

Hearing Date: TBD (ET)
Objection Deadline: TBD (ET)

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Counsel to the Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)				
In re:)				Chapter 11
)				
CHEMTURA CORPORATION, <i>et al.</i> , ¹)				Case No. 09-11233 (REG)
)				
Debtors.)				Jointly Administered
)				

**NOTICE OF THE DEBTORS' MOTION FOR
AN ORDER AUTHORIZING CHEMTURA CORPORATION TO ENTER INTO A
SETTLEMENT AND RELEASE AGREEMENT WITH HUMPHREY FARRINGTON &
MCCLAIN P.C. ON BEHALF OF THE HFM DIACETYL CLAIMANTS**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: Chemtura Corporation (3153); A&M Cleaning Products, LLC (4712); Aqua Clear Industries, LLC (1394); ASCK, Inc. (4489); ASEPSIS, Inc. (6270); BioLab Company Store, LLC (0131); BioLab Franchise Company, LLC (6709); Bio-Lab, Inc. (8754); BioLab Textile Additives, LLC (4348); CNK Chemical Realty Corporation (5340); Crompton Colors Incorporated (3341); Crompton Holding Corporation (3342); Crompton Monochem, Inc. (3574); GLCC Laurel, LLC (5687); Great Lakes Chemical Corporation (5035); Great Lakes Chemical Global, Inc. (4486); GT Seed Treatment, Inc. (5292); HomeCare Labs, Inc. (5038); ISCI, Inc. (7696); Kem Manufacturing Corporation (0603); Laurel Industries Holdings, Inc. (3635); Monochem, Inc. (5612); Naugatuck Treatment Company (2035); Recreational Water Products, Inc. (8754); Uniroyal Chemical Company Limited (Delaware) (9910); Weber City Road LLC (4381); and WRL of Indiana, Inc. (9136).



PLEASE TAKE NOTICE that a hearing on the *Debtors' Motion For an Order Authorizing Chemtura Corporation to Enter Into a Settlement Agreement and Release with Humphrey Farrington & McClain, P.C. ("HFM") on Behalf of the HFM Diacetyl Claimants* (the "**Motion**") will be held before the Honorable Robert E. Gerber of the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"), Alexander Hamilton Custom House, Room 621, One Bowling Green, New York, New York, on a date and time to be determined by the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the relief requested in the Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court electronically by registered users of the Bankruptcy Court's case filing system (the User's Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court) and, by all other parties in interest, on a 3.5 inch disk, in text-searchable Portable Document Format (PDF), Wordperfect or any other Windows-based word processing format (in either case, with a hard-copy delivered directly to Chambers), and shall be served upon: (a) the undersigned counsel to the Debtors; (b) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York, 10004, Attn: Susan Golden, Esq.; (c) counsel to the statutory committee of unsecured creditors appointed in these chapter 11 cases, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York, 10036, Attn: Philip C. Dublin, Esq.; (d) counsel to the agent for the Debtors' postpetition and prepetition secured lenders, Shearman & Sterling LLP, 599 Lexington Avenue, New York, New York, 10022, Attn: Fred Sosnick, Esq.; (e) counsel to the statutory committee of equity security holders appointed in these chapter 11 cases, Skadden,

Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036, Attn: Jay Goffman, Esq. and David Turetsky, Esq.; (f) counsel to the *ad hoc* committee of bondholders in these chapter 11 cases, Jones Day, 222 East 41st Street, New York, New York 10017, Attn: Richard L. Wynne, Esq. and Lance E. Miller, Esq.; (g) the Internal Revenue Service and the Environmental Protection Agency, Assistant United States Attorney, Southern District of New York, 86 Chambers St. 3rd Floor, New York, New York 10007, Attn: Lawrence H. Fogelman, Esq.; (h) the Trustee for the 2016 Corporate Notes, U.S. Bank National Association, Corporate Trust Services, 60 Livingston Avenue, St. Paul, Minnesota 55107, Attn: Cindy Woodward; (i) the Trustee for the 2009 Corporate Notes, The Bank of New York Mellon Trust Company, 6525 West Campus Oval Road, Suite 200, New Albany, Ohio 43054, Attn: Donna Parisi; (j) the Trustee for the Corporate 2026 Debentures, Manufacturers & Traders Trust Co., 25 South Charles Street, 16th Floor, Baltimore, Maryland 21201, Attn: Robert D. Brown; (k) Humphrey Farrington & McClain, P.C., 221 West Lexington Ave., Suite 400, Independence, Missouri, 64050, Attn: Kenneth McClain; (l) counsel for Chartis Insurers, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York, 10017-3954, Attn: Bryce L. Friedman; and (m) all those persons and entities that have formally requested notice by filing a written request for notice, pursuant to Bankruptcy Rule 2002 and the Local Bankruptcy Rules, so as to be actually received on or before a date and time to be determined by the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that the Court will hear the Motion, along with any written objection timely served, on a date to be determined by the Bankruptcy Court. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

New York, New York
Dated: July 29, 2010

/s/ M. Natasha Labovitz

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AGREEMENT WITH HUMPHREY FARRINGTON & MCCLAIN P.C.
ON BEHALF OF THE HFM DIACETYL CLAIMANTS**

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The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) seek entry of an order, substantially in the form attached hereto as Exhibit A, authorizing Chemtura Corporation (“**Chemtura**”) to enter into a Settlement and Release Agreement (the “**Agreement**”) among Chemtura, Chemtura Canada Co./CIE (“**Chemtura Canada**”), and Humphrey Farrington & McClain P.C. (“**HFM**”) on behalf of its clients (collectively, the “**HFM Diacetyl Claimants**”) pursuant to section 363 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”), and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”). The Agreement resolves 15 pending lawsuits brought by plaintiffs represented by HFM against the Debtors and Chemtura Canada alleging injuries related to exposure to the chemical diacetyl,¹ as well as 347 diacetyl-related proofs of claim filed by the HFM Diacetyl Claimants in response to the Debtors’ comprehensive noticing of the October 30, 2009 bar date. The Agreement eliminates claims against the Debtors’ estates that, based upon expert analysis, pose a risk of liability that could exceed \$150 million, not including defense costs, while allowing the Debtors to focus their attention and resources upon confirming their proposed plan of reorganization and emerging from chapter 11. Lastly, the Agreement will substantially reduce the value of the diacetyl claims asserted by corporate entities (to the extent such claims have any value and are not disallowed) for indemnification and contribution by operation of various state joint tortfeasor statutes because such claims are based in substantial part on claims brought by HFM Diacetyl Claimants. As explained below, the Agreement calls for a total payment of \$50,000,000, of which a portion is expected to be reimbursed by insurance, in order to resolve liabilities that could be several times greater than the settlement amount. In support of this motion, the Debtors respectfully state as follows:

¹ Certain suits also allege exposure to acetoin, a related chemical.

Jurisdiction

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The bases for the relief requested herein are section 363(b) of the Bankruptcy Code and Bankruptcy Rules 9019 and 3018.

Basis for Relief

A. The Diacetyl-Related Claims

4. From 1982 to 2005, non-debtor Chemtura Canada, a wholly-owned indirect subsidiary of Chemtura, manufactured and shipped diacetyl to Citrus & Allied Essences, Ltd. (“**Citrus**”), which then re-sold diacetyl to certain customers in the United States. Between 1998 and 2005, Chemtura acted as an intermediary, purchasing diacetyl from Chemtura Canada and then selling it to Citrus.

5. Starting before 2001, plaintiffs began filing lawsuits against certain companies alleging that exposure to diacetyl caused them personal injury. Chemtura was first named in such lawsuits in 2005. Before the commencement of the chapter 11 cases, Chemtura and Chemtura Canada had been named in approximately 30 lawsuits relating to diacetyl, 22 of which still remain pending. Fifteen of these lawsuits were filed by HFM on behalf of plaintiffs claiming diacetyl-related injuries (the “**HFM Diacetyl Lawsuits**”). In all of these lawsuits, Chemtura has denied liability and vigorously defended its interests. To date, while Chemtura has settled two diacetyl-related claims pre-petition, Chemtura and Chemtura Canada have never been found liable to any plaintiff alleging diacetyl-related injuries, or to any co-defendant.

6. After the commencement of these chapter 11 cases, the HFM Diacetyl Lawsuits became stayed as to Chemtura pursuant to section 362(a)(1) of the Bankruptcy Code. On June

23, 2009, this Court entered a temporary restraining order enjoining the prosecution of these lawsuits against Chemtura Canada and Citrus pending the outcome of a preliminary injunction hearing. By agreement of the parties, the restraining order was amended to include Ungerer & Company and extended through January 31, 2010. In the interim, the District Court for the Southern District of New York entered an order transferring the diacetyl-related actions pending against Chemtura, Chemtura Canada, and Citrus to the Southern District of New York and referred them to this Court.

7. In response to the Debtors' comprehensive noticing of the October 30, 2009 bar date set by this Court, the Debtors have received 373 non-duplicative proofs of claim related to diacetyl (the "**Diacetyl Claims**"). Of the 373 Diacetyl Claims, 347—constituting over 90 percent of the total number—were filed on behalf of individuals represented by HFM (and together with the diacetyl-related claims that could have been asserted in proofs of claim or lawsuits against the Debtors, the "**HFM Diacetyl Claims**," and together with the HFM Diacetyl Lawsuits, the "**HFM Diacetyl Claims and Lawsuits**").

8. Since the bar date, the Debtors have gone to great lengths to approximate the potential liabilities associated with the Diacetyl Claims. In this regard, the Debtors retained an expert and commenced the process of gathering the necessary evidence to value these claims. The Debtors first worked cooperatively with all of the diacetyl claimants to obtain some of the information necessary to estimate, and potentially, consensually resolve these claims. Indeed, on January 14, 2010, the Debtors entered into a stipulation with the HFM Diacetyl Claimants wherein they agreed to provide, among other information, the time period of alleged exposure, product identification, and pulmonary function information for each claimant. *See* 1/14/10 Stipulation and Order [Dkt. No. 1763]. Thereafter, the Debtors entered into a similar stipulation

with all tort claimants represented by Andrews & Thornton LLP, which was entered by the Court on January 27, 2010. *See* 1/20/10 Stipulation and Order [Dkt. No. 1833]. The Debtors also obtained similar information from counsel for other claimants in response to procedural objections to certain Diacetyl Claims.

9. Upon receipt of this information, the Debtors began their analysis and assessment of the Diacetyl Claims. At the same time, the Debtors determined that they required information about past settlements or judgments—among the most salient factual inputs to estimate the Diacetyl Claims—to better evaluate their potential liability.² For these reasons, the Debtors filed Rule 2004 Applications against HFM and the Chartis Insurers³ (insurers who has paid to resolve claims alleging injury from exposure to diacetyl), seeking, among other things, information regarding settlements of claims alleging injury from exposure to diacetyl and/or acetoin. *See* AIG 2004 Application [Dkt. No. 1918]; HFM 2004 Application [Dkt. No. 2057]. On March 16, 2010, the Court granted the Debtors’ HFM Rule 2004 Application, in part, and ordered the Debtors and HFM to establish a protocol for producing the requested settlement information in a

2 A key component of any estimation is how the claims have historically been valued through the litigation process. *See, e.g., In re Eagle-Picher Indus., Inc.*, 189 B.R. 681, 686 (Bankr. S.D. Ohio 1995) (finding that a valuation of future asbestos and lead claims against a debtor should be based on settlement values for claims, categorized by disease and occupation, and settled close to the bankruptcy petition date: “In valuation, the only sound approach is, if possible, to begin with what is known.”); *In re Federal-Mogul Global, Inc.*, 330 B.R. 133, 157 (D. Del. 2005) (adopting the framework used in *Eagle-Picher*, the court used the debtor’s actual settlement values per disease for claims settled during the two years prior to the filing date in estimating the aggregate value of pending and future claimants); *Owens Corning v. Credit Suisse First Boston*, 322 B.R. 719, 721 (D. Del. 2005) (court relied on the testimony of claim valuation experts who used the values of historical settlements in debtor’s litigation history to estimate the values of pending and future asbestos-related claims); *Georgine v. Amchem Products*, 157 F.R.D. 246, 276-78 (E.D. Pa. 1994), *vacated on other grounds*, 83 F.3d 610 (3d Cir. 1996) (court found that it was fair and reasonable to use the defendants’ historical settlement averages to value pending claims).

3 The “**Chartis Insurers**” include 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.

summary form containing past settlement amounts and corresponding injury levels for those settlements. *See* 3/16/10 Hearing Tr. at 56-57; 4/5/10 Order [Dkt. No. 2397].

