

**ADMINISTRATION OF THE SETTLEMENT AGREEMENTS  
IN THE MATTER OF THE HYDROGEN PEROXIDE CLASS ACTION LITIGATION**

**GENERAL PRINCIPLES OF THE ADMINISTRATION**

1. The procedures set forth herein are intended to govern the administration of the Settlement Agreements entered into with Solvay Chemicals Inc. and Solvay S.A., dated May 1, 2008, with Evonik Degussa Corporation formerly Degussa Corporation, Evonik Degussa formerly Degussa A.G. and Evonik Degussa Canada Inc. formerly Degussa Canada Inc., dated June 12, 2008, with Eka Chemicals, Inc., Eka Chemicals Canada Inc. and AkzoNobel Chemicals International B.V., dated July 24, 2008 and with Kemira OYJ and Kemira Chemicals Canada Inc., dated November 3, 2008.
2. The definitions set out in the Settlement Agreements apply to and are incorporated herein. Where a term is defined in both the Settlement Agreements and this Administration of the Settlement Agreements, the definition in this Administration of the Settlement Agreement shall apply herein.
3. The administration to be established shall:
  - (a) implement and conform to the Settlement Agreements; and
  - (b) be bilingual in all respects and include a bilingual toll-free telephone help service to be operated by live operators at times that accommodate access by potential members of the Settlement Classes in all provinces and territories of Canada.
4. Upstream Purchasers will not be compensated in relation to Hydrogen Peroxide manufactured by a non-Defendant.
5. Upstream Purchasers who purchased Hydrogen Peroxide from a facility located in the United States directly from a defendant in the U.S. Litigation, may be eligible for compensation as part of settlements achieved in the U.S. Litigation. Upstream Purchasers must disclose whether they filed a claim in the U.S. Litigation and the Claims Administrator shall work with the U.S. Claims Administrator to ensure that Upstream Purchasers are not compensated twice in respect of the same Hydrogen Peroxide Purchases.

**DEFINITIONS**

6. For the purpose of this document:
  - (a) ***Claims Administrator*** means the person or entity appointed by the Courts to administer the Settlement Agreements;
  - (b) ***Claims Filing Deadlines*** means the date by which claims forms must be postmarked in order for Upstream Purchasers to be eligible to receive compensation from the Upstream Purchasers Settlement Fund;

- (c) **Direct Purchaser** means a person or entity in Canada, other than a Distributor, who purchased Hydrogen Peroxide directly from a Defendant;
- (d) **Distributor** means a person or entity in Canada who purchased Hydrogen Peroxide from a Defendant and resold the Hydrogen Peroxide without further processing or including it in any other product;
- (e) **Downstream Purchaser** means a Settlement Class Member who purchased products that contain Hydrogen Peroxide and/or products the production of which involved the use of Hydrogen Peroxide;
- (f) **Downstream Purchasers Settlement Fund** means that portion of the Settlement Amounts plus accrued interest available to compensate Downstream Purchasers, as determined in accordance with paragraph 38;
- (g) **Hydrogen Peroxide Purchases** means purchases of Hydrogen Peroxide made by a particular Upstream Purchaser during the Class Period;
- (h) **Manufacturer** means a person or entity in Canada, who purchased Hydrogen Peroxide directly from a Distributor, and manufactured products that contain Hydrogen Peroxide and/or products the production of which involved the use of Hydrogen Peroxide;
- (i) **Settling Defendants** means Solvay Chemicals Inc., Solvay S.A., Evonik Degussa Corporation formerly Degussa Corporation, Evonik Degussa formerly Degussa A.G., Evonik Degussa Canada Inc. formerly Degussa Canada Inc., Eka Chemicals, Inc., Eka Chemicals Canada Inc., AkzoNobel Chemicals International B.V., Kemira OYJ and Kemira Chemicals Canada Inc.;
- (j) **Upstream Purchasers** means Direct Purchasers, Distributors and Manufacturers;
- (k) **Upstream Purchasers Settlement Fund** means that portion of the Settlement Amounts plus accrued interest available to compensate eligible Upstream Purchasers, as determined in accordance with paragraph 34; and
- (l) **U.S. Claims Administrator** means Heffler, Radetich & Saitta LLP.

