

## SETTLEMENT AND RELEASE AGREEMENT

This SETTLEMENT AND RELEASE AGREEMENT (“**Agreement**”) is made by and between Carpenter, Zuckerman & Rowley, LLP (the “**Carpenter Counsel**”) on behalf of the Diacetyl Claimants (defined below), Chemtura Corporation (“**Chemtura**”), and Chemtura Canada Co./CIE (“**Chemtura Canada**”). The Carpenter Counsel, Chemtura, and Chemtura Canada may each be referred to individually as a “**Party**” and collectively as “**Parties**” to this Agreement.

### RECITALS

WHEREAS, Chemtura commenced a case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) on March 18, 2010, in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), and Chemtura Canada commenced a case under chapter 11 of the Bankruptcy Code in the Bankruptcy Court on August 8, 2010, which cases are pending and jointly administered with the chapter 11 cases of certain of Chemtura’s affiliates (hereafter collectively referred to, with Chemtura and Chemtura Canada, as the “**Debtors**”) under the caption, *In re Chemtura Corporation, et al.*, Case No. 09-11233 (REG) (the “**Chapter 11 Case**”);

AND WHEREAS, the Diacetyl Claimants asserted or could have asserted the Diacetyl Claims (as defined below) against Chemtura and Chemtura Canada (collectively, the “**Chemtura Defendants**”);

AND WHEREAS, the Chemtura Defendants deny any liability to the Diacetyl Claimants for the Diacetyl Claims;

AND WHEREAS, the Diacetyl Claimants have submitted documentation to the Chemtura Defendants satisfying the Settlement Criteria (as defined below);

AND WHEREAS, to avoid the risk, expense, and burden of further litigation, and without admitting any liability, the Parties now desire to forever settle, resolve, and terminate any and all disputes over the Released Parties’ (as defined below) liability for the Diacetyl Claims, as well as any and all disputes concerning the liquidated amount of the Diacetyl Claims, and to discontinue all disputes between them on the terms and conditions set forth below.

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

### SECTION 1. DEFINITIONS & RULES OF CONSTRUCTION

1.1. *Terms Defined in the Preamble and Recitals.* The following terms shall have the meaning ascribed thereto in the preamble and recitals of this Agreement:

Agreement  
Bankruptcy Code

Bankruptcy Court  
Carpenter Counsel  
Chapter 11 Case  
Chemtura  
Chemtura Canada  
Chemtura Defendants  
Debtors  
Parties  
Party

1.2. *Other Defined Terms.* In addition to terms defined elsewhere in this Agreement, for purposes of this Agreement only, the following terms shall have the respective meanings specified below:

(a) “**Approval Order**” means an order of the Bankruptcy Court, approving the terms of this Agreement and the Chemtura Defendants’ entry into this Agreement, pursuant to Federal Rules of Bankruptcy Procedure 3018(a) and 9019, or any other applicable Rule or Bankruptcy Code provision, the form of which is attached hereto as Exhibit 1.2(a).

(b) “**Cash**” means the lawful currency of the United States of America.

(c) “**Certifying Affidavit**” means one or more affidavits signed by the Carpenter Counsel, certifying as to each Diacetyl Claimant that the requirements of 42 U.S.C. § 1395y(b)(2) and of the regulations promulgated under such statute, including 42 C.F.R. §§ 411.21, 411.22, *et seq.*, as such statute and regulations may be amended, have been complied with so as to satisfy, resolve, or extinguish any liability or obligation of the Released Parties under such statute and regulations, the form of which is attached hereto as Exhibit 1.2(c).

(d) “**Chartis Insurer Entities**” means (i) the Chartis Insurers; (ii) the respective directors, officers, employees, shareholders, agents, and representatives of the Chartis Insurers when acting in their capacity as such; and (iii) all the predecessors, successors, and assigns of the foregoing in their capacity as such.