10. The Debtors then moved for approval of procedures under which this Court would fairly estimate the Diacetyl Claims in the aggregate for chapter 11 plan purposes. The Court granted the motion [Dkt. No. 2571], and on May 4, 2010, entered a case management order approving the discovery, briefing, and hearing schedule for the estimation proceedings [Dkt. No. 2618]. The parties have diligently engaged in the necessary discovery to complete estimation on the established timetable. Due to a discovery dispute with HFM, however, the Debtors did not have all of the information they needed and, therefore, were unable to meet the original deadline of June 11, 2010 for service of their expert report. Since that time, the Debtors have engaged in extensive negotiations with HFM to resolve the discovery dispute and the HFM Diacetyl Claims. Having overcome that discovery impasse, the Debtors have now proposed an amended case management order to the Court that provides for estimation of the Diacetyl Claims on September 8, 2010.

B. Settlement Negotiations and the Agreement⁴

11. Concurrent with their estimation efforts, the Debtors and HFM expended substantial amounts of time and money working to resolve the HFM Diacetyl Claims and Lawsuits and have engaged in extensive arms-length negotiations over a period of more than seven months to reach a settlement to avoid future costs and eliminate the risks of litigation. Through these negotiations, Chemtura (with the assistance of counsel) and HFM (on behalf of the HFM Diacetyl Claimants) have determined that entering into the Agreement to resolve the HFM Diacetyl Claims and Lawsuits is in the parties' best interest. The Debtors have carefully

⁴ Capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Agreement.

evaluated the HFM Diacetyl Claims and Lawsuits and have weighed the benefits of the settlement against the costs and risks associated with litigating each of the 347 claims to conclusion. Based upon this analysis, the Debtors have determined that the benefits of the Agreement decisively outweigh the benefits of proceeding with litigation. As described in more detail below, the Agreement is expected to fully satisfy and resolve the HFM Diacetyl Claims and Lawsuits—with respect to both Chemtura and Chemtura Canada.

12. The basic terms of the Agreement are as follows:⁵

- a. **Settlement Effective Date.** The Agreement shall be effective upon satisfaction of several conditions precedent, including (i) that each of the HFM Diacetyl Claimants has approved and accepted the Agreement,⁶ and (ii) that the Debtors’ plan of reorganization has been confirmed by the Bankruptcy Court and has become effective.
- b. **Payment of the Settlement Amount.** Within ten days after the Settlement Effective Date, Chemtura and/or Chemtura Canada shall pay the settlement amount—which is \$50,000,000 if all of the HFM Diacetyl Claimants accept the settlement and execute the requisite release agreement—into an escrow account designated by HFM, which will be administered by a trustee appointed by HFM.
- c. **Settlement Criteria.** Before any portion of the settlement amount is paid to an Accepting HFM Diacetyl Claimant, the Accepting HFM Diacetyl Claimant must provide the following information to a trustee appointed by HFM (the “**HFM Trustee**”) to administer the liquidation of the HFM Diacetyl Claims: (i) an affidavit signed by the HFM Diacetyl Claimant indicating the place(s) at which and time period(s) during which, the HFM Diacetyl Claimant alleges exposure to Diacetyl or any product, including

⁵ The terms of the Agreement are set out in the Settlement and Release Agreement attached hereto as Exhibit B. The Liquidation Matrix, which is Exhibit 1.2(s) to the Agreement, contains confidential information and is, therefore, not attached to this motion. The Debtors have provided a copy of the Agreement to counsel to the statutory committees of unsecured creditors and equity security holders appointed in these chapter 11 cases and will provide a copy to counsel to the agent for the prepetition and postpetition lenders and the United States Trustee for the Southern District of New York.

⁶ If one or more HFM Diacetyl Claimants do not accept the Agreement, the Agreement may still become effective, but the settlement amount will be reduced by the value on the Liquidation Matrix assigned to each claimant that does not accept the Agreement and Chemtura can terminate the Agreement if (a) the settlement amount becomes less than \$47,500,000, (b) more than 15 HFM Diacetyl Claimants do not accept the Agreement, or (c) any HFM Diacetyl Claimant who has been assigned a claim value above \$500,000 on the Liquidation Matrix does not accept the Agreement.

butter flavoring, that contains Diacetyl manufactured, distributed, or sold by Chemtura or Chemtura Canada, and the employment position(s) (if applicable) held by the HFM Diacetyl Claimant for each time period; (ii) evidence that Diacetyl manufactured, distributed, or sold by Chemtura or Chemtura Canada was used or present at one or more of the places during the time period(s) identified by a HFM Diacetyl Claimant in the affidavit prepared pursuant to sub-part (1) above; and (iii) a medical affidavit from a licensed physician including, at a minimum, the following conclusions: (a) the FEV1 score for the HFM Diacetyl Claimant; (b) the lung capacity of the HFM Diacetyl Claimant is impaired; and (c) the HFM Diacetyl Claimant's exposure to Diacetyl caused or contributed to the HFM Diacetyl Claimant's lung capacity impairment.

- d. Liquidation of the HFM Diacetyl Claims.** The HFM Diacetyl Claims will be resolved and liquidated in accordance with the Liquidation Matrix as set forth in the Agreement. The HFM Trustee, appointed by HFM, will administer the processing of the HFM Diacetyl Claims, evaluate the settlement criteria submitted by the HFM Diacetyl Claimants, and make pro rata distributions to each HFM Diacetyl Claimant from the escrow.
- e. Release.** HFM agrees on behalf of itself and of each Accepting HFM Diacetyl Claimant that payment of the Settlement Amount fully satisfies and resolves the HFM Diacetyl Claims held by the Accepting HFM Diacetyl Claimants and any Derivative Diacetyl Claims that are derivative of the HFM Diacetyl Claims held by the Accepting HFM Diacetyl Claimants. In addition, before making a pro rata distribution of the settlement amount to an Accepting HFM Diacetyl Claimant, HFM will obtain a separate release and indemnity agreement from such Accepting HFM Diacetyl Claimant and submit that release and indemnity agreement to Chemtura and Chartis Insurers.
- f. Resolution of Litigation and Certain Bankruptcy Proceedings.** Within two business days after HFM provides written certification that the terms of Section 4.1(a) and 4.1(b) of the Agreement, have been satisfied, Chemtura will use commercially reasonable efforts to obtain a stay by the Bankruptcy Court of the portion of the estimation hearing proceedings that pertains to the HFM Diacetyl Claims held by the Accepting HFM Diacetyl Claimants. Within two business days after the Settlement Amount is paid, the Accepting HFM Diacetyl Claimants will file in the pending HFM Diacetyl Lawsuits the required notices, stipulations, or motions to dismiss with prejudice any of their HFM Diacetyl Claims against the Chemtura Protected Parties.
- g. Plan Support and Voting.** Effective immediately upon entry of the Approval Order, the HFM Diacetyl Claims of the Accepting HFM Diacetyl Claimants shall be temporarily allowed solely for purposes of voting to accept or reject the Plan in the amounts set forth in the

Liquidation Matrix as of the date of the Approval Order. In addition, each of the Accepting HFM Diacetyl Claimants agrees not to oppose confirmation of the Plan.

13. Because the HFM Diacetyl Claims represent more than 90 percent of the total number of Diacetyl Claims, the settlement of the HFM Diacetyl Claims will free up substantial amounts of the Debtors' time, money, and attention currently devoted to resolving the Diacetyl Claims and Lawsuits and may facilitate the consensual resolution of the remaining Diacetyl Claims on the same terms.

14. Had the HFM Diacetyl Claims and Lawsuits not been settled, the HFM Diacetyl Claimants would have prosecuted the HFM Diacetyl Claims and Lawsuits. Although the Debtors would strongly dispute all such claims, the ultimate resolution would turn on the validity of arguments raised by the HFM Diacetyl Claimants and the defenses raised by the Debtors. Specifically, in evaluating whether the HFM Diacetyl Claimants may state a claim for strict liability in tort design defect, failure to warn, negligent design, and punitive damages under various state laws, courts consider: the nature of the product involved, the knowledge of the manufacturer, the substance of the warnings provided, and the "state of the art" in terms of knowledge within the industry, among other factors. The HFM Diacetyl Claimants would likely argue that: (a) diacetyl causes severe lung injury; (b) Chemtura knew or should have known that diacetyl was being used in workplaces in a manner likely to result in the inhalation of diacetyl; (c) since the diacetyl was manufactured by Chemtura Canada and sold for a time by Chemtura, Chemtura had a responsibility to test the product for purposes of whether it was safe to inhale; and (d) the warnings provided by Chemtura and Chemtura Canada were wholly inadequate.

15. The Debtors and parties in interest contesting the claims and litigation might argue that: (a) it is not established that diacetyl in and of itself causes severe lung injury, particularly not at the low and intermittent exposure levels involved in the vast majority of cases;

(b) the warnings provided by Chemtura and Chemtura Canada were more than adequate; and (c) because Chemtura and/or Chemtura Canada sold all of their diacetyl to Citrus, which repackaged the diacetyl and provided its own warnings to all of the downstream users, and because Citrus was itself an extremely sophisticated company in the flavorings industry, with far more knowledge of diacetyl's risks and the manner that it was used in the industry than Chemtura and Chemtura Canada, that Chemtura should not bear any liability.

16. In valuing the HFM Diacetyl Claims and Lawsuits, Chemtura took into account prior jury verdicts and settlements obtained by HFM from other defendants. For example, Chemtura is aware of six butter flavoring cases that HFM tried to verdict. HFM prevailed in five of those six cases, each involving a single plaintiff and spouse, obtaining verdicts of \$20 million, \$15 million, \$15 million, \$7.5 million, and \$2.7 million, respectively. Furthermore, a review of existing diacetyl settlements that HFM and various law firms have achieved against numerous defendants and an analysis of the HFM Diacetyl Claims by Chemtura's claims valuation expert indicates that the HFM Diacetyl Claims could potentially be worth more than \$150 million.

17. The settlement of the HFM Diacetyl Claims and Lawsuits will also discharge Chemtura and Chemtura Canada from liability for contribution to any other tortfeasor arising out of lawsuits initiated by HFM Diacetyl Claimants.⁷ As seven of the Diacetyl Claims have been brought by corporate defendants seeking contingent or liquidated claims for contribution and

⁷ N.Y. Gen. Oblig. Law § 15-108; Ariz. Rev. Stat. Ann. § 12-2504; Cal. Civ. Proc. Code § 877; Colo. Rev. Stat. § 13-50.5-105; 740 Ill. Comp. Stat. 100/2(d); Md. Code Ann., Cts. & Jud. Proc. § 3-1405; Mo. Rev. Stat. § 537.060; Iowa Code § 668.7; Ky. Rev. Stat. Ann. § 411.182; N.H. Rev. Stat. Ann. § 507:7-h; N.M. Stat. § 41-3-5; Ohio Rev. Code Ann. § 2307.28; 42 Pa. Cons. Stat. § 8327; Tenn. Code Ann. § 29-11-105; Wash. Rev. Code § 4.22.060; *VanCleve v. City of Marinette*, 655 N.W.2d 113, 123 (Wis. 2003); *Pierringer v. Hoger*, 124 N.W.2d 106 (Wis. 1963); *Holcim (US), Inc. v. Ohio Cas. Ins. Co.*, --- So.3d ---, No. 1080223, 2009 WL 3805799, at *4 (Ala. Nov. 13, 2009); *SouthTrust Bank v. Jones, Morrison, Womack & Dearing, P.C.*, 939 So. 2d 885 (Ala. Civ. App. 2005); *Barker v. Cole*, 396 N.E.2d 964, 971 (Ind. App. 1979); *Coca-Cola Bottling Co.-Goshen, Ind. v. Vendo Co.*, 455 N.E.2d 370, 372-73 (Ind. App. 1983); *Mulloy v. Cincinnati Gas & Elec. Co.*, 820 F. Supp. 1121, 1122 (S.D. Ind. 1992); N.J.S.A. § 2A:53A-3; *Gangemi v. National Health Labs., Inc.*, 701 A.2d 965, 968-69 (N.J. Super. Ct. App. Div. 1997); *Campbell, Odom & Griffith, P.C. v. Doctors Co.*, 637 S.E. 2d 108, 110 (Ga. App. 2006).

common law indemnification based upon liability for diacetyl-related lawsuits brought by HFM Diacetyl Claimants, the Agreement will substantially reduce the value of those claims as well.⁸

18. The Debtors' proposed chapter 11 plan provides that the Debtors will pay Diacetyl Claims pursuant to a negotiated settlement or that they will fund a specific reserve for the Diacetyl Claims, in an amount to be determined in connection with the estimation hearing. The resolution of the HFM Diacetyl Claims and Lawsuits under the Agreement will eliminate the need to estimate these claims as part of the estimation hearing, may potentially facilitate the resolution of the remaining Diacetyl Claims on substantially the same terms, and will eliminate the need to pursue the litigation of the HFM Diacetyl Lawsuits. A settlement will therefore eliminate a risk of substantial liability, free Debtors from the costs and expenses of protracted litigation, and allow the Debtors to focus upon emerging from chapter 11.

C. Insurance Coverage

19. As the Court is aware, Chemtura and Chemtura Canada believe that they have insurance coverage for diacetyl-related liability under several occurrence-based general liability policies issued between 1982 and 1986 and 1996 and 2001 and claims-made policies issued between 2004 and 2005⁹ and 2006 and 2007 (collectively, the "**Insurance Policies**") and are engaged in litigation with the Chartis Insurers in relation to such insurance coverage. *See*

⁸ The Debtors have also objected to the Diacetyl Claims filed by corporate defendants under section 502(e)(1)(B) of the Bankruptcy Code, among other grounds. *See Debtors' Objection to Citrus & Allied Essences, Ltd.'s Proof of Claim No. 9956* [Dkt. No. 2961]; *Debtors' Objection to Ungerer & Compnay's Proof of Claim No. 8160* [Dkt. No. 2962]; *Debtors' Objection to Flavor Concepts, Inc.'s Proof of Claim No. 13952* [Dkt. No. 2964]; *Debtors' Objection to Polarome International Inc.'s Proof of Claim No. 9448* [Dkt. No. 2965]; *Debtors' Objection to Givaudan Flavors Corporation's Proof of Claim No. 11249* [Dkt. No. 2966]; *Debtors' Objection to Spartan Chemical Company's Proof of Claim No. 11186* [Dkt. No. 2967]; *Debtors' Objection to FONA International, Inc.'s Proof of Claim No. 9762* [Dkt. No. 2968]. These objections are scheduled to be heard by the Court on August 4, 2010.

⁹ The policies issued from 2004 to 2005 contain extended reporting period endorsements to July 1, 2008 (third and fourth layers of coverage) or July 1, 2011 (first and second layers of coverage) permitting claims to be made under these policies up to those dates. (Adv. Compl. ¶ 31.)

Chemtura Corp., et al. v. AIU Ins. Co., et al., No. 10-2881 (REG) (Bankr. S.D.N.Y.); *AIU Ins. Co., et al. v. Chemtura Canada Co./CIE, et al.*, No. 1:10-CV-1597 (S.D.N.Y.) (referring the matter to this Court on July 15, 2010). Chemtura and Chartis Insurers have recently reached an agreement in principle, subject to internal approvals, documentation, and approval by this Court, that will resolve their disputes over the availability of insurance coverage for diacetyl-related claims. Chemtura anticipates filing a motion for approval for the settlement after the agreement is finalized. While the precise terms of the settlement are still being negotiated and remain subject to documentation and approvals, the settlement in principle contemplates, among other things, that the Chartis Insurers will reimburse Chemtura for a percentage of the settlement amount to be paid to the HFM Diacetyl Claimants under the Agreement.

Relief Requested

20. By this motion, the Debtors request that the Court enter an order pursuant to section 363(b) of the Bankruptcy Code and Bankruptcy Rule 9019 authorizing Chemtura to enter into the Agreement.

Supporting Authority

A. The Court Has The Authority To Approve The Agreement.

21. Pursuant to Bankruptcy Rule 9019, bankruptcy courts can approve a compromise or settlement if it is in the best interests of the estate. *See Vaughn v. Drexel Burnham Lambert Group, Inc. (In re Drexel Burnham Lambert Group, Inc.)*, 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991). The decision to accept or reject a compromise or settlement is within the sound discretion of the bankruptcy court. *Nellis v. Shugrue*, 165 B.R. 115, 121-122 (S.D.N.Y. 1994); *Vaughn*, 134 B.R. at 505; *see also In re Hibbard Brown & Co., Inc.*, 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998) (bankruptcy court may exercise its discretion “in light of the general public policy favoring settlements”); 9 Collier on Bankruptcy ¶ 9019.02 (15th ed. rev. 2008).

22. In exercising its discretion, the bankruptcy court must make an independent determination that the settlement is fair and equitable. *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry Inc. v. Anderson*, 390 U.S. 414, 424 (1968); *Shugrue*, 165 B.R. at 122. That does not mean, however, that the bankruptcy court should substitute its judgment for the debtor's judgment. *In re Carla Leather, Inc.*, 44 B.R. 457, 465 (Bankr. S.D.N.Y. 1984). Instead, a bankruptcy court should "canvass the issues and see whether the settlement 'fall[s] below the lowest point in the range of reasonableness.'" *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir. 1983). Put differently, the court does not need to conduct a "mini-trial" of the facts and merits underlying the dispute; it only needs to be apprised of those facts that are necessary to enable it to evaluate and make a considered, independent judgment about the settlement. *See In re Adelpia Commc'ns Corp.*, 327 B.R. 143, 159 (Bankr. S.D.N.Y. 2005).

23. To evaluate whether a settlement is fair and equitable, courts in the Second Circuit consider several factors, including:

- the balance between any litigation's possibility of success and the settlement's future benefits to the estate;
- the likelihood of complex and protracted litigation, with its attendant expense, inconvenience, and delay;
- the paramount interests of the creditors, including the relative benefits of each affected class and the degree to which creditors either do not object to or affirmatively support the proposed settlement;
- whether other parties in interest support the settlement;
- the competency and experience of counsel supporting the settlement; and
- the extent to which the settlement is the product of arms-length bargaining.

See In re Iridium Operating LLC, 478 F.3d 452, 462 (2d Cir. 2007); *see also In re Ionosphere Clubs, Inc.*, 156 B.R. 414, 428 (S.D.N.Y. 1993). Lastly, pursuant to Bankruptcy Rule 3018(a),

the Court may temporarily allow a claim in a certain amount for purposes of accepting or rejecting a plan.

B. The Debtors Have Met Their Burden For Seeking Authorization To Enter Into The Agreement.

24. As described below, application of the *Iridium* factors demonstrates that the Agreement is fair, reasonable, and in the best interests of the Debtors' estates.

i. The Agreement Benefits The Debtors.

25. In entering into the Agreement, the Debtors have evaluated the HFM Diacetyl Claims and have weighed the risks and costs of litigating such claims against the benefits of settlement. In this regard, the Debtors believe that, although all of the HFM Diacetyl Claims have been consolidated into one forum, the costs of litigating 347 individual claims would be extremely time-consuming and burdensome. Moreover, as described below, litigation of such claims would carry with it the risk of potentially significant liability, which the Debtors are able to avoid through entry into the Agreement. Further, the Agreement also avoids the uncertainty of estimating such claims and any potential delay that could result from such estimation. Based upon this analysis, the Debtors have determined that the benefits of the Agreement significantly outweigh the benefits of proceeding with litigation.

ii. Absent Entry Into The Agreement, Chemtura Would Be Faced With Costly Litigation And The Uncertainty Of Potentially Significant Adverse Verdicts.

26. Most importantly, the Agreement allows Chemtura to avoid the risk of significant adverse verdicts on the HFM Diacetyl Claims and Lawsuits. Although Chemtura has vigorously defended its interests in the diacetyl litigation—at no small expense—and believes it that it should ultimately prevail in litigation against the HFM Diacetyl Claimants, these claims pose

substantial risk. Indeed, HFM has achieved verdicts as high as \$20 million for a single plaintiff and spouse.

27. Chemtura has also retained an expert to estimate the value of the HFM Diacetyl Claims based upon historical settlements achieved by HFM and other firms against various defendants. Using this approach, and putting aside the merits of the claims, the HFM Diacetyl Claims could be worth up to approximately \$154.4 million to \$178.9 million not accounting for potential insurance.¹⁰ Thus, the Agreement resolves Chemtura's liability for the HFM Diacetyl Claims at a fraction of their potential value.

28. If Chemtura were forced to litigate the HFM Diacetyl Claims, it would face substantial uncertainty. Although Chemtura believes it would ultimately prevail, Chemtura has never tried a diacetyl case. While Chemtura maintains that it has numerous defenses to these claims, including causation and bulk supplier/sophisticated user defenses, among other things, at this stage, it is far from established that the HFM Diacetyl Claimants could not overcome these objections. Moreover, the fact remains that Citrus and other similarly situated defendants in diacetyl-related litigation have paid many millions of dollars to resolve these claims and that HFM has obtained significant jury verdicts against other defendants.

29. In addition, settlement with the HFM Claimants will discharge Chemtura and Chemtura Canada from liability for contribution to other tortfeasors by operation of various state joint tortfeasor statutes. All seven Diacetyl Claims filed by corporate defendants include contingent or liquidated claims for contribution based upon underlying lawsuits brought by HFM Claimants. The Agreement, therefore, will substantially reduce the value of the corporate Diacetyl Claims.

¹⁰ Insurance coverage for the Diacetyl Claims remains disputed and is subject to litigation. *See supra* ¶ 19.

30. Finally, the Agreement relieves the Debtors of the substantial cost and distraction of continuing to litigate these claims, both in the chapter 11 cases through the pending estimation proceeding, and with respect to the merits of the claims after they are estimated. Settlement will allow the Debtors to reallocate the significant resources now devoted to resolution of the HFM Diacetyl Claims and Lawsuits to the other important matters associated with their reorganization and business.

iii. The Settlement Agreement Will Not Prejudice Chemtura's Creditors Or Shareholders.

31. The Agreement will substantially benefit, not prejudice, Chemtura's creditors and shareholders.¹¹ If Chemtura does not enter into the Agreement, the Debtors could potentially be required to pay more than triple the settlement amount (not including the portion of the settlement amount to be funded by insurance) in order to resolve the HFM Diacetyl Claims.

32. Furthermore, a settlement with HFM will ensure that no additional expenses will be incurred in connection with the HFM Diacetyl Claims and may facilitate the resolution of the remaining Diacetyl Claims asserted against the Debtors on the same terms. Thus, entry into the Agreement will not decrease—and, in fact, will likely increase—the overall funds available for Chemtura's other stakeholders.

iv. The Statutory Committee Of Unsecured Creditors Appointed In Chemtura's Chapter 11 Case Supports The Settlement Agreement.

33. Chemtura has diligently informed both of its official committees of the pending negotiations concerning this Agreement and believes that the statutory committee of unsecured creditors and the ad hoc committee of bondholders in these chapter 11 cases support Chemtura's entry into the Agreement.

¹¹ Indeed, the business plan and projections underlying the plan and related valuation assume the discharge of diacetyl-related liability.

v. The Settlement Agreement Is The Product Of Arms-Length Bargaining By Competent And Experienced Counsel.

34. The Agreement was the product of extensive, hard-fought, arms-length negotiations between Chemtura and HFM spanning more than seven months. The Agreement was negotiated with the aid of knowledgeable and competent counsel with significant experience in products liability and personal injury lawsuits and restructuring matters, including Akin Gump, counsel for the Creditors Committee, Mayer Brown LLP, Chemtura's national counsel in defending the underlying diacetyl-related lawsuits, Kilpatrick Stockton LLP, Chemtura's insurance coverage counsel, and Kirkland & Ellis LLP, as restructuring counsel to the Debtors. In addition, Dr. Denise Neumann Martin of NERA Economic Consulting, the Debtors' estimation expert, provided invaluable assistance with the assessment of the settlement amount. Thus, this factor also weighs in favor of approval of the Agreement.

C. This Court Should Approve The Payments To Be Made Under The Agreement Pursuant To Section 363(b) Of The Bankruptcy Code.

35. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). The use, sale, or lease of property of the estate, other than in the ordinary course of business, is authorized when there is a "sound business purpose" that justifies such action. *See Committee of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983); *see also In re Global Crossing Ltd.*, 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003) (stating that judicial approval under section 363 of the Bankruptcy Code requires a showing that there is a good business reason).

36. When a valid business justification exists, the law vests the debtor's decision to use property out of the ordinary course of business with a strong presumption that "in making a business decision the directors of a corporation acted on an informed basis, in good faith and in

the honest belief that the action taken was in the best interests of the company.” See *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (citations and internal quotations omitted), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993).

37. In sum, the benefits of the Agreement to the Debtors’ estates far outweigh the costs. The Agreement will resolve Chemtura’s potential liability for the HFM Diacetyl Claims at a fraction of their potential value, relieve the Debtors of the ongoing expense and distraction of litigation, and allow the Debtors to focus their resources on emerging from chapter 11. Accordingly, Chemtura, in an exercise of its business judgment, has determined that entry into the Agreement is in the best interests of its estate.

Motion Practice

38. This motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated, and a discussion of their application to this motion. Accordingly, the Debtors submit that this motion satisfies Local Rule 9013-1(a).

Notice

39. The Debtors have provided notice of this motion to: (a) the Office of the United States Trustee for the Southern District of New York; (b) counsel to the statutory committee of unsecured creditors appointed in these chapter 11 cases; (c) counsel to the agent for the Debtors’ postpetition and prepetition secured lenders; (d) counsel to the statutory committee of equity security holders appointed in these chapter 11 cases; (e) counsel to the *ad hoc* committee of bondholders in these chapter 11 cases; (f) the indenture trustee for each of the Debtors’ outstanding bond issuances; (g) the Internal Revenue Service; (h) the Environmental Protection Agency; (i) the Securities and Exchange Commission; (j) HFM; (k) the Chartis Insurers; and (l) all those persons and entities that have formally requested notice by filing a written request

for notice, pursuant to Bankruptcy Rule 2002 and the Local Bankruptcy Rules. In light of the nature of the relief requested, the Debtors respectfully submit that no further notice is necessary.

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court (a) enter an order, substantially in the form annexed hereto as Exhibit A, authorizing Chemtura to enter into the Agreement and (b) grant such other and further relief as is just and proper.

New York, New York
Dated: July 29, 2010

/s/ M. Natasha Labovitz
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Counsel to the Debtors and Debtors in Possession

Exhibit A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
CHEMTURA CORPORATION, <i>et al.</i> , ¹)	Case No. 09-11233 (REG)
)	
Debtors.)	Jointly Administered

**ORDER AUTHORIZING CHEMTURA CORPORATION TO ENTER INTO A
SETTLEMENT AND RELEASE AGREEMENT WITH HUMPHREY FARRINGTON &
MCCLAIN P.C. ON BEHALF OF THE HFM DIACETYL CLAIMANTS**

Upon the motion (the “**Motion**”)² of Chemtura Corporation (“**Chemtura**”) and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) for entry of an order pursuant to section 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 9019 and 3018(a) of the Federal Rules of Bankruptcy Procedures (the “**Bankruptcy Rules**”) authorizing, *inter alia*, Chemtura to enter into a certain Settlement and Release Agreement dated as of July 28, 2010, and attached to the Motion as Exhibit A (the “**Agreement**”) with Chemtura Canada Co./CIE and the law firm of Humphrey, Farrington & McClain, P.C. (“**HFM**”), on behalf of its clients (the “**HFM Diacetyl Claimants**”); and it appearing that the Agreement is fair and equitable; that the relief requested

1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: Chemtura Corporation (3153); A&M Cleaning Products, LLC (4712); Aqua Clear Industries, LLC (1394); ASCK, Inc. (4489); ASEPSIS, Inc. (6270); BioLab Company Store, LLC (0131); BioLab Franchise Company, LLC (6709); Bio-Lab, Inc. (8754); BioLab Textile Additives, LLC (4348); CNK Chemical Realty Corporation (5340); Crompton Colors Incorporated (3341); Crompton Holding Corporation (3342); Crompton Monochem, Inc. (3574); GLCC Laurel, LLC (5687); Great Lakes Chemical Corporation (5035); Great Lakes Chemical Global, Inc. (4486); GT Seed Treatment, Inc. (5292); HomeCare Labs, Inc. (5038); ISCI, Inc. (7696); Kem Manufacturing Corporation (0603); Laurel Industries Holdings, Inc. (3635); Monochem, Inc. (5612); Naugatuck Treatment Company (2035); Recreational Water Products, Inc. (8754); Uniroyal Chemical Company Limited (Delaware) (9910); Weber City Road LLC (4381); and WRL of Indiana, Inc. (9136).

2 Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

is in the best interests of the Debtors' estates, their creditors, stakeholders and other parties in interest; and that good cause exists under Bankruptcy Rule 3018(a) for temporarily allowing the HFM Diacetyl Claims for purposes of voting to accept or reject the Plan pursuant to the terms specified in the Agreement; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and any objections to the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is **ORDERED** that:

1. The motion is granted.
2. The Agreement is approved pursuant to Bankruptcy Rule 9019(a).
3. Pursuant to section 363(b) of the Bankruptcy Code and Bankruptcy Rule 9019, Chemtura is authorized to enter into the Agreement and take such steps as may be necessary to implement and effectuate the terms of this Order, the Agreement, and any related transactions.
4. The Debtors are authorized to execute and deliver all instruments and documents, and take such other action as may be necessary or appropriate to implement and effectuate the transactions contemplated by this Order and the Agreement.
5. Pursuant to Bankruptcy Rule 3018(a), the HFM Diacetyl Claims are temporarily allowed for purposes of voting to accept or reject the Plan in the amounts specified in the Liquidation Matrix attached to the Agreement.
6. Subject to the occurrence of the Settlement Effective Date (as defined in the Agreement), the Proof of Claims appearing on the list attached hereto as Exhibit A that were

filed by or on behalf of those HFM Diacetyl Claimants who have approved and accepted this Agreement are hereby deemed to be resolved under the terms specified in the Agreement.

7. Notwithstanding the possible applicability of Rule 6004(h) of the Federal Rules of Bankruptcy Procedure, the terms and conditions of this order shall be immediately effective and enforceable upon its entry.

8. The Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the implementation of this Order.

New York, New York

Date: _____, 2010

Honorable Robert E. Gerber
United States Bankruptcy Judge

Exhibit B

Agreement

SETTLEMENT AND RELEASE AGREEMENT

This SETTLEMENT AND RELEASE AGREEMENT (“**Agreement**”) is made as of July 28, 2010, by and between Humphrey, Farrington & McClain, P.C. (“**HFM**”), on behalf of the HFM Diacetyl Claimants (as defined below), Chemtura Corporation (“**Chemtura**”) and Chemtura Canada Co./CIE (“**Chemtura Canada**”). HFM, Chemtura and Chemtura Canada may each be referred to individually as a “**Party**” and collectively as “**Parties**” to this Agreement.

RECITALS

WHEREAS, Chemtura Corporation commenced a case under 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**”), which case is pending and jointly administered with the chapter 11 cases of certain of its affiliates (hereafter collectively referred to, with Chemtura, as the “**Debtors**”) under the caption, *In re Chemtura Corporation, et al.*, Case No. 09-11233 (REG) (the “**Chapter 11 Case**”);

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

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

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 HFM Diacetyl Claims, as well as any and all disputes concerning the liquidated amount of the HFM 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
Chapter 11 Case
Chemtura
Chemtura Canada

Chemtura Defendants
Debtors
HFM
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) **“Accepting HFM Diacetyl Claimant”** means all HFM Diacetyl Claimants, except those appearing on Exhibit 1.2(s) who are identified to Chemtura by HFM as not accepting or approving this Agreement pursuant to Section 4.2 hereof.

(b) **“Approval Order”** means an order of the Bankruptcy Court, approving the terms of this Agreement and Chemtura’s 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(b).

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

(d) **“Certifying Affidavit”** means one or more affidavits signed by HFM, certifying as to each Accepting HFM Diacetyl Claimant who is identified on Exhibit 1.2(s) 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(d).

(e) **“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.

(f) **“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.

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

(h) **“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.

(i) “**Claims Deadline**” shall have the meaning given to such term in Section 6.2 hereof.

(j) “**Claims Documentation**” shall have the meaning given to such term in Section 6.2 hereof.

(k) “**Co-Defendant**” means any person or entity, other than a Released Party, (i) who is a defendant (including a third-party or fourth-party defendant) in a Diacetyl-related lawsuit or (ii) against whom a claim that directly or indirectly arises from exposure to Diacetyl is asserted.

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

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

(n) “**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 HFM 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.

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

(p) “**HFM Diacetyl Claim**” means any claim held by an individual represented by HFM 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(p).

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

(r) “**HFM Escrow**” means the escrow or trust account designated by HFM and administered by the Trustee in connection with this Agreement.

(s) “**Liquidation Matrix**” means the schedule of values attached hereto as Exhibit 1.2(s) based upon which the liquidated and allowed amount of an HFM Diacetyl Claim that satisfies the Settlement Criteria will be calculated for purposes of distribution of the Settlement Balance.

(t) “**Plan**” means the *Joint Plan of Reorganization of Chemtura Corporation, et al.*, dated July 20, 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 HFM Diacetyl Claims consistent with the terms of this Agreement.

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

(v) “**Release**” shall have the meaning ascribed to such term in Section 7.1 hereof.

(w) “**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 of the Chemtura Protected Parties.

(x) “**Settlement Amount**” means, subject to Section 4.2 hereof, fifty million and no/100 U.S. dollars (\$50,000,000), the total amount that will be used to make distributions to the HFM Diacetyl Claimants on account of the HFM Diacetyl Claims.

(y) “**Settlement Balance**” means the net proceeds of the Settlement Amount in the HFM Escrow after deduction is made, if any, for bank fees or other reasonable administrative costs, including reasonable compensation for services rendered by the Trustee, and reimbursement of reasonable expenses incurred by the Trustee, in connection with the HFM Escrow.

(z) “**Settlement Criteria**” means the following requirements and criteria that will be used to resolve and liquidate the HFM Diacetyl Claims under the Liquidation Matrix:

(i) An affidavit signed by the HFM Diacetyl Claimant indicating the place(s) at and time period(s) during which the HFM 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 HFM 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 an HFM Diacetyl Claimant in Section 1.2(z)(i) above; and

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

(aa) "**Settlement Effective Date**" shall have the meaning ascribed to such term in Section 4.1 hereof.

(bb) "**Termination Event**" shall have the meaning ascribed to such term in Section 9.1 hereof.

(cc) "**Trustee**" shall have the meaning ascribed to such term in Section 6.1 hereof.

(dd) "**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 HFM Diacetyl Claims of the Accepting HFM Diacetyl Claimants shall be temporarily allowed solely for purposes of voting to accept or reject the Plan in the amounts set forth in the Liquidation Matrix as of the date of the Approval Order. In addition, each of the Accepting HFM Diacetyl Claimants agrees not to oppose confirmation of the Plan.

2.3. Subject to entry of the Approval Order, each Accepting HFM Diacetyl Claimant consents to the treatment of his HFM Diacetyl Claim in the Plan provided that such treatment is consistent with this Agreement. Notwithstanding anything contained herein to the contrary, no Accepting HFM 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 Accepting HFM 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 an Accepting HFM Diacetyl Claimant to a share in, or to receive a distribution from, the Settlement Amount, which shall be paid into the HFM Escrow for the exclusive benefit of the Accepting HFM Diacetyl Claimants on account of their HFM Diacetyl Claims.

SECTION 3. COMMITMENTS OF CHEMTURA AND HFM

3.1. Subject to the exercise of its fiduciary duties, Chemtura hereby agrees 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, (c) use commercially reasonable efforts to obtain confirmation of the Plan by the Bankruptcy Court, and (d) not take any actions inconsistent with this Agreement.

3.2. Subject to rules of professional responsibility, HFM hereby agrees to promptly solicit approval for this Agreement from each of the HFM Diacetyl Claimants identified on Exhibit 1.2(s) and to use commercially reasonable efforts to obtain such approvals.

3.3. The Parties expressly acknowledge that a preliminary Liquidation Matrix has been agreed upon in principle between HFM and Chemtura and remains subject to review and approval by each of the HFM Diacetyl Claimants and further review by the Parties' experts. If, during the process by which HFM solicits approval for this Agreement from the HFM Diacetyl Claimants, an HFM Diacetyl Claimant disputes the value assigned to his HFM Diacetyl Claim under the Liquidation Matrix on the basis of alleged special circumstances or one Party believes that the values should be adjusted based upon further expert review, the Parties agree to work in good faith to evaluate whether any adjustments shall be made to the values set forth in the Liquidation Matrix on account of such special circumstances or expert review, *provided, however*, that in no event shall the Settlement Amount be increased above \$50,000,000.

3.4. Notwithstanding Section 4 below, the commitments set forth in this Section 3 shall be effective as to the Parties upon execution of the Agreement by all of the Parties.

SECTION 4. EFFECTIVENESS

4.1. Except as set forth in Sections 2.2 and 3 above, this Agreement shall be effective upon the satisfaction of each of the following conditions precedent:

(a) Subject to Section 4.2 hereof, each of the HFM Diacetyl Claimants identified on Exhibit 1.2(s) has approved and accepted this Agreement;

(b) Subject to Section 4.2 hereof, each of the Accepting HFM Diacetyl Claimants identified on Exhibit 1.2(s) has delivered to HFM an executed Release in the form required by Section 7.1 below, and HFM has provided a copy of such Releases to Chemtura and Chartis Insurers at the addresses identified on Exhibit 20 (if the Accepting HFM Diacetyl Claimant is the holder of an HFM Diacetyl Claim to which another HFM Diacetyl Claim is derivative, then unless otherwise impractical, HFM also will obtain a release and indemnity agreement from the holder of the Derivative HFM Diacetyl Claim by having such holder of the Derivative HFM Diacetyl Claim join in and execute the Release for the holder of the HFM Diacetyl Claim to which such Derivative HFM Diacetyl Claim is derivative);

(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; *provided, however*, that this condition precedent shall not be operative and shall have no force and effect if the Approval Order is not entered at least five (5) business days prior to the Voting Deadline; 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.**”

4.2 HFM agrees to use commercially reasonable efforts to satisfy Sections 4.1(a) and (b). If HFM is unable to satisfy Sections 4.1(a) and (b) for an HFM Diacetyl Claim identified on Exhibit 1.2(s), the Settlement Amount shall be reduced by the value on the Liquidation Matrix assigned to each such HFM Diacetyl Claim and the reduced Settlement Amount shall be paid in accordance with the terms hereof, *provided* that Chemtura has the right, but not the obligation, to terminate this Agreement as a material breach under Section 9.1(f) if: (i) the Settlement Amount becomes less than \$47,500,000, (ii) more than fifteen (15) of the HFM Diacetyl Claimants identified on Exhibit 1.2(s) do not satisfy Sections 4.1(a) and (b) above, or (iii) the value assigned on the Liquidation Matrix to any HFM Diacetyl Claimant that does not satisfy Sections 4.1(a) and (b) above exceeds \$500,000.

SECTION 5. PAYMENT OF THE SETTLEMENT AMOUNT

5.1. Within 10 days after the Settlement Effective Date, the Chemtura Defendants shall, subject to Section 9.2, fully, irrevocably, and indefeasibly pay the Settlement Amount in Cash into the HFM Escrow.

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 Accepting HFM 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. LIQUIDATION OF THE HFM DIACETYL CLAIMS

6.1. Each HFM Diacetyl Claim held by an Accepting HFM Diacetyl Claimant will be resolved, liquidated, and allowed for purposes of distribution in accordance with the Liquidation Matrix. A trustee appointed by HFM and paid from the Settlement Amount (“**Trustee**”) will administer the processing of the HFM Diacetyl Claims, including whether such HFM Diacetyl Claims satisfy the Settlement Criteria, submitted by the Accepting HFM Diacetyl Claimants, and will make pro rata distributions to each Accepting HFM Diacetyl Claimant from the HFM Escrow for HFM Diacetyl Claims so resolved.

6.2. Subject to Section 7 hereof, in order to qualify to receive a pro rata distribution of the Settlement Balance, each Accepting HFM Diacetyl Claimant will have to submit to the Trustee documentation sufficient to satisfy the Settlement Criteria (“**Claims Documentation**”), with copies to HFM, Chemtura, and the Chartis Insurers. The Trustee shall fix a deadline for receiving the Claims Documentation from each Accepting HFM Diacetyl Claimant, which shall be no later than sixty (60) days after the Settlement Amount is paid in full into the HFM Escrow (the “**Claims Deadline**”), and shall provide notice of the Claims Deadline to the Accepting HFM Diacetyl Claimants. After an Accepting HFM Diacetyl Claimant provides his Claims Documentation to the Trustee, the Trustee shall determine whether the claim described therein meets the Settlement Criteria, and if so, the liquidated amount of such HFM Diacetyl Claim, if any, under the Liquidation Matrix. The Trustee shall then advise the Accepting HFM Diacetyl Claimant of his determination. Each Accepting HFM Diacetyl Claimant whose Claims Documentation satisfies the Settlement Criteria shall be paid irrespective of the results in any litigation at any time between the claimant and any other defendant. For the avoidance of doubt, it will be a breach of this Agreement by HFM if the Trustee pays an Accepting HFM Diacetyl Claimant who has not satisfied the Settlement Criteria, *provided, however*, that HFM may rely on the good faith reasonable judgment of the Trustee to determine whether an HFM Diacetyl Claimant has satisfied the Settlement Criteria.

6.3. *Establishment of ADR Procedures.* The Trustee, at its own expense, which may be paid from the Settlement Amount in the HFM Escrow, and with the consent of HFM, may institute binding arbitration to resolve disputes over whether an Accepting HFM Diacetyl Claimant has submitted Claims Documentation sufficient to satisfy the Settlement Criteria. In all of such arbitrations, the arbitrator shall consider the same evidentiary requirements that are set forth in the Settlement Criteria. In no event shall any arbitration award result in an increase of

the Settlement Amount.

SECTION 7. RELEASES

7.1. Before making a pro rata distribution of the Settlement Balance to an Accepting HFM Diacetyl Claimant, the Trustee will confirm that HFM obtained an executed Release, Discharge and Hold Harmless Agreement in the form attached hereto as Exhibit 7.1 (“**Release**”) from such Accepting HFM Diacetyl Claimant and provided a copy of such Release to Chemtura and the Chartis Insurers at the addresses listed on Exhibit 20.

7.2. Subject to the occurrence of the Settlement Effective Date, HFM agrees, on behalf of itself and each of the Accepting HFM Diacetyl Claimants:

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

(b) that, as to the Released Parties, the Settlement Amount will constitute the sole source of compensation and recovery for the Accepting HFM Diacetyl Claimants on account of their HFM Diacetyl Claims and any Derivative HFM Diacetyl Claims that are derivative of the HFM Diacetyl Claims held by the Accepting HFM Diacetyl Claimants, regardless of whether or not any of their HFM Diacetyl Claims are resolved and liquidated in an amount greater than zero under the Liquidation Matrix.

7.3. HFM agrees on behalf of itself and each of the Accepting HFM Diacetyl Claimants not to collect from any Co-Defendant that portion of any Accepting HFM Diacetyl Claimant’s damages attributable by a court of competent jurisdiction to any of the Released Parties. HFM also agrees on behalf of itself and each of the Accepting HFM Diacetyl Claimants not to settle any Diacetyl-related claim with any Co-Defendant that has not had its contribution or indemnity claim with respect to such Diacetyl-related claim disallowed or expunged by final order of the Bankruptcy Court, unless such Co-Defendant agrees to waive and release any contribution or indemnity claim against the Released Parties. If a Co-Defendant who has had its contribution or indemnity claim disallowed or expunged by final order of the Bankruptcy Court brings a motion to reconsider the disallowance or expunging of its contribution or indemnity claim based on a settlement payment by the Co-Defendant to the Accepting HFM Diacetyl Claimant or the payment by such Co-Defendant of the portion of any Accepting HFM Diacetyl Claimant’s damages attributable by a court of competent jurisdiction to any of the Released Parties, and such motion is granted, then HFM on behalf of itself and the respective Accepting HFM Diacetyl Claimant agree to indemnify and hold harmless such Released Party from such claim.

7.4. The Accepting HFM 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 Accepting HFM 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 Accepting HFM 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(f) hereof.

7.5 Concurrently with the Trustee’s payment of a pro rata distribution of the Settlement Balance to an Accepting HFM Diacetyl Claimant, HFM shall send to Chemtura and the Chartis Insurers, at the addresses set forth on Exhibit 20, a Certifying Affidavit with respect to such Accepting HFM Diacetyl Claimant.

SECTION 8. RESOLUTION OF LITIGATION AND CERTAIN BANKRUPTCY PROCEEDINGS

8.1. Within two (2) business days after HFM provides written certification to Chemtura that the terms of Sections 4.1(a) and 4.1(b) hereof have been satisfied, 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 HFM Diacetyl Claims held by the Accepting HFM Diacetyl Claimants and any Derivative HFM Diacetyl Claims that are derivative of such HFM Diacetyl Claims. The Parties agree that, upon the full, irrevocable, and indefeasible payment of the Settlement Amount, as provided in Section 5 above, the portion of the Estimation Proceeding that pertains to the HFM Diacetyl Claims held by the Accepting HFM Diacetyl Claimants and to any Derivative HFM Diacetyl Claims that are derivative of such HFM Diacetyl Claims will be moot.

8.2. Within two (2) business days after the Settlement Amount is fully, irrevocably, and indefeasibly paid, as provided in Section 5 above, the Accepting HFM Diacetyl Claimants will file in the pending lawsuits the required notices, stipulations, or motions to dismiss with prejudice any of their HFM Diacetyl Claims against the Chemtura Protected Parties.

SECTION 9. TERMINATION

9.1. 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 9.3 hereof:

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

(b) if and only if the Approval Order is entered at least five (5) business days prior to the Voting Deadline, 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 Chemtura 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) Chemtura 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 Accepting HFM Diacetyl Claimants to the distributions agreed upon in this Agreement.

(f) the material breach by HFM or any Accepting HFM Diacetyl Claimant of any of the undertakings, representations, warranties, or covenants of HFM and such Accepting HFM 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 of any of the undertakings, representations, warranties, or covenants of Chemtura set forth in this Agreement, including Chemtura'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 HFM;

(h) the material breach by Chemtura Canada of any of the undertakings, representations, warranties, or covenants of Chemtura Canada 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 HFM;

(i) Chemtura materially amends or modifies 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 HFM demanding cure;

(j) the Bankruptcy Court confirms a plan of reorganization or a plan of liquidation in the Chapter 11 Case that provides for treatment of the Accepting HFM Diacetyl Claimant's HFM 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 HFM demanding cure; or

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

9.2. Subject to a waiver effectuated pursuant to Section 9.3 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 HFM under Section 9.1(f) hereof, the Trustee shall return to the Chemtura Defendants any of the Settlement Amount remaining in the HFM Escrow as of the date of the notice of breach if and only if one of the following occurs: (a) HFM agrees in writing to the return of such remaining Settlement Amount; or (b) either the Bankruptcy Court or an arbitrator appointed under Section 9.4 hereof finds or determines that a valid Termination Event occurred under Section 9.1(f) hereof as a result of an uncured material breach by HFM. 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.

9.3. A Termination Event may be waived by the particular Parties identified in this Section 9.3, 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), (i), (j), or (k) of Section 9.1 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 9.1 hereof may be waived by agreement of HFM and Chemtura Canada, pursuant to the terms hereof. A Termination Event occurring under subsections (f), (g), or (h) of Section 9.1 hereof may be waived by the Party or by agreement of the Parties that served the notice of breach, pursuant to the terms hereof.

9.4. If the Chemtura Defendants seek a finding or determination of an arbitrator pursuant to Section 9.2(b) hereof, the Chemtura Defendants shall initiate an arbitration proceeding by serving a notice of arbitration upon HFM at the address specified in Exhibit 20. The Parties will make a good-faith effort to agree on the selection of an arbitrator within twenty-one (21) days after service of the notice of arbitration, and in the absence of such agreement within such 21-day period, the Chemtura Defendants may petition or move the Bankruptcy Court for entry of an order appointing an arbitrator. In the absence of agreement on rules of procedure for the arbitration, the rules of the American Arbitration Association shall govern. The arbitration shall take place in New York, New York, unless the Parties and the arbitrator agree to a different location. Each Party shall bear its own costs, including the fees of its legal counsel, that are incurred in connection with the arbitration proceeding. In addition, HFM shall be responsible for paying one-half of the arbitrator's fees and expenses and the Chemtura Defendants shall be responsible for paying the other half of the arbitrator's fees and expenses.

SECTION 10. GOOD FAITH COOPERATION; OTHER ASSURANCES

10.1. 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 11. REPRESENTATIONS AND WARRANTIES

11.1. 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.

11.2. 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.

SECTION 12. AMENDMENTS

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

SECTION 13. GOVERNING LAW

13.1. 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 14. REMEDIES

14.1. 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 15. HEADINGS

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

SECTION 16. SUCCESSORS AND ASSIGNS

16.1. 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 17. NO THIRD PARTY BENEFICIARIES

17.1. Unless otherwise expressly stated herein, this Agreement shall be solely for the benefit of the Parties, the Chartis Insurer Entities, and the Accepting HFM Diacetyl Claimants. No other person or entity, including any member of the Diacetyl Class who is not an Accepting HFM Diacetyl Claimant, shall be a third-party beneficiary hereof.

SECTION 18. ENTIRE AGREEMENT

18.1. 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 Accepting HFM Diacetyl Claimants pursuant to Section 7.

SECTION 19. COUNTERPARTS

19.1. 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 20. NOTICES

20.1. All demands, notices, requests, consents, approvals, and other communications under this Agreement shall be in writing, sent contemporaneously to all of the Parties, and deemed given when delivered, if delivered by hand, 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 20 hereto.

SECTION 21. RULES OF INTERPRETATION; CALCULATION OF TIME

21.1. 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 22. RESERVATION OF RIGHTS

22.1. 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 HFM Diacetyl Claimant to protect and preserve his or her rights, remedies, and interests, including his HFM 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 23. FURTHER ASSURANCES

23.1. 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 24. ACKNOWLEDGEMENT

24.1. 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 25. NO WAIVER

25.1. 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

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

CHEMTURA CANADA CO./CIE

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

HUMPHREY, FARRINGTON & McCLAIN, P.C.,
on behalf of itself and each HFM Diacetyl Claimant

By: _____
Name:
Its:

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


CHEMTURA CORPORATION

By: _____
Name:
Its:

CHEMTURA CANADA CO./CIE

By: _____
Name:
Its:

HUMPHREY, FARRINGTON & McCLAIN, P.C.,
on behalf of itself and each HFM Diacetyl Claimant

By: 
Name: Kenneth B McClain
Its: Vice President

SCHEDULE OF EXHIBITS

Exhibit 1.2(b) – Form of Approval Order

Exhibit 1.2(d) – Form of Certifying Affidavit

Exhibit 1.2(p) – List of HFM Diacetyl Claims

Exhibit 1.2(s) – Liquidation Matrix

Exhibit 7.1 – Form of Release, Discharge and Hold Harmless Agreement

Exhibit 20 – List of Addresses and Fax Numbers of Parties Receiving Notices

Exhibit 1.2(b)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
CHEMTURA CORPORATION, <i>et al.</i> , ¹)	Case No. 09-11233 (REG)
)	
Debtors.)	Jointly Administered
)	

**ORDER AUTHORIZING CHEMTURA CORPORATION TO ENTER INTO A
SETTLEMENT AND RELEASE AGREEMENT WITH HUMPHREY FARRINGTON &
MCCLAIN, P.C. ON BEHALF OF THE HFM DIACETYL CLAIMANTS**

Upon the motion (the “**Motion**”)² of Chemtura Corporation (“**Chemtura**”) and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) for entry of an order pursuant to section 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 9019 and 3018(a) of the Federal Rules of Bankruptcy Procedures (the “**Bankruptcy Rules**”) authorizing, *inter alia*, Chemtura to enter into a certain Settlement and Release Agreement dated as of July 28, 2010, and attached to the Motion as Exhibit A (the “**Agreement**”) with Chemtura Canada Co./CIE and the law firm of Humphrey, Farrington & McClain, P.C. (“**HFM**”), on behalf of its clients (the “**HFM Diacetyl Claimants**”); and it appearing that the Agreement is fair and equitable; that the relief requested is in the best interests of the Debtors’ estates, their creditors, stakeholders and other parties in

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: Chemtura Corporation (3153); A&M Cleaning Products, LLC (4712); Aqua Clear Industries, LLC (1394); ASCK, Inc. (4489); ASEPSIS, Inc. (6270); BioLab Company Store, LLC (0131); BioLab Franchise Company, LLC (6709); Bio-Lab, Inc. (8754); BioLab Textile Additives, LLC (4348); CNK Chemical Realty Corporation (5340); Crompton Colors Incorporated (3341); Crompton Holding Corporation (3342); Crompton Monochem, Inc. (3574); GLCC Laurel, LLC (5687); Great Lakes Chemical Corporation (5035); Great Lakes Chemical Global, Inc. (4486); GT Seed Treatment, Inc. (5292); HomeCare Labs, Inc. (5038); ISCI, Inc. (7696); Kem Manufacturing Corporation (0603); Laurel Industries Holdings, Inc. (3635); Monochem, Inc. (5612); Naugatuck Treatment Company (2035); Recreational Water Products, Inc. (8754); Uniroyal Chemical Company Limited (Delaware) (9910); Weber City Road LLC (4381); and WRL of Indiana, Inc. (9136).

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

interest; and that good cause exists under Bankruptcy Rule 3018(a) for temporarily allowing the HFM Diacetyl Claims for purposes of voting to accept or reject the Plan pursuant to the terms specified in the Agreement; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and any objections to the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is **ORDERED** that:

1. The Motion is granted.
2. The Agreement is approved pursuant to Bankruptcy Rule 9019(a).
3. Pursuant to section 363(b) of the Bankruptcy Code and Bankruptcy Rule 9019, Chemtura is authorized to enter into the Agreement and take such steps as may be necessary to implement and effectuate the terms of this Order, the Agreement, and any related transactions.
4. The Debtors are authorized to execute and deliver all instruments and documents, and take such other action as may be necessary or appropriate to implement and effectuate the transactions contemplated by this Order and the Agreement.
5. Pursuant to Bankruptcy Rule 3018(a), the HFM Diacetyl Claims are temporarily allowed for purposes of voting to accept or reject the Plan in the amounts specified in the Liquidation Matrix attached to the Agreement.
6. Subject to the occurrence of the Settlement Effective Date (as defined in the Agreement), the Proof of Claims appearing on the list attached hereto as Exhibit A that were

filed by or on behalf of those HFM Diacetyl Claimants who have approved and accepted this Agreement are hereby deemed to be resolved under the terms specified in the Agreement.

7. Notwithstanding the possible applicability of Rule 6004(h) of the Federal Rules of Bankruptcy Procedure, the terms and conditions of this order shall be immediately effective and enforceable upon its entry.

8. The Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the implementation of this Order.

New York, New York

Date: _____, 2010

Honorable Robert E. Gerber
United States Bankruptcy Judge

Affidavit of Humphrey, Farrington & McClain, P.C. Pursuant to Section 7.5 of the Settlement and Release Agreement between Humphrey, Farrington & McClain, P.C., on behalf of the HFM Diacetyl Claimants (as defined therein), Chemtura Corporation, and Chemtura Canada Co./CIE dated July 28, 2010

STATE OF MISSOURI)

: SS:

COUNTY OF JACKSON)

I, Kenneth B. McClain, hereby swear or affirm:

1. I am a member and/or shareholder of the law firm of Humphrey, Farrington & McClain, P.C. (“HFM”), which represents [HFM Diacetyl Claimant] (“Claimant”) in connection with Settlement and Release Agreement between Humphrey, Farrington & McClain, P.C., on behalf of the HFM Diacetyl Claimants (as defined therein), Chemtura Corporation, and Chemtura Canada Co./CIE dated July 28, 2010 (the “Agreement”).

2. I am familiar with the facts and circumstances of Claimant’s HFM Diacetyl Claim (as defined in the Agreement), and I hereby certify that, with respect to such HFM Diacetyl Claim, HFM and Claimant have complied with 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, in order to satisfy, resolve, or extinguish any liability or obligation of the Released Parties (as defined in the Agreement) under such statute and regulations.

Kenneth B. McClain

SUBSCRIBED TO AND SWORN
before me this ____ day of _____, 2010.

Notary Public

Notary Expiration Date

EXHIBIT 1.2(p)

HFM DIACETYL CLAIMS

Last Name	First Name	Proof of Claim Number / Lawsuit
Adamson	Tim	1990
Adamson	Leslie	2040
Akers	Connie	Leslie Adamson, et al. v. IFF, Inc., et al., No. A0706062, Hamilton County Court of Common Pleas, Ohio
Akers	Russell	Leslie Adamson, et al. v. IFF, Inc., et al., No. A0706062, Hamilton County Court of Common Pleas, Ohio
Aldana Jr.	Mario	10688
Aldana Sr	Mario	10268
Aldrich	George	2077
Aldrich	Ann Marie	2115
Ambrose	Michael	2107
Anderson	Lisa	10368
Anderson	Lindal	10922
Anderson	Kenneth E	Anderson, et al. v. BASF Corp., et al., No. 2010CV03998FF, State Court of Clayton County, Georgia
Anderson	Wanda	Anderson, et al. v. BASF Corp., et al., No. 2010CV03998FF, State Court of Clayton County, Georgia
Arico	Kathleen	10286
Arine	Elmo Deon	10587
Arndt	William	2105
Arthur	Marla	1991
Arthur	Richard	1992
Ault	Avon	2079
Baker	Lori	2039
Baker	John	2104
Bale	Brandy	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Bale	Shawn	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Barlow	Frederick	2070
Barry	Dale	2363
Barry	Calina	2366
Batteese	Norma	9579
Bautista	Florencio	Arnold, et al. v. IFF, Inc., et al., Case No. A0704947, Hamilton County Court of Common Pleas, Ohio
Beatty	Nancy	2090
Belt	Jeff	2364
Benefield	Marilyn	2183
Bird	Angela	2221
Blades	Kevin	2303
Blanton	Jackie	10929
Blaylock	Deborah	Blaylock v. Citrus & Allied, et al., No. 052-10421, Circuit Court of the City of St. Louis, Missouri
Blaylock	Jerry	Blaylock v. Citrus & Allied, et al., No. 052-10421, Circuit Court of the City of St. Louis, Missouri
Borders Jr.	Larry	Leslie Adamson, et al. v. IFF, Inc., et al., No. A0706062, Hamilton County Court of Common Pleas, Ohio
Bowlin	Shane	2087
Bowman	Angie	2352

EXHIBIT 1.2(p)

HFM DIACETYL CLAIMS

Last Name	First Name	Proof of Claim Number / Lawsuit
Bowman	Dan	10272
Bradshaw	Angela	2416
Brewer	Jon	10477
Brown	Brian	Brown, et al. v. IFF, Inc., et al, Case No. A0803190, Hamilton County Court of Common Pleas, Ohio
Brown, on Behalf of Willie Brown	Lavinia	11519
Burkard	Denise	2089
Bussey	James	6240
Bussey	Jessica	6280
Butler	Kacie	10582
Buttercase	Maria	10469
Byrd	Jason	2182
Caldwell	Helen	2226
Caldwell Sr	Mark	2228
Caligiuri	Arlene	10580
Calloway	Joan	2083
Calloway	Emery	2085
Calloway	Brian	2092
Calloway	Jennifer	2112
Campbell	Charles	11103
Campbell	Natoma	11104
Carswell	Larry	2014
Chaney	Mark	2066
Chaney	Susan	2103
Cheek	Stacie	11829
Cheek Jr	Robert R	11043
Cocherl	Joshua	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Coffer	Michael	10870
Conley	Cameron	2095
Cook	Ralph	2253
Cooney	Michael	1998
Cooney	Teresa	2015
Cooper	Emmett D	9585
Couser	Bernard	9558
Couser	Lola	9572
Cox	John	2021
Cox	Donna	2067
Cox, individually and on behalf of Joan Cox	Gerald	10308
Craig	Bill	2186
Crissinger	Brandi	2013
Crissinger	Richard	2106
Crissinger	Marlene	5913
Crissinger	Timothy	5950
Criswell	Peggy Jean	10756

EXHIBIT 1.2(p)

HFM DIACETYL CLAIMS

Last Name	First Name	Proof of Claim Number / Lawsuit
Criswell	Chandra	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Crockett	Darrell	2217
Cummings	Jherek	2231
Cureton	John W	11813
Daughetee	Deborah L	10713
Daughetee	Steven	Daughetee, et al. v. Chr. Hansen, Inc., et al, Civil Action No. C-09-4100-MWB (N.D. Iowa)
Davis	Rich	2038
Davis	Vonnie	2233
Davis	Rusty	10703 & 11035
Davis	Rich	Leslie Adamson, et al. v. IFF, Inc., et al., No. A0706062, Hamilton County Court of Common Pleas, Ohio
Diaz	Mark E.	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Diaz	Tonya	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Dovel	Alan	10930
Downes	Timothy Leon	10311
Dudley	Nancy	10519
Duffey	Michael	10911
Dunaway	Bonita	Brown, et al. v. IFF, Inc., et al, Case No. A0803190, Hamilton County Court of Common Pleas, Ohio
Dunbar	Josephine	9561
Dunbar	Pauline	9599
Durfos	Tim	10649
Eaton	Mary Lynn	11800
Ellis	Jeannie	2184
Emling	Claudia	11773
Endicott	Jamie	2041
Endicott	Juanita	2093
England	Dave	10430
Evans	Gary	2108
Evans	Gregory	10306
Evans	Corey	10521
Facione	Shawn	2223
Falkenberry	Sabrina	11039
Farawell	Stephen M	11045
Feldkamp	Pamela	11099
Feldkamp	Ronald	11100
Ferguson	Robert C.	Ferguson, et al. v. IFF, Inc., et al, Case No. A0803169, Hamilton County Court of Common Pleas, Ohio
Fife	Alta F	5925
Fife	William	5941
Fleming	Rick	2415 & 10712
Fleming	Marlene	2417 & 11956
Foertsch	Patricia	2421
Foertsch	Donald	2442

EXHIBIT 1.2(p)

HFM DIACETYL CLAIMS

Last Name	First Name	Proof of Claim Number / Lawsuit
Foster	Kevin	10482
Friley	Manda	2230
Fults	Elizabeth	11852
Fultz	Matthew	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Gaffney	Michelle	2020
Gaffney	Patrick	2022
Garcia	John	2091
Garner	Rhonda	2185
Garrett	Aretha	2109
Garrett	Henry	2110
Gates	Terra	11029
Gates	Jeremiah	11760
Gattshall	Keith	1994
Gattshall	Brenda	2068
Gerfen	Rick	10330 & 11031
Gerfen	Lorie	Gerfen, et al. v. IFF, Inc., et al, Case No. A0908891, Hamilton County Court of Common Pleas, Ohio
Geyman	Ronald Joseph	11250
Giron	Angel	10699
Goodyear	Delores	2111
Grant	Rhonda	10321
Hallock	Brian	Hallock v. FEMA, et al, No. C07-8244, Circuit Court of Baltimore County, Maryland
Hamilton	Joyce	2193
Hamm	Terri	2061
Hamm	Billy	2094
Hamm	Christine L.	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Harper	Chistopher L	10924
Harris	Delores	2016
Harris	Bruce	2017
Harris	Natalie	2113
Harris	William	2117
Harrison	Rebecca	2114
Harrison	Jerry	2116
Hatfield	Joyce	2350
Haverty	Charles P	10661
Hayes	John	11275
Heitman, Executor of The Estate of Robert J Kelly	Michelle	10755
Helms	Harry	2064
Hensen, re Linda Redman	Devin	10538
Hessler	Roger	2127

EXHIBIT 1.2(p)

HFM DIACETYL CLAIMS

Last Name	First Name	Proof of Claim Number / Lawsuit
Hessler	Dollie	2128
Hicks	Annette	Brown, et al. v. IFF, Inc., et al, Case No. A0803190, Hamilton County Court of Common Pleas, Ohio
Hicks	Raymond	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Hicks	Angela	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Higgins	Archie	11126
High	Beverly	2100
High	Albert	2123
Hildebrand	Jamie	2365
Hill	Amy	Leslie Adamson, et al. v. IFF, Inc., et al., No. A0706062, Hamilton County Court of Common Pleas, Ohio
Hill	Justin	Leslie Adamson, et al. v. IFF, Inc., et al., No. A0706062, Hamilton County Court of Common Pleas, Ohio
Hodge	Brenda	2062
Holbrook	Rebecca	2065
Holladay	Charles	2009
Holladay	Teresa	2073
Holloway	Romero	11123
Holloway	Shelly	Coffer v. Citrus & Allied, et al., No. 0922-CC02281, City of St. Louis, Missouri
Holsinger	Gary	2060
Holsinger	Gail	2063
Holt	Carol	2011
Holt	Carl	2012
Holt	Michelle	2019
Honaker	Kenneth	2227
Honaker	Dennis	10932
Hook	Terry	10553
Hook	Pam	10705
Horn	Pauline	2215
Houser	Ron	2101
Houser	Bonnie	2133
Hutchings	Rachelle	2344
Janning	John S	11178
Jarvis	Robert	2121
Jarvis	Rosella	2122
Johnson	Kathy L.	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Johnson	George A.	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Johnson	Mary C.	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Johnson	Ron C.	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Johnson Jr	Ronald A	2102
Joliff	Matthew	2201
Joliff	Laura	2202

EXHIBIT 1.2(p)

HFM DIACETYL CLAIMS

Last Name	First Name	Proof of Claim Number / Lawsuit
Jones	Robin	2008
Jones	Robert	2024
Jones	Amanda	2082
Jones	David R	2129
Jones	Jeffrey	Brown, et al. v. IFF, Inc., et al, Case No. A0803190, Hamilton County Court of Common Pleas, Ohio
Jones	Kimberly	Brown, et al. v. IFF, Inc., et al, Case No. A0803190, Hamilton County Court of Common Pleas, Ohio
Jordan	Thomas	Leslie Adamson, et al. v. IFF, Inc., et al., No. A0706062, Hamilton County Court of Common Pleas, Ohio
Keckler	Toby	9597
Kensler	Ricky	2018
Khoury	Elaine	10433
Khoury	Alex	11203
Kincaid	William	Leslie Adamson, et al. v. IFF, Inc., et al., No. A0706062, Hamilton County Court of Common Pleas, Ohio
Kitts	Paul Edward	Leslie Adamson, et al. v. IFF, Inc., et al., No. A0706062, Hamilton County Court of Common Pleas, Ohio
Kodish	Edward B	10245
Kresyman	Vicky	2229
Krichbaum	Steven	2025
Krichbaum	Rita	2026
Lagadi	Orlando	11044
Lair	Ray	10270
Lee	Annette	2213
Lee	John	2234
Leedy	James	2251
Leedy Crandall	Dianna	2240
Leivan	Rick	2194
Lemasters	Jack	9598
Lemberg	David	10573
Levey	Marc A	10250
Levey	Margie	Levey, et al. vs. Citrus, et al, No. 1:09-CV-845, U.S. District Court, Southern District of Ohio
Lewis	Tom	13918
Lindsay	Lavina	2359
Malone	Gary	2346
Malone	Dorothy	Brown, et al. v. IFF, Inc., et al, Case No. A0803190, Hamilton County Court of Common Pleas, Ohio
Manuel Funes	Juan	10474
Marks	Edward Eric	2367
Marshall	Margie	2001
Marshall	William	2010
Martin	James	2023
Martin	Stanley	11042
Mattix	Duane	10888
Maxey	Janet	2075
Maxey	Bruce	2130
Mayer	Kristopher	2076

EXHIBIT 1.2(p)

HFM DIACETYL CLAIMS

Last Name	First Name	Proof of Claim Number / Lawsuit
Mayorga	Cesar	10658
Mayse	Susan	2322
Mayse	Edwin	2362
McBride	John	2243
McCament	Tom	2354
McCoy	Larren	11030
McCoy	Mark	11746
McDole	Kenny	2058
McElhone	Samantha	2125
McElhone	John	2126
McKelvy	Carl	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
McKelvy	Tina	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
McMonigal	Heidi	6237
McMonigal	Donald	6239
Mentzer	Regina	2072
Mentzer	Dean	2132
Mercado	Agnes	10416
Meredith	Lorraine	2242
Millar	Mark	9592
Millar	Donna	9593
Miller	Kim	2045
Miller	Robert	2047
Miller	Allen	Arnold, et al. v. IFF, Inc., et al., Case No. A0704947, Hamilton County Court of Common Pleas, Ohio
Mitchell	Rita	2245
Moore	Gloria	2044
Moore	Thomas	2097
Moore	Jill	2124
Moore	Bonnie	2310
Moore	Robert	2319
Morton	Robert Lee	10676
Murphy	Betsy	2098
Murphy	Leonard	10370
Murphy	Jerry	1993 (Loss of consortium to Betsy Murphy)
Murphy	Jerry	11754
Murray	Sheldon	10478
Musser	Janet	10544
Musser	Stephen	10714
Navarro	Ramona	1995
Navarro	Heriberto	2099
Newell	Donna	6241
Newkirk	Larry	10314
Newkirk	Ruth	10415
Niday	Robert	2225
Niday	Anita	2290
O'Brien	Joey	Brown, et al. v. IFF, Inc., et al, Case No. A0803190, Hamilton County Court of Common Pleas, Ohio

EXHIBIT 1.2(p)

HFM DIACETYL CLAIMS

Last Name	First Name	Proof of Claim Number / Lawsuit
OConnor	David	10746
Oldaker	Teresa	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Oliver Lee	Clarrisa	2311
Olson	Fayth	10910
Osorio	Nery	10459
Owens	Carl	10709 & 14288
Page	Rose	1996
Parish	Lisa	2096
Parker Bautista	Brenda	2437
Pate	Doris	10671
Patton	Dennis	9595 & 10662
Persinger	James E.	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Persinger	Kathleen M.	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Philpott	Christine	2043
Pitchford	Timothy	2326 & 6281
Pittman	James	2189
Pletcher	David	2000
Pletcher	Lorrie	2032
Pollard	George	10421
Powell	Kelly	9583
Powell	Donald	9589
Price	Elizabeth	2034
Ratliff	Carolyn	Auld, et al. v. IFF, Inc., et al., Case No. A0807536, Hamilton County Court of Common Pleas, Ohio
Ratliff	Rick	Auld, et al. v. IFF, Inc., et al., Case No. A0807536, Hamilton County Court of Common Pleas, Ohio
Redecker	Mara	11006
Reebel	Mark	2342
Reebel	Debra	2361
Revels	Ralph	10825
Rich	Angelo E	10720
Richards	Glen	10655
Riley	Dawn	9594
Riley	Robert	9596
Riley	Daniel	10677
Rivera	Juan	10706
Robinson	Bruce M	2232
Robinson	Mary E	2317
Roth	Jill	13774
Russell	John T	1997
Russell	Thelma	2033
Rutledge	Karla	2241
Saldivar	Maria	11034
Santa Lucia	Jerry	10266
Sarver	Tina	2316
Saunders	James	2028

EXHIBIT 1.2(p)

HFM DIACETYL CLAIMS

Last Name	First Name	Proof of Claim Number / Lawsuit
Scheetz, re Norma Curtis	Loretta	11033
Schonrock	Leroy	11040
Schooler	Lola	2181
Schwaderer	Diane	2007
Schwaderer	Glen	Leslie Adamson, et al. v. IFF, Inc., et al., No. A0706062, Hamilton County Court of Common Pleas, Ohio
Sharp	Brian K.	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Shively	David	2042
Shively	Karen	2055
Shoemaker	Margaret	2188
Smead	Richard	10428
Smead	Kathy	10670
Smith	Karen	10636
Smith	William	10641
Smith	Brenda	Auld, et al. v. IFF, Inc., et al., Case No. A0807536, Hamilton County Court of Common Pleas, Ohio
Smith	Curtis	Auld, et al. v. IFF, Inc., et al., Case No. A0807536, Hamilton County Court of Common Pleas, Ohio
Solis	Gerardo	10730
Spry	Danny	2191
Stanley	Bernard	2827 & 10525
Stansberry	Barbara	2027
Stebler	DeEnna	2190
Steinhilber	Eric	2056
Steinman	Frederick E.	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Steinman	Sally	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Stephens	Donald	2187
Stephens	Don	10904
Stith	Darrell	2348
Stone	Stephanie	5916
Stover	Jeffrey	6260
Stover	Nina	6261
Stubbs	Doris	10679
Sutton	Jacqueline	2036
Sutton	Timothy	2037
Taylor	William	2029
Taylor	Chad	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Teets Sr	Timothy	2423
Thacker	Frankie	Ferguson, et al. v. IFF, Inc., et al, Case No. A0803169, Hamilton County Court of Common Pleas, Ohio
Thaw	Lisa	2120
Thein	Dawn	2301
Thein	Erick	2360
Tidd	Beverly	6235

EXHIBIT 1.2(p)

HFM DIACETYL CLAIMS

Last Name	First Name	Proof of Claim Number / Lawsuit
Tidd	Daniel	6236
Titlow	Shawn	6238 & 10914
Todd	Michael	11037
Torres	Ramon	10684
Triplett	Heather	6254
Triplett	Shane	2443 & 10309
Troutman	Glenda	Brown, et al. v. IFF, Inc., et al, Case No. A0803190, Hamilton County Court of Common Pleas, Ohio
Turner	Margaret	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Uhl	Debbie	10651
Upshur	Lionel D	10609
Waddell	Teena	Aldrich II, et al. v. IFF, Inc, et al., Case No. A0700451, Hamilton County Court of Common Pleas, Ohio
Wagner	Deborah	2030
Walker	Stephen	5929
Walker	Darlene R	11246
Ward	Troy	2005
Ward	Carrie	2031
Ward	Michelle	2356
Watkins	Stephanie	11506
Watkins	Donnie A	11783
Watson	Mary	10535
Watson	Wayne	10550
Watson	Louis	10631 & 10692
Weary	Daniel	2006
Westler	Joyce	1999
Westler	John	2035
Williams	Phoebe	10723
Willis Smith	Patricia A	10299
Wolford	Tommy	2358 & 5944
Woodrum	Josh	2244
Woods	William	10269
Worsham	Gary	10927
Wright	Jeffrey	2302
Ymeri	Eddy	10328
Young	Yvonne	2118
Young	David M	2119

Exhibit 1.2(s) Liquidation Matrix

[Redated]

RELEASE, DISCHARGE AND HOLD HARMLESS AGREEMENT

In consideration of the sum of [Insert Individual Settlement Distribution (\$ ____)] (“**Settlement Distribution**”), and other good and valuable consideration, receipt of which is hereby acknowledged, [Insert Diacetyl Claimant Name] (“**Claimant**”) represents that he/she was born on [Insert date of birth] and that his or her Social Security number is [Insert Social Security Number] and for himself/herself, his/her heirs, executors, administrators, successors, and assigns, hereby executes this RELEASE, DISCHARGE AND HOLD HARMLESS AGREEMENT (“**Release**”) and agrees to the terms and provisions set forth herein. All capitalized terms not otherwise defined herein have the meanings given to them in that certain Settlement and Release Agreement dated as of July 28, 2010, and entered into by and among Chemtura Corporation (“**Chemtura**”), Chemtura Canada Co./CIE (“**Chemtura Canada**”), and the law firm of Humphrey, Farrington & McClain, P.C., on behalf of the “HFM Diacetyl Claimants” (as such quoted term is defined in such agreement) (the “**Settlement Agreement**”).

1. Effective upon the full, irrevocable, and indefeasible payment of the Settlement Amount into the HFM Escrow, pursuant to section 5 of the Settlement Agreement, and subject to paragraph 4 below, Claimant remises, releases, and forever discharges Chemtura, Chemtura Canada, and all of their respective past, present, and future parent companies, subsidiaries, and affiliates (collectively the “**Chemtura Defendants**”) as well as their respective past, present and future members, officers, directors, agents, financial advisors, accountants, investment bankers, consultants, attorneys, employees, partners, representatives, predecessors, successors, and assigns (with the Chemtura Defendants, collectively the “**Chemtura Protected Parties**”), as well as their insurers, including but not limited to AIU Insurance Company, American Home Assurance Company, Chartis Specialty Insurance Company (formerly known as 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, National Union Fire Insurance Company of Pittsburgh, Pa. and all of their respective past, present, and future parent companies, subsidiaries, and affiliates as well as their respective past, present, and future members, officers, directors, agents, financial advisors, accountants, investment bankers, consultants, attorneys, employees, partners, affiliates, representatives, predecessors, successors, and assigns, but only in their respective capacities as insurers of one or more of the Chemtura Protected Parties (with the Chemtura Protected Parties, collectively the “**Released Parties**”), of and from any and all claims, lawsuits, demands, actions, causes, liens, and damages, known or unknown, past, present or future, of whatever name or nature, resulting or arising from the injuries, sickness, illness, disease, condition and/or death allegedly sustained by Claimant related to or by reason of exposure to diacetyl, acetoin, or acetaldehyde (hereinafter collectively “**Diacetyl**”) manufactured, distributed, or sold by the Chemtura Defendants or to any product, including butter flavoring, that contains Diacetyl manufactured, distributed or sold by the Chemtura Defendants (hereinafter “**Diacetyl Claim**”); *provided, however*, that nothing in this Release shall release, remise, discharge, waive, relinquish, or impair the rights, if any, of Claimant to enforce, or seek relief under, the terms of this Release, the Settlement Agreement, the Plan, or any Plan-related document.

2. Claimant may allege that the long term effects of exposure to Diacetyl or any product, including butter flavoring, that contains Diacetyl may result in a new or different

diagnosed injury, sickness, illness, disease, or condition. Claimant understands and acknowledges that, effective upon the full, irrevocable, and indefeasible payment of the Settlement Amount into the HFM Escrow, pursuant to section 5 of the Settlement Agreement, Claimant, on Claimant's own behalf and the behalf of any personal representatives, administrators, and heirs of Claimant, relinquishes the right to pursue a claim against the Released Parties in the future for any new or different diagnosed injury, sickness, illness, disease, or condition resulting from the alleged exposure by Claimant to Diacetyl manufactured, distributed or sold by the Chemtura Defendants or to any product, including butter flavoring, that contains Diacetyl manufactured, distributed, or sold by the Chemtura Defendants.

3. This Release specifically includes, but is not limited to, all claims asserted by Claimant in proof of claim number **[Insert POC Number]** filed in *In re Chemtura Corporation, et al.*, Case No. 09-11233 (the "**Proof of Claim**") and/or the case captioned **[Insert Caption of Claimant's lawsuit]** (the "**Lawsuit**"), together with all claims, demands, and causes of action which could have been asserted against the Released Parties involving Diacetyl manufactured, distributed or sold by the Chemtura Defendants or any product, including butter flavoring, that contains Diacetyl manufactured, distributed, or sold by the Chemtura Defendants. Accordingly, effective upon the full, irrevocable, and indefeasible payment of the Settlement Amount into the HFM Escrow, pursuant to section 5 of the Settlement Agreement, Claimant agrees that the Proof of Claim is hereby deemed satisfied in full and resolved and agrees to dismiss with prejudice any and all causes of action against the Released Parties and hereby authorizes Claimant's attorneys to execute a stipulation for dismissal with prejudice of the claims against only the Released Parties in the Lawsuit.

4. Claimant and Released Parties understand that this Release does not release, remise, discharge, or waive any claim or cause of action, or dismiss any lawsuit by Claimant, against any entity other than the Released Parties. Without limiting the foregoing, this Release does not release, remise, discharge, or waive any claim or cause of action, or dismiss any lawsuit by Claimant, against any entity that is acquired by or acquires any of the Released Parties after this Release is executed. In addition, as used in the Settlement Agreement and this 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 with any of the Chartis Insurers that are identified by their corporate name in section 1.2(f) of the Settlement Agreement.

5. Claimant further acknowledges and understands that acceptance of this Release does not constitute any admission or concession of liability whatsoever by the Released Parties as to Claimant's claims, all of which are specifically denied. Claimant acknowledges that this Release is a compromise of a disputed claim.

6. Claimant agrees not to collect from any Co-Defendant that portion of Claimant's damages attributable by a court of competent jurisdiction to any of the Released Parties. Claimant further agrees not to settle any Diacetyl-related claim with any Co-Defendant that has not had its contribution or indemnity claim with respect to such Diacetyl-related claim disallowed or expunged by final order of the Bankruptcy Court, unless such Co-Defendant agrees to waive and release any contribution or indemnity claim against the Released Parties. If a Co-Defendant who has had its contribution or indemnity claim disallowed or expunged by final

order of the Bankruptcy Court brings a motion to reconsider the disallowance or expunging of its contribution or indemnity claim based on a settlement payment by the Co-Defendant to the Claimant or the payment by such Co-Defendant of the portion of Claimant's damages attributable by a court of competent jurisdiction to any of the Released Parties, and such motion is granted, then Claimant agrees to indemnify and hold harmless such Released Party from such claim.

7. Claimant agrees, represents, and warrants that all bills, costs, or liens resulting from or arising out of (a) medical treatment provided to Claimant and (b) other Medicare-covered expenses relating to Claimant's injuries, are Claimant's responsibility to pay. Claimant further agrees to assume responsibility for satisfaction of any and all rights to payment, claims, and liens of any kind held by or on behalf of a governmental entity that arise from or are related to payments made or services provided to Claimant or on Claimant's behalf, and for expenses, costs or fees incurred in connection with Claimant's HFM Diacetyl Claim, including without limitation, all subrogation claims, liens, or other rights to payment relating to medical treatment or lost wages that have been or may be asserted by any health care provider, insurer, governmental entity, employer, or other person or entity. Claimant further agrees that it is Claimant's sole and continuing responsibility to maintain an accounting of all Medicare-covered expenses relating to Claimant's HFM Diacetyl Claim, and to sufficiently set aside and administer such funds for future medical expenses and if the amounts set aside for satisfying any governmental entity's liens securing Medicare conditional payments and future medical expenses related to Claimant's HFM Diacetyl Claim prove to be insufficient to finally and completely satisfy such liens, then Claimant will defend, indemnify, and hold harmless the Released Parties from any and all damages, claims and rights to payment arising from Claimant's failure to finally and completely satisfy such liens.

8. Claimant agrees that this Release is fair and reasonable and was made in good faith in accordance with New York's General Obligations Law § 15-108, as enacted and interpreted in New York, and any similar provision of another state. Claimant further agrees that the Released Parties are discharged from all liability for any contribution to any other tortfeasor pursuant to N.Y. Gen. Oblig. Law § 15-108; Ariz. Rev. Stat. Ann. § 12-2504; Cal. Civ. Proc. Code § 877; Colo. Rev. Stat. § 13-50.5-105; 740 Ill. Comp. Stat. 100/2(d); Md. Code Ann., Cts. & Jud. Proc. § 3-1405; Mo. Rev. Stat. § 537.060; Iowa Code § 668.7; Ky. Rev. Stat. Ann. § 411.182; N.H. Rev. Stat. Ann. § 507:7-h; N.M. Stat. § 41-3-5; Ohio Rev. Code Ann. § 2307.28; 42 Pa. Cons. Stat. § 8327; Tenn. Code Ann. § 29-11-105; Wash. Rev. Code § 4.22.060; *VanCleve v. City of Marinette*, 655 N.W.2d 113, 123 (Wis. 2003); *Pierringer v. Hoger*, 124 N.W.2d 106 (Wis. 1963); *Holcim (US), Inc. v. Ohio Cas. Ins. Co.*, 2009 WL 3805799, at *4 (Ala. 2009); *SouthTrust Bank v. Jones, Morrison, Womack & Dearing, P.C.*, 939 So. 2d 885 (Ala. Civ. App. 2005); *Barker v. Cole*, 396 N.E.2d 964, 971 (Ind. App. 1979); *Coca-Cola Bottling Co.-Goshen, Ind. v. Vendo Co.*, 455 N.E.2d 370, 372-73 (Ind. App. 1983); *Mulloy v. Cincinnati Gas & Elec. Co.*, 820 F. Supp. 1121, 1122 (S.D. Ind. 1992); N.J.S.A. 2A:53A-3; *Gangemi v. National Health Laboratories, Inc.*, 701 A.2d 965, 968-69 (N.J. Super. Ct. App. Div. 1997); *Campbell, Odom & Griffith, P.C. v. Doctors Co.*, 637 S.E. 2d 108, 110 (Ga. App. 2006).

9. No modification or amendment to this Release shall be binding on the parties unless it is in writing and signed by the Claimant, Chemtura, and Chemtura Canada.

10. Claimant acknowledges that Claimant has read this Release, has had the terms herein and the consequences hereof explained by the attorneys of Claimant's choice, have relied solely upon Claimant's own judgment along with the advice of Claimant's attorneys, and understands the Release and voluntarily agrees to its terms.

IN WITNESS WHEREOF, Claimant has executed this Release on this _____ day of _____, 2010.

READ BEFORE SIGNING

[Insert Diacetyl Claimant's Name]

ACKNOWLEDGMENT & AGREEMENT BY DERIVATIVE DIACETYL CLAIMANT

[Name] hereby acknowledges that he/she was born on **[Insert date of birth]**, his/her Social Security number is **[Insert Social Security number]** and that he/she is a holder of a Diacetyl Claim that is derivative of the Claimant's Diacetyl Claim as represented by proof of claim number **[Insert POC Number]** filed in *In re Chemtura Corporation, et al.*, Case No. 09-11233, and acknowledges the agreement of the Claimant set forth in this Release with respect to the Claimant's Diacetyl Claim and agrees to be bound to the Release to the same extent as the Claimant. For the avoidance of doubt, **[Name]** agrees that his or her Derivative HFM Diacetyl Claim shall be released and discharged by this Release to the same extent as the Claimant's HFM Diacetyl Claim.

[Insert Derivative Diacetyl Claimant's Name]

Exhibit 20

For the Chemtura Defendants:

Billie S. Flaherty, Esq.
Senior Vice-President, General Counsel, and Secretary
Chemtura Corporation
199 Benson Road
Middlebury, CT 06749
Fax: (203) 573-3118

With a copy to:

Jeffrey M. Lenser, Esq.
Kilpatrick Stockton LLP
Suite 900
607 14th Street, N.W.
Washington, D.C. 20005
Fax: (202) 508-0039

and

M. Natasha Labovitz, Esq.
Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Fax: (212) 446-4800

For HFM:

Kenneth B. McClain, Esq.
Humphrey, Farrington & McClain, P.C.
221 West Lexington Avenue, Suite 400
Independence, MO 64050
Fax: (816) 836-8966

With a copy to:

Jeffrey A. Liesemer, Esq.
Caplin & Drysdale, Chartered
One Thomas Circle, N.W., Suite 1100
Washington, D.C. 20005
Fax: (202) 429-3301

For Chartis Insurers:

Patrick Sweeney
Antonietta Vitale Castano
Chartis Claims, Inc.
Mass Tort Claim Dept.
101 Hudson Street, 30th Floor
Jersey City, NJ 07302
Fax: (866) 819-2418

Exhibit 20

With a copy to:

Bryce L. Friedman
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, N.Y. 10017
Fax: (212) 455-2502