

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

IN RE: URETHANE ANTITRUST LITIGATION

**This Document Relates To:
The Polyether Polyol Cases**

No. 04-MD-1616-JWL

NOTICE OF PARTIAL CLASS ACTION SETTLEMENTS AND FAIRNESS HEARING

If you purchased polyether polyols, MDI, TDI, MDI-TDI blends, or polyether polyol systems between 1999 and 2004, class action settlements with Huntsman International LLC and Lyondell Chemical Company may affect your rights.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

NOTICE IS HEREBY GIVEN that class action settlements with defendants Huntsman International LLC and Lyondell Chemical Company have been agreed to by the settling parties. If you are a member of the Class, your rights may be affected by the settlements. Your rights and options are described below. A fairness hearing will be held on September 27, 2011 before the Honorable John W. Lungstrum, United States District Judge, in Courtroom 427, United States Courthouse, located at 500 State Avenue, Kansas City, Kansas 66101, to finally determine whether the proposed settlements are fair, reasonable and adequate to the Class.

I. THE CLASS

On July 29, 2008, the United States District Court for the District of Kansas (“the District Court”) issued an order certifying this lawsuit as a class action for the following Class: All persons and entities who purchased Polyether Polyol Products (defined below) directly from a defendant at any time 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). Polyether Polyol 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).

Defendants are:

- **BAYER AG, BAYER CORPORATION, and BAYER MATERIALSCIENCE LLC (f/k/a Bayer Polymers LLC);**
- **BASF CORPORATION and BASF SE (f/k/a BASF AG);**
- **THE DOW CHEMICAL COMPANY;**
- **HUNTSMAN INTERNATIONAL LLC; and**
- **LYONDELL CHEMICAL COMPANY.**

The District Court set a deadline of December 24, 2008 for Class Members to exclude themselves from the class action. If you did not previously exclude yourself, you are a member of the Class.

II. BACKGROUND OF THE CLASS ACTION

Plaintiffs, Seegott Holdings, Inc., Industrial Polymers, Inc., and Quabaug Corporation (collectively, “plaintiffs”), have filed suit against Defendants Bayer AG, Bayer Corporation, Bayer MaterialScience LLC (f/k/a Bayer Polymers LLC) (collectively, the “Bayer Defendants”), BASF SE (f/k/a BASF AG), BASF Corporation (collectively, “BASF”), The Dow Chemical Company (“Dow”), Huntsman International LLC (“Huntsman”), and Lyondell Chemical Company (“Lyondell”). Plaintiffs allege that Defendants unlawfully agreed to fix, raise, maintain or stabilize the prices of and allocate customers and markets for Polyether Polyol Products (as defined above) sold in the United States and its territories during the period January 1, 1999 through December 31, 2004 in violation of the federal antitrust laws. Plaintiffs allege that, as a result of such violations of the antitrust laws, they and other members of the Class paid more for Polyether Polyol Products than they would have paid absent such wrongful conduct.

On August 30, 2006, the District Court approved a class action settlement with the Bayer Defendants. In January 2011, checks were distributed to members of the Class who submitted qualified claims.

As described above, the Court certified this lawsuit as a class action. At that time, the Court appointed the attorneys listed below in Part V to represent the Class as Class Counsel at the expense of the Class to be paid from any recovery.

From September 2008 through December 2010, the parties engaged in extensive merits discovery, including the production and review of millions of pages of documents and the depositions of more than 100 witnesses domestically and overseas. But for a few discrete items, merits discovery in this litigation is closed, and the parties now are participating in expert discovery and preparing for trial, which is scheduled for January 2013.

Plaintiffs have entered into a settlement agreement with Huntsman, subject to approval by the District Court. Although Huntsman agreed to settle with plaintiffs on the terms described below in this Notice, Huntsman has denied engaging in any wrongful conduct.

On January 6, 2009, Lyondell filed a bankruptcy petition in the United States Bankruptcy Court for the Southern District of New York (“the Bankruptcy Court”). On April 23, 2010, the Bankruptcy Court approved Lyondell’s plan of reorganization. Plaintiffs, as general unsecured creditors, hold an unliquidated claim in the bankruptcy that, under Lyondell’s plan of reorganization, cannot be liquidated for an amount greater than approximately 15% of the claimed amount. Moreover, the funds available to pay unsecured creditors are limited and diminishing on an ongoing basis as certain claims are paid out of the fund.

Plaintiffs have entered into a settlement agreement with Lyondell as part of the bankruptcy proceedings, subject to approval by the District Court. Although Lyondell agreed to settle with plaintiffs on the terms described below in this Notice, Lyondell has denied engaging in any wrongful conduct.

