

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF KANSAS**

IN RE  
URETHANE ANTITRUST LITIGATION

MDL No. 1616

This document relates to:  
The Polyether Polyol Cases

Civil No. 2:04-md-01616-JWL-DJW

**SETTLEMENT AGREEMENT**

This Settlement Agreement ("Settlement Agreement") is made and entered into this 27th day of May, 2011 (the "Execution Date"), by and among defendants Huntsman International LLC ("Huntsman," as defined in Paragraph 1 below) and plaintiffs Seegott Holdings Inc., Quabaug Corporation, and Industrial Polymers, Inc. (collectively "Plaintiffs"), who have filed suit as representatives of a class of similarly situated direct purchasers, as more specifically defined below. Plaintiffs enter this Settlement Agreement both individually and on behalf of a class of all persons and entities who purchased Products (defined below) directly from a Defendant at any time during the period from January 1, 1999 through December 31, 2004 in the United States and its territories (excluding all governmental entities, any Defendants, their employees, and their respective parents, subsidiaries and affiliates) (the "Class"). The Products are: propylene oxide-based polyether polyols; monomeric or polymeric diphenylmethane diisocyanates (MMDI or PMDI – collectively, MDI); toluene diisocyanates (TDI); MDI-TDI blends; or propylene oxide-based polyether polyol systems (except those that also contain polyester polyols).

WHEREAS, Plaintiffs are prosecuting the above-captioned actions (the "Class Actions") on their own behalf and on behalf of the Class against Huntsman and other Defendants;

WHEREAS, Plaintiffs allege, among other things, that Huntsman participated in an unlawful conspiracy to fix prices and allocate markets for the Products in violation of Section 1 of the Sherman Antitrust Act, 15 U.S.C. § 1 *et seq.*;

WHEREAS, Huntsman denies Plaintiffs' allegations, has not conceded or admitted any liability, and would assert affirmative defenses to Plaintiffs' claims;

WHEREAS, Plaintiffs and Defendants have engaged in extensive discovery regarding the facts pertaining to Plaintiffs' claims and Defendants' defenses;

WHEREAS, Plaintiffs have thoroughly analyzed the facts and the law regarding the Class Actions and have concluded that a settlement with Huntsman according to the terms set forth below is in the best interest of Plaintiffs and the Class;

WHEREAS, Huntsman has concluded, despite its belief that it has good defenses to the claims asserted, that it will enter into this Settlement Agreement in order to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation; and

WHEREAS, arm's-length settlement negotiations have taken place between counsel for Plaintiffs and Huntsman, and this Settlement Agreement, which embodies all of the terms and conditions of the settlement between Huntsman and Plaintiffs, both individually and on behalf of the Class, has been reached as a result of the parties' negotiations, subject to approval of the Court.

NOW, THEREFORE, in consideration of the covenants, agreements, and releases set forth herein and for other good and valuable consideration, it is agreed by and among the undersigned that the Class Actions be settled, compromised, and dismissed on the merits with prejudice as to Huntsman only, without costs as to Plaintiffs, the Class, or Huntsman, subject to the approval of the Court, on the following terms and conditions.

### Definitions

The following terms, as used in this Settlement Agreement, have the following meanings:

1. "Huntsman" means Huntsman International LLC , and its respective past and present parents, subsidiaries, affiliates, officers, directors, employees, agents, attorneys, servants, and representatives (and the parents', subsidiaries', and affiliates' past and present officers, directors, employees, agents, attorneys, servants, and representatives), and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing.
2. "Claims Administrator" shall mean Rust Consulting, Inc.
3. "Class" means all persons and entities who purchased the Products directly from a Defendant at any time from January 1, 1999 through December 31, 2004 in the United States and its territories, who have not timely elected to exclude themselves from the Class. Excluded from the Class are Defendants, their respective parents, employees, subsidiaries and affiliates, and all government entities.
4. "Class Actions" shall mean the above-captioned action and all cases consolidated therein.
5. "Class Counsel" shall refer to the law firms of Cohen Milstein Sellers & Toll PLLC and Fine, Kaplan and Black, R.P.C.
6. "Class Member" means each member of the Class who has not timely elected to be excluded from the Class.
7. "Class Period" means the period from and including January 1, 1999 up to and including December 31, 2004.
8. "Class Representatives" or "Plaintiffs" means Seegott Holdings Inc., Quabaug Corporation, and Industrial Polymers, Inc.

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9. "Defendants" means Bayer AG, Bayer Corporation, Bayer MaterialScience AG, Bayer MaterialScience LLC (f/k/a Bayer Polymers LLC), BASF SE, BASF Corporation, The Dow Chemical Company, Huntsman International LLC, and Lyondell Chemical Company.

10. "Document" is defined to be synonymous in meaning and equal in scope to the usage of this term in Fed. R. Civ. P. 34(a), including, without limitation, electronic or computerized data compilations. A draft or non-identical copy is a separate document within the meaning of this term.

11. "Escrow Account" shall mean \_\_\_\_\_ account number established pursuant to the terms and conditions set forth in the Escrow Agreement attached as Attachment A hereto.

12. "Escrow Agent" shall mean \_\_\_\_\_ as set forth in the Escrow Agreement attached as Attachment A hereto.

