

## SETTLEMENT and RELEASE AGREEMENT

This Settlement and Release Agreement (“**Agreement**”) is made by and between Citrus & Allied Essences, Ltd. (“**Citrus**”), Chemtura Corporation, and Chemtura Canada Co./CIE. Citrus, Chemtura Corporation, and Chemtura Canada Co./CIE may each be referred to individually as a “**Party**” and collectively as “**Parties.**”<sup>1</sup>

### RECITALS

WHEREAS, Chemtura Corporation commenced a case under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (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 Co./CIE 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 under the case caption, *In re Chemtura Corporation, et al.*, Case No. 09-11233 (REG) (the “**Chapter 11 Case**”);

AND WHEREAS Citrus timely asserted the Diacetyl Claim against Chemtura Corporation and one or more of its affiliates;

AND WHEREAS, the Chemtura Entities deny any liability to Citrus for the Diacetyl Claim and have asserted certain objections thereto in the Chapter 11 Case (the “**Diacetyl Claim Objection**”);

AND WHEREAS, Citrus has timely filed a response to the Diacetyl Claim Objection responding to the Chemtura Entities’ position set forth therein;

AND WHEREAS, to avoid the risk, expense and burden of further litigation, and without admitting any liability, the Parties now desire to forever settle and resolve the Diacetyl Claim, as

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<sup>1</sup> Defined terms not defined in context are defined in the Definitions section, below.

well as any and all disputes concerning the liquidated amount of the Diacetyl Claim, and to discontinue the dispute between them on the terms and conditions set forth below; and

NOW, THEREFORE, in consideration of the foregoing and the mutual promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## 1. DEFINITIONS

For the purpose of this Agreement only, the following terms shall have the indicated definitions:

1.1 “**Cash**” means the legal tender of the United States of America in the form of currency, a check drawn from a U.S. domestic bank, or a wire transfer of funds.

1.2 “**Chemtura**” means: (a) Chemtura Corporation, Chemtura Canada Co./CIE and their respective parents, subsidiaries, and affiliates (collectively the “**Chemtura Entities**”); (b) the respective directors, officers, employees, shareholders, agents, and representatives of the Chemtura Entities when acting in their capacity as such; and (c) all the predecessors, successors and assigns of the foregoing, including the reorganized Chemtura Entities.

1.3 “**Chartis Insurers**” means: (a) 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 parents, subsidiaries and affiliates (collectively, the “**Chartis Insurers Entities**”); (b) the respective directors, officers, employees, shareholders, agents and representatives of the Chartis Insurers Entities when acting in their capacity as such; and (c) all the predecessors, successors and assigns of the foregoing.

1.4 “**Citrus**” means (a) Citrus & Allied Essences, Ltd. and its parents, subsidiaries, and affiliates (collectively, the “**Citrus Entities**”); (b) the respective, officers, employees, shareholders, agents, and representatives of the Citrus Entities when acting in their capacity as such; and (c) all the predecessors, successors and assigns of the foregoing.

1.5 “**Diacetyl**” means diacetyl, acetoin, or acetaldehyde.

1.6 “**Diacetyl Claim**” means Proof of Claim No. 9956 filed by Citrus against Chemtura in the Chapter 11 Case alleging contribution and/or indemnification claims for the liability of Citrus and/or the underlying plaintiffs’ claims identified on Exhibit A hereto, for such plaintiff’s alleged exposure to: (a) Diacetyl manufactured, distributed, or sold by Chemtura, or (b) any product, including butter flavoring, that contains Diacetyl manufactured, distributed, or sold by Chemtura.

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

1.8 “**Plan**” means the *Joint Plan of Reorganization of Chemtura Corporation, et al.*, dated August 4, 2010 as it may be amended, revised, modified or supplemented or such other plan of reorganization or liquidation confirmed in connection with the Chapter 11 Case that provides for similar treatment to Diacetyl Claims as the *Joint Plan of Reorganization of Chemtura Corporation, et al.*, dated August 4, 2010.

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

1.10 “**Released Parties**” means Chemtura and its insurers, including the Chartis Insurers, in their capacity as such.

1.11 “**Settlement Amount**” means \$3,600,000, the total amount that will be paid to Citrus on account of the Diacetyl Claim.