The lawsuit will continue against the remaining defendants, BASF and Dow, who have not entered into settlement agreements with plaintiffs.

THE COURT HAS NOT RULED ON ANY OF THE CLAIMS OR DEFENSES OF THE PARTIES. THIS NOTICE IS NOT TO BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES ASSERTED BY PLAINTIFFS OR DEFENDANTS.

III. THE PROPOSED SETTLEMENTS

The following descriptions of the proposed Lyondell and Huntsman settlements are summaries only. The Settlement Agreements are on file with the Court and available online at www.PolyetherPolyolSettlement.com.

A. Huntsman

1. The Settlement Agreement

The Settlement Agreement requires Huntsman to:

- i. Pay into the Settlement Fund a total of \$33 million, in three annual installments of \$11 million each; and
- ii. Assist plaintiffs with document authentication and transaction-data-related requests in the further prosecution of this litigation.

2. Release of Claims Against Huntsman

If the Court approves the Settlement Agreement after the Fairness Hearing (and that approval is not challenged or is affirmed on appeal), each member of the Class (the "Releasors") shall have completely released and forever discharged Huntsman, its current and former parents, subsidiaries and affiliates (the "Releasees") from all manner of claims, demands, actions, suits, causes of action, whether class, individual, or otherwise in nature, damages whenever incurred, liabilities of any nature whatsoever, including, without limitation, costs, expenses, penalties and attorneys' fees, that such Releasor ever had, now has or hereafter can, shall or may have, relating in any way to any conduct prior to the Effective Date of the Settlement Agreement concerning the pricing, selling, discounting, marketing, manufacturing and/or distributing in the United States or its territories or for delivery in the United States or its territories of the Products ("Released Claims"), except that this release shall not affect the rights of any Class Member to pursue claims unrelated to the allegations in this litigation, such as claims concerning any product defect, breach of contract, or similar claim against Huntsman relating to Polyether Polyol Products.

The release and dismissal of the claims of the Class against Huntsman will have no effect upon any claims Class Members may have against the Defendants other than Huntsman.

3. Opinion of Class Counsel

In light of Class Counsel's informed opinion of the strengths and weaknesses of the parties' claims and defenses in this litigation, the payment amount, and the other benefits provided in the settlement agreement, Class Counsel believe that the proposed settlement is fair, reasonable and adequate, and in the best interests of the Class.

B. Lyondell

1. The Settlement Agreement

The Settlement Agreement requires Lyondell to:

- i. Provide business records relevant to the litigation;
- ii. Make reasonable efforts to have current and former employees provide evidence; and
- iii. Comply with reasonable requests from plaintiffs' counsel for assistance in the further prosecution of the litigation.

The Settlement Agreement does not include a cash payment. Lyondell, however, will pay all administrative costs associated with providing this Notice to the Class.

2. Release of Claims Against Lyondell

If the Court approves the Settlement Agreement after the Fairness Hearing (and that approval is not challenged or is affirmed on appeal), each member of the Class (the "Releasors") shall have completely released and forever discharged Lyondell, its current and former parents, subsidiaries and affiliates (the "Releasees") from all manner of claims, demands, actions, suits, causes of action, whether class, individual, or otherwise in nature, damages whenever incurred, liabilities of any nature whatsoever, including, without limitation, costs, expenses, penalties and attorneys' fees, that such Releasor ever had, now has or hereafter can, shall or may have, relating in any way to any conduct prior to the Effective Date of the Settlement Agreement concerning the pricing, selling, discounting, marketing, manufacturing and/or distributing in the United States or its territories or for delivery in the United States or its territories of the Products ("Released Claims"), except that this release shall not affect the rights of any Class Member to pursue claims unrelated to the allegations in this litigation, such as claims concerning any product defect, breach of contract, or similar claim against Lyondell relating to Polyether Polyol Products.

The release and dismissal of the claims of the Class against Lyondell will have no effect upon any claims Class Members may have against the Defendants other than Lyondell.

3. Opinion of Class Counsel

In light of Lyondell's financial condition, including its bankruptcy filing, Class Counsel believe that the costs and risks associated with further litigation against Lyondell outweigh any potential recovery that could be obtained from Lyondell in the bankruptcy proceedings. Accordingly, Class Counsel believe that the proposed settlement is fair, reasonable and adequate, and in the best interests of the Class.

C. Attorneys' Fees and Expenses.

Class Counsel does not intend to file at this time a petition for payment of attorneys' fees and expenses from the Settlement Fund. When they ultimately file such a petition, you will receive a notice providing further details and explaining how you may comment on the petition at that time.