(e) “**Chartis Insurers**” means AIU Insurance Company, American Home Assurance Company, Chartis Specialty Insurance Company (f/k/a American International Specialty Lines Insurance Company), Granite State Insurance Company, Illinois National Insurance Company, The Insurance Company of the State of Pennsylvania, Lexington Insurance Company, and National Union Fire Insurance Company of Pittsburgh, PA, and their respective parent companies, subsidiaries, and affiliates.

(f) “**Chemtura Entities**” means the Chemtura Defendants and their respective parent companies, subsidiaries, and affiliates;

(g) “**Chemtura Protected Parties**” means (i) the Chemtura Entities; (ii) the respective directors, officers, employees, shareholders, agents, and representatives of the Chemtura Entities when acting in their capacity as such; and (iii) all the predecessors, successors,

and assigns of the foregoing in their capacity as such, including the reorganized Chemtura Entities.

(h) “**Derivative Diacetyl Claim**” means a Diacetyl Claim that derives from another Diacetyl Claimant’s direct exposure claim, *e.g.*, a loss of consortium claim.

(i) “**Diacetyl**” means diacetyl, acetoin, or acetaldehyde.

(j) “**Diacetyl Class**” means the class of claims under the Plan, pursuant to sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, which shall be composed of the Diacetyl Claims and any other claims relating to Diacetyl not covered by this Agreement, including, to the extent such claims are not disallowed, the claims of entities for indemnification or contribution for injuries relating to Diacetyl.

(k) “**Diacetyl Claim**” means any claim held by an individual represented by the Carpenter Counsel on or before the Settlement Effective Date against the Chemtura Protected Parties that was asserted or could have been asserted in a lawsuit filed in any state or federal court on or before the Settlement Effective Date or in a proof of claim filed in the Chapter 11 Case alleging injury from, relating to or by reason of exposure to: (i) Diacetyl manufactured, distributed, or sold by the Chemtura Entities or their respective predecessors, or (ii) any product, including butter flavoring, that contains Diacetyl manufactured, distributed, or sold by the Chemtura Entities or their respective predecessors, including the claims identified on Exhibit 1.2(k).

(l) “**Diacetyl Claimant**” means the holder of a Diacetyl Claim or a Derivative Diacetyl Claim.

(m) “**Estimation Proceeding**” means the proceeding to estimate the aggregate value of Diacetyl-related claims, which was commenced by a motion filed by certain of the Debtors in the Chapter 11 Case on March 19, 2010 [Dkt. No. 2281].

(n) “**Plan**” means the *Joint Plan of Reorganization of Chemtura Corporation, et al.*, dated August 4, 2010, as it may be amended, revised, modified, or otherwise supplemented, or such other plan of reorganization as is proposed by or supported by the Debtors in the Chapter 11 Case that provides treatment to the Diacetyl Claims consistent with the terms of this Agreement.

(o) “**Plan Effective Date**” means the effective date of the Plan according to its terms as confirmed by the Bankruptcy Court.

(p) “**Release**” shall have the meaning ascribed to such term in Section 6.1 hereof.

(q) “**Released Parties**” means the Chemtura Protected Parties and their respective insurers, including the Chartis Insurer Entities, but only in their respective capacities

as insurers of one or more Chemtura Protected Parties.

(r) “**Settlement Amount**” means \$872,450, which will be used to make all distributions to the Diacetyl Claimants on account of the Diacetyl Claims.