13. "Escrow Agreement" shall mean the agreement attached as Attachment A hereto.

14. "Non-Settling Defendant" means BASF SE, BASF Corporation, and The Dow Chemical Company.

15. "Products" means propylene oxide-based polyether polyols; monomeric or polymeric diphenylmethane diisocyanates (MMDI or PMDI – collectively, MDI); toluene diisocyanates (TDI); MDI-TDI blends; or propylene oxide-based polyether polyol systems (except those that also contain polyester polyols). "Products" includes, but is not limited to, polyether polyols sold under the trade name Jeffol, MDI sold under the trade names Rubinate and Suprasec, TDI sold under the trade name Rubinate, and propylene oxide-based polyether polyol systems sold under the trade names Acoustiflex, Alkapol, Rimline, Rubiflex, and Rubitherm.

16. "Purchases" means the purchases of Products directly from Huntsman during the Class Period.

17. "Released Claims" means those claims released pursuant to Paragraph 26 of this Settlement Agreement.

18. "Releasees" shall refer jointly and severally, individually and collectively to Huntsman International LLC, and its respective past and present parents, subsidiaries, affiliates, officers, directors, employees, agents, attorneys, servants, and representatives (and the parents', subsidiaries', and affiliates' past and present officers, directors, employees, agents, attorneys, servants, and representatives), and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing.

19. "Releasers" shall refer jointly and severally, individually and collectively to Plaintiffs, the Class Members, and their respective past and present parents, subsidiaries, affiliates, officers, directors, employees, agents, attorneys, servants, and representatives (and the parents', subsidiaries', and affiliates' past and present officers, directors, employees, agents, attorneys, servants, and representatives), and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing.

20. "Settlement Amount" means the amount set forth in Paragraph 27 below.

21. "Settlement Fund" shall mean the Settlement Amount and any interest earned on that amount.

Approval of this Settlement Agreement and Dismissal of Claims

22. Plaintiffs and Huntsman shall use their best efforts to effectuate this Settlement Agreement, and shall cooperate to promptly seek and obtain the Court's preliminary and final approval of this Settlement Agreement (including providing class notice under Federal Rules of

Civil Procedure 23 (c) and (e)) and to secure the prompt, complete, and final dismissal with prejudice of the Class Actions as to Huntsman only.

23. Within twenty (20) business days after the Execution Date, Plaintiffs shall submit to the Court and Huntsman shall not object to a motion requesting entry of an Order preliminarily approving the settlement and authorizing dissemination of notice to the Class (the "Motion"), as well as a stay of all proceedings by the Class against Huntsman except those proceedings provided for or required by this Settlement Agreement. The Motion shall include the proposed form of, method for, and timetable for dissemination of notice to the Class. Unless otherwise directed by the Court, individual notice of the settlement shall be mailed and/or e-mailed to persons and entities identified as direct purchasers of the Products in the United States from Defendants during the Class Period.

24. Plaintiffs shall seek and Huntsman shall not object to entry of a final judgment order:

- a. approving finally this Settlement Agreement and its terms as being a fair, reasonable, and adequate settlement as to the Class Members within the meaning of Rule 23 of the Federal Rules of Civil Procedure and directing its consummation according to its terms;
- b. directing that, as to Huntsman, the Class Actions be dismissed with prejudice and, except as provided for in this Settlement Agreement, without costs;
- c. reserving exclusive jurisdiction over the settlement and this Settlement Agreement, including the administration and consummation of this settlement; and
- d. finding under Federal Rule of Civil Procedure 54(b) that there is no just reason for delay and directing that the judgment of dismissal as to Huntsman shall be final and entered forthwith.

25. This Settlement Agreement shall become final only upon: (a) the entry by the Court of a final order approving the Settlement Agreement under Rule 23(e) of the Federal Rules of Civil Procedure together with entry of a final judgment dismissing the Class Actions and all

claims therein against Huntsman on the merits with prejudice as to all Class Members (the "Final Judgment"), and (b) the expiration of the time for appeal or to seek permission to appeal from the Court's approval of the Settlement Agreement and entry of the Final Judgment or, if an appeal from an approval and Final Judgment is taken, the affirmance of such Final Judgment in its entirety, without modification, by the court of last resort to which an appeal of such Final Judgment may be taken (the "Effective Date"). It is agreed that neither the provisions of Rule 60 of the Federal Rules of Civil Procedure nor the All Writs Act, 28 U.S.C. § 1651, shall be taken into account in determining the above-stated times.

