the Amended Plan; and

WHEREAS, Oaktree has consented to the Debtors’ use of cash collateral on an interim and final basis on the terms described in the Cash Collateral Motion (as defined below) and the related orders with respect thereto; and

WHEREAS, Oaktree has claimed that it is entitled, as part of its Senior Lender Claim (as defined in the Amended Plan), to fees and expenses pursuant to the Senior Credit Agreement; and

WHEREAS, the Debtors believe that the Amended Plan is feasible and deliverable; and

WHEREAS, pursuant to this Agreement, the Parties hereto desire to resolve their dispute related to the Amended Plan;

NOW THEREFORE, in consideration of the mutual promises, releases, agreements, and covenants contained herein, the receipt and sufficiency of which are acknowledged by the Parties hereto, the Parties agree as follows:

**1. Oaktree’s Support of the Amended Plan**

Oaktree hereby covenants and agrees not to object to the Amended Plan so long as the treatment of Oaktree’s Senior Lender Claims (as defined in the Amended Plan) under such Amended Plan does not vary from the treatment set forth in the form of the Amended Plan attached as an exhibit to the Authorization Motion. For the avoidance of doubt, such treatment is summarized in paragraph 2 below and set forth more fully in Section 4.2.2 of the Amended Plan.<sup>2</sup> Oaktree further covenants and agrees (a) to withdraw its response filed with the Court on July 29, 2010 to the Authorization Motion and its objection filed with the Court on July 29, 2010, to the motion filed by the Debtors to authorize continued use of cash collateral (the “*Cash*

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<sup>2</sup> In the event of any inconsistency between the terms of this Settlement and the terms of the Amended Plan, the terms of the Amended Plan shall govern.

*Collateral Motion*”), (b) to support any request by the Debtors for expedited review of the Amended Plan to achieve a prompt confirmation hearing, (c) to support the Amended Plan and act in good faith, to assist the Debtors to obtain confirmation of the Amended Plan, and (d) to support the Debtors’ use of cash collateral on the terms described in the Cash Collateral Motion.

**2. Treatment of Senior Lender Claim**

Pursuant to the Amended Plan, Oaktree will receive payment on the Effective Date (as defined in the Amended Plan) of its Senior Lender Claims (which payment shall include payment of the entire principal amount of such Claims, together with interest and default interest (as and to the extent provided in the Senior Credit Agreement) through the Effective Date). Oaktree acknowledges and agrees that such payment shall be made in the currency (whether USD or Euro) in which the underlying Claims held by Oaktree are denominated under the Senior Credit Facility. Oaktree agrees that, except for the payment described in this paragraph and in paragraph 3 below, it shall not be entitled to any further distribution or other payment from the Debtors or the Debtor Group (as defined below), whether under the Amended Plan or otherwise.

**3. Expense Reimbursement Claim**

Subject to the occurrence of the Effective Date, Oaktree shall be allowed an administrative expense claim for \$5.25 million in full and final settlement of all of Oaktree’s claims, other than those described in the immediately preceding paragraph 2 above, for fees, expenses, or other amounts, of any type or nature whatsoever and whether arising pre- or post-petition, against the Debtors or the Debtor Group (the “Agreed Administrative Expense Claim”), which Agreed Administrative Expense Claim shall be paid in full on the Effective Date. Notwithstanding the foregoing, the Parties acknowledge and agree that allowance of the Agreed Administrative Expense Claim and the Debtors’ agreement to reimburse Oaktree for such Agreed Administrative Expense Claim fees, expenses, and other amounts is wholly conditioned on the occurrence of the Effective Date and; in the event that the Effective Date does not occur, Oaktree and the Debtors reserve their rights to assert or object to any request for reimbursement of the fees, expenses or other amounts otherwise included in the Agreed Administrative Expense Claim.

**4. Confirmation of Amended Plan**

The Debtors agree to seek confirmation of the Amended Plan as soon as reasonably practicable, subject to the Court’s availability, and to cause the Effective Date to occur as soon as reasonably practicable following confirmation, and Oaktree agrees to cooperate with the Debtors in that regard.

**5. Releases**

(a) Subject to the occurrence of the Effective Date, the Debtors and all of their present and former predecessors, successors, direct and indirect parents, subsidiaries and affiliates, direct and indirect shareholders, and their affiliates, assigns, agents, directors, officers, employees, partners, funds, lenders, managers, advisors, insurers, all employee benefit plans sponsored by or contributed to by any of them, personal representatives, members, and all related entities of any kind or nature, and its and their predecessors and successors (collectively the