(s) “**Settlement Criteria**” means the following requirements and criteria that will be used to resolve and liquidate the Diacetyl Claims:

(i) An affidavit signed by the Diacetyl Claimant indicating the place(s) at and time period(s) during which the Diacetyl Claimant alleges exposure to Diacetyl or any product, including butter flavoring, that contains Diacetyl manufactured, distributed, or sold by any of the Chemtura Protected Parties, and the employment position(s) (if applicable) held by the Diacetyl Claimant for each time period;

(ii) Evidence that Diacetyl manufactured, distributed, or sold by any of the Chemtura Protected Parties was used or present at one or more of the places during the time period(s) identified by a Diacetyl Claimant in Section 1.2(s)(i) above; and

(iii) A medical affidavit from a licensed physician including, at a minimum, the following conclusions: (a) the FEV1 score for the Diacetyl Claimant; (b) the lung capacity of the Diacetyl Claimant is impaired; and (c) the Diacetyl Claimant’s exposure to Diacetyl caused or contributed to the Diacetyl Claimant’s lung capacity impairment.

(t) “**Settlement Effective Date**” shall have the meaning ascribed to such term in Section 4.1 hereof.

(u) “**Termination Event**” shall have the meaning ascribed to such term in Section 8.1 hereof.

(v) “**Voting Deadline**” shall mean the last day in which holders of claims in the Chapter 11 Case may return ballots to accept or reject the Plan in order for such ballots to be considered timely and counted as set by the Bankruptcy Court.

1.3. *Rules of Construction.* Unless the context otherwise requires, (a) any pronoun stated in the masculine, feminine, or neutral gender shall include all the other genders; (b) all section, article, and exhibit references in this Agreement are to the respective section of, article of, or exhibit to the Agreement; (c) any reference to an existing document or exhibit means such document or exhibit, as it may have been or may be restated, amended, modified, or supplemented; (d) the connective “or” shall be construed disjunctively and conjunctively such that, by way of illustration, “X or Y” shall mean “X or Y” and “X and Y”; (e) the words “herein,” “hereof,” and “hereunder,” and other words of similar import, refer to the Agreement in its entirety rather than to only the particular portion of the Agreement; and (f) the word “including” means “including, without limitation”.

## **SECTION 2. PLAN SUPPORT AND VOTING**

2.1. This Agreement shall be implemented in connection with the Plan. Each Party acknowledges and agrees that the terms and conditions set forth in this Agreement are acceptable in all respects.

2.2. Effective immediately upon entry of the Approval Order, the Diacetyl Claims shall be temporarily allowed solely for purposes of voting to accept or reject the Plan in the Settlement Amount as of the date of the Approval Order. In addition, each of the Diacetyl Claimants agrees not to oppose confirmation of the Plan.

2.3. Subject to entry of the Approval Order, each Diacetyl Claimant consents to the treatment of his Diacetyl Claim in the Plan provided that such treatment is consistent with this Agreement. Notwithstanding anything contained herein to the contrary, no Diacetyl Claimant shall be required to file any pleadings or take any other action in support of the Plan that would require him to hire and pay for counsel to represent him on an individual basis.

2.4. Notwithstanding anything in this Section 2 to the contrary, nothing in this Agreement shall be construed to prohibit any Party or Diacetyl Claimant from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Case so long as such appearance and positions advocated in connection therewith are not inconsistent with this Agreement and are not for the purpose of, and could not reasonably be expected to have the effect of hindering, delaying, or preventing approval of this Agreement, the disclosure statement for the Plan, confirmation of the Plan, or consummation of the Plan.

2.5. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement, the Plan, or any document relating to the Plan shall grant any right to any holder of a claim in the Diacetyl Class who is not a Diacetyl Claimant to a share in, or to receive a distribution from the Settlement Amount.

## **SECTION 3. COMMITMENTS OF THE CHEMTURA DEFENDANTS**

3.1. Subject to the exercise of their fiduciary duties, the Chemtura Defendants hereby agree to (a) use commercially reasonable efforts to enlist the support or consent of the Official Committee of Unsecured Creditors and the Official Committee of Equity Security Holders in favor of this Agreement, (b) use commercially reasonable efforts to obtain approval of the Bankruptcy Court of this Agreement, and (c) not take any actions inconsistent with this Agreement.