## 2. **BANKRUPTCY COURT APPROVAL AND SETTLEMENT EFFECTIVE DATE**

2.1 This Agreement will become effective upon the first business day after all of the following conditions have occurred (the “**Settlement Effective Date**”):

- (a) all Parties have executed this Agreement;
- (b) the Plan Effective Date has occurred;
- (c) either (i) Chemtura has obtained Bankruptcy Court approval for entry into this Agreement pursuant to the procedures outlined in the Bankruptcy Court’s Order Establishing Procedures for Settlement of Claims (the “**Claims Settlement Procedures Order**”) (Docket No. 1832) or, (ii) to the extent that approval is not obtained pursuant to the Claims Settlement Procedures Order, the Bankruptcy Court has entered an order approving this Agreement pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure and/or any other applicable Rule or Bankruptcy Code provision and such order has become final and no longer subject to appeal; and
- (d) the Bankruptcy Court’s approval of the Chemtura Entities’ five settlement and release agreements with Tom R. Burcham, III, Esq., Robert DeVoto, Esq., Gary Matheny, Esq., and Spencer P. Desai, Esq.; Carpenter, Zuckerman & Rowley, LLP; Andrews & Thornton, Brown Rudnick, Dimarco Araujo & Montevideo, Kresch Legal Services, Goldenberg Heller Antognoli & Rowland, and The Lyon Firm; Jennifer Guild; and the Metzger Law Group, respectively; provided however, if the Bankruptcy Court does not approve all of the foregoing settlement and release agreements, Citrus has the option to waive this condition. If this condition is not satisfied and Citrus does not waive this condition, all of the Parties’ obligations under this Agreement are deemed void and as if the Agreement was never consummated.

### **3. PAYMENT OF THE SETTLEMENT AMOUNT**

3.1 Within thirty (30) days of the Settlement Effective Date, Chemtura will pay the Settlement Amount, by wire transfer, to the Sanchez Daniels & Hoffman LLP Trust Account for the benefit of Citrus and its insurers. Wire transfer instructions shall be provided to counsel for Chemtura on or prior to the Settlement Effective Date.

### **4. RELEASES**

4.1 As of the Settlement Effective Date, and upon Citrus's receipt of the Settlement Amount, Citrus remises, releases and forever discharges the Released Parties from all claims, lawsuits, demands, and causes of action, relating to the Diacetyl Claim.

4.2 Subject to the occurrence of the Settlement Effective Date, and upon Citrus's receipt of the full Settlement Amount, Citrus agrees:

(a) that, as to the Released Parties, payment of the Settlement Amount will fully satisfy and resolve the Diacetyl Claim; and

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

4.3 As of the Settlement Effective Date, the Chemtura Entities, and their respective estates, remise, release and forever discharge Citrus from all claims, lawsuits, demands, and causes of action, including for causes of action for contribution and/or indemnification for liability arising out of the subject matter of the Diacetyl Claim.

4.4 Notwithstanding anything set forth herein, or in the Plan, to the contrary, and for the avoidance of doubt, to the extent that any of Chemtura's insurers also provide

insurance coverage to Citrus, the releases set forth in this Section 4 shall not act as a release and/or waiver of any claims by Citrus under any policy of insurance issued to Citrus.

**5. RESOLUTION OF LITIGATION AND CERTAIN BANKRUPTCY PROCEEDINGS**

5.1 The Parties agree that, upon Bankruptcy Court approval of this Agreement, the Diacetyl Claim shall no longer be subject to the Estimation Proceeding. Upon the Settlement Effective Date, the portion of the Estimation Proceeding that pertains to the Diacetyl Claim will be moot.

5.2 Upon the Settlement Effective Date, and upon Citrus's receipt of the full Settlement Amount, the Diacetyl Claim shall be deemed resolved and fully satisfied without any further order of the Court or action by the Parties.

5.3 Within ten (10) business days after Citrus's receipt of the Settlement Amount, Citrus will file in all now pending lawsuits the required notices, stipulations, or motions to dismiss with prejudice any and all claims against the Chemtura Entities.

5.4 For the avoidance of doubt, nothing contained in this Agreement shall adversely affect or impair the rights of Citrus and/or Citrus's insurers, under applicable state law: (i) to setoff, (ii) to an allocation and/or reduction of a verdict or judgment against Citrus, or (iii) to any other reduction of or credit against Citrus' liability that arises from any prior or future settlement or release that Chemtura has, or may obtain, from a Diacetyl tort claimant (plaintiff, third party defendant or otherwise); provided, however, that Citrus agrees that in asserting such rights it shall take no action which would have the effect of increasing Chemtura's liability to any said Diacetyl tort claimant.