“Debtor Group”), hereby release and forever discharge Oaktree and, to the extent legally permitted or enforceable, all of its present and former predecessors, successors, direct and indirect parents, subsidiaries and affiliates, direct and indirect shareholders, and their affiliates, assigns, agents, directors, officers, employees, partners, funds, lenders, managers, advisors, insurers, all employee benefit plans sponsored by or contributed to by any of them, personal representatives, members, and all related entities of any kind or nature, and its and their predecessors and successors (collectively, the “Oaktree Group”) from any and all actions, causes of action, claims, suits, debts, damages, judgments, obligations, liabilities, demands and controversies whatsoever, whether matured or not, whether at law or in equity, whether before a local, state or federal court or state or federal administrative agency, commission or arbitration, whether arising in contract, tort, or otherwise, and whether now known or unknown, liquidated or unliquidated (collectively, the “**Claims**”), that the Debtor Group now has or may have had, or thereafter claim to have against the Oaktree Group relating to the Debtors, including but not limited to any claims for equitable subordination arising from or related to Oaktree’s investment in Almatris, participation in the Initial Plan or in any other way related to the Debtors, and the Debtors, on behalf of the Debtor Group, agree not to initiate any such claims and to withdraw any such claims if already made. Notwithstanding the foregoing, the release in this subparagraph (a) shall not apply to release or discharge any direct, non-derivative claims held by DIC against Oaktree, or by Oaktree against DIC, including but not limited to claims arising from or related to the Restructuring Term Sheet dated June 27, 2009 between Dubai International Capital LLC and Oaktree or the Confidentiality Agreement dated July 17, 2009 between the same parties (collectively, the “**Excluded Claims**”).

(b) Subject to the occurrence of the Effective Date, the Oaktree Group hereby releases and forever discharges the Debtor Group from any and all Claims that the Oaktree Group now has or may have had, or thereafter claim to have against the Debtor Group relating to Almatris, and Oaktree, on behalf of the Oaktree Group, agrees not to initiate any such claims and withdraw any such claims if already made. Notwithstanding the foregoing, the release in this subparagraph (b) shall not apply to the Excluded Claims.

(c) The Oaktree Group and the Debtor Group warrant and agree that: (i) they have not assigned, pledged, hypothecated, or otherwise divested themselves or encumbered any part of the Claims, being released hereby; (ii) no other person or entity has any interest in or ownership of the Claims covered by these releases; and (iii) the Oaktree Group and Debtor Group hereby agree to indemnify, defend, and hold each other harmless from and against any or all of any part of the Claims so assigned, pledged, hypothecated, divested or encumbered.

(d) The Debtors agree, in good faith and to the extent and only to the extent permitted by the Court and applicable law, to revise the Amended Plan to include Oaktree in the list of parties entitled to the benefit of the release and exculpation provisions of Section 9.2 of the Amended Plan, and to support the inclusion of Oaktree therein. Notwithstanding the foregoing, Oaktree agrees that the inclusion of Oaktree in Section 9.2 of the Amended Plan need not be addressed at the hearing to approve the Settlement Motion (as defined below) and can be addressed at the hearing to confirm the Plan. Oaktree further agrees that the release and exculpation provisions of the Amended Plan are not intended to provide, and do not provide, for non-elective non-debtor releases, and that none of (i) the receipt by Oaktree of any elective or non-elective non-debtor releases (ii) the allowance, by the Court or pursuant to applicable law, of

any elective or non-elective non-debtor releases in favor of Oaktree or (iii) the application of the release and exculpation provisions of the Amended Plan to Oaktree, are conditions precedent to this Agreement or to the performance by Oaktree and the Oaktree Group of its and their obligations hereunder.

**6. No Admission of Liability**

It is understood and agreed between the Parties that this Agreement is a compromise and shall not be construed as an admission of liability, wrongdoing or responsibility on the part of any Party, or on the part of any Party's predecessors, successors, assigns, agents, parents, subsidiaries, affiliates, officers, directors, employees, heirs, personal representatives, partners, members or shareholders. Rather, the Parties expressly deny such liability, wrongdoing or responsibility.

**7. Effective Date**

This Agreement shall become effective and binding on the Parties and their respective successors and permitted assigns, upon the entry of a final order approving the Settlement Motion (as defined below); notwithstanding the foregoing, the provisions of this Agreement that are effective only upon the occurrence of the Effective Date shall only be effective if the Effective Date occurs, and to the extent that this Agreement specifies that a payment is to be made on the Effective Date, nothing in this paragraph shall require the Debtors to make any such payment prior to the Effective Date..

**8. Miscellaneous Terms and Conditions**

(a) Oaktree represents and warrants that it has the right and authority to enter into, execute and deliver this Agreement as the binding agreement of Oaktree and, to the extent legally permitted or enforceable, the Oaktree Group, and to agree to the terms and conditions set forth herein. The Debtors represent and warrant that they have the right and authority to enter into, execute and deliver this Agreement as the binding agreement of the Debtors and the Debtor Group, and to agree to the terms and conditions set forth herein, only with the approval of the Court.

(b) The Debtors agree, no later than August 6, 2010, to file a motion (the "**Settlement Motion**") seeking entry, on an expedited basis, of an order of the Court, pursuant to Bankruptcy Rule 9019, authorizing them to enter into, execute and deliver this Agreement as the binding agreement of the Debtors, and to agree to the terms and conditions set forth herein and to pursue, in good faith, entry of such an order on an expedited basis. Oaktree agrees, in good faith, to support the Debtors to obtain expedited approval of the Settlement Motion.