## **SECTION 4. EFFECTIVENESS**

4.1. Except as set forth in Section 2.2 above, this Agreement shall be effective upon the satisfaction of each of the following conditions precedent:

- (a) All Parties have executed this Agreement;

- (b) The Diacetyl Claimants have delivered to Chemtura and Chartis Insurers executed releases in the form required by Section 6.1 below, which shall be held by Chemtura and Chartis Insurers in escrow pending the resolution of the Settlement Criteria for each Diacetyl Claimant by the Chemtura Defendants;
- (c) The Bankruptcy Court has entered the Approval Order and such Approval Order has become final and no longer subject to appeal;
- (d) The Diacetyl Class has voted to accept the Plan by the requisite number of claimants and the requisite amount of claims, pursuant to section 1126(c) of the Bankruptcy Code; and
- (e) The Plan has been confirmed by the Bankruptcy Court and has become effective in accordance with its terms.

The first business day following the satisfaction of each of the following conditions shall be the “**Settlement Effective Date.**”

## **SECTION 5. PAYMENT OF THE SETTLEMENT AMOUNT**

5.1. Provided that both Chemtura and Chartis Insurers have received a Certifying Affidavit(s) in the form of Exhibit 1.2(c) pursuant to Section 6.5, within 30 days after the Settlement Effective Date the Chemtura Defendants shall pay the Settlement Amount in Cash into a trust account identified by the Carpenter Counsel.

5.2. The Settlement Amount is allocated to the compromise and settlement of the alleged and disputed claims and causes of action asserted by the Diacetyl Claimants for compensatory damages suffered on account of personal injuries or sickness within the meaning of Section 104(a)(2) of the Internal Revenue Code of 1954, as amended.

## **SECTION 6. RELEASES**

6.1. Pursuant to Section 4.1(b), Oscar Zetina-Pech and Maria Zetina will execute and deliver to Chemtura and Chartis Insurers a Release, Discharge and Hold Harmless Agreement in the form attached hereto as Exhibit 6.1 (“**Release**”) at the addresses listed on Exhibit 19.

6.2. Subject to the occurrence of the Settlement Effective Date, the Carpenter Counsel agree, on behalf of themselves and each of the Diacetyl Claimants:

(a) that, as to the Released Parties, payment of the Settlement Amount will fully satisfy and resolve the Diacetyl Claims held by the Diacetyl Claimants and any Derivative Diacetyl Claims that are derivative of the Diacetyl Claims held by the Diacetyl Claimants; and

(b) that, as to the Released Parties, the Settlement Amount will constitute the sole source of compensation and recovery for the Diacetyl Claimants on account of their

Diacetyl Claims and any Derivative Diacetyl Claims that are derivative of the Diacetyl Claims held by the Diacetyl Claimants; and

(c) that each of the proofs of claim of the Diacetyl Claimants filed or deemed to be filed in the Chapter 11 Case shall be deemed fully and finally satisfied without any further action by the parties or the Court.

6.3. Subject to the receipt of the Settlement Amount, the Carpenter Counsel agree on behalf of themselves and each of the Diacetyl Claimants to release, discharge, and hold harmless the Chemtura Protected Parties and their respective insurers, including the Chartis Insurer Entities, in their respective capacities as insurer of the Chemtura Protected Parties, from all claims, lawsuits, demands, and causes of action, known or unknown, past, present or future, involving a Diacetyl Claimant's alleged injury from exposure to Diacetyl, including the Diacetyl Claims and the Derivative Diacetyl Claims. The Carpenter Counsel further agree on behalf of themselves and each of the Diacetyl Claimants not to collect from any entity that portion of any Diacetyl Claimant's damages attributable by a court of competent jurisdiction to any of the Released Parties. If a Diacetyl Claimant settles any Diacetyl-related claim with any entity that does not agree to waive and release any contribution or indemnity claim against the Released Parties, then the Carpenter Counsel on behalf of themselves and the respective Diacetyl Claimant agree to indemnify and hold harmless such Released Party from such claim.