D. Submission of Claim Forms and Distribution of Settlement Funds.

You should retain all documents that substantiate the purchases of the Products that you made during the Class Period from each of the Defendants, even if you already have submitted such records to the Settlement Administrator in connection with the distribution of the Bayer Settlement Fund. At a later time, Class Counsel will ask the Court to approve a proposed Plan of Allocation and Distribution of the Huntsman Settlement Fund.

If you change your address, or if this Notice was not mailed to your correct address, you should immediately provide your correct address to the Settlement Administrator at the following address: *Urethane Antitrust Litigation – Polyether Polyol Cases*, c/o Complete Claims Solutions, Inc., P.O. Box 24628, West Palm Beach, FL 33416. If the Settlement Administrator does not have your correct address, you may not receive the Claim Form or other important documents in this litigation.

IV. FAIRNESS HEARING

On September 27, 2011, at 9:00 a.m., the District Court will hold a Fairness Hearing at which it will consider whether the Huntsman Settlement Agreement and Lyondell Settlement Agreement should be finally approved as fair, adequate and reasonable to the Class and whether the claims of the Class against Huntsman and/or Lyondell should be dismissed with prejudice. You do not need to appear at that hearing. Any member of the Class may object to the Huntsman Settlement Agreement and/or the Lyondell Settlement Agreement, but any such objections must be in writing and filed with the Clerk, United States District Court for the District of Kansas, 500 State Avenue, Kansas City, Kansas 66101, no later than September 6, 2011, with copies served upon the counsel identified below:

Richard A. Koffman, Esq.
Cohen Milstein Sellers & Toll PLLC
1100 New York Avenue, NW
Suite 500 West
Washington, DC 20005-3964
Attorney for Plaintiffs

David T. Harvin, Esq.
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Attorney for Plaintiffs

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Rouse Hendricks German & May, P.C.
One Petticoat Lane Building
1010 Walnut Street, Suite 400
Kansas City, MO 64106-2147
Attorney for Lyondell

If you object to one or both Settlements and have filed a timely objection to one or both Settlements, you may also appear at the Fairness Hearing regarding the Settlement(s) to which you timely objected, but you are not required to do so. If you choose to do so, you can appear either yourself or by retaining an attorney at your own expense to appear on your behalf. All Class Members who timely object to either Settlement are still members of the Class and are legally bound by the Settlements. The time and date of the hearing may be continued from time to time. Notice of any such continuance shall be set forth on the Court's docket.

V. ADDITIONAL INFORMATION

THE ABOVE IS ONLY A SUMMARY OF THE SETTLEMENT AGREEMENTS AND RELATED MATTERS.

To obtain copies of the May 27, 2011 Settlement Agreement with Huntsman or the March 1, 2011 Settlement Agreement with Lyondell, see www.PolyetherPolyolSettlement.com. For more detailed information concerning the matters involved in the litigation, the pleadings, the Settlement Agreements, the Orders entered by the Court and the other papers filed in the class action may be inspected at the Office of the Clerk of the United States District Court for the District of Kansas, 500 State Avenue, Suite 259, Kansas City, Kansas 66101, during regular business hours.

ALL INQUIRIES CONCERNING THIS NOTICE AND THE SETTLEMENT AGREEMENTS SHOULD BE DIRECTED TO CLASS PLAINTIFFS' COUNSEL OR THE SETTLEMENT ADMINISTRATOR AT THE ADDRESSES SET FORTH BELOW:

Richard A. Koffman, Esq. Cohen Milstein Sellers & Toll PLLC 1100 New York Avenue, NW Suite 500 West Washington, D.C. 20005-3964 (202) 408-4600 rkoffman@cohenmilstein.com	Gerard A. Dever, Esq. Fine, Kaplan and Black, R.P.C. 1835 Market Street 28th Floor Philadelphia, PA 19103 (215) 567-6565 gdever@finekaplan.com	Urethane Antitrust Litigation Polyether Polyol Cases c/o Complete Claim Solutions, Inc. P.O. Box 24628 West Palm Beach, FL 33416 UrethaneInfo@CompleteClaimSolutions.com
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INQUIRIES SHOULD NOT BE DIRECTED TO HUNTSMAN, LYONDELL, THE COURT OR THE CLERK'S OFFICE.

BY ORDERS OF THE COURT DATED JUNE 14, 2011

JOHN W. LUNGSTRUM, JUDGE
UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

Urethane Antitrust Litigation
Polyether Polyol Cases
c/o Complete Claim Solutions, Inc.
P.O. Box 24628
West Palm Beach, FL 33416

IMPORTANT LEGAL DOCUMENT