## **ROLE OF THE CLAIMS ADMINISTRATOR**

- 7. The Claims Administrator shall administer the Settlement Agreements under the ongoing authority and supervision of the Courts.
- 8. The Settlement Amounts shall be held in an interest bearing trust account at a Canadian Schedule 1 bank in Canada and all payments from the Settlement Amounts shall be made from that account.
- 9. The Claims Administrator shall develop, implement and operate an administration system for the following:
  - (a) opt out recording, analysis and reporting;

- (b) receipt of Settling Defendants' customer information, including the names, addresses, and Purchase Price information;
- (c) claims analysis and evaluation procedures;
- (d) calculating payments to eligible Upstream Purchasers from the Upstream Purchasers Settlement Fund and arranging for the distribution of the Upstream Purchasers Settlement Fund to eligible Upstream Purchasers;
- (e) managing, reporting and auditing *cy pres* award distribution and arranging for the distribution of the Downstream Purchasers Settlement Funds to the recipients identified in accordance with paragraph 39 below;
- (f) arranging payment of Class Counsel Fees and Administration Expense payment;
- (g) cash management and audit control; and
- (h) fulfilling all tax reporting obligations arising from the Settlement Amounts and arranging for the payment of any tax obligations from the Settlement Amounts.

#### **THE CLAIMS ADMINISTRATOR'S DUTIES AND RESPONSIBILITIES**

10. The Claims Administrator's duties and responsibilities shall include the following:
- (a) providing such mailed notices to the members of the Settlement Classes as required pursuant to the Settlement Agreements;
  - (b) recording, analyzing and reporting in respect of opt-outs;
  - (c) training and instructing personnel as required for the performance of its duties in a commercially reasonable manner;
  - (d) developing and implementing procedures for receiving, processing and evaluating claims of Upstream Purchasers, including making all necessary inquiries to determine the validity of such claims;
  - (e) coordinating with the U.S. Claims Administrator to ensure that Upstream Purchasers are not compensated twice in respect of the same Hydrogen Peroxide Purchases;
  - (f) making a timely decision in respect of a claim of an Upstream Purchaser and giving notice to the Upstream Purchaser of its decision respecting a claim promptly after the decision is made;
  - (g) arranging payment to eligible Upstream Purchasers out of the Upstream Purchasers Settlement Fund in a timely fashion after the distribution is authorized by the Courts in accordance with paragraph 29;
  - (h) dedicating sufficient personnel to communicate with Settlement Class Members in either English or French as the Settlement Class Member elects;

- (i) using its best efforts to ensure that its personnel provide timely and helpful responses to inquiries and correspondence regarding claims;
- (j) using its best efforts to ensure that its personnel provide timely, helpful and supportive assistance to members of the Settlement Classes in completing the claims process and to persons seeking to determine whether they are members of a Settlement Class;
- (k) preparing for, attending and defending its decisions at all appeals;
- (l) arranging, distributing, monitoring, reporting, and auditing the distribution of the *cy pres* awards from the Downstream Purchasers Settlement Fund;
- (m) arranging payments of Class Counsel Fees and Administration Expenses;
- (n) maintaining, in an easy to understand format, all information necessary to permit the Courts to evaluate the progress of the administration from time to time;
- (o) reporting to the Courts respecting claims received and administered, Class Counsel Fees and Administration Expenses;
- (p) preparing such financial statements, reports and records as directed by the Courts and submitting them to the Courts as directed; and
- (q) fulfilling any tax reporting and arranging payments required arising from the Settlement Amounts, including any obligation to report taxable income and make tax payments. All taxes (including interest and penalties) due with respect to the income earned by the Settlement Amounts shall be paid from the Settlement Amounts.

#### **THE CLAIMS PROCESS FOR UPSTREAM PURCHASERS**

- 11. The Claims Administrator shall, in accordance with the Settlement Agreements and subject to the terms and conditions set out herein, determine the eligibility of Upstream Purchasers making a claim and arrange for the distribution of the Upstream Purchasers Settlement Fund to Upstream Purchasers eligible for compensation.
- 12. The Claims Administrator shall provide to Upstream Purchasers identified by the Settling Defendants, in writing, by e-mail or by letter, a summary of all Purchase Price information received from the Settling Defendants (the "Claim Summary").
- 13. In order to claim for Hydrogen Peroxide Purchases included in the Claim Summary, the Upstream Purchaser must:
  - (a) file a completed claim form; and
  - (b) disclose whether any of the Hydrogen Peroxide Purchases included in the Claims Summary were included in a claim filed in the U.S. Litigation or released as part of a private settlement in accordance with paragraphs 15 to 18.

