



CPR

International Institute for
Conflict Prevention & Resolution

CPR CHEMICAL INDUSTRY DISPUTE RESOLUTION COMMITMENT

COMPANY

ADDRESS

CITY, STATE, ZIP

TELEPHONE/FAX

Disputes arise between companies in the chemical industry. We wish to avoid the high expense, long delays, burdens, animosity and uncertainties of litigation. We believe that most such disputes are best resolved privately through negotiation or mediation. We therefore commit that any dispute arising hereafter between our company, including its subsidiaries, and another company in the chemical industry which has made a similar commitment, will be resolved in the manner stated below.

A. PROCEDURES

1. Negotiation

When a dispute has arisen between our company and another signatory and negotiations between the regularly responsible persons have reached an impasse, other executives having authority to settle the matter — preferably more senior executives who were not directly involved in the matter — shall confer in a good faith effort to resolve the dispute. The General Counsel of the companies will arrange the conference and may participate in it.

2. Mediation

If the parties have not resolved the dispute within 30 days of their first contact pursuant to paragraph A.1., they will attempt in good faith to resolve the dispute by mediation, in accordance with the *CPR Procedure for Chemical Industry Disputes Resolution* attached hereto as Appendix A, as modified by mutual agreement of the parties.

If it is necessary for either party to the mediation to disclose proprietary information or trade secrets, the parties will enter into a protective agreement to maintain such information in confidence and prohibit its disclosure or use for any purpose other than resolving the dispute.

3. Adjudication

If the mediation procedure fails to result in resolution of the dispute within 60 days of selection of the mediator, any party may unilaterally terminate the procedure and pursue other remedies. Either party may propose submission of the dispute to arbitration, under CPR rules or other rules, or to a private judicial procedure, but no party is obligated to agree to any such procedure.

4. Preservation of Rights

The procedures specified in this Section A shall be the sole and exclusive procedures for the resolution of disputes between signatories until such procedures are terminated in accordance with their terms; provided, however, that a party may initiate legal action if in its sole judgment such action is necessary to avoid irreparable damage or to otherwise preserve the status quo. Despite such action the parties will continue to participate in good faith in the procedures specified herein. The parties are encouraged, where appropriate, to negotiate a standstill or tolling agreement, or to otherwise agree to steps to preserve the status quo, as an alternative to legal action.

5. More Than Two Parties

If the dispute directly involves more than two parties, all of which have made a similar commitment to the procedures set forth herein, such procedures will apply. If one or more of such parties are not willing to comply with these procedures and are indispensable to the resolution of the dispute, none of the parties will be bound to abide by these procedures.

B. CONTRACTUAL DISPUTE RESOLUTION PROVISIONS

Signatories are encouraged to include dispute resolution clauses in their contracts. The above procedures notwithstanding, if a dispute relates to a matter which is subject to a contractual dispute resolution provision (including without limitation an agreement among co-defendants in a litigation), and if such provision is in conflict with those set forth above, such contractual provision will govern.

The above commitment is entered into in consideration of similar commitments by other companies in the chemical industry and shall become operative when signed by ten companies. After two years from the date hereof, this commitment may be terminated on 90 days' written notice to CPR, without affecting any case then pending.

Chief Executive Officer

Chief Legal Officer

Date _____

*Note: Please send a signed copy of your statement to the
CPR Institute for Dispute Resolution,
30 East 33rd Street, 6th Floor, New York, NY 10016
CPR will publish a registry of companies subscribing to the statement.*

CPR PROCEDURE FOR CHEMICAL INDUSTRY DISPUTE RESOLUTION

INTRODUCTION

Signatories of the ***CPR Chemical Industry Dispute Resolution Commitment*** (the "Commitment") agree that they will attempt in good faith to resolve disputes with other signatories through unassisted negotiations between executives of their respective institutions having authority to settle the matter and, if such negotiations are unsuccessful, through mediation, in accordance with the procedures set forth below. These procedures also will apply to non-signatory companies which are invited and agree to participate.

A. INITIATING NEGOTIATIONS

If a dispute shall arise between two Commitment signatories, either party may give a Notice of Negotiation substantially in the form annexed hereto as Annex 1.