#### Release and Discharge

26. In addition to the effect of any final judgment entered in accordance with this Settlement Agreement, upon the occurrence of the Effective Date and in consideration of payment of the Settlement Amount specified in Paragraph 27 of this Settlement Agreement, the Releasees shall be completely released, acquitted, and forever discharged from any and all claims, demands, actions, suits, and causes of action, whether class, individual, or otherwise in nature, damages whenever incurred, liabilities of any nature whatsoever, including costs, expenses, penalties, and attorneys' fees that Releasers, or any one of them, whether directly, representatively, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have against the Releasees, whether known or unknown, relating in any way to any conduct by Releasees and any joint and several liability arising from the conduct of any of the Defendants in the Class Actions prior to the Effective Date concerning the pricing, selling, discounting, marketing, manufacturing and/or distributing of the Products in the United States and its territories or for delivery in the United States and its territories (the "Released Claims"). The Released Claims also include, but are not limited to, all claims asserted or which could have

been asserted in the Class Actions relating to or arising out of the facts, occurrences, transactions, or other matters alleged in the Class Actions during the Class Period. However, nothing herein shall be construed to release any claims relative to any product defect, breach of contract, or similar claim between the parties relating to the Products. The Releasors agree that they shall not, after the Effective Date of this Settlement Agreement, assert any claim or commence any proceeding seeking to recover against any of the Releasees for any of the Released Claims; provided that nothing herein shall preclude the Releasors from participating in or benefiting from any relief or other recovery as part of a settlement or judgment on behalf of a class of indirect purchasers of the Products (such reservation by the Releasors of any right to participate in any relief or other recovery as part of a settlement or judgment on behalf of a class of indirect purchasers of the Products shall under no circumstances be construed to constrain the Releasees from asserting any defense or opposing the certification of any putative class of indirect purchasers of the Products).

Payment

27. Subject to the provisions hereof, and in full, complete, and final settlement of the Class Actions as provided herein, Huntsman agrees to pay the Plaintiffs, on behalf of the Class Members, the Settlement Amount of \$33,000,000.00. Within ten (10) business days after the Court's preliminary approval of the Settlement, Huntsman shall pay into the Escrow Account \$11,000,000.00 ("the Initial Installment Payment"), which amount shall be available immediately thereafter for reimbursement of such costs, fees, and expenses associated with the provision of notice to the members of the Class pursuant to Paragraph 29 hereof as may be approved by the Court. If the Settlement Agreement is finally approved, Huntsman shall pay into the Escrow Account another \$11,000,000.00 no later than one year after the Initial



Installment Payment, and it shall pay into the Escrow Account another \$11,000,000.00 no later than two years after the Initial Installment Payment.

The Settlement Fund

28. Each Class Member shall look solely to the Settlement Fund for settlement and satisfaction, as provided herein, of all claims released by the Releasors pursuant to Paragraph 26 herein. Except as provided by order of the Court, no Class Member shall have any interest in the Settlement Fund or any portion thereof.

29. Before the Effective Date, disbursements for expenses associated with providing notice of the settlement to the Class expenses associated with administering the settlement, and any payments and expenses incurred in connection with taxation matters relating to the settlement and this Settlement Agreement may be made from the Settlement Fund, and such amounts shall not be refundable to Huntsman in the event the Settlement Agreement is disapproved, rescinded, or otherwise fails to become effective.

30. This Settlement Fund shall be invested in United States Government Treasury obligations or United States Treasury Money Market funds, provided, however, that such portions of the Settlement Fund as may reasonably be needed to pay current expenses associated with providing notice to the Class and administering the Settlement Fund may be deposited in a federally insured bank account. All interest earned by the Settlement Fund shall become and remain part of the Settlement Fund.

31. Huntsman shall not have any responsibility, financial obligation, or liability whatsoever with respect to the investment, distribution, use, or administration of the Settlement Fund, including, but not limited to, the costs and expenses of such investment, distribution, or administration, except as otherwise provided in this Settlement Agreement.

32. After the Effective Date, the Settlement Fund shall be distributed in accordance with a plan that Class Counsel shall submit at the appropriate time for approval by the Court.

33. Plaintiffs and Class Counsel shall be reimbursed and paid solely out of the Settlement Fund for all expenses including, but not limited to, attorneys' fees; past, current, or future litigation expenses (including, but not limited to, experts' and consultants' fees and expenses); the costs of giving notice of this settlement to the Class; and any incentive awards to the Class Representatives, subject to application to and approval of the Court.

34. Huntsman agrees to take no position with respect to any application to the Court by Class Counsel for an award of attorneys' fees, and reimbursement of costs and expenses incurred in the prosecution of these Class Actions, or for any application to the Court for approval of incentive awards to the Class Representatives.

35. After making the payments described in Paragraph 27 of this Settlement Agreement, Huntsman shall have no responsibility whatsoever for the allocation or distribution of the Settlement Amount and shall not be responsible or otherwise liable for any disputes relating to the amount, allocation, or distribution of any fees, costs, or awards. Further, after making the payments described in Paragraph 27 of this Settlement Agreement, Huntsman shall not be liable for any additional payments to the Class Members or Class Counsel pursuant to this Settlement Agreement.

36. Huntsman agrees not to object, subject to any Order of the Court, to any motion seeking the payment to Class Counsel of approved attorneys' fees, costs, and expenses within ten (10) business days after entry of the Final Judgment (as defined in Paragraph 24 herein) and any order awarding attorneys' fees, costs, and expenses. Disbursement of such fees, costs, and expenses shall not be delayed by reason of any appeal of the Final Judgment; provided, however,

if the Court's award of fees, costs, and expenses is vacated, reversed, or reduced on or as a result of an appeal, Class Counsel shall within ten (10) business days after receiving written notice from the Court or from Huntsman of such vacatur, reversal, or reduction, make a refund to the Escrow Account in the amount of such vacatur, reversal, or reduction with interest, and further provided that if Plaintiffs and/or Huntsman elect to rescind the Settlement Agreement as described in Paragraph 37 below, Class Counsel shall within ten (10) business days after giving notice to or receiving notice from Huntsman of such rescission, make a refund to the Escrow Account in the amount of any such fees, costs, and expenses with interest. The interest rate applicable to any refund made to the Escrow Account pursuant to this Paragraph shall be same interest rate earned by the United States Government Treasury obligations or United States Treasury Money Market funds during the period between the payment of approved attorneys' fees, costs, and expenses and any such refund.

Rescission if the Settlement Agreement is Not Finally Approved

37. If the Court declines to approve this Settlement Agreement or any part hereof, or if such approval is materially modified or set aside on appeal, or if the Court does not enter the Final Judgment, or if the Court enters the Final Judgment and order and appellate review is sought and, on such review, such Final Judgment is not affirmed, then Huntsman and the Plaintiffs shall each, in their respective sole discretion, have the option to rescind this Settlement Agreement in its entirety, and any and all amounts constituting the Settlement Fund (including, but not limited to, any fees, costs, and/or expenses advanced to Class Counsel pursuant to Paragraph 36 above) shall be returned forthwith to Huntsman, except for any disbursements made or incurred in accordance with Paragraph 29 of this Settlement Agreement. The Escrow Agent shall disburse the Settlement Fund to Huntsman in accordance with this Paragraph within

fifteen (15) business days after receipt of either (i) written notice signed by counsel for Huntsman and Class Counsel stating that this Settlement Agreement has been canceled or terminated, or (ii) any order of the Court so directing. If the Settlement Agreement is rescinded, canceled, or terminated pursuant to this Paragraph, any obligations pursuant to this Settlement Agreement (other than disbursement of the Settlement Fund to Huntsman as set forth above) shall cease immediately. A modification or reversal on appeal of any amount of Class Counsel's fees and expenses awarded by the Court from the Settlement Fund or any plan of allocation or distribution of the Settlement Fund shall not be deemed a modification of all or part of the terms of this Settlement Agreement or the Final Judgment.

38. The parties agree that this Settlement Agreement, whether or not it shall become final, and any and all negotiations, documents, and discussions associated with it, shall not be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by Huntsman or of the truth of any of the claims or allegations made in the Class Actions, and evidence thereof shall not be admissible or used directly or indirectly in any way in the Class Actions or in any other action or proceeding (except an action to enforce or interpret the terms of the Settlement Agreement). The parties expressly reserve all of their rights if the settlement does not become final in accordance with the terms of this Settlement Agreement.

#### Cooperation Agreement

39. In addition to the payments as set forth in Paragraph 27, Huntsman's obligations, as set forth below, shall be limited to the production of information, testimony, and/or Documents that are not protected from disclosure by the attorney-client privilege, work product doctrine, joint defense privilege, or any other applicable privilege or doctrine. Moreover,

nothing herein is intended (a) to prohibit any current or former officer, director, employee, or agent of Huntsman from asserting, where appropriate, any Fifth Amendment privilege against self-incrimination or any attorney-client privilege held by him in his individual capacity; (b) to require Huntsman to waive or breach any attorney-client privilege that it has now or may in the future have with respect to information, testimony, or Documents; (c) to require the disclosure of information, testimony, and/or Documents reflecting the impressions or thought processes of Huntsman's attorneys or other work product protected from disclosure by the attorney work product doctrine or any other applicable privilege; or (d) to require the production or disclosure of any information, testimony, or Documents created by or for government authorities in connection with any investigation(s) relating to the Products.

a. Huntsman agrees to produce at trial and/or deposition, or through affidavits or declarations, representatives qualified to establish for admission into evidence (i) any of Huntsman's non-privileged Documents produced in the litigation (including any produced pursuant to this Agreement) and, to the extent practicable, any Documents produced by any of Huntsman's alleged co-conspirators and (ii) data pertaining to Huntsman's sales of the Products to the Class during the Class Period produced in the litigation..

b. Huntsman further agrees to respond informally to any reasonable requests by Class Counsel about any data relating to Huntsman transactions in class Products as well as the costs of producing, marketing and selling those Products previously produced by Huntsman in the litigation, and to produce, in response to reasonable requests of Class Counsel, such data not previously produced relating to Huntsman transactions in class products or the costs of producing, marketing or selling those products as Huntsman can

make available to Class Counsel without undue effort or expense.

c. All information and materials provided by Huntsman to Class Counsel regarding the Products shall be used only in connection with these Class Actions and shall not be used directly or indirectly for any other purpose. No information provided to Class Counsel pursuant to this Settlement Agreement may be disclosed to or shared with any other person or party (other than co-counsel or experts retained in the course of the Class Actions), including Opt-Out Plaintiffs and counsel for Opt-Out Plaintiffs and absent Class Members or their separately retained counsel, except as part of a response to discovery requests in the Class Actions or non-privileged Documents or testimony filed with the Court or produced at a hearing or trial of the Class Actions. Class Counsel agrees that, even if filed with the Court or produced in discovery or at a hearing or trial, Documents or testimony designated as "Confidential" or "Highly Confidential" in accordance with the Protective Order shall retain the protection of that order until the Court directs otherwise.

40. Huntsman's obligations pursuant to Paragraph 39 shall not be affected by the Release set forth in Paragraph 26 of this Settlement Agreement. These obligations shall cease as of the date that final judgment has been rendered in the Class Actions against all Defendants.

Taxes

40. Class Counsel shall be solely responsible for directing the Claims Administrator to file all informational and other tax returns necessary to report any taxable and/or net taxable income earned by the Settlement Fund. Further, Class Counsel shall be solely responsible for directing the Escrow Agent to take out of the Settlement Fund, as and when legally required, any tax payments, including interest and penalties due on income earned by the

Settlement Fund. Huntsman shall have no responsibility to make any filings relating to the Settlement Fund and shall have no responsibility to pay tax on any income earned by the Settlement Fund or to pay any taxes on the Settlement Fund unless the settlement is not consummated and the Settlement Fund is returned to Huntsman. Other than as specifically set forth herein, Huntsman shall have no responsibility for the payment of taxes or tax expenses. If for any reason, for any period of time, Huntsman is required to pay taxes on income earned by the Escrow Account, the Escrow Agent shall, upon written instructions from Huntsman with notice to Class Counsel, timely pay to Huntsman sufficient funds to enable it to pay all taxes (state, federal, or other) on income earned by the Escrow Account.

41. For the purpose of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the "Administrator" of the Escrow Account shall be the Claims Administrator, who shall timely and properly file or cause to be filed on a timely basis, all tax returns necessary or advisable with respect to the Escrow Account (including without limitation all income tax returns, all informational returns, and all returns described in Treas. Reg. § 1.468B-2(1)).

42. The parties to this Settlement Agreement and their counsel shall treat, and shall cause the Claims Administrator to treat, the Escrow Account as being at all times a "qualified settlement fund" within the meaning of Treas. Reg. § 1.468B-1. The parties, their counsel, the Claims Administrator, and the Escrow Agent agree that they will not ask the Court to take any action inconsistent with the treatment of the Escrow Account in such manner. In addition, the Claims Administrator and, as required, the parties shall timely make such elections as necessary or advisable to carry out the provisions of this Paragraph, including the "relation-back election" (as defined in Treas. Reg. § 1.468B-1(j)) back to the earliest permitted date. Such

elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Claims Administrator timely and properly to prepare and deliver the necessary documentation for signature by all necessary parties and thereafter to cause the appropriate filing to occur. All provisions of this Settlement Agreement shall be interpreted in a manner that is consistent with the Escrow Account being a "qualified settlement fund" within the meaning of Treas. Reg. § 1.468B-1.

#### Miscellaneous

43. This Settlement Agreement does not settle or compromise any claim other than the Released Claims against the Releasees. All rights of any Class Member against any person or entity other than the Releasees for sales made by Huntsman are specifically reserved by Plaintiffs and the Class Members. Sales of the Products by Huntsman in the United States shall remain in the Class Actions against the Non-Settling Defendants and/or any future defendants other than the Releasees as a basis for damage claims, and shall be part of any joint and several liability claims in the Class Actions against the Non-Settling Defendants and/or any future defendants or any persons or entities other than the Releasees.

44. Plaintiffs waive California Civil Code Section 1542 and similar provisions in other states. Plaintiffs certify that they are aware of and have read and reviewed the following provisions of California Civil Code Section 1542 ("Section 1542"): "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." The provisions of the release set forth above shall apply according to their terms, regardless of provisions of Section 1542 or any equivalent, similar, or comparable present or future law or principle of law of any jurisdiction. Plaintiffs hereby expressly waive and



relinquish any and all rights and benefits existing under (i) Section 1542 or any equivalent, similar, or comparable present or future law or principle of law of any jurisdiction and (ii) any law or principle of law of any jurisdiction that would limit or restrict the effect or scope of the provisions of the release set forth above.

45. This Settlement Agreement constitutes the entire agreement among Plaintiffs and Huntsman pertaining to the settlement of the Class Actions against Huntsman only and supersedes any and all prior and contemporaneous undertakings of Plaintiffs and Huntsman in connection therewith. This Settlement Agreement may be modified or amended only by a writing executed by Class Counsel and Huntsman and approved by the Court.

46. All terms of this Settlement Agreement shall be governed by and interpreted according to the substantive laws of New York without regard to its choice of law or conflict of law principles.

47. The United States District Court for the District of Kansas retains exclusive jurisdiction over all matters relating to the implementation and enforcement of the Settlement Agreement.

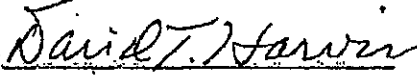
48. This Settlement Agreement may be executed in counterparts by Plaintiffs and Huntsman, and a facsimile signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

49. Each of the undersigned attorneys represents that he is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement on behalf of his respective clients, subject to Court approval.

IN WITNESS WHEREOF, the parties hereto, through their fully authorized representatives, have agreed to this Settlement Agreement as of the date first herein written above.

By: 

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Counsel for Plaintiffs and Class Counsel

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## ESCROW AGREEMENT

**THIS ESCROW AGREEMENT** is entered into and effective this 27th day of May, 2011, by and among \_\_\_\_\_ (“Escrow Agent”); Rust Consulting, Inc. (“Claims Administrator”); Huntsman International LLC (“Huntsman”); and class counsel (“Class Counsel”) in *In re Urethane Antitrust Litigation – the Polyether Polyol Cases*, MDL No. 1616 (D. Kan.) (the “Class Actions”). Class Counsel enter this agreement on behalf of the plaintiffs (“Class Plaintiffs”), individually and on behalf of the class certified in the Class Actions by Memorandum and Order dated July 29, 2008, Dkt. No. 708 (the “Class”).

**WHEREAS**, Huntsman and Class Plaintiffs have reached an agreement with respect to the settlement and resolution of the Class Actions, which is reflected in the Settlement Agreement setting forth the terms and conditions of an agreement to settle and resolve the Class Actions with finality as to Huntsman; and

**WHEREAS**, this agreement sets forth the terms and conditions of an escrow agreement with respect to certain funds (the “Settlement Funds”) to be deposited by Huntsman into an escrow account and to be retained therein and distributed therefrom in accordance with the terms of the Settlement Agreement;

**NOW, THEREFORE**, in consideration of the premises herein, the parties hereto agree as follows:

### **I. Terms and Conditions**

1. Huntsman and Class Counsel hereby appoint Escrow Agent to act as escrow agent on the terms and conditions set forth herein, and Escrow Agent hereby accepts such appointment on such terms and conditions.

2. Huntsman shall deliver to Escrow Agent, pursuant to the written instructions set forth in Section IV.1, three installments of \$11,000,000.00 in immediately available United States dollars ("Escrow Funds"), subject to the terms and schedule of the attached Settlement Agreement. Escrow Agent shall establish an escrow account ("Escrow Account") pursuant to the attached Settlement Agreement. Escrow Agent shall promptly confirm receipt of each installment of the Settlement Funds and the establishment of the Escrow Account in writing to Class Counsel and counsel for Huntsman.

3. Until otherwise instructed in writing by the party or parties which at that time have an interest in the Escrow Funds, Escrow Agent shall invest and reinvest the Escrow Funds in United States Government Treasury obligations or United States Treasury Money Market funds. All investments and reinvestments of the Escrow Funds shall also be part of the Escrow Funds and held in the Escrow Account as provided herein.

4. All interest on or other income realized by investment of the Escrow Funds, or any portion thereof, shall be accumulated and added to and be part of the Escrow Funds.

5. This Escrow Agreement and the Escrow Funds are intended to be subject to the supervision and control of the United States District Court for the District of Kansas (the "Court") where the Class Actions are pending. Except as otherwise provided in paragraphs 6(a), 6(b), and 6(c) of this Section 1, Escrow Funds shall be withdrawn or otherwise removed from the Escrow Account established pursuant to this Escrow Agreement only in accordance with the terms of the Settlement Agreement or an order of the Court delivered to Escrow Agent by Class Counsel or counsel for Huntsman.

6. Subject to the Settlement Agreement, Escrow Agent shall deliver the Escrow Funds only as set forth below:

(a) Promptly following receipt of either (i) written notice signed by counsel for Huntsman and Class Counsel stating that the Settlement Agreement has not been approved by the Court or has been cancelled or terminated or has become null and void for any reason or (ii) written notice signed by counsel for Huntsman and Class Counsel directing the return to Huntsman of any Escrow Funds required to be returned pursuant to the Settlement Agreement or (iii) an order of the Court so directing, Escrow Agent shall disburse the Escrow Funds, or the applicable portion thereof, together with interest thereon, to Huntsman (less amounts necessary for payment of or reserves for payment of taxes, associated tax expenses (if any), notice and administration costs incurred in connection with the implementation of the Settlement Agreement or expenses of Escrow Agent in connection therewith).

(b) Prior to the Effective Date of the Settlement Agreement,<sup>1</sup> and upon receipt of a request in writing from Class Counsel (who shall give reasonable notice to Huntsman), Escrow Agent shall disburse such amounts of the Escrow Account:

- (i) for payment of or reserves for taxes and associated tax expenses (if any);
- (ii) for notice and administration costs incurred in connection with the implementation of the Settlement Agreement, including all related costs and expenses incurred by the Claims Administrator, which costs shall not, absent order of the Court, exceed \$1,000,000 in the aggregate; and

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<sup>1</sup> "Effective Date" is defined in paragraph 25 of the Settlement Agreement, and means the date of final approval of the Settlement Agreement, which shall occur upon: (a) the entry by the Court of a final order approving the Settlement Agreement under Rule 23(e) of the Federal Rules of Civil Procedure together with entry of a final judgment dismissing the Class Actions and all claims therein against Huntsman on the merits with prejudice as to all Class Members (the "Final Judgment"), and (b) the expiration of the time for appeal or to seek permission to appeal from the Court's approval of the Settlement Agreement and entry of the Final Judgment or, if an appeal from an approval and Final Judgment is taken, the affirmance of such Final Judgment in its entirety, without modification, by the court of last resort to which an appeal of such Final Judgment may be taken.

- (iii) for reimbursement for any federal or state tax liability that is finally assessed and paid as a result of income realized by investment of the Escrow Funds.

(c) Following entry of the Final Judgment, Escrow Agent shall, upon receipt of an order of the Court so directing, disburse amounts for reimbursement or payment of attorneys' fees, costs and expenses incurred in connection with the litigation of the Class Actions.

(d) After the Effective Date of the Settlement Agreement, Escrow Agent shall, upon receipt of an order of the Court so directing:

- (i) disburse amounts for the costs of administering and distributing the Settlement Funds pursuant to the Settlement Agreement; and
- (ii) distribute the remaining Escrow Funds, as ordered by the Court; provided, however, that Escrow Agent shall retain amounts in the Escrow Account necessary for the payment of taxes, tax expenses, notice and administration costs, or fees and expenses of Escrow Agent, as directed by Class Counsel.

7. Class Counsel shall be solely responsible for directing the Claims Administrator to file all informational and other tax returns necessary to report any taxable and/or net taxable income earned by the Settlement Funds. Further, Class Counsel shall be solely responsible for directing the Escrow Agent to take out of the Settlement Funds, as and when legally required and as provided in paragraph 6 above, any tax payments, including interest and penalties due on income earned by the Settlement Funds. Huntsman shall have no responsibility to make any filings relating to the Settlement Funds and shall have no responsibility to pay tax on any income earned by the Settlement Funds or to pay any taxes on the Settlement Funds unless the settlement is not consummated and the Settlement Funds are returned to Huntsman. Other than as specifically set forth herein, Huntsman shall have no responsibility for the payment of taxes or tax expenses. If for any reason, for any period of time, Huntsman is required to pay taxes on

income earned by the Escrow Account, the Escrow Agent shall, upon written instructions from Huntsman with notice to Class Counsel, timely pay to Huntsman sufficient funds to enable it to pay all taxes (state, federal or other) on income earned by the Escrow Account.

8. For the purpose of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the "Administrator" of the Escrow Account shall be the Claims Administrator, who shall timely and properly file or cause to be filed on a timely basis, all tax returns necessary or advisable with respect to the Escrow Account (including without limitation all income tax returns, all informational returns, and all returns described in Treas. Reg. § 1.468B-2(1)).

9. The parties hereto shall treat the Escrow Account as being at all times a "qualified settlement fund" within the meaning of Treas. Reg. § 1.468B-1. The parties shall not ask the Court to take any action inconsistent with the treatment of the Escrow Account in such manner. In addition, the Claims Administrator, acting on behalf of the parties, shall timely make such elections as necessary or advisable to carry out the provisions of this paragraph, including the "relation-back-election" (as defined in Treas. Reg. § 1.468B-1(j)) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Claims Administrator timely and properly to prepare and deliver the necessary documentation for signature by all necessary parties and thereafter to cause the appropriate filing to occur. All provisions of this Escrow Agreement shall be interpreted in a manner that is consistent with the Escrow Agreement being a "qualified settlement fund" within the meaning of Treas. Reg. § 1.468B-1.

10. After the Effective Date of the Settlement Agreement, Huntsman shall no longer have any interest in the Escrow Funds, and shall no longer have any rights or obligations under

this Escrow Agreement, except as provided in Section I, paragraph 7, or as provided in the Settlement Agreement.

## **II. Provisions as to Escrow Agent**

1. This Escrow Agreement expressly and exclusively sets forth the duties of Escrow Agent with respect to any and all matters pertinent hereto and no implied duties or obligations shall be read into this Escrow Agreement against Escrow Agent.

2. This Escrow Agreement constitutes the entire agreement between the Escrow Agent and the other parties hereto in connection with the subject matter of this escrow. Unless it is signed by Escrow Agent as a party, no other agreement entered into between the parties, or any of them, shall be considered as adopted or binding, in whole or in part, upon Escrow Agent notwithstanding that any such other agreement may be deposited with Escrow Agent or that Escrow Agent may have knowledge thereof.

3. Escrow Agent shall in no way be responsible for notifying nor shall it have a duty to notify any party hereto or any other party interested in this Escrow Agreement of any payment required or maturity occurring under this Escrow Agreement or under the terms of any instrument deposited therewith unless such notice is explicitly provided for in this Escrow Agreement.

4. Escrow Agent shall be protected in acting upon any documents that Escrow Agent, in good faith and after reasonable investigation, believes to be genuine, and any documents that purport to be Court orders authorizing release, disbursement or retention of the Escrow Funds.

5. In the event of any disagreement between any of the parties to this Escrow Agreement, or between any of them and any other party, resulting in inconsistent claims or



demands being made in connection with the matters covered by this Escrow Agreement, or in the event that Escrow Agent, in good faith, be in doubt as to what action it should take hereunder, Escrow Agent may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and in any such event, Escrow Agent shall not be or become liable in any way or to any party for its failure or refusal to act, and Escrow Agent shall be entitled to continue to refrain from acting until (i) the rights of all interested parties shall have been fully and finally adjudicated by the Court, or (ii) all differences shall have been resolved and all doubt eliminated by agreement among all of the interested parties, and Escrow Agent shall have been notified thereof in writing signed by all such parties.

6. Class Counsel agrees to indemnify and hold harmless Escrow Agent from and against any and all costs, expenses, losses, liabilities and damages actually incurred by Escrow Agent and arising out of, or in connection with, the performance of its obligations in accordance with the provisions of this Escrow Agreement, except such as may arise through or be caused by Escrow Agent's breach of this Escrow Agreement or any bad faith, willful misconduct or gross negligence.

7. The Court shall retain jurisdiction over any suit, action or proceeding to enforce any provision of, or based upon any right arising out of this Escrow Agreement, and the parties agree not to commence any such suit, action or proceeding except in the Court, unless the Court determines that it lacks jurisdiction over a matter submitted to it. Nothing herein shall be construed as a submission to jurisdiction for any purpose other than enforcement of this Escrow Agreement.

**REDACTED**

**III. Compensation of Escrow Agent**

1. Escrow Agent shall be entitled to reasonable compensation as well as reimbursement for its reasonable costs and expenses incurred in connection with the performance by it of services under this Escrow Agreement (including reasonable fees and expenses of Escrow Agent's counsel). If the Court approves the Settlement Agreement, Class Counsel shall be solely responsible for paying Escrow Agent the amounts to which it is entitled, and such compensation shall be paid from the funds in the Escrow Account. Escrow agent is entitled to reimbursement for reasonable expenses for each year or any part thereof during which the Escrow Agreement is in effect:

2. Except as provided in Section I, paragraph 6(a), Escrow Agent shall not debit the Escrow Funds for any charge for its fees or its costs and expenses, until it shall have received a copy of an order issued by the Court, approving the amount of fees, costs and expenses to which it is entitled. Fees, costs, and expenses of Escrow Agent shall be charged against the Escrow Funds and, to the extent possible, be paid out of interest earned thereon.

**IV. Miscellaneous**

1. Any notice, request for consent, report, or any other communication required or permitted in this Escrow Agreement shall be in writing and shall be delivered by (i) facsimile together with a copy sent by first class mail, postage prepaid, or (ii) overnight delivery service, and shall be deemed to have been given when received. The addresses and facsimile numbers of the parties are as follows:

**Escrow Agent:**

**REDACTED**

**Wire Instructions:**

**Claims Administrator:**

Rust Consulting, Inc.  
5210 Hood Road  
Palm Beach Gardens, FL 33418  
Telephone: 561.651-7777  
Facsimile: 561.651.7788

**Huntsman:**

David T. Harvin, Esquire  
Vinson & Elkins LLP  
First City Tower  
1001 Fannin Street, Suite 2500  
Houston, TX 77002-6760  
Telephone: (713) 758-2368  
Facsimile: (713) 615-5269

**Class Plaintiffs' Counsel:**

Christopher J. Cormier, Esquire  
Cohen Milstein Sellers & Toll PLLC  
1100 New York Avenue, NW  
Suite 500 West  
Washington, D.C. 20005  
Telephone: (202) 408-4600  
Facsimile: (202) 408-4699

and

Donald L. Perelman, Esquire  
Fine, Kaplan and Black, R.P.C.  
1835 Market Street, Suite 2800  
Philadelphia, PA 19103  
Telephone: (215) 567-6565  
Facsimile: (215) 568-5872

Any party may unilaterally designate a different addressee, address or telephone or facsimile number by giving notice of each change in the manner specified above to the other parties.

2. Escrow Agent shall send monthly statements relating to the Escrow Account to Class Counsel, counsel for Huntsman and the Claims Administrator.

3. This Escrow Agreement is being made in and is intended to be construed and enforced according to the laws of the State of New York, without regard to provisions relating to choice of law or conflicts of law. It shall inure to and be binding upon the parties and their respective successors and assigns. All representations, covenants, and indemnification provisions contained in this agreement shall survive the termination of this Escrow Agreement.

4. The terms of this Escrow Agreement may be altered, amended, modified or revoked only by an instrument in writing signed by all the parties hereto.

5. If any provision of this Escrow Agreement shall be held or deemed to be, or shall in fact be, void, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same void, inoperative or unenforceable to any extent whatsoever.

6. Escrow Agent may resign at any time from its obligations under this Escrow Agreement by providing written notice to the other parties hereto. Such resignation shall be effective not less than thirty (30) days after such written notice has been given. Escrow Agent shall have no responsibility for the appointment of a successor escrow agent. Unless otherwise provided in this agreement, final termination of this Escrow Agreement shall occur when Escrow Agent shall have released from the Escrow Account all amounts pursuant to Section 1, paragraph 6 above.

REDACTED

7. All titles and headings in this agreement are intended solely for convenience of reference and shall in no way limit or otherwise affect the interpretation of any of the provisions hereof.

8. This Escrow Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

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

**ESCROW AGENT**

By: \_\_\_\_\_  
Title Vice President

**CLAIMS ADMINISTRATOR**

By: [Signature]  
Title: Director of Bank & Tax

**HUNTSMAN INTERNATIONAL LLC**

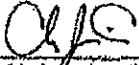
By: David T. Harvin

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Houston, TX 77002-6760


*Counsel for Huntsman International LLC*

**CLASS COUNSEL**

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*Class Counsel for Class Plaintiffs*