

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

In re: : **Case No. 09-11233 (REG)**
: :
: **Chapter 11**
CHEMTURA CORPORATION, et al., : **(Jointly Administered)**
: :
Debtors. : :
: :

**STIPULATION AND ORDER BETWEEN CHEMTURA CORPORATION AND THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS REGARDING PROPOSED
CLASS ACTION SETTLEMENT BETWEEN CHEMTURA CORPORATION,
ARKEMA, INC., ARKEMA FRANCE AND FMC CORPORATION**

This stipulation and agreed order (the “Stipulation”) is made by and among Chemtura Corporation (“Chemtura”) and certain of its subsidiaries and affiliates, as debtors and debtors-in-possession in the above-captioned Chapter 11 cases (collectively, the “Debtors”)¹, and the Official Committee of Unsecured Creditors (the “Committee,” and together with the Debtors, the “Parties”), as of the date indicated below;

WHEREAS, On March 18, 2009 (the “Petition Date”), the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors’ bankruptcy cases are being jointly administered pursuant to Rule 1015 of the Federal Rules of Bankruptcy Procedure;

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)

WHEREAS, the Debtors remain in possession of their assets and continue to manage their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108;

WHEREAS, the United States Trustee appointed the Committee on March 26, 2009, and no trustee or examiner has been appointed in the Debtors' Chapter 11 cases;

WHEREAS, a number of class action lawsuits were filed beginning in 2005 regarding an alleged conspiracy to fix the price of hydrogen peroxide sold in the United States;

WHEREAS, those actions were consolidated and transferred to the U.S. District Court for the Eastern District of Pennsylvania (the "District Court") by the Judicial Panel for Multidistrict Litigation, and are now known as In re: Hydrogen Peroxide Antitrust Litigation, MDL No. 1682 (the "MDL");

WHEREAS, class plaintiffs purporting to represent a class of direct purchasers of hydrogen peroxide in the United States filed a Consolidated Amended Class Action Complaint (the "Class Complaint") on April 29, 2005;

WHEREAS, the Class Complaint alleges that defendants Arkema, Inc. and Arkema France (collectively "Arkema") defendant FMC Corporation ("FMC"), and defendants Solvay S.A., Solvay Chemicals, Inc. and Solvay America, Inc. (collectively, the "Solvay Defendants"), along with other defendants, violated the Sherman Antitrust Act, 15 U.S.C. §1, *et seq.*, by engaging in an unlawful conspiracy to fix, raise, maintain, and/or stabilize prices for hydrogen peroxide, sodium perborate and sodium percarbonate in the United States, to the detriment of the plaintiffs (the "MDL Plaintiffs");

WHEREAS, the claims of direct purchasers against all defendants other than Arkema and FMC were resolved by class settlements approved and finalized prior to the Petition Date;

WHEREAS, Chemtura is a class plaintiff as to the Solvay Defendants, Arkema and FMC, and also filed an individual complaint against those parties in November 2008;

WHEREAS, Chemtura participated in the class settlements with several of the defendants, but opted out of the class settlement with the Solvay Defendants;

WHEREAS, class plaintiffs negotiated a settlement with Arkema in January 2009 and a settlement with FMC in April 2009 (the “Settlement Agreements”) and on April 23, 2009, the District Court certified settlement classes with respect to each individual class settlement with the respective defendants (the “Settlement Classes”);

WHEREAS, the MDL Plaintiffs must either (1) opt out of the Settlement Classes, and retain their rights to sue Arkema and FMC individually, or (2) not opt out of the Settlement Classes, which would render the party bound by the terms of the Settlement Agreements with respect to Arkema and FMC, assuming they are approved by the MDL Court;

WHEREAS, pursuant to the Settlement Agreements, in exchange for consideration provided by Arkema and FMC, assuming no opt out by Chemtura and upon approval by the MDL Court, Chemtura, along with the other parties in the Arkema and FMC Settlement Classes, will release, acquit and forever discharge Arkema and FMC from any and all claims, demands, actions, suits and causes of action, damages, and liabilities that were asserted against Arkema and FMC in the MDL;

WHEREAS, Chemtura plans to dismiss its individual claims against Arkema and FMC without prejudice to recovery under the Arkema and FMC Class Settlements, and maintain its individual action against Solvay Defendants;

WHEREAS, the Arkema Settlement Agreement provides that Arkema will assist class plaintiffs in assuring the admissibility of certain relevant records at summary judgment and trial,

and will produce and assist in qualifying for admissibility at trial additional relevant documents and witnesses, including certain witnesses that would not have been otherwise available to the MDL Plaintiffs without costly international proceedings under the Hague Convention;

WHEREAS, the FMC Settlement Agreement provides that FMC will pay ten million dollars (\$10,000,000), which amount, less class plaintiffs' fees and expenses and a deduction based on purchases of parties opting out, will be transferred into a settlement escrow account for distribution to all MDL Plaintiffs that do not opt out of the FMC Settlement Class (the "Settlement Fund");

WHEREAS, the FMC Settlement Agreement also provides that FMC can reduce the total amount of the Settlement Fund based upon the number of additional parties that opt out of the Settlement Class, if FMC reaches a settlement agreement with the entity that has opted out of the FMC Settlement Class and/or a court issues a final judgment regarding claims against FMC by an entity that has opted out of the FMC Settlement Class;

WHEREAS, it is currently estimated that Chemtura shall receive approximately \$150,000 under or pursuant to the Settlement Agreements, in addition to the non-monetary consideration discussed herein;

WHEREAS, the proposed Settlement Agreements with Arkema and FMC were arrived at only after completion of discovery in the class action, years of litigation and extensive negotiations over several months, during which time the merits of the claims against Arkema and FMC and the defenses of Arkema and FMC were thoroughly discussed, evaluated and negotiated;

WHEREAS, prior to settlement, counsel for the MDL Plaintiffs reviewed over 2.5 million pages of documents, extensive electronic transactional and other financial data and

information, numerous fact and expert depositions, discovery, motion papers and transcripts of court appearances regarding same;

WHEREAS, as part of the settlement negotiations, counsel for the MDL Plaintiffs had frequent in-person meetings and telephone conferences with counsel for Arkema and FMC, as well as counsel for the other parties involved in the MDL, and thoroughly analyzed the relevant industry data and other pertinent facts;

WHEREAS, in negotiating the Settlement Agreements, the parties engaged in mediation sessions before Honorable Magistrate Judge Jacob Hart, during which they examined the merits of their respective positions;

WHEREAS, the proposed Settlement Agreements with FMC and Arkema are the result of extensive good faith negotiations, after factual investigation and legal analysis;

WHEREAS, Chemtura seeks to exercise its right not to opt out of the Arkema and FMC Settlement Classes, and to remain bound by the Arkema Settlement Agreement and FMC Settlement Agreement;

WHEREAS, Chemtura, with the concurrence of the Committee, believes that it is in the best interest of the Debtors and their estates for Chemtura to be a part of the settlement of the MDL class actions as a member of the Arkema Settlement Class and the FMC Settlement Class;

WHEREAS, Chemtura, with the concurrence of the Committee, respectfully submits that the proposed Settlement Agreements are fair, equitable, reasonable and adequate with respect to the Arkema and FMC Settlement Classes;

WHEREAS, Chemtura, with the concurrence of the Committee, has determined that a decision not to opt out of the Settlement Classes for Arkema and FMC, and to be bound by the

Arkema Settlement Agreement and FMC Settlement Agreement, is in the best interest of the Debtors' estates.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into this Stipulation, and the covenants and conditions contained therein, the Parties hereby stipulate and agree as follows:

1. Upon Bankruptcy Court approval of this Stipulation, Chemtura is authorized to exercise its right not to opt out of the Arkema and FMC Settlement Classes, and to remain bound by the Arkema Settlement Agreement and FMC Settlement Agreement.

2. Upon Bankruptcy Court approval of this Stipulation, Chemtura is authorized to dismiss its individual claims against Arkema and FMC without prejudice to recovery under the Arkema and FMC Class Settlements.

3. Upon Bankruptcy Court approval of this Stipulation, Chemtura is authorized to take, or refrain from taking, any and all actions or steps as necessary to effectuate the Arkema Settlement Agreement and FMC Settlement Agreement including, without limitation, executing any and all documents as required to effectuate the Arkema and FMC Settlement Agreements.

4. No other or further notice to creditors or parties-in-interest, or approval by this Court, or any other court, is required to effectuate the terms and conditions of this Stipulation.

5. The Bankruptcy Court shall retain jurisdiction to hear any matters or disputes arising from or relating to this Stipulation.

6. Facsimile or other electronic copies of signatures on this Stipulation are acceptable, and a facsimile or other electronic copy of a signature on this Stipulation is deemed an original.

7. This Stipulation may be executed in counterparts, each of which is deemed an original, but when taken together constitute one and the same document.

8. This Stipulation will be effective upon approval by the Bankruptcy Court.

Dated: New York, New York
June 19, 2009

DUANE MORRIS LLP

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SO ORDERED

s/ Robert E. Gerber 7/13/2009

HON. ROBERT E. GERBER

UNITED STATES BANKRUPTCY JUDGE