(c) The Agreement, including all matters of construction, validity and performance, shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to choice of law or conflicts of law provisions.

(d) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(e) The Parties acknowledge, represent and warrant that each has been fully advised by its attorney(s) concerning the execution of this Agreement, that each has fully read and understands the terms of this Agreement, and that each has freely and voluntarily executed this Agreement. Each Party has participated in the creation of this Agreement. No legal principle interpreting the Agreement against the drafter will apply.

(f) This Agreement reflects the entire agreement and understanding between the Parties with respect to the settlement and release contemplated herein. This Agreement may be modified or waived, in whole or in part, only by a written document signed by all of the Parties.

(g) No failure or delay by any Party in exercising any right, power, or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.

(h) No Party may assign this Agreement in whole or in part without the prior written consent of the other Party.

(i) In connection with this Agreement and the settlement and releases effected hereby, each Party to this Agreement will, to the extent legally permitted, execute and deliver any additional documents and perform any additional acts that may be reasonably necessary or appropriate to effectuate and perform its obligations under this Agreement and the settlement effected hereby.

(j) If any portion of this Agreement shall be held to be invalid, void, or otherwise unenforceable, then that portion shall be deemed modified (only to the extent necessary and in a manner consistent with the remainder of this Agreement) so as to be valid and enforceable or, if such modification is not reasonably feasible, shall be deemed to have been severed out of this Agreement, and the Parties acknowledge that the balance of this Agreement shall in any event be valid and enforceable unless the effect shall be to materially alter the terms and conditions of this Agreement.

(k) The Parties acknowledge that the covenants contained herein are fundamental for the protection of the Parties' legitimate business interests and that in the event of any violation by any Party of any such covenants, the other Party's remedies at law may be inadequate. In the event that either Party violates or attempts to violate the provisions of this Agreement, the other Party shall be entitled to specific performance and injunctive relief or other equitable remedy without any showing of irreparable harm or damage, and the Parties hereby waive any requirement for the securing or posting of any bond or other security in connection with any such remedy. Such remedies shall not be deemed to be the exclusive remedies for any breach hereof but will be in addition to all other remedies available at law or in equity.

(l) Any notices required under this Agreement shall be served upon the Parties via overnight mail or certified mail as follows:

**Notices to Oaktree:**

Mr. Justin Bickle  
Oaktree Capital Management Limited

27 Knightsbridge  
London SW1X7LY  
United Kingdom

With a copy to:

Oaktree Capital Management L.P.  
(Attention: Todd Molz)  
333 South Grand Ave., 28th Floor  
Los Angeles, CA 90071

and

Kirkland & Ellis LLP  
(Attn: Adam Paul)  
300 North LaSalle Street  
Chicago, Illinois 60654

**Notices to Debtors:**

Remco de Jong, Chief Executive Officer  
Almatis Group  
Lyoner Strasse 9,  
60528 Frankfurt

Charles Herlinger, Chief Financial Officer,  
Almatis Group  
Lyoner Strasse 9  
60528 Frankfurt

With a copy to:

Gibson, Dunn & Crutcher LLP  
(Attn: Michael A. Rosenthal)  
200 Park Avenue  
New York, New York 10166

The notice contact information set forth above may be changed by written notice sent in accordance with this section. Notices shall be deemed effective upon receipt.

IN WITNESS THEREOF, the Parties have fully executed this Agreement as of the date of the date first set forth above.

**(Signatures on Following Page)**

**Oaktree Capital Management, L.P.,  
On Its Own Behalf and On Behalf  
Of the Following Entities:**

**Cardonald Place, L.P.  
Driver Holdings, L.P.  
Dryburn Holdings, L.P.  
Finley Partners, L.P.  
Jennings Capital, L.P.  
Knightsbridge Holdings I, L.P.  
Lamington Holdings, L.P.  
Lednock Investments, L.P.  
OCM European Opportunities Fund II, L.P.  
OCM European Principal Opportunities Fund II  
GP, L.P.  
OCM European Principal Opportunities Fund II  
GP, Ltd.  
OCM Luxembourg EPOF II Sari  
Pilgrim Sari  
Rodgers Investments, L.P.  
Talla Capital, L.P.  
Traquair Partners, L.P.  
Tweedsmuir Investments, L.P.  
Wedderlea & Company, L.P.  
Westfield Partners, L.P.  
Woodson Investenti, L.P.**

By: \_\_\_\_\_  
Name:  
Title: Its Authorized Representative



**Almatis B.V.**  
**Almatis Holdings 7 B.V.**  
**Almatis Holdings 9 B.V.**  
**Almatis Holdings 3 B.V.**  
**DIC Almatis Bidco B.V.**  
**DIC Almatis Midco B.V.**  
**DIC Almatis Holdco B.V.**  
**Almatis US Holding, Inc.**  
**Almatis Inc.**  
**Almatis Asset Holdings, LLC**  
**Blitz F07-neunhundert-sechzig-drei GmbH**  
**Almatis Holdings GmbH**  
**Almatis GmbH**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Representative