The executives authorized to settle the dispute shall meet at a mutually acceptable time and place, within 15 days after receipt of the Notice of Negotiation, and thereafter as often as they deem necessary, shall exchange relevant information and shall diligently attempt to resolve the dispute.

B. INITIATING MEDIATION

If the aforesaid dispute has not been resolved pursuant to Section A hereof within 30 days from receipt of the Notice of Negotiation, any party to the dispute may give a Notice of Mediation substantially in the form annexed hereto as Annex 2 to all other parties and to CPR. Any Commitment signatory receiving such notice shall be obligated to participate in the mediation in good faith.

C. SELECTING THE MEDIATOR

Promptly following receipt of a Notice of Mediation, CPR will convene the parties participating in the mediation, in person or by telephone, to attempt to select a mediator by agreement of the parties. If the parties do not promptly reach agreement, CPR will submit to the parties the names of not less than three mediator candidates from the CPR Panels of Distinguished Neutrals, with their resumes and hourly rates. If the parties are unable to agree on a candidate from the list within seven days following receipt of the list, each party will, within ten days following receipt of the list, send to CPR the list of candidates ranked in descending order of preference. The candidate with the lowest combined score will be appointed as the mediator by CPR. CPR will break a tie.

Before proposing any mediator candidate CPR will request the candidate to disclose any circumstances known to him or her which would cause reasonable doubt regarding the candidate's impartiality. If such circumstances are disclosed, the individual will not serve, unless all parties agree. A party may challenge a mediator candidate if it knows of circumstances giving rise to reasonable doubt regarding the candidate's impartiality.

The procedure set forth in this Section C notwithstanding, the parties are free to select a mediator by themselves or by other means.

D. MEDIATOR EXPENSE

The mediator's compensation rate will be determined before appointment. Each party will pay an equal share of the compensation and any other costs of the process, including the administrative fee CPR will charge for its services in the mediator selection process.

E. GROUND RULES

The ground rules of the mediation will be:

1. The process is non-binding.
2. The mediator will be neutral and impartial.
3. The parties will cooperate fully with the mediator.
4. The mediator controls the procedural aspects of the mediation.
 - (a) The mediator may meet and communicate separately with each party.
 - (b) The mediator normally will hold an initial joint meeting with the parties and then decide when to hold joint and/or separate meetings. The mediator will fix the time, place and agenda for each session. There will be no record of any meeting. Formal rules of evidence will not apply.
5. At least one senior business executive of each party, authorized to negotiate a resolution of the dispute, will attend each session.
6. The process will be conducted expeditiously. Each representative will make every effort to be available for meetings.
7. The mediator will not transmit information received from any party to another party or any third party unless authorized to do so by the party transmitting the information.
8. Subject to Section A.4 of the Commitment, the parties will refrain from pursuing judicial and/or administrative remedies during the mediation.
9. The mediator will be disqualified as a witness, consultant or expert in any pending or future investigation, action or proceeding relating to the subject matter of the mediation.
10. The mediator may obtain assistance and independent expert advice, subject to the agreement, and at the expense, of the parties.
11. Unless the parties agree otherwise, the procedure will be deemed terminated without any agreed upon resolution if:
 - (a) After 60 days from the date of selection of the mediator a written resolution has not been agreed upon by the parties and a party has given written notice to the mediator and the other party of its intention to withdraw.
 - (b) The mediator concludes that further efforts would not be useful.
12. Neither CPR nor the mediator shall be liable for any act or omission in connection with the mediation.

F. PRESENTATION TO THE MEDIATOR

Upon entering into mediation, and at least seven days before the first mediation conference, each party will deliver to the mediator a statement summarizing the dispute's background and such other information it deems necessary to familiarize the mediator with the dispute. Any materials the parties agree upon may be submitted jointly. The mediator may request each party to provide clarification and additional information, and to present its case informally to the mediator at the initial joint meeting or at later separate meetings.

The parties are encouraged to exchange all information submitted to the mediator to further each party's understanding of the other's viewpoint. Except as the parties otherwise agree, the mediator shall keep confidential any information submitted. At the conclusion of the mediation, the mediator will return to each party all written materials which that party provided to the mediator without retaining copies.

G. EXCHANGE OF INