

**CANADIAN HYDROGEN PEROXIDE CLASS ACTION
NATIONAL SETTLEMENT AGREEMENT**

Made as of May 31, 2011

Between

**IRVING PAPER LIMITED, IRVING PULP & PAPER, LIMITED
3969410 CANADA INC. c.o.b. as PARK AVENUE HAIR SALON, DISTRIBUTECH INC.,
STACEY LEAVITT, CATALYST PAPER CORPORATION and BETTY SMITH**

(the “Plaintiffs”)

- and -

**ATOFINA CHEMICALS INC., ARKEMA INC.,
ARKEMA CANADA INC. and ARKEMA S.A.**

(the “Settling Defendants”)

TABLE OF CONTENTS

	Page
RECITALS	1
1 - DEFINITIONS	2
2 - SETTLEMENT APPROVAL	7
2.1 Best Efforts	7
2.2 Motions for Approval and Enforcement	7
2.3 Pre-Motion Confidentiality	8
3 - SETTLEMENT BENEFITS	8
3.1 Payment of Settlement Amount	8
3.2 Taxes and Interest	9
3.3 Cooperation	9
4 - SETTLEMENT AMOUNT	14
4.1 Settlement Amount	14
4.2 No Responsibility for Administration or Fees	14
5 - TERMINATION OF SETTLEMENT AGREEMENT	14
5.1 Right of Termination	14
5.2 If Settlement Agreement is Terminated	15
5.3 Allocation of Monies in the Account Following Termination	16
5.4 Survival of Provisions After Termination	17
6 - RELEASES AND DISMISSALS	17
6.1 Release of Releasees	17
6.2 Release by Releasees	17
6.3 Covenant Not To Sue	17
6.4 No Further Claims	18
6.5 Dismissal of Other Actions	18
7 - BAR ORDER AND OTHER CLAIMS	18
7.1 Bar Order	18
7.3 Claims Against Other Entities Reserved	21
8 - EFFECT OF SETTLEMENT	21
8.1 No Admission of Liability	21
8.2 Agreement not Evidence	21

TABLE OF CONTENTS

(continued)

	Page
8.3 No Further Litigation	21
9 - NOTICE TO CLASS REQUIRED	22
9.1 Notices Required.....	22
9.3 Form and Distribution of Notices	22
10 - ADMINISTRATION AND IMPLEMENTATION	22
10.1 Mechanics of Administration.....	22
11 - CLASS COUNSEL FEES AND ADMINISTRATION EXPENSES	22
12 - MISCELLANEOUS	23
12.1 Motions for Directions.....	23
12.2 Releasees Have No Liability for Administration.....	23
12.3 Headings, etc.....	24
12.4 Computation of Time.....	24
12.5 Ongoing Jurisdiction.....	24
12.6 Governing Law	25
12.7 Attornment.....	25
12.8 Entire Agreement.....	25
12.9 Amendments	25
12.11 Counterparts.....	26
12.12 Negotiated Agreement	26
12.13 Language.....	26
12.14 Transaction.....	26
12.15 Recitals.....	27
12.16 Schedules	27
12.17 Acknowledgments.....	27
12.18 Authorized Signatures.....	27
12.19 Notice.....	27
12.20 Date of Execution	29
SCHEDULE A – PROCEEDINGS	30
SCHEDULE B.....	31

RECITALS

A. WHEREAS the Proceedings have been commenced by the Plaintiffs in Ontario, Quebec and British Columbia which allege that the Settling Defendants participated in an unlawful conspiracy to raise, fix, maintain or stabilize the price of Hydrogen Peroxide in Canada and/or to allocate markets and customers for the sale of Hydrogen Peroxide in Canada, contrary to Part VI of the *Competition Act* and common law;

B. WHEREAS notice of certification and settlement approval in the Proceedings was provided pursuant to Orders of the Ontario Court dated September 25, 2008, December 5, 2008 and January 15, 2010, of the Quebec Court dated February 20, 2009 and of the British Columbia Court dated November 12, 2008 and February 23, 2009, and whereas pursuant to those Orders, the deadline to opt out of the Proceedings expired on August 7, 2009 and no person has opted-out;

C. WHEREAS the Ontario Court has certified a national class defined as: "All persons in Canada (excluding the defendants and their subsidiaries, affiliates and predecessors) who purchased hydrogen peroxide, products containing hydrogen peroxide, or products produced using hydrogen peroxide in Canada between January 1, 1994 and January 5, 2005;"

D. WHEREAS through the execution of this Settlement Agreement the Settling Defendants do not admit the claims and allegations made in the Proceedings;

E. WHEREAS the Plaintiffs, Class Counsel and the Settling Defendants agree that neither this Settlement Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be an admission by or evidence against the Settling Defendants or evidence of the truth of any of the Plaintiffs' allegations against the Settling Defendants;

F. WHEREAS the Plaintiffs and Class Counsel have reviewed and fully understand the terms of this Settlement Agreement and, based on their analyses of the facts and law applicable to the Plaintiffs' claims, and having regard to the burdens and expense in prosecuting the Proceedings, including the risks and uncertainties associated with trials and appeals, the Plaintiffs and Class Counsel have concluded that this Settlement Agreement is fair, reasonable and in the best interests of the Plaintiffs and the Class;

G. WHEREAS the Settling Defendants are entering into this Settlement Agreement in order to achieve a final and nation-wide resolution of all claims asserted or which could have been asserted against them by the Plaintiffs or the Class in the Proceedings, and to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation;

H. WHEREAS the Parties therefore wish to, and hereby do, finally resolve on a national basis, without admission of liability, all of the Proceedings as against the Settling Defendants; and

I. WHEREAS the Ontario Plaintiffs have been appointed representative plaintiffs of a national class in the Ontario Proceedings, but the Quebec and British Columbia Plaintiffs have not yet discontinued their respective Proceedings;

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the Parties that the Proceedings be settled and dismissed on the merits with prejudice as to the Settling Defendants only, without costs as to the Plaintiffs, the Class or the Settling Defendants, subject to the approval of the Ontario Court, on the following terms and conditions:

1 - DEFINITIONS

For the purpose of this Settlement Agreement only, including the Recitals and Schedules hereto:

1.1 “**Account**” means an interest bearing trust account at a Canadian Schedule 1 bank in Ontario under the control of Siskinds LLP for the benefit of Class Members.

1.2 “**Administration Expenses**” means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable by the Plaintiffs, Class Counsel or otherwise for the approval, implementation and operation of this Settlement Agreement, including the costs of any notices required by the Courts and any claims administration but excluding Class Counsel Fees.

1.3 “**BC Counsel**” means Camp Fiorante Matthews.

- 1.4 “**BC Court**” means the Supreme Court of British Columbia.
- 1.5 “**BC Proceeding**” means British Columbia Court File No. L051279 (Vancouver Registry).
- 1.6 “**BC Enforcement Order**” means an Order by the BC Court that dismisses the BC Proceeding and any Other Actions in British Columbia with prejudice and without costs as against the Settling Defendants, and declares the Certification Order and the Ontario Approval Order, including this Settlement Agreement, as applicable and enforceable in relation to Plaintiffs and Class Members in the province of British Columbia.
- 1.7 “**Certification Order**” means the Order issued by the Ontario Court dated January 15, 2010, certifying the Class pursuant to section 5(1) of the *Class Proceedings Act, 1992*.
- 1.8 “**Class**” means the class that was certified in the Certification Order, namely: “All persons in Canada (excluding the defendants and their subsidiaries, affiliates and predecessors) who purchased hydrogen peroxide, products containing hydrogen peroxide, or products produced using hydrogen peroxide in Canada between January 1, 1994 and January 5, 2005.”
- 1.9 “**Class Counsel**” means Ontario Counsel, Quebec Counsel and BC Counsel.
- 1.10 “**Class Counsel Fees**” include the fees, disbursements, costs, interest, GST, HST, and other applicable taxes or charges of Class Counsel.
- 1.11 “**Class Member**” means a member of the Class.
- 1.12 “**Class Period**” means January 1, 1994 to January 5, 2005.
- 1.13 “**Courts**” means the Ontario Court, the Quebec Court and the BC Court.
- 1.14 “**Defendants**” means the individuals and entities named as defendants in the Proceedings as set out in Schedule A.
- 1.15 “**Effective Date**” means the date when the Ontario Approval Order, the British Columbia Enforcement Order and the Quebec Homologation Order all become Final Orders.

1.16 “Final Order” means a final judgment entered by a Court once the time to appeal such judgment has expired without any appeal being taken, if an appeal lies, or once there has been a final disposition of all appeals.

1.17 “Hydrogen Peroxide” means a clear colourless inorganic liquid used primarily as a bleach or oxidizer. Hydrogen Peroxide is sold in aqueous solutions, typically 35%, 50% or 70% by weight, in different grades or formulations specifically tailored for enhanced performance in a particular application of the product.

1.18 “Hydrogen Peroxide Products” means Hydrogen Peroxide, products containing Hydrogen Peroxide, or products produced using Hydrogen Peroxide.

1.19 “Non-Settling Defendants” means FMC Corporation and FMC of Canada, Ltd.

1.20 “Ontario Approval Order” means an Order by the Ontario Court approving this Settlement Agreement and dismissing the Ontario Proceeding with prejudice and without costs as against the Settling Defendants.

1.21 “Ontario Counsel” means Siskinds LLP and Sutts, Strosberg LLP.

1.22 “Ontario Court” means the Ontario Superior Court of Justice.

1.23 “Ontario Proceeding” means Ontario Court File No. 47025CP (London).

1.24 “Other Actions” means actions or proceedings, other than the Proceedings, relating to Released Claims commenced by a Class Member either before or after the Effective Date.

1.25 “Parties” means the Plaintiffs, Class Members and the Settling Defendants.

1.26 “Plaintiffs” means the individuals and entities named as plaintiffs in the Proceedings as set out in Schedule A.

1.27 “Proceedings” mean the Ontario Proceeding, the Quebec Proceeding and the BC Proceeding.

1.28 **“Protective Order”** means the agreement between the plaintiffs and defendants in the U.S. Litigation to protect the defendants’ confidential and proprietary information, trade secrets, commercial information, strategic planning information, commercial planning information, and commercial pricing information relating to the sale, distribution and/or marketing of hydrogen peroxide, sodium perborate and sodium percarbonate, approved and adopted by the court order dated November 8, 2005 of Judge Dalzell of the United States District Court for the Eastern District of Pennsylvania.

1.29 **“Quebec Counsel”** means Siskinds Desmeules s.e.n.c.r.l.

1.30 **“Quebec Court”** means the Superior Court of Quebec.

1.31 **“Quebec Homologation Order”** means an Order by the Quebec Court that dismisses or discontinues the Quebec Proceeding and any Other Actions in Quebec with prejudice and without costs as against the Settling Defendants, and homologates the Certification Order and the Ontario Approval Order, including this Settlement Agreement, as applicable and enforceable in relation to Plaintiffs and Class Members in the province of Quebec.

1.32 **“Quebec Proceeding”** means Quebec Court (District of Quebec) Action No. 200-06-000056-054.

1.33 **“Released Claims”** means any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, damages whenever incurred, liabilities of any nature whatsoever, including interest, costs, expenses, class administration expenses (including Administration Expenses), penalties, and lawyers' fees (including Class Counsel Fees), known or unknown, suspected or unsuspected, in law, under statute or in equity, that Releasers, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have, relating in any way to any conduct anywhere, from the beginning of time to the date hereof, in respect of the claims, assertions, or allegations made or that could have been made in the Proceedings or the Other Actions, or in respect of the purchase, sale, pricing, discounting, marketing or distributing of Hydrogen Peroxide Products, Sodium Perborate or Sodium Percarbonate or relating to any conduct alleged (or which could have been alleged) in the

Proceedings including, without limitation, any such claims which have been asserted or could have been asserted, whether in Canada or elsewhere, in connection with the purchase of Hydrogen Peroxide Products, Sodium Perborate or Sodium Percarbonate. However, nothing herein shall be construed to release any claims that are not related to the allegations made in the Proceedings or the Other Actions arising from any breach of contract, alleged product defect or similar claim between the Parties relating to Hydrogen Peroxide Products, Sodium Perborate or Sodium Percarbonate.

1.34 “Releasees” means, jointly and severally, individually and collectively, the Settling Defendants and all of their respective present and former, direct and indirect, parents, subsidiaries, divisions, affiliates, partners, insurers, and all other persons, partnerships or corporations with whom any of the former have been, or are now, affiliated, and all of their respective past, present and future officers, directors, employees, agents, shareholders, attorneys, trustees, servants and representatives; and the predecessors, successors, purchasers, heirs, executors, administrators and assigns of each of the foregoing, excluding always the Non-Settling Defendants.

1.35 “Releasers” means, jointly and severally, individually and collectively, the Plaintiffs and the Class Members and their respective parents, subsidiaries, predecessors, successors, heirs, executors, administrators, insurers, and assigns.

1.36 “Settlement Agreement” means this agreement, including the recitals and schedules.

1.37 “Settlement Amount” means CDN \$100,000.

1.38 “Settling Defendants” means Atofina Chemicals Inc., Arkema Inc., Arkema Canada Inc. and Arkema S.A.

1.39 “Sodium Perborate” means a white, odourless, water-soluble chemical compound. It crystallizes as monohydrate or tetrahydrate. Sodium Perborate undergoes hydrolysis in contact with water, producing hydrogen peroxide and borate. Sodium Perborate serves as a source of active oxygen in many detergents, cleaning products, and laundry bleaches. Sodium Perborate also is present some tooth bleach formulas. Sodium Perborate has antiseptic properties and can act as a disinfectant.

1.40 “Sodium Percarbonate” means a white crystalline water-soluble chemical compound. Sodium Percarbonate is an ingredient in a number of home and laundry cleaning products. Sodium Percarbonate offers many of the same functional benefits of liquid hydrogen peroxide. Sodium Percarbonate dissolves into water rapidly to release oxygen and provides powerful cleaning, bleaching, stain removal, and deodorizing capabilities. Sodium Percarbonate is effective as a disinfectant on both bacteria and viruses.

1.41 “U.S. Litigation” means the class action proceeding and opt-out lawsuits previously pending in the United States District Court for the Eastern District of Pennsylvania, under the caption *In re Hydrogen Peroxide Antitrust Litigation*, 05-MDL-1682, and includes all actions transferred by the Judicial Panel for Multidistrict Litigation to the United States District Court for the Eastern District of Pennsylvania for coordinated or consolidated proceedings, as well as all actions pending such transfer or that may be transferred in the future.

2 - SETTLEMENT APPROVAL

2.1 Best Efforts

The Parties shall use their best efforts to effectuate this settlement and to secure the prompt, complete and final dismissal with prejudice of the Proceedings as against the Settling Defendants.

2.2 Motions for Approval and Enforcement

- (a) As soon as practicable after the Settlement Agreement is executed, the Ontario Plaintiffs shall bring a motion before the Ontario Court for the Ontario Approval Order, which shall be in the form attached hereto as Schedule B. The Ontario Approval Order shall be contingent on the issuance of the BC Enforcement Order by the BC Court and of the Quebec Homologation Order by the Quebec Court.
- (b) As soon as practical after the issuance of the Ontario Approval Order referred to in section 2.2(a), the Quebec and British Columbia Plaintiffs shall bring motions before the BC Court and the Quebec Court for the BC Enforcement Order and the Quebec Homologation Order, respectively. The BC Enforcement Order and the

Quebec Homologation Order shall be in the form attached hereto as Schedules C and D, respectively.

- (c) This section 2.2 and the Ontario Approval Order, BC Enforcement Order and Quebec Homologation Order becoming Final Orders are material terms of this Settlement Agreement. This Settlement Agreement shall only become final on the Effective Date.

2.3 Pre-Motion Confidentiality

Until the motion required by section 2.2(a) is brought, the Parties shall keep all of the terms of the Settlement Agreement, and any information or documents related thereto, confidential and shall not disclose them without the prior written consent of counsel for the Settling Defendants and Class Counsel, as the case may be, except as required for the purposes of financial reporting or the preparation of financial records (including tax returns and financial statements) or as otherwise required by law.

3 - SETTLEMENT BENEFITS

3.1 Payment of Settlement Amount

- (a) The Settling Defendants shall, within thirty (30) business days of the Ontario Approval Order becoming a Final Order, pay the Settlement Amount to Siskinds LLP for deposit into the Account, in full satisfaction of the Released Claims against the Releasees.
- (b) The Settling Defendants shall have no obligation to pay any amount in addition to the Settlement Amount, for any reason, pursuant to or in furtherance of this Settlement Agreement.
- (c) Siskinds LLP shall maintain the Account as provided for in this Settlement Agreement. Siskinds LLP shall not pay out all or part of the Settlement Amount, except in accordance with this Settlement Agreement, or in accordance with an order of the Courts obtained after notice to the Settling Defendants.

3.2 Taxes and Interest

- (a) Except as hereinafter provided, all interest earned on the Settlement Amount shall accrue to the benefit of the Class and shall become and remain part of the Account.
- (b) Subject to section 3.2(c), all taxes payable on any interest which accrues on the Settlement Amount in the Account or otherwise in relation to the Settlement Amount shall be the responsibility of the Class. Class Counsel shall be solely responsible to fulfill all tax reporting and payment requirements arising from the Settlement Amount in the Account, 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 Amount shall be paid from the Account.
- (c) The Settling Defendants shall have no responsibility to make any filings relating to the Account and will have no responsibility to pay tax on any income earned by the Settlement Amount or pay any taxes on the monies in the Account, unless this Settlement Agreement is terminated, in which case the interest earned on the Settlement Amount in the Account shall be paid to the Settling Defendants who, in such case, shall be responsible for the payment of all taxes on such interest.

3.3 Cooperation

- (a) It is understood and agreed that all documents and information provided by the Settling Defendants to Plaintiffs and Class Counsel under this Settlement Agreement shall be used only in connection with the prosecution of the claims in the Proceedings, and shall not be used directly or indirectly for any other purpose.
- (b) Prior to the Effective Date, no documents or other information provided by Settling Defendants, or received from the Settling Defendants in connection with this Settlement Agreement, may be disclosed by Plaintiffs or Class Counsel to any person (other than experts retained by the Plaintiffs in the course of the Proceedings, provided that the expert agrees to be bound by these same

confidentiality obligations), except with the prior written consent of Settling Defendants or as required under Canadian law. After the Effective Date, the Plaintiffs or Class Counsel shall give Settling Defendants thirty (30) days' notice prior to the disclosure of any documents or other information provided by Settling Defendants or received from the Settling Defendants in connection with this Settlement Agreement. Class Counsel shall take appropriate steps and precautions to ensure and maintain the confidentiality of such documents, information and any work product of Class Counsel.

- (c) The scope of the Settling Defendants' cooperation under this Settlement Agreement shall be limited to an alleged unlawful conspiracy to fix, raise, maintain or stabilize price, allocate markets or customers or restrict output or capacity, of Hydrogen Peroxide sold in North America during the Class Period. Notwithstanding anything else in this Settlement Agreement, the Settling Defendants shall not be required as part of their cooperation under this Settlement Agreement to provide information or documents relating solely to the sale, pricing, marketing, customers, capacity or production of Hydrogen Peroxide outside North America.
- (d) To the extent not previously provided to the Plaintiffs and subject to the limitations set forth in this Settlement Agreement, the Settling Defendants agree to provide cooperation to Class Counsel, as specifically set forth in subsections (i) to (iv) below. Within thirty (30) days after the Effective Date or at a time mutually agreed upon by the Parties, the Settling Defendants shall:
 - (i) through a meeting between counsel for the Settling Defendants and Class Counsel, provide an evidentiary proffer, which will include information originating with the Settling Defendants and being within their possession, custody or control relating to the allegations in the Proceedings;
 - (ii) make reasonable efforts to compile a list of the names and addresses of Class Members who purchased Hydrogen Peroxide in Canada from the Settling Defendants during the Class Period. The information provided

pursuant to this section 3.3(d)(ii) can be used in administering Class Member claims, including in relation with any settlement and/or award achieved with respect to the Non-Settling Defendants. The Settling Defendants shall bear no liability with respect to the completeness or accuracy of the information provided pursuant to this section 3.3(d)(ii);

- (iii) provide copies of all pre-existing business documents of the Settling Defendants that were produced by the Settling Defendants to the United States Department of Justice concerning the allegations raised in the Proceedings, excluding documents created for the purpose of being so provided; and
 - (iv) to the extent not included in the above categories, provide copies of any documents of the Settling Defendants that were provided by the Settling Defendants to the plaintiffs in the U.S. Litigation for the purposes of that litigation, provided however, the Settling Defendants shall exclude the data set provided that covered exclusively sales into the United States of America.
- (e) If requested by Class Counsel and at a time to be agreed upon by the Parties, the Settling Defendants shall consent to extraction and compilation by NERA, at the sole cost of the Plaintiffs, of a dataset of existing electronic transactional data relating to the sale of Hydrogen Peroxide delivered in Canada during the Class Period by the Settling Defendants. The Settling Defendants will make reasonable efforts to arrange for NERA to preserve such data, at the sole cost of the Plaintiffs, from the date this Agreement is executed until the conclusion of the Proceedings against the Non-Settling Defendants. Class Counsel shall advise the Settling Defendants no later than thirty (30) days after the conclusion of the Proceedings that the data is no longer required to be preserved.
- (f) The Settling Defendants make no representation regarding and shall bear no liability with respect to the accuracy of or that they have, can or will produce a

complete set of any of the information described in this section 3.3 and the failure to do so shall not constitute a breach or violation of this Settlement Agreement.

- (g) Nothing in this Settlement Agreement shall require, or shall be construed to require, the Settling Defendants or any representative of a Settling Defendant to disclose or produce any documents or information prepared by or for counsel for the Settling Defendants or that is not within the Settling Defendants' possession, custody or control, or to perform any act or disclose or produce any documents or information in breach of any order, regulatory directive, rule or law of this or any jurisdiction, or subject to solicitor-client privilege, litigation privilege, or any other privilege, or to disclose or produce any information or documents they obtained on a privileged or co-operative basis from any party to any action or proceeding who is not a Settling Defendant.
- (h) If any documents protected by any privilege, and/or any privacy law or other rule or law of this or any applicable jurisdiction are accidentally or inadvertently produced, such documents shall be promptly returned to the Settling Defendants and the documents and the information contained therein shall not be disclosed or used directly or indirectly, except with the express written permission of the Settling Defendants, and the production of such documents shall in no way be construed to have waived in any manner any privilege or protection attached to such documents.
- (i) Subject to the rules of evidence, any court order with respect to confidentiality and the other provisions of this Settlement Agreement, the Settling Defendants will use reasonable efforts to produce through an acceptable affidavit in the Ontario Proceeding, a current representative qualified to establish for admission into evidence any of the Settling Defendants' documents and information provided as cooperation pursuant to section 3.3(d) or (e) of this Settlement Agreement that Class Counsel and the Settling Defendants, acting reasonably, agree may be reasonably necessary for the prosecution of the Ontario Proceeding and may be presented to the Courts. If such a representative refuses to provide

information, or otherwise cooperate, the Settling Defendants shall use reasonable efforts to produce an acceptable affidavit, but the failure of a specific officer, director or employee to agree to make him or herself available, or to otherwise cooperate with the Plaintiffs, shall not constitute a violation of this Settlement Agreement.

- (j) Subject to the rules of evidence, any court order with respect to confidentiality and the other provisions of this Settlement Agreement, if the Parties agree that it is absolutely necessary for the prosecution of the Ontario Proceedings that a representative give *viva voce* evidence to establish for admission into evidence any of the Settling Defendants' documents and information provided as cooperation pursuant to section 3.3(d) or (e), the Settling Defendants shall use reasonable efforts to produce a representative to provide *viva voce* evidence, but the failure of a specific officer, director or employee to agree to make him or herself available, or otherwise cooperate, shall not constitute a violation of this Settlement Agreement. The Plaintiffs shall be responsible for all reasonable expenses of the representative in attending to provide *viva voce* evidence.
- (k) In the event that the Plaintiffs make a motion requesting that the Protective Order in the U.S. Litigation be lifted in relation to them, the Settling Defendants will consent to such a motion. However it is understood and agreed that nothing in this Settlement Agreement shall be construed to require the Settling Defendants to bring a motion requesting that the U.S. Protective Order be lifted.
- (l) It is understood and agreed that all documents and information provided by the Settling Defendants in accordance with this Settlement Agreement are properly designated by the Settling Defendants as Level A Confidential Information within the meaning of the May 23, 2008 Order of Justice Rady in the Proceedings (the "Confidentiality Order") and, in any event, shall be treated by the Parties and given the same protections of confidentiality as if they were Confidential Information designated at Level A within the meaning of the Confidentiality Order.

- (m) A material factor influencing the Settling Defendants' decision to execute this Settlement Agreement is their desire to limit the burden and expense of this litigation. Accordingly, Class Counsel shall exercise good faith in seeking reasonable cooperation from the Settling Defendants and shall not seek information that is unnecessary, cumulative or duplicative and agree otherwise to avoid imposing undue or unreasonable burden or expense on the Settling Defendants.
- (n) The Settling Defendants' obligations to cooperate as particularized in section 3.3 shall not be affected by the release provisions contained in section 6 of this Settlement Agreement. The Settling Defendants' obligations to cooperate shall cease at the date of final judgment in the Proceedings against all Defendants. In the event the Settling Defendants materially breach section 3.3, Class Counsel may move before the Ontario Court to either enforce the terms of this Settlement Agreement or set aside the approval of this Settlement Agreement or part thereof.

4 - SETTLEMENT AMOUNT

4.1 Settlement Amount

The monies in the Account shall be held by Siskinds LLP for the benefit of the Class Members, until further order of the Courts.

4.2 No Responsibility for Administration or Fees

The Settling Defendants shall not have any responsibility, financial obligations or liability whatsoever with respect to the investment, distribution or administration of monies in the Account including, but not limited to, Administration Expenses and Class Counsel Fees.

5 - TERMINATION OF SETTLEMENT AGREEMENT

5.1 Right of Termination

- (a) If one or more of the following events occur, the Plaintiffs and the Settling Defendants shall each, in their respective sole discretion, have the option to terminate this Settlement Agreement, subject to section 5.2:

- (i) the Ontario Court declines to dismiss the Ontario Proceeding as against the Settling Defendants and approve this Settlement Agreement or any material part hereof;
 - (ii) the Ontario Court approves this Settlement Agreement in a materially modified form;
 - (iii) the Ontario Approval Order does not become a Final Order;
 - (iv) the BC Court declines to grant the BC Enforcement Order;
 - (v) the BC Enforcement Order does not become a Final Order;
 - (vi) the Quebec Court declines to grant the Quebec Homologation Order;
 - (vii) the Quebec Homologation Order does not become a Final Order; or
 - (viii) any Court allows any person to opt out of any of the Proceedings.
- (b) If pursuant to Section 5.1(a) above, the Plaintiffs or Settling Defendants wish to terminate the Settlement Agreement, notice of such decision to terminate the Settlement Agreement must be provided in writing to the Plaintiffs or Settling Defendants, as applicable, within thirty (30) days of an event under section 5.1(a) having occurred.
- (c) Any order, ruling, or determination made by any Court with respect to Class Counsel's fees and disbursements being paid from the Settlement Amount shall not be deemed to be a material modification of all, or part, of this Settlement Agreement and shall not provide any basis for the termination of this Settlement Agreement.

5.2 If Settlement Agreement is Terminated

- (a) If this Settlement Agreement is terminated:

- (i) except as provided for in section 5.4, the Settlement Agreement shall be null and void and have no further force or effect, shall not be binding on the Parties, and shall not be used as evidence or otherwise in any litigation;
- (ii) no motion to approve this Settlement Agreement, which has not been heard, shall proceed;
- (iii) no motion to discontinue or dismiss the BC Proceeding or the Quebec Proceeding, which has not been heard, shall proceed;
- (iv) any order approving this Settlement Agreement shall be set aside and declared null and void and of no force or effect, and all persons shall be estopped from asserting otherwise; and
- (v) within ten (10) days of such termination having occurred, Class Counsel shall return to the Settling Defendants or destroy all documents or other materials provided by the Settling Defendants or containing or reflecting information derived from such documents or other materials received from the Settling Defendants and, to the extent Class Counsel has disclosed any documents or information provided by the Settling Defendants to any other person, shall recover and return to the Settling Defendants or destroy such documents or information. Class Counsel shall provide the Settling Defendants with a written certification by Class Counsel of such destruction. Nothing contained in this paragraph shall be construed to require Class Counsel to return any of their work product.

5.3 Allocation of Monies in the Account Following Termination

If the Settlement Agreement is terminated, Siskinds LLP shall return to the Settling Defendants all monies in the Account including interest, within thirty (30) business days of the relevant termination event in section 5.1.

5.4 Survival of Provisions After Termination

- (a) If this Settlement Agreement is terminated the provisions of sections 2.3, 3.2, 3.3(1), 5, 8, 9, 11, 12.2, 12.6 and 12.11 and the definitions and Schedules applicable thereto shall survive the termination and continue in full force and effect. Those definitions and Schedules shall survive only for the limited purpose of the interpretation of the surviving provisions within the meaning of this Settlement Agreement. All other obligations pursuant to this Settlement Agreement shall cease immediately.
- (b) The Settling Defendants and Plaintiffs expressly reserve all of their respective rights if this Settlement Agreement does not become effective or if this Settlement Agreement is terminated.

6 - RELEASES AND DISMISSALS

6.1 Release of Releasees

Upon the Effective Date, and in consideration of payment of the Settlement Amount, and for other valuable consideration set forth in the Settlement Agreement, the Releasors forever and absolutely release the Releasees from the Released Claims.

6.2 Release by Releasees

Upon the Effective Date, each Releasee forever and absolutely releases each of the other Releasees from any and all claims for contribution or indemnity with respect to the Released Claims.

6.3 Covenant Not To Sue

Notwithstanding section 6.1, for any Class Members resident in any province or territory where the release of one tortfeasor is a release of all other tortfeasors, the Releasors do not release the Releasees but instead covenant and undertake not to make any claim in any way or to threaten, commence, or continue any proceeding in any jurisdiction against the Releasees in respect of or in relation to the Released Claims.

6.4 No Further Claims

The Releasors shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasee or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto, except for the continuation of the Proceedings against the Non-Settling Defendants or unnamed co-conspirators that are not affiliated with the Settling Defendants.

6.5 Dismissal of Other Actions

- (a) Each Class Member shall be deemed to consent to the dismissal, without costs and with prejudice, of his, her or its Other Actions against the Releasees.
- (b) All Other Actions commenced in Ontario, Quebec or British Columbia by any Class Member shall be dismissed against the Releasees, without costs and with prejudice in the Ontario Approval Order, Quebec Homologation Order and the BC Enforcement Order respectively.

7 - BAR ORDER AND OTHER CLAIMS

7.1 Bar Order

The Ontario Approval Order granted by the Ontario Court shall provide for the following:

- (a) all claims for contribution, indemnity or other claims over, whether asserted, unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to the Released Claims, which were or could have been brought in the Proceedings, by any Non-Settling Defendant or any other person or party against a Releasee, or by a Releasee against any Non-Settling Defendant, are barred, prohibited and enjoined in accordance with the terms of this section;

- (b) if the Courts ultimately determine that there is a right of contribution and indemnity between the Defendants, the Plaintiffs and the Class Members shall restrict their joint and several claims against the Non-Settling Defendants such that the Plaintiffs and Class Members shall be entitled to claim and recover from the Non-Settling Defendants on a joint and several basis only those damages (including punitive damages) arising from and allocable to the sales of the Non-Settling Defendants;
- (c) a Non-Settling Defendant may, on motion to the Ontario Court determined as if the Settling Defendants remained parties to the Ontario Proceeding and on at least ten (10) days notice to counsel for the Settling Defendants, seek orders for the following:
 - (i) documentary discovery and an affidavit of documents in accordance with the Ontario *Rules of Civil Procedure* from each of the Settling Defendants;
 - (ii) oral discovery of a representative of each of the Settling Defendants, the transcript of which may be read in at trial;
 - (iii) leave to serve a request to admit on each of the Settling Defendants in respect of factual matters; and/or
 - (iv) the production of a representative of each of the Settling Defendants to testify at trial, with such witness to be subject to cross-examination by counsel for the Non-Settling Defendants.

The Settling Defendants retain all rights to oppose such motion, including any such motion brought at trial seeking an order requiring the Settling Defendants to produce a representative to testify at trial. Moreover, nothing herein restricts the Settling Defendants from seeking a protective order to maintain confidentiality and protection of proprietary information in respect of documents to be produced and/or for information obtained from discovery in accordance with this paragraph, including an order that discovery transcripts are not to be used in any form in any other jurisdiction and are to be kept confidential.

- (d) on any motion brought pursuant to section 7.1(c), the Court may make such Orders as to costs and other terms as it considers appropriate;
- (e) to the extent that an order is granted under section 7.1(c) and discovery is provided to a Non-Settling Defendant, a copy of all discovery provided, whether oral or documentary in nature, shall timely be provided by the Settling Defendants to the Plaintiffs and Class Counsel;
- (f) the Ontario Court will retain an ongoing supervisory role over the discovery process and the Settling Defendants will attorn to the jurisdiction of the Ontario Court for these purposes; and
- (g) a Non-Settling Defendant may effect service of the motion(s) referred to in section 7.1(c) on a Settling Defendant by service on counsel of record for the Settling Defendants in the Proceedings.

7.2 Quebec Class Members

Notwithstanding section 7.1 hereof, it shall not be a material modification of this agreement if the Quebec Court only provides that the following shall apply to Plaintiffs and the Class Members in Quebec only, rather than the bar order described in section 7.1(a) and (b) hereof:

- (a) DECLARATION that, pursuant to the Settlement Agreement, the Petitioner and the Class Members in Québec expressly waive the benefit of solidarity against the Non-Settling Defendants with respect to the facts and deeds of Arkema;
- (b) DECLARATION that the Petitioner and the Class Members in Québec shall henceforth only be able to claim and recover damages, including punitive damages, attributable to the sales and practices of the Non-Settling Defendants;
- (c) DECLARATION that any action in warranty or other joinder of parties to obtain any contribution or indemnity from Arkema relating to the Released Claims shall be inadmissible and void in the context of this class action;

7.3 Claims Against Other Entities Reserved

Except as provided herein, this Settlement Agreement does not settle, compromise, release or limit in any way whatsoever any claim by Class Members against any person other than the Releasees.

8 - EFFECT OF SETTLEMENT

8.1 No Admission of Liability

Whether or not this Settlement Agreement is terminated, this Settlement Agreement and anything contained herein, and any and all negotiations, documents, discussions and proceedings associated with this Settlement Agreement, and any action taken to carry out this Settlement Agreement, shall not be deemed, construed or interpreted to be an admission of any violation of any statute or law, or of any wrongdoing or liability by any Settling Defendant, or of the truth of any of the claims or allegations contained in the Proceedings or any other pleading filed by the Plaintiffs.

8.2 Agreement not Evidence

The Parties agree that, whether or not it is terminated, this Settlement Agreement and anything contained herein, and any and all negotiations, documents, discussions and proceedings associated with this Settlement Agreement, and any action taken to carry out this Settlement Agreement, shall not be referred to, offered as evidence or received in evidence in any pending or future civil, criminal or administrative action or proceeding, except in a proceeding to approve and/or enforce this Settlement Agreement, or to defend against the assertion of Released Claims, or as otherwise required by law.

8.3 No Further Litigation

No Class Counsel, nor anyone currently or hereafter employed by, associated with, or a partner with Class Counsel, may directly or indirectly participate or be involved in or in any way assist with respect to any claim made or action commenced by any person which relates to or arises from the Released Claims, except in relation to the continued prosecution of the Proceedings against any Non-Settling Defendants. Moreover, these persons may not divulge to

anyone for any purpose any information obtained in the course of the Proceedings or the negotiation and preparation of this Settlement Agreement, except to the extent such information is otherwise publicly available or unless ordered to do so by a Court.

9 - NOTICE TO CLASS REQUIRED

9.1 Notices Required

The Class shall be given notice on a national basis in English and French, approved by the Ontario and Quebec Courts, of the hearings at which the Ontario Court will be asked to approve this Settlement Agreement and the Quebec and BC Courts will be asked to grant the Quebec Homologation Order and the BC Enforcement Order, respectively. The cost of the notice shall be paid by the Plaintiffs.

9.2 If the Ontario Court requires notice of approval of the Settlement Agreement, or any Court requires any notice, the costs of the notice shall be paid by the Plaintiffs.

9.3 Form and Distribution of Notices

The form of the notices referred to in sections 9.1 and 9.2 and the manner of their publication and distribution shall be as agreed to by the Plaintiffs and Settling Defendants, and approved by the applicable Court.

10 - ADMINISTRATION AND IMPLEMENTATION

10.1 Mechanics of Administration

Except to the extent provided for in this Settlement Agreement, the mechanics of the implementation and administration of this Settlement Agreement and any distribution or use of the Settlement Amount after it has been deposited in the Account shall be determined by the Ontario Court on motion brought by Class Counsel.

11 - CLASS COUNSEL FEES AND ADMINISTRATION EXPENSES

11.1 Class Counsel may seek the Ontario Courts' approval to pay Class Counsel Fees and Administration Expenses from the monies in the Account.

11.2 Subject to section 11.3, Class Counsel Fees and Administration Expenses may be paid out of the Settlement Fund only after the Effective Date.

11.3 Notwithstanding section 11.2 and subject to section 5.3, Siskinds LLP may pay the costs of any notices referenced in section 9 of this Settlement Agreement out of the Account as the costs are incurred.

11.4 The Settling Defendants shall not be liable for any fees, disbursements or taxes of any of Class Counsel's, the Plaintiffs' or Class Members' respective lawyers, experts, advisors, agents, or representatives, for any Administration Expenses, including the cost of any notices referenced in section 9 of this Settlement Agreement, or for any amount claimed by the Fonds d'aide aux recours collectifs in Quebec. The Settling Defendants shall have no obligation to pay any amount in addition to the Settlement Amount.

12 - MISCELLANEOUS

12.1 Motions for Directions

- (a) Any Class Counsel or Settling Defendant may apply to the Ontario Court for directions in respect of the implementation and administration of this Settlement Agreement.
- (b) All motions contemplated by this Settlement Agreement shall be on notice to the Plaintiffs or Settling Defendants, as the case may be.

12.2 Releasees Have No Liability for Administration

The Releasees have no responsibility for and no liability whatsoever with respect to the administration of the Settlement Agreement or distribution of the Settlement Amount.

12.3 Headings, etc.

In this Settlement Agreement:

- (a) the division of the Settlement Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Settlement Agreement; and
- (b) the terms “this Settlement Agreement”, “hereof”, “hereunder”, “herein”, and similar expressions refer to this Settlement Agreement and not to any particular section or other portion of this Settlement Agreement.

12.4 Computation of Time

In the computation of time in this Settlement Agreement, except where a contrary intention appears,

- (a) where there is a reference to a number of days between two events, the number of days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and
- (b) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

12.5 Ongoing Jurisdiction

- (a) Subject to the Certification Order, each of the Courts shall retain exclusive jurisdiction over each Proceeding commenced in its jurisdiction.
- (b) No Party shall ask a Court to make any order or give any direction in respect of any matter of shared jurisdiction unless that order or direction is conditional upon a complementary order or direction being made or given by the other Court(s) with which it shares jurisdiction over that matter.

12.6 Governing Law

This Settlement Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario.

12.7 Attornment

All of the Plaintiffs and Class Members, regardless of their province of residence or where the relevant purchase occurred, attorn to the jurisdiction of the Ontario Court for the purposes of the implementation of this Settlement Agreement.

12.8 Entire Agreement

This Settlement Agreement constitutes the entire agreement among the Parties, and supersedes all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. None of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of this Settlement Agreement, unless expressly incorporated herein.

12.9 Amendments

This Settlement Agreement may not be modified or amended except in writing and on consent of all Parties hereto and any such modification or amendment must be approved by the Courts with jurisdiction over the matter to which the amendment relates.