## **6. REPRESENTATIONS AND WARRANTIES**

6.1 Subject to Bankruptcy Court approval, Chemtura Corporation represents and warrants that it has the requisite corporate or organizational authority to execute this Agreement.

6.2 Subject to Bankruptcy Court approval, Chemtura Canada Co./CIE represents and warrants that it has the requisite corporate or organizational authority to execute this Agreement.

6.3 Citrus represents and warrants that it has the requisite corporate or organizational authority to execute this Agreement.

6.4 Each Party represents, warrants, and acknowledges that it has been represented by independent legal counsel in connection with this Agreement and that it has relied upon its own business judgment, investigation and due diligence, together with the advice of counsel, in deciding whether to enter into this Agreement. Each Party further represents, warrants, and acknowledges that it and its representatives have had an adequate opportunity to make whatever investigation and inquiries they deemed necessary or desirable in connection with the subject matter of this Agreement and the advisability of entering into this Agreement.

6.5 Each person signing this Agreement in the signature blocks below represents and warrants that he or she has the requisite authority to execute this Agreement on behalf of the Party or Parties he or she purports to represent.

6.6 To the extent Citrus has resolved, or will resolve, any claims asserted against it pertaining to exposure to (a) Diacetyl manufactured, distributed, or sold by Chemtura, or (b) any product, including butter flavoring, that contains Diacetyl manufactured, distributed, or sold by Chemtura, Citrus represents and warrants that (i) it complied with, or will comply

with, all applicable laws and has made, or will make, every effort to protect Medicare's interest and has not, and will not, attempt to shift responsibility for medical treatment to Medicare pursuant to 42 U.S.C. § 1395(y), and (ii) it satisfied, or will satisfy, all legally mandated requirements applicable to Citrus with respect to the Medicare Secondary Payer reporting requirements of the Medicare, Medicaid, and SCHIP Extension Act, or other applicable law, related to the Diacetyl Claim.

## **7. OTHER PROVISIONS**

7.1 Subject to Bankruptcy Court approval with respect to Chemtura, upon execution of this Agreement by all of the Parties hereto, this Agreement shall be binding upon the Parties and each of their respective successors and assigns to the fullest extent permitted by applicable law.

7.2 Nothing in this Agreement shall: (a) constitute an admission of any type by any Party; (b) have any precedential value in any other proceedings; (c) inure to the benefit of or be relied upon in any way by any third parties, except as provided in Section 7.8 herein; or (d) be used in evidence in any case or proceeding except to apply or enforce its terms.

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

7.4 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.

7.5 The execution of this Agreement was not induced by or based upon any statements, promises, representations or agreements, whether oral or written, except those specifically set forth in this Agreement.



7.6 This Agreement may be executed in two identical counterparts, each of which when so executed and delivered will be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

7.7 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.

7.8 Unless otherwise expressly stated herein, this Agreement shall be solely for the benefit of the Parties and Chemtura's insurers, including the Chartis Insurers, and Citrus's insurers, in their capacity as such. No other person or entity shall be a third-party beneficiary of this Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, affix their signatures hereto:

Chemtura Corporation

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

Date: 9/10/10

Chemtura Canada Co./CIE

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

Date: 9/10/10

Citrus & Allied Essences, Ltd.

\_\_\_\_\_  
By  
Its: \_\_\_\_\_

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

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, affix their signatures hereto:

Chemtura Corporation

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

Chemtura Canada Co./CIE

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

Citrus & Allied Essences, Ltd.

*Rahul Chandra*  
\_\_\_\_\_  
By: *Rahul Chandra*  
Its: *PRESIDENT*  
Date: *September 8, 2010*

*Ref*

## Exhibit A

*Campbell v. International Flavors & Fragrances, et al.* filed in the Circuit Court of Cook County, Illinois under general docket no. 05 L 7720

*Lopez v. Flavors of North America, et al.* filed in the Circuit Court of Cook County, Illinois under general docket no. 04 L 7262

*Solis v. FEMA, et al.* filed in the Circuit Court of Cook County, Illinois under general docket no. 06 L 12105

*Batteese v. FONA, et al.* filed in the Circuit Court of Gallatin County, Illinois under general docket no. 06 L 1

*Barker v. FONA, et al.* filed in the Circuit Court of Gallatin County, Illinois under general docket no. 04 L 4

*Williams, et al. v. BASF Corp., et al.* filed in the Circuit Court of Cook County, Illinois under general docket no. 07 L 4922

*Robinson v. Citrus, et al.* filed in Circuit Court of Cook County, Illinois under general docket no. 05 L 863