14. In order to claim for Hydrogen Peroxide Purchases not included or not accurately reported in the Claim Summary, the Upstream Purchaser must:
  - (a) file a completed claim form. Hydrogen Peroxide Purchases that were included in a claim filed in the U.S. Litigation or released as part of a private settlement should not be included in the claim form;
  - (b) establish his, her or its Hydrogen Peroxide Purchases by including one of the following with the claim form:
    - (i) proof of purchase confirming the Hydrogen Peroxide Purchases; or
    - (ii) if unable or impractical to provide proof of purchase or if providing proof of purchase is impractical, the Upstream Purchaser may submit to the Claims Administrator such other objective verification as may be acceptable to the Claims Administrator. Such other objective verification must be accompanied by an affidavit from the Upstream Purchaser stating the steps taken by the Upstream Purchaser to obtain the proof of purchase and the responses, if any, to those steps; and
  - (c) disclose Hydrogen Peroxide Purchases that were included in a claim filed in the U.S. Litigation or released as part of a private settlement in accordance with paragraphs 15 to 18.
15. Upstream Purchasers must provide a signed statement indicating whether they filed a claim in the U.S. Litigation. Upstream Purchasers who filed a claim in the U.S. Litigation must state the amount of their Hydrogen Peroxide Purchases that they claimed for in the U.S. Litigation, and provide a copy of the claim filed in the U.S. Litigation and a copy of any and all correspondence with the U.S. Claims Administrator, including but not limited to: requests for further information, responses to requests for further information, the notice accepting or rejecting the claim, and documents relating to payment of the claim. All Upstream Purchasers must provide written authorization for the Claims Administrator to contact the U.S. Claims Administrator to confirm whether a claim was filed in the U.S. Litigation, the details of the claim filed in the U.S. Litigation, the amount of compensation received or to be received through the U.S. Litigation, and any other information that might be necessary for the purpose of processing and evaluating the Upstream Purchaser's claim. The above-listed information and authorization must accompany the claim form.
16. Upstream Purchasers must provide a signed statement indicating whether they have entered into a private settlement with a Defendant(s) relating to the allegations in this litigation and, if so, the amount of their Hydrogen Peroxide Purchases that they settled as part of the private settlement, and the amount of compensation received. All Upstream Purchasers must provide written authorization for the Claims Administrator to contact the Defendants to confirm whether a private settlement was reached, the amount of their Hydrogen Peroxide Purchases settled as part of the private settlement, the amount of compensation received through the private settlement, and any other information that might be necessary for the purpose of processing and evaluating the Upstream

Purchaser's claim. The above-listed information and authorization must accompany the claim form.

17. If subsequent to filing a claim, an Upstream Purchaser files a claim in the U.S. Litigation or enters into a private settlement with a Defendant(s), the Upstream Purchaser must notify the Claims Administrator in writing immediately and provide to the Claims Administrator the information required in paragraphs 15 and 16 as appropriate.
18. The failure by an Upstream Purchaser to provide the Claims Administrator with the required information relating to claims filed in the U.S. Litigation or compensation received through a private settlement will disentitle the Upstream Purchaser from compensation.
19. Subject to paragraph 20 below, all claim forms and other required information must be postmarked no later than the Claims Filing Deadline for the Upstream Purchaser to be eligible for compensation from the Upstream Purchasers Settlement Fund.
20. Should the U.S. Claims Administrator ultimately reject all or part of a claim filed in the U.S. Litigation by an Upstream Purchaser because the relevant Hydrogen Peroxide was not purchased in the United States or from a facility in the United States, the Upstream Purchaser shall be deemed to have filed the claim by the Claims Filing Deadline provided that the claim was filed by the claims filing deadline in the U.S. Litigation.

#### **Technical Deficiencies**

21. If, during claims processing, the Claims Administrator finds that technical deficiencies exist in an Upstream Purchaser's claim form or other required information, the Claims Administrator shall notify the Upstream Purchaser of the deficiencies via regular mail and shall allow the Upstream Purchaser thirty (30) days from the date of mailing of such notice to correct the deficiencies. If the deficiencies are not corrected within the thirty (30) day period, the Claims Administrator shall reject the claim without prejudice to the right of the Upstream Purchaser to resubmit the claim, provided the Upstream Purchaser is able to meet the Claims Filing Deadline and other requirements set forth herein.
22. Technical deficiencies shall not include missing the Claims Filing Deadline. Subject to paragraph 20 above, in no event shall the Claims Administrator accept claim forms postmarked after the Claims Filing Deadline.