12.10 Binding Effect

This Settlement Agreement shall be binding upon, and enure to the benefit of, the Plaintiffs, the Settling Defendants, the Releasees and all of their successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiffs shall be binding upon all Releasers and each and every covenant and agreement made herein by the Settling Defendants shall be binding upon all of the Releasees.

12.11 Counterparts

This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a facsimile signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

12.12 Negotiated Agreement

This Settlement Agreement has been the subject of negotiations and discussions among the undersigned, each of which has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Settlement Agreement shall have no force and effect. The Parties further agree that the language contained in or not contained in previous drafts of this Settlement Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of this Settlement Agreement.

12.13 Language

The Parties acknowledge that they have required and consented that this Settlement Agreement and all related documents be prepared in English; les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais. Nevertheless, the Settling Defendants shall prepare a French translation of the Settlement Agreement including the Quebec Homologation Order (Schedule D) but excluding the other schedules hereto at their own expense. The Parties agree that such translation is for convenience only. In the event of any dispute as to the interpretation or application of this Settlement Agreement, only the English version shall be considered.

12.14 Transaction

The present Settlement Agreement constitutes a transaction in accordance with Articles 2631 and following of the *Civil Code of Quebec*, and the Parties are hereby renouncing to any errors of fact, of law and/or of calculation.

12.15 Recitals

The recitals to this Settlement Agreement are true and form part of the Settlement Agreement.

12.16 Schedules

The Schedules annexed hereto form part of this Settlement Agreement.

12.17 Acknowledgments

Each of the Parties hereby affirms and acknowledges that:

- (a) he, she, or a representative of the Party with the authority to bind the Party with respect to the matters set forth herein has read and understood the Settlement Agreement;
- (b) the terms of this Settlement Agreement and the effects thereof have been fully explained to him, her, or the Party's representative by his, her or its counsel;
- (c) he, she, or the Party's representative fully understands each term of the Settlement Agreement and its effect; and
- (d) no Party has relied upon any statement, representation or inducement (whether material, false, negligently made or otherwise) of any other Party with respect to the first Party's decision to execute this Settlement Agreement.

12.18 Authorized Signatures

Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement.

12.19 Notice

Where this Settlement Agreement requires a Party to provide notice or any other communication or document to another, such notice, communication or document shall be

provided by email, facsimile or letter by overnight delivery to the representatives for the Party to whom notice is being provided, as identified below:

For Plaintiffs and for Class Counsel:

Charles M. Wright
Siskinds LLP
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

Telephone: 519-660-7753
Facsimile: 519-672-6065
Email: charles.wright@siskinds.com

Heather Rumble Peterson
Sutts, Strosberg LLP
600-251 Goyeau Street
Windsor, ON N9A 6V4

Telephone: 519-561-6216
Facsimile: 519-561-6203
Email: hpeterson@strosbergco.com

J. J. Camp, Q.C.
Camp Fiorante Matthews
#400 - 856 Homer Street
Vancouver, BC V6B 2W5

Telephone: 604-331-9520
Facsimile: 604-689-7554
Email: jjcamp@cfmlawyers.ca

Simon Hébert
Siskinds Desmeules s.e.n.c.r.l.
43 rue Buade, bureau 320
Quebec City, QC G1R 4A2

Telephone: 418-694-2009
Facsimile: 418-694-0281
Email: simon.hebert@siskindsdesmeules.com

For Settling Defendants:


Rob Kwinter
Catherine Beagan Flood
Blake, Cassels & Graydon LLP
199 Bay Street, Suite 2800
Commerce Court West
Toronto, Ontario M5L 1A9


Tel: 416-863-2400
Fax: 416-863-2653
Email: rob.kwinter@blakes.com
cathy.beaganflood@blakes.com

12.20 Date of Execution


The Parties have executed this Settlement Agreement as of the date on the cover page.

IRVING PAPER LIMITED, IRVING PULP & PAPER LIMITED, 3969410 CANADA INC. c.o.b. as PARK AVENUE HAIR SALON, DISTRIBUTECH INC., STACEY LEAVITT, BETTY SMITH, and CATALYST PAPER CORPORATION

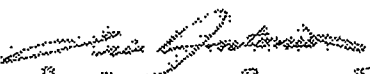
By: 
Name: Siskinds LLP
Title: Ontario Counsel

By: 
per Name: Sutts, Strosberg LLP
Title: Ontario Counsel

By: 
per Name: Siskinds Desmeules s.e.n.c.r.l.
Title: Québec Counsel

By: 
per Name: Camp Fioranti Matthews
Title: BC Counsel

ATOFINA CHEMICALS INC., ARKEMA INC., ARKEMA CANADA INC., AND ARKEMA S.A.

By: 
per Name: Catherine Deagan Flood
Name: Blake, Cassels & Graydon LLP
Title: Canadian Counsel

SCHEDULE A – PROCEEDINGS

Proceeding	Plaintiffs	Defendants
Ontario Superior Court of Justice Court File No. 47025 (the “Ontario Action”)	Irving Paper Limited, Irving Pulp & Paper, Limited, 3969410 Canada Inc. c.o.b. as Park Avenue Hair Salon, Distributech Inc., Stacey Leavitt	Atofina Chemicals Inc., Arkema Inc., Arkema Canada Inc., Arkema S.A., FMC Corporation, FMC of Canada, Ltd., Solvay Chemicals Inc., Solvay S.A., Degussa Corporation, Degussa A.G., Degussa Canada Inc., EKA Chemicals, Inc., EKA Chemicals Canada Inc., Akzo Nobel Chemicals International B.V., Kemira OYJ, and Kemira Chemicals Canada Inc.
Superior Court of Quebec (District of Quebec), File No. 200-06-000056-054 (the “Quebec Action”)	Betty Smith	Atofina Chemicals Inc., Arkema Inc., Arkema Canada Inc., Arkema S.A., FMC Canada Limitée, FMC Corporation, Solvay Chemicals Inc., Solvay S.A., Degussa Corporation, Degussa A.G., EKA Chemicals, Inc., EKA Canada Inc., EKA Chimie Canada Inc., Akzo Nobel Chemicals International B.V., Kemira OYJ, and Kemira Chemicals Inc.
British Columbia Supreme Court File No. L051279 (Vancouver Registry) (the “BC Action”)	Catalyst Paper Corporation	Atofina Chemicals Inc., Arkema Inc., Arkema Canada Inc., Arkema S.A., TotalFinaElf S.A., Total S.A., FMC Corporation, FMC of Canada, Ltd., Solvay Interox Inc., Solvay America Inc., Solvay Chemicals Inc., Solvay S.A., Degussa Corporation, Degussa A.G., Degussa Canada Inc., EKA Chemicals, Inc., EKA Chemicals Canada Inc., Akzo Nobel, Inc., Akzo Nobel Chemicals International B.V., Akzo Nobel Chemicals Ltd., Kemira Chemicals Inc., Kemira OYJ, and Kemira Chemicals Canada Inc.

SCHEDULE B

Court File No. 47025CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

The Honourable Madam)
)
Justice Rady) of , 2011

BETWEEN:

IRVING PAPER LIMITED, IRVING PULP & PAPER, LIMITED
3969410 CANADA INC. c.o.b. as
PARK AVENUE HAIR SALON, DISTRIBUTECH INC. and
STACEY LEAVITT

Plaintiffs

- and -

ATOFINA CHEMICALS INC., ARKEMA INC., ARKEMA CANADA INC., ARKEMA S.A.,
FMC CORPORATION, FMC of CANADA, LTD., SOLVAY CHEMICALS INC., SOLVAY
S.A., DEGUSSA CORPORATION, DEGUSSA A.G., DEGUSSA CANADA INC., EKA
CHEMICALS, INC., EKA CHEMICALS CANADA INC., AKZO NOBEL CHEMICALS
INTERNATIONAL B.V., KEMIRA OYJ, and KEMIRA CHEMICALS CANADA INC.

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION made by the plaintiffs for an Order that the settlement of this action be approved, and the action be dismissed as against the defendants Atofina Chemicals Inc., Arkema Inc., Arkema Canada Inc. and Arkema S.A. (collectively, "Arkema") was heard this day at the Court House, 80 Dundas Street, London, Ontario.

WHEREAS notice of certification and settlement approval in this proceeding was provided pursuant to Orders dated September 25, 2008, December 5, 2008 and January 15, 2010, and whereas pursuant to those Orders, the deadline to opt out of the proceeding expired on August 7, 2009 and no person has opted out.

WHEREAS this Court has certified a national class defined as: “All persons in Canada (excluding the defendants and their subsidiaries, affiliates and predecessors) who purchased hydrogen peroxide, products containing hydrogen peroxide, or products produced using hydrogen peroxide in Canada between January 1, 1994 and January 5, 2005.”

ON READING the materials filed, including the settlement agreement attached to this Order as Schedule A (the “Settlement Agreement”), and on hearing submissions of counsel for the plaintiffs and counsel for Arkema:

1. **THIS COURT ORDERS** that for the purposes of this Order the definitions set out in the Settlement Agreement apply to and are incorporated into this Order.
2. **THIS COURT ORDERS** that the settlement as set forth in the Settlement Agreement is fair, reasonable and in the best interests of the Class Members.
3. **THIS COURT ORDERS** that the Settlement Agreement is approved pursuant to s. 29 of the *Class Proceedings Act, 1992*.
4. **THIS COURT ORDERS** that the Settlement Agreement, in its entirety, forms part of this Order, shall be implemented in accordance with its terms and is binding upon the Plaintiffs, the Class Members (including those persons who are minors or mentally incapable), and upon Arkema, and the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure* are dispensed with in respect of this action.
5. **THIS COURT ORDERS** that the deadline to opt-out of the Proceeding has passed and no Class Member may opt-out in the future.
6. **THIS COURT ORDERS** that, subject to the terms of the Settlement Agreement, this Order constitutes:
 - (i) The full and final resolution of all claims and causes of action as against Arkema raised by Class Members in this action; and
 - (ii) A release by the Releasors that fully and forever discharges the Releasees from the Released Claims.

7. **THIS COURT ORDERS** that each Class Member shall consent and be deemed to have consented to the dismissal of any Other Actions he, she or its has commenced against the Releasees, without costs and with prejudice.
8. **THIS COURT ORDERS** that each Other Action commenced in Ontario by any Class Member shall be and is hereby dismissed against the Releasees without costs and with prejudice.
9. **THIS COURT ORDERS** that each Releasor is barred and enjoined from filing, commencing, prosecuting, intervening or continuing any proceeding, claim or demand, directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, against (i) any Releasee in connection with the Released Claims; or (ii) any other person, partnership, corporation or other entity that may claim contribution or indemnity or other relief over against any of the Releasees, whether pursuant to the *Negligence Act*, R.S.O. 1990, c. N.1 or other legislation or at common law or equity in connection with the Released Claims. However, nothing herein shall be construed to bar the continuation of this action against FMC Corporation, or FMC of Canada, Ltd. (the "Non-Settling Defendants") or unnamed alleged co-conspirators that are not affiliated with Arkema.
10. **THIS COURT ORDERS** that the Releasees have released and shall be conclusively deemed to have forever and absolutely released each of the other from any and all claims for contribution and indemnity with respect to the Released Claims.
11. **THIS COURT ORDERS** that the use of the terms "Releasors" and "Released Claims" in this Order does not constitute a release of claims by those Releasors who are resident in any province or territory where the release of one tortfeasor is the release of all tortfeasors.
12. **THIS COURT ORDERS** that each Releasor who is resident in a province or territory where the release of one tortfeasor is a release of all tortfeasors covenants and undertakes not to make any claim in any way nor to threaten, commence or continue any proceeding

in any jurisdiction against the Releasees in respect of or in relation to the Released Claims.

13. **THIS COURT ORDERS** that all claims for contribution, indemnity or other claims over, whether asserted, unasserted or asserted in a representative capacity or in any other capacity, inclusive of interest, costs, expenses, class administration expenses, penalties, legal fees and taxes, relating to the Released Claims, which were or could have been brought, by any Non-Settling Defendant or any other person or party, against all or any of the Releasees, or by a Releasee against any Non-Settling Defendant, are barred, prohibited, and enjoined in accordance with the terms of this Order.
14. **THIS COURT ORDERS** that if the Courts ultimately determine that there is a right of contribution and indemnity between the Defendants, the Plaintiffs and the Class Members shall restrict their joint and several claims against the Non-Settling Defendants such that the Plaintiffs and Class Members shall be entitled to claim and recover from the Non-Settling Defendants on a joint and several basis only those damages (including punitive damages) arising from and allocable to the sales of the Non-Settling Defendants.
15. **THIS COURT ORDERS** that a Non-Settling Defendant may, on motion to this Court determined as if Arkema remained parties to this action and on at least ten (10) days notice to counsel for Arkema, seek orders for the following:
 - (a) documentary discovery and an affidavit of documents in accordance with the *Rules of Civil Procedure* from each of the Arkema defendants;
 - (b) oral discovery of a representative of each of the Arkema defendants, the transcript of which may be read in at trial;
 - (c) leave to serve a request to admit on each of the Arkema defendants in respect of factual matters; and/or
 - (d) the production of a representative of each of the Arkema defendants to testify at trial, with such witness to be subject to cross-examination by counsel for the Non-Settling Defendants.

Arkema retains all rights to oppose such motion(s). Further, nothing herein restricts Arkema from seeking a protective order to maintain confidentiality and protection of proprietary information in respect of documents to be produced and/or for information

obtained from discovery in accordance with this paragraph, including an order that discovery transcripts are not to be used in any form in any other jurisdiction and are to be kept confidential. Notwithstanding any provision in this Order, or any motion brought pursuant to this paragraph 15, the Court may make such orders as to costs and other terms as it consider appropriate.

16. **THIS COURT ORDERS** that a Non-Settling Defendant may effect service of the motion(s) referred to in paragraph 15 above on Arkema by service on counsel of record for Arkema in this action.
17. **THIS COURT ORDERS** that for purposes of the enforcement of this Order, this Court will retain an ongoing supervisory role and Arkema will attorn to the jurisdiction of this Court for these purposes.
18. **THIS COURT ORDERS** that Arkema has no responsibility for and no liability whatsoever with respect to the administration of the Settlement Agreement or distribution of the Settlement Amount.
19. **THIS COURT ORDERS** that this action be dismissed against Arkema without costs and with prejudice.
20. **THIS COURT ORDERS** that approval of the Settlement Agreement is contingent upon the issuance by the British Columbia Court and the Quebec Court of orders dismissing or discontinuing the British Columbia and Quebec Proceedings with prejudice and without costs as against the Settling Defendants, and declaring or homologating the Certification Order and this Order as applicable and enforceable in relation to Plaintiffs and Class Members in those provinces. If such orders are not secured in Quebec and British Columbia, this Order shall be null and void and without prejudice to the rights of the parties to proceed with this action and any agreement between the parties incorporated in this Order shall be deemed in any subsequent proceedings to have been made without prejudice.

Date:

The Honourable Madam Justice Rady

IRVING PAPER, et al. Plaintiffs and **ATOFINA CHEMICALS INC., et al.** Defendants

Court File No: 47025

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London
Proceeding under the *Class Proceedings Act*, 1992

**ORDER
Approval of Arkema Settlement Agreement**

SISKINDS LLP
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

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Telephone: 519-660-7753
Facsimile: 519-672-6065
Email: charles.wright@siskinds.com

SUTTS, STROSBURG LLP
600-251 Goyeau Street
Windsor, ON N9A 6V4

Heather Rumble Peterson
Telephone: 519-561-6216
Facsimile: 519-561-6203
Email: hpeterson@strosbergco.com

Lawyers for the Plaintiffs

Schedule C

No. L051279
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

**CATALYST PAPER CORPORATION formerly
known as Norske Skog Canada Limited**

PLAINTIFF

AND

**ATOFINA CHEMICALS INC., ARKEMA INC., ARKEMA CANADA INC.,
ARKEMA S.A., TOTALFINAELF S.A., TOTAL S.A., FMC CORPORATION,
FMC of CANADA, LTD., SOLVAY INTEROX INC.,
SOLVAY AMERICA INC., SOLVAY CHEMICALS INC.,
SOLVAY S.A., DEGUSSA CORPORATION, DEGUSSA A.G.,
DEGUSSA CANADA INC., EKA CHEMICALS, INC.,
EKA CHEMICALS CANADA INC., AKZO NOBEL, INC.,
AKZO NOBEL CHEMICALS INTERNATIONAL B.V.,
AKZO NOBEL CHEMICALS LTD., KEMIRA CHEMICALS INC.,
KEMIRA OYJ, and KEMIRA CHEMICALS CANADA INC.**

DEFENDANTS

ORDER

BEFORE THE HONOURABLE) _____, THE ____ DAY OF
)
)
_____) _____, 2011.

ON THE APPLICATION of the Plaintiff coming on for hearing at the Courthouse
at 800 Smithe Street, Vancouver, British Columbia, on __ of __, 2011; and ON HEARING
David G.A. Jones, counsel for the Plaintiff and David T. Neave, counsel for the defendants
Atofina Chemicals Inc., Arkema Inc., Arkema Canada Inc., Arkema S.A., TotalFinaElf S.A., and

Total S.A. (collectively “Arkema/Total” or the “Settling Defendants”); AND ON READING the materials filed herein:

WHEREAS on May 25, 2005, the Plaintiff filed a Statement of Claim, British Columbia Court File No. L051279 (Vancouver Registry) (the “BC Proceeding”) against various Defendants including Arkema/Total;

WHEREAS similar class actions were instituted in Ontario in the case of *Irving Paper Limited et al. v. Atofina Chemicals Inc. et al.*, Ontario Court File No. 47025CP (London) (the “Ontario Class Action”) and in the case of *Smith v. Atofina Chemicals Inc. & ALS.*, Quebec Court (District of Quebec) Action No. 200-06-000056-054 (the “Quebec Class Action”);

WHEREAS the Ontario Superior Court of Justice has certified a national class in the Ontario Class Action, the class being defined as follows:

“All persons in Canada (excluding the Defendants and their subsidiaries, affiliates and predecessors) who purchased hydrogen peroxide, products containing hydrogen peroxide, or products produced using hydrogen peroxide in Canada between January 1, 1994 and January 5, 2005.”

WHEREAS on May 31, 2011, the Plaintiffs in the Ontario Class Action and the Settling Defendants, entered into a settlement agreement (the “Settlement Agreement”) which includes all the putative class members in the Ontario Class Action, including residents of the Province of British Columbia;

WHEREAS on ●, Justice Rady of the Ontario Superior Court of Justice, who is responsible for the case management of the Ontario Class Action, approved the Settlement Agreement (the “Ontario Approval Order”);

WHEREAS the undersigned has reviewed the Ontario Approval Order and the Settlement Agreement provided as Exhibit R-●;

WHEREAS the Ontario Approval Order has declared that the Settlement Agreement is fair, reasonable and in the best interests of the members of the class;

WHEREAS the Settlement Agreement is conditional upon the dismissal of the B.C. Proceeding;

THIS COURT ORDERS that:

1. Pursuant to s.3 and s.6 of the *Enforcement of Canadian Judgments and Decrees Act*, S.B.C. 2003, c.29, Rule 19-2 and Rule 14-1 of the *Rules of Court*, the certified copy of the final Order of Madam Justice Rady entered in the Ontario Superior Court of Justice, Court File No. 47025CP be filed with the Supreme Court of British Columbia; and
2. the action against Arkema/Total is dismissed without costs.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS NOTED ABOVE:

APPROVED AS TO FORM:

Counsel for the Plaintiff
Catalyst Paper Corporation
(formerly known as Norske Skog Canada Limited)

Counsel for the Defendants
Atofina Chemicals Inc.,
Arkema Inc., Arkema Canada Inc.,
Arkema S.A., TotalFinaElf and Total S.A.

BY THE COURT.

Registrar

**SUPERIOR COURT
(Class Action Division)**

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC

N° : 200-06-000056-054

DATE :

PRESIDING: THE HONOURABLE ÉTIENNE PARENT, S.C.J.

BETTY SMITH

Plaintiff

v.

ATOFINA CHEMICALS INC. & ALS.

Defendants

ORDER

- [1] **WHEREAS** on May 5, 2005, the Plaintiff filed a *Motion for Authorization to Institute a Class Action to be Granted the Status of Representative* (the "**Québec Motion**") against various defendants including Atofina Chemicals Inc., Arkema Canada Inc. Arkema S.A. and Arkema Inc., (the "**Settling Defendants**");
- [2] **WHEREAS** similar class actions were instituted in Ontario in the case of *Irving Paper Limited et al. v. Atofina Chemicals Inc. et al.*, O.S.C. file no. 47025 (the "**Ontario Class Action**") and in British Columbia in the case of *Catalyst Paper Corporation v. Atofina Chemicals Inc. et al.*, B.C.S.C. file no. L051279 (the "**B.C. Class Action**");
- [3] **WHEREAS** the Ontario Superior Court of Justice has certified a national class in the Ontario Class Action, the class being defined as follows:

“All persons in Canada (excluding the Defendants and their subsidiaries, affiliates and predecessors) who purchased hydrogen peroxide, products containing hydrogen peroxide, or products produced using hydrogen peroxide in Canada between January 1, 1994 and January 5, 2005.”

- [4] **WHEREAS** on May 31, 2011, the Plaintiffs in the Ontario Class Action and the Settling Defendants entered into a settlement agreement (the “**Settlement Agreement**”) which includes all the putative class members in the Ontario Class Action including residents of the Province of Québec;
- [5] **WHEREAS** on ●, Justice Rady of the Ontario Superior Court of Justice, who is responsible for the case management of the Ontario Class Action, approved the Settlement Agreement (the “**Ontario Approval Order**”);
- [6] **WHEREAS** the undersigned has reviewed the Ontario Approval Order and the Settlement Agreement provided as Exhibit R-●;
- [7] **WHEREAS** the Ontario Approval Order has declared that the Settlement Agreement is fair, reasonable and in the best interests of the members of the class;
- [8] **WHEREAS** the Settlement Agreement constitutes a “transaction” within the meaning of Section 2631 CCQ;
- [9] **WHEREAS** the Settlement Agreement is conditional upon the discontinuance of the Québec Motion against the Settling Defendants and homologation of the Settlement Agreement by the Superior Court of Québec;
- [10] **WHEREAS** the Plaintiff has presented a Motion for leave to discontinue its proceedings against the Settling Defendants and to homologate the Ontario Approval Order;
- [11] **WHEREAS** Plaintiff and her counsel represent that it is in the best interest of the putative members of the class proposed in the Québec Motion that the Settlement Agreement also apply to the residents of the Province of Québec;
- [12] **WHEREAS** it is in the best interest of justice and in accordance with the rule of proportionality to discontinue the Québec Motion against the Settling Defendants and to homologate the Ontario Approval Order (thereby approving the Settlement Agreement) in order for it to bind the putative members of the class proposed in the Québec Motion;
- [13] **CONSIDERING** sections 4.1, 4.2, 885, 1025, 1045 CCP and 2631 and following and 3155 and following CCQ;
- [14] **FOR THESE REASONS, THIS COURT HEREBY:**

- [15] **GRANTS** Plaintiff's Motion for leave to discontinue its proceedings against Atofina Chemicals Inc., Arkema Canada Inc., Arkema S.A. and Arkema Inc. and to homologate the Settlement Agreement;
- [16] **ALLOWS AND PRAYS ACT** of the discontinuance of the *Motion for Authorization to Institute a Class Action to be Granted the Status of Representative*;
- [17] **HOMOLOGATES** the Judgment rendered by the honourable Madam Justice Rady of the Ontario Superior Court of Justice on ● in the Court file number 47025CP (the "**Ontario Approval Order**") approving the Settlement Agreement entered into between Irving Paper Limited et al. and Atofina Chemicals Inc., Arkema Inc, Arkema Canada Inc. and Arkema S.A. on May 31, 2011, Exhibit R-●;
- [18] **GIVES** full force and effect to the Ontario Approval Order and hence, to the Settlement Agreement approved thereby;
- [19] **ORDERS** the Plaintiff and the Settling Defendants to comply with the terms of the Ontario Approval Order and of the Settlement Agreement;
- [20] **THE WHOLE**, without costs.

ÉTIENNE PARENT, S.C.J.

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Attorneys for the Defendants Atofina Chemicals Inc. and Arkema Inc.

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