*Bowling v. Kerry, et al.* filed in the Circuit Court of St. Louis County, Missouri under general docket no. 05 CC-004030

*Blaylock v. Citrus & Allied, et al.* pending in the Circuit Court of the City of St. Louis, Missouri under general docket no. 052-10421

*Geile, et al. v. Citrus & Allied, et al.* pending in Cape Girardeau County, Missouri under court docket no. 07 PR CC00033-01

*Wibbenmeyer-Elder v. Citrus & Allied, et al.* pending in Cape Girardeau County, Missouri under docket no. 07 PR-CC00047-01

*Fults, et al v. Citrus & Allied,* pending in Cape Girardeau County, Missouri under docket no. 06 PR-CC00028-01

*Coffer v. Citrus Allied, et al.* pending in City of St. Louis, Missouri under docket no. 0922-CC02281

*Walker v. Givaudan Flavors Corp., et al.* filed in the Circuit Court of Hamilton County, Ohio under general docket no. A0700446

*Doane/Wallace v. Givaudan Flavors Corp., et al.* filed in the Circuit Court of Hamilton County, Ohio under general docket no. A0700452

*Feldkamp, et al. v. Citrus & Allied*, pending in Hamilton County, Ohio under docket no. A0805825

*Cooper, et al., v. Citrus & Allied*, pending in Hamilton County, Ohio under docket no. A080736

*Millar, et al. v. Citrus & Allied*, pending in Hamilton County, Ohio under docket no. A0808143

*Herrera v. Citrus & Allied Essences, Ltd., et al.* pending in the Orange County Superior Court, State of California, Orange County, case no. 05 CC012573

*Velasquez v. FEMA, et al.* pending in Los Angeles County Superior Court, California, case no. BC370319

*Zetina-Pech, et al. v. Carmi Flavor & Fragrance Co., Inc. et al.*, pending in Los Angeles County Superior Court, California, case no. BC364223, consolidated with case no. BC364831

*Ortiz, Mancina, Zetina-Pech, Zetina, and Corona v. FEMA, et al.*, pending in Los Angeles County Superior Court, California, case no. BC364831

*Ortiz, Mancina, Zetina-Pech, Zetina, and Corona v. Chemtura Corporation and Citrus & Allied Essences, Ltd.* pending in United States Bankruptcy Court for the Central District of California, case no. 09-AP-01714-SB

*Rosas, Gomez, and Arredondo v. Citrus & Allied*, pending in Los Angeles County Superior Court, California, case no. BC400974

*Smith, et al. v. Citrus & Allied, et al.*, pending in U.S. District Court, Eastern District of Kentucky under court docket no. 2:08-CV-130-PLB

*Hallock v. Polarome v. Citrus*, pending in the Circuit Court for Baltimore County, Maryland under docket no. 03-C-07-008244

*Kuttner v. Ungerer, et al.* pending in the Circuit Court of Common Pleas, Philadelphia County, Pennsylvania under general docket no. 02199

*Watson v. Dillon Companies, Inc. d/b/a/ King Soopers, et al.* pending in the Federal Court in Colorado under general docket no. 08 CV-01 WDM CBS

*Smead v. Citrus et al.* pending in the Circuit Court of Waukesha County, Wisconsin under general docket no. 09 CV 03112

*Anderson v. Citrus, et al.* pending in the Circuit Court of Waukesha County, Wisconsin under general docket no. 09 CV 03457

*Anderson, et al. v. BASF Corp., et al.* pending in the State Court of Clayton County, Georgia under general docket no. 2010CV03998FF

*Levey v. Citrus and Allied Essences, Ltd., et al.* pending in the Southern District of Ohio under docket no. 1:09-cv-00845-MRB

*Levey v. Citrus & Allied Essences, Ltd., et al.* pending in the Superior Court of New Jersey, Essex Vicinage under docket no. 9239-09

*Mercado v. ConAgra Foods, Inc., et al.* pending in the New York State Supreme Court, Queens County, New York under docket no. 11069-10

*Hood v. Givaudan Flavors Corp., et al.* pending in the Court of Common Pleas of Hamilton County, Ohio under docket no. A1005239

*Norrington v. Danisco USA, et al.,* pending in the Circuit Court of St. Louis City, Missouri under docket no. 1022-CC10019

*Landolfi v. Givaudan Flavors Corp. et al.* pending in the Court of Common Pleas of Hamilton County, Ohio under docket no. A1005238