#### **Claims Administrator's Decision**

23. In respect of each Upstream Purchaser who has filed a claim in accordance with paragraphs 13 to 20 above, the Claims Administrator shall:
  - (a) decide whether the Upstream Purchaser is eligible to participate in the distribution process according to the criteria set out in the Settlement Agreements;
  - (b) verify the Hydrogen Peroxide Purchases by reviewing the materials filed by the Upstream Purchaser pursuant to paragraph 14, comparing the materials filed by the Upstream Purchaser pursuant to paragraphs 14 to 17 to the records and other

information provided by the Settling Defendants; and any other means as the Claims Administrator considers reasonably necessary;

- (c) verify whether the Upstream Purchaser has filed a claim in the U.S. Litigation and, if so, verify the Hydrogen Peroxide Purchases that were claimed by the Upstream Purchaser in the U.S. Litigation; and
  - (d) verify whether the Upstream Purchaser has entered into a private settlement with the any Defendants and, if so, verify the Hydrogen Peroxide Purchases that were included as part of that settlement.
24. The Claims Administrator shall notify via regular mail all claiming Upstream Purchasers as to the approval or rejection of their claims and the determination of the Hydrogen Peroxide Purchases (the "Decision Notice"). Where the Claims Administrator has rejected all or part of the claim of the Upstream Purchaser, the Claims Administrator shall include in the Decision Notice its grounds for rejecting all or part the claim.

#### **Appeal of the Claims Administrator's Decision**

25. Upstream Purchasers shall be granted thirty (30) days from the date the Decision Notice is sent to them pursuant to paragraph 24 to appeal the rejection (in whole or in part) of their claims. Such appeals will be on the basis of written submissions, supported only by the documentation provided to the Claims Administrator by the Claims Filing Deadline.
26. Appeals will be determined by a court-appointed referee. Appeals from the referee's decisions will be dealt with under the relevant court rules. The judgment of the respective Court in relation to any appeal from the referee's decision is final and binding and shall not be subject to any further appeal or review whatsoever.
27. The Claims Administrator must provide to the referee and the Court, if applicable, any information that might be reasonably useful to the referee or the Court in its determination of the appeal, make written and/or oral submissions to the referee or the Court, as is reasonably necessary, and attend all appeals.
28. Subject to paragraph 20 above, the refusal of the Claims Administrator to accept a claim form postmarked after the Claims Filing Deadline is not grounds for appeal.

#### **THE DISTRIBUTION PROCESS**

29. As soon as practicable after the claims evaluations and any appeals therefrom are completed, the Claims Administrator shall, by motion, report to the Courts the name, address and proposed amount of the distribution for each Upstream Purchaser entitled to receive a distribution, and seek an order authorizing a distribution of the Upstream Purchasers Settlement Fund. All distributions to Upstream Purchasers must be made in accordance with paragraph 36 below.
30. No distribution to an eligible Upstream Purchaser shall be made from the Upstream Purchasers Settlement Fund until authorized by the Courts.

31. Interim distribution may be made to eligible Upstream Purchasers from the Upstream Purchasers Settlement Fund if authorized by the Courts.
32. The Claims Administrator shall make arrangements to pay approved claims from the Upstream Purchasers Settlement Fund as expeditiously as possible after the distribution is authorized by the Courts. Payments will be made by cheque.
33. After final distribution of the Settlement Amounts, the Claims Administrator shall report to the Courts as so directed.

#### **SETTLEMENT BENEFITS AVAILABLE TO UPSTREAM PURCHASERS**

34. The compensation available in the Upstream Purchasers Settlement Fund shall be equal to 94% of the Settlement Amounts (\$19,260,600) plus accrued interest less (a) proportionate Class Counsel Fees, disbursements and taxes, (b) proportionate costs of notice, and (c) costs of administering the Upstream Purchasers Settlement Fund.
35. If after all approved payments are made to the Upstream Purchasers, there remains monies in the Upstream Purchasers Settlement Fund by virtue of the failure of Upstream Purchasers to cash the cheques received as compensation for their claims within six months of the mailing of the cheques to the Upstream Purchaser, or otherwise, the monies remaining in the Upstream Purchasers Settlement Fund shall be distributed *cy pres* to appropriate recipients to be identified by the representative plaintiffs and approved by the Courts.
36. Subject to the provisions herein, Upstream Purchasers who satisfy the eligibility requirements outlined in the Administration of the Settlement Agreements shall be entitled to compensation, to be calculated by the Claims Administrator, in the following manner:
  - (a) A Direct Purchaser who establishes, to the satisfaction of the Claims Administrator, that it purchased Hydrogen Peroxide between September 14, 1994 and December 31, 2001, shall be entitled to a pro-rata share of the Upstream Purchasers Settlement Fund, with such share to be based upon a value equal to 100% of the Direct Purchaser's established Hydrogen Peroxide Purchases in that period.
  - (b) A Direct Purchaser who establishes, to the satisfaction of the Claims Administrator, that it purchased Hydrogen Peroxide between January 1, 2002 and January 5, 2005, shall be entitled to a pro-rata share of the Upstream Purchasers Settlement Fund, with such share to be based upon a value equal to 10% of the Direct Purchaser's established Hydrogen Peroxide Purchases in that period.
  - (c) A Distributor who establishes, to the satisfaction of the Claims Administrator, that it purchased Hydrogen Peroxide between September 14, 1994 and December 31, 2001, shall be entitled to a pro-rata share of the Upstream Purchasers Settlement Fund, with such share to be based upon a value equal to 10% of the Distributor's established Hydrogen Peroxide Purchases in that period.

- (d) A Distributor who establishes, to the satisfaction of the Claims Administrator, that it purchased Hydrogen Peroxide between January 1, 2002 and January 5, 2005, shall be entitled to a pro-rata share of the Upstream Purchasers Settlement Fund, with such share to be based upon a value equal to 1% of the Distributor's established Hydrogen Peroxide Purchases in that period.
  - (e) A Manufacturer who establishes, to the satisfaction of the Claims Administrator, that it purchased Hydrogen Peroxide between September 14, 1994 and December 31, 2001, shall be entitled to a pro-rata share of the Upstream Purchasers Settlement Fund, with such share to be based upon a value equal to 90% of the Manufacturer's established Hydrogen Peroxide Purchases in that period.
  - (f) A Manufacturer who establishes, to the satisfaction of the Claims Administrator, that it purchased Hydrogen Peroxide between January 1, 2002 and January 5, 2005, shall be entitled to a pro-rata share of the Upstream Purchasers Settlement Fund, with such share to be based upon a value equal to 9% of the Manufacturer's established Hydrogen Peroxide Purchases in that period.
37. An Upstream Purchaser who has settled directly with a Defendant or who has filed a claim in the U.S. Litigation cannot claim under the Settlement Agreements for the Hydrogen Peroxide Purchases that were the subject of the settlement or claim.

#### **SETTLEMENT BENEFITS AVAILABLE TO DOWNSTREAM PURCHASERS**

38. Recognizing the difficulty of accurately identifying the amount of overcharge, if any, actually borne by any given Downstream Purchaser, and recognizing the related difficulties in directly compensating Downstream Purchasers, compensation for Downstream Purchasers will be paid out through a distribution to organizations which operate for the general benefit of Downstream Purchasers.
39. The compensation available in the Downstream Purchaser Settlement Fund shall be equal to 6% of the Settlement Amounts (\$1,229,400) plus accrued interest less (a) proportionate Class Counsel Fees, disbursements and taxes, (b) proportionate costs of notice, (c) costs of administering the Downstream Purchasers Settlement Fund, and (d) obligations by Quebec Class Members to the Fonds d'Aide. The Downstream Purchasers Settlement Fund will be distributed in equal shares to appropriate recipients to be identified by the representative plaintiffs and approved by the Courts.

#### **CLASS COUNSEL FEES**

40. The Claims Administrator shall arrange payment of Class Counsel Fees out of the Settlement Amounts in accordance with the provisions of the Settlement Agreements and the orders of the Courts.

#### **NO ASSIGNMENT**

41. No amount payable under the Settlement Agreements can be assigned without the written consent of the Claims Administrator.

**RETENTION OF INFORMATION**

42. The Claims Administrator shall retain all information received from the Settling Defendants and Upstream Purchasers for use in the administration of any subsequent settlement and/or judgment. Such information must be retained by the Claims Administrator until after the resolution of the litigation, including the expiry of any appeal period and/or a final disposition of any appeals.