6.4. Diacetyl Claimants and the Released Parties understand that this Agreement and the Release do not release any claim or cause of action or dismiss any lawsuit by the Diacetyl Claimants against any entity other than the Released Parties. Without limiting the foregoing, this Agreement does not release any claim or cause of action or dismiss any lawsuit by the Diacetyl Claimants against any entity that is acquired by or acquires any of the Released Parties after this Agreement is executed. In addition, as used in this Agreement and the Release, the word "affiliate" does not include any person or entity that does not have any corporate or ownership connection with any of the Chemtura Defendants or any of the Chartis Insurers that are identified by their corporate name in Section 1.2(e) hereof.

6.5. Prior to the Chemtura Defendants' payment of the Settlement Amount into a trust account identified by the Carpenter Counsel, the Carpenter Counsel shall send to Chemtura and the Chartis Insurers, at the addresses set forth on Exhibit 19, a Certifying Affidavit(s) with respect to the Diacetyl Claimants.

6.6. The Parties acknowledge that they have been advised by legal counsel and are familiar with California Civil Code Section 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her, must have materially affected his or her settlement with the debtor.

The Parties, being aware of and familiar with California Civil Code Section 1542, hereby expressly waive and relinquish any and all rights and benefits they may have under this section, as well as other statutes or common law principles of similar effect.

## **SECTION 7. RESOLUTION OF LITIGATION AND CERTAIN BANKRUPTCY PROCEEDINGS**

7.1. Within two (2) business days after Bankruptcy Court approval of this Agreement, Chemtura will use commercially reasonable efforts to obtain a stay by the Bankruptcy Court of the portion of the Estimation Proceeding that pertains to the Diacetyl Claims held by the Diacetyl Claimants and any Derivative Diacetyl Claims that are derivative of such Diacetyl Claims. The Parties agree that, upon the Settlement Effective Date, the portion of the Estimation Proceeding that pertains to the Diacetyl Claims will be moot.

7.2. Within two (2) business days after the Settlement Amount is paid, as provided in Section 5.1 above, the Carpenter Counsel will file in the pending lawsuits the required notices, stipulations, or motions to dismiss with prejudice any Diacetyl Claims against the Chemtura Defendants.

## **SECTION 8. TERMINATION**

8.1. This Agreement shall terminate without further action required by any Party hereto (unless otherwise noted below) upon the earliest to occur of the following (each, a “**Termination Event**”), unless such Termination Event is waived pursuant to Section 8.3 hereof:

(a) refusal of the Bankruptcy Court to enter the Approval Order following a hearing to consider approval of this Agreement;

(b) the failure of the Diacetyl Class to accept the Plan by the requisite number of claimants and the requisite amount of claims, pursuant to section 1126(c) of the Bankruptcy Code;

(c) the filing by the Chemtura Defendants of any motion or other request for relief to (i) dismiss the Chapter 11 Case, (ii) convert the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code, or (iii) appoint a trustee or an examiner with expanded powers pursuant to section 1104 of the Bankruptcy Code in the Chapter 11 Case;

(d) the entry of an order by the Bankruptcy Court (i) dismissing the Chapter 11 Case, or (ii) converting the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code;

(e) the Chemtura Defendants filing, proposing, or otherwise supporting any chapter 11 plan that materially conflicts with the terms of this Agreement, including a plan that would not entitle the Diacetyl Claimants to the distributions agreed upon in this Agreement;

(f) the material breach by the Carpenter Counsel or any Diacetyl Claimant of any of the undertakings, representations, warranties, or covenants of the Carpenter Counsel and such Diacetyl Claimant set forth in this Agreement, which material breach remains uncured for a period of five business days after the receipt of notice of such breach from Chemtura or Chemtura Canada;

(g) the material breach by Chemtura or Chemtura Canada of any of the respective undertakings, representations, warranties, or covenants of Chemtura or Chemtura Canada set forth in this Agreement, including Chemtura's and Chemtura Canada's obligations under Section 3 hereof, which material breach remains uncured for a period of five business days after the receipt of written notice of such breach from the Carpenter Counsel;

(h) the Chemtura Defendants materially amend or modify the Plan or any Plan-related document after it is filed with the Bankruptcy Court, which amendment or modification makes the Plan or any Plan-related document materially inconsistent with the terms of this Agreement, and such material inconsistency remains uncured for a period of five business days after the receipt of notice from the Carpenter Counsel demanding cure;

(i) the Bankruptcy Court confirms a plan of reorganization or a plan of liquidation in the Chapter 11 Case that provides for treatment of the Diacetyl Claims that is materially inconsistent with the terms of this Agreement, and such material inconsistency remains uncured for a period of 10 days after the receipt of notice from demanding cure; or

(j) the Bankruptcy Court grants relief that is materially inconsistent with this Agreement.

8.2. Subject to a waiver effectuated pursuant to Section 8.3 hereof, upon termination of this Agreement, each Party hereto shall be released from its commitments, undertakings, and agreements under or related to this Agreement, and shall have the rights and remedies that it would have had and shall be entitled to take all actions, whether with respect to the Chapter 11 Case or otherwise, that it would have been entitled to take, had it not entered into this Agreement. Without limiting the generality of the foregoing, upon the occurrence of a Termination Event resulting from an uncured material breach by the Carpenter Counsel under Section 8.1(f) hereof, the Carpenter Counsel shall return the Settlement Amount remaining in the trust account identified by the Carpenter Counsel pursuant to Section 5.1 to the Chemtura Defendants. For the avoidance of doubt, the Parties hereby waive any requirement under section 362 of the Bankruptcy Code to lift the automatic stay thereunder for purposes of providing notice under this Agreement (and agree not to object to any non-breaching Party seeking, if necessary, to lift such automatic stay in connection with the giving of any such notice). This Agreement shall be null and void *ab initio* in the event that the Bankruptcy Court declines to enter the Approval Order.

8.3. A Termination Event may be waived by the particular Parties identified in this Section 8.3, but no such waiver shall be valid, enforceable, or effective unless it is in a writing signed by each such Party within five business days of the occurrence of the Termination Event. No action taken or made by a Party pursuant to this Agreement shall be construed or operate as

an implied or constructive waiver of such Termination Event. A Termination Event occurring under subsections (b), (e), (h), (i), or (j) of Section 8.1 hereof may be waived only by agreement of all of the Parties hereto, pursuant to the terms hereof. A Termination Event occurring under subsections (c) or (d) of Section 8.1 hereof may be waived by the Carpenter Counsel, pursuant to the terms hereof. A Termination Event occurring under subsections (f) or (g) of Section 8.1 hereof may be waived by the Party or by agreement of the Parties that served the notice of breach, pursuant to the terms hereof.

## **SECTION 9. GOOD FAITH COOPERATION; OTHER ASSURANCES**

9.1. The Parties shall cooperate with each other in good faith and shall coordinate their activities (to the extent practicable) in respect of all matters concerning the implementation and consummation of this Agreement. Furthermore, each of the Parties shall make commercially reasonable efforts to take such actions (including executing and delivering any other agreements and making and filing any required regulatory filings) as may be necessary to carry out the purposes and intent of this Agreement.

## **SECTION 10. REPRESENTATIONS AND WARRANTIES**

10.1. Each Party hereby represents and warrants to the other Parties that the following statements are true, correct, and complete as of the date hereof and as of the date of any amendment of this Agreement approved by such Party:

(a) *Power and Authority; Authorization.* It has all requisite corporate, partnership, limited liability company, or similar authority to enter into this Agreement and carry out the transactions contemplated hereby and perform its obligations contemplated hereunder; and the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized by all necessary corporate, partnership, limited liability company, or other similar action on its part.

(b) *No Conflicts.* The execution, delivery, and performance by such Party of this Agreement does not and shall not (i) violate (A) any provision of law, rule, or regulation applicable to it or any of its subsidiaries or (B) its charter or bylaws (or other similar governing documents) or those of any of its subsidiaries or (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time, or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party.

(c) *Governmental Consents.* The execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, State, or governmental authority or regulatory body other than the Bankruptcy Court.

(d) *Binding Obligation.* This Agreement is the legally valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating

to enforceability or a ruling of the Bankruptcy Court.

(e) *Good Faith & Compliance With Law.* This Agreement is based upon a good faith determination of the Parties to resolve a disputed claim. The Parties have attempted to resolve this matter in compliance with both state and federal law.

(f) *Medicare.* The Parties have made every effort to adequately protect Medicare's interest and incorporate such protection into this Agreement, including the Release. Pursuant to 42 U.S.C. § 1395y(b), the Parties have not attempted to shift primary payer responsibility for medical treatment to Medicare.

10.2. Each person signing this Agreement in the signature blocks below represents and warrants that he has the requisite authority to execute this Agreement on behalf of the Party or Parties he or she purports to represent. The Carpenter Counsel represent and warrant that they are authorized to bind each of the Diacetyl Claimants to the terms of this Agreement.

10.3. The Carpenter Counsel represent and warrant that they are the only attorneys with a potential claim, if any, to a portion of the Settlement Amount. The Carpenter Counsel agree to defend, indemnify, and hold harmless the Chemtura Defendants against any claim by other counsel for a portion of the Settlement Amount, including without limitation a claim by Jeffrey McIntyre, Esq. or the Law Office of Jeffrey C. McIntyre.

## **SECTION 11. AMENDMENTS**

11.1. This Agreement may not be amended, supplemented, or otherwise modified except as set forth herein.

## **SECTION 12. GOVERNING LAW**

12.1. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflict of laws provisions that would require the application of the law of another jurisdiction.

## **SECTION 13. REMEDIES**

13.1. All remedies which are available at law or in equity, including specific performance and injunctive or other equitable relief, to any Party for a breach of this Agreement by another Party shall be available to the non-breaching Party. All rights, power, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party or by any other Party.

## **SECTION 14. HEADINGS**

14.1. The headings of the Sections, paragraphs, and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

## **SECTION 15. SUCCESSORS AND ASSIGNS**

15.1. This Agreement will bind and inure to the benefit of the Parties and their respective permitted successors, assigns, heirs, executors, estates, administrators, and representatives.

## **SECTION 16. THIRD PARTY BENEFICIARIES**

16.1. Unless otherwise expressly stated herein, this Agreement shall be solely for the benefit of the Parties, the Chemtura Defendants' insurers in their capacity as such, including the Chartis Insurers Entities, and the Diacetyl Claimants. No other person or entity, including any member of the Diacetyl Class who is not a Diacetyl Claimant, shall be a third-party beneficiary thereof.

## **SECTION 17. ENTIRE AGREEMENT**

17.1. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements (oral and written) and all other prior negotiations, but shall not supersede the Plan or the Releases to be provided by the Diacetyl Claimants pursuant to Section 6.

## **SECTION 18. COUNTERPARTS**

18.1. This Agreement and any amendments, waivers, consents, supplements hereto or in connection herewith may be executed in any number of identical counterparts and by different parties hereto in separate identical counterparts, each of which when so executed and delivered will be deemed an original, but all such identical counterparts together shall constitute but one and the same instrument. Delivery by facsimile or electronic mail of an executed identical counterpart of the signature page to this Agreement and any amendments, waiver, consents, supplements hereto or in connection herewith shall be effective as delivery of an original executed identical counterpart hereof.

## **SECTION 19. NOTICES**

19.1. All demands, notices, requests, consents, approvals, and other communications under this Agreement shall be in writing, sent contemporaneously to all of the Parties, by facsimile transmission or overnight courier and deemed given when delivered, if delivered by hand or overnight courier, or upon confirmation of transmission, if delivered by facsimile, during standard business hours (from 8:00 A.M. to 6:00 P.M. at the place of receipt) at the addresses and facsimile numbers set forth on Exhibit 19 hereto.

## **SECTION 20. RULES OF INTERPRETATION; CALCULATION OF TIME**

20.1. Notwithstanding anything contained herein to the contrary, it is the intent of the Parties that all references to votes or voting in this Agreement be interpreted to include votes or voting on a plan of reorganization under the Bankruptcy Code. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the Parties hereto. None of the Parties hereto shall have any term or provision construed against such Party solely by reason of such Party having drafted the same. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is not a business day, the period in question shall end on the next succeeding business day.

## **SECTION 21. RESERVATION OF RIGHTS**

21.1. Except as expressly provided in this Agreement, nothing herein is intended to, or does in any manner waive, limit, impair, or restrict the ability of each Diacetyl Claimant to protect and preserve his or her rights, remedies, and interests, including his Diacetyl Claims. Nothing in this Agreement shall (a) constitute an admission of any type by any Party, (b) have any precedential value in other proceedings, or (c) inure to the benefit of or be relied upon in any way by any third parties. If the transactions contemplated herein are not consummated, or this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights, including their respective rights to a trial by jury. Pursuant to Rule 408 of the Federal Rules of Evidence, any applicable state rules of evidence, and any other applicable law, foreign or domestic, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to obtain approval of this Agreement by the Bankruptcy Court or a proceeding to enforce its terms.

## **SECTION 22. FURTHER ASSURANCES**

22.1. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters specified herein, as may be reasonably appropriate or necessary, from time to time, to effectuate this Agreement, and the transactions contemplated therein.

## **SECTION 23. ACKNOWLEDGEMENT**

23.1. Each of the Parties agrees that this Agreement is the product of negotiations among the Parties, together with their respective representatives. This Agreement is not, and shall not be deemed to be, a solicitation of votes for the acceptance of the Plan or any plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. The votes of the holders of debt, claims, and interests against the Debtors will not be solicited until such holders who are entitled to vote on the Plan have received the Bankruptcy Court approved disclosure statement and any other required materials related to the Plan solicitation. In addition, this Agreement does not constitute an offer to issue or sell securities to any person,

or the solicitation of an offer to acquire or buy securities, in any jurisdiction where such offer or solicitation would be unlawful.

**SECTION 24. NO WAIVER**

24.1. The failure of any Party hereto to exercise any right, power, or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other Party hereto with its obligations hereunder, and any custom or practice or the Parties at variance with the terms hereof, shall not constitute a waiver by such Party or its right to exercise any such right, power, or remedy or to demand such compliance.

*[Signatures of Parties on Following Page]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

Chemtura Corporation

Billie S. Flaherty  
By: Billie S. Flaherty  
Its: SVP, General Counsel & Secretary

Date: 9/14/10

Chemtura Canada Co./CIE

Billie S. Flaherty  
By: Billie S. Flaherty  
Its: Director

Date: 9/14/10

Carpenter, Zuckerman & Rowley, LLP on behalf of itself and each Diacetyl Claimant

\_\_\_\_\_  
By Paul Zuckerman  
Its Member

Date: \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

Chemtura Corporation

\_\_\_\_\_ Date: \_\_\_\_\_  
By: Billie S. Flaherty  
Its: SVP, General Counsel & Secretary

Chemtura Canada Co./CIE

\_\_\_\_\_ Date: \_\_\_\_\_  
By: Billie S. Flaherty  
Its: Director

Carpenter, Zuckerman & Rowley, LLP on behalf of itself and each Diacetyl Claimant

\_\_\_\_\_ Date: 9/14/10  
By: Paul Zuckerman  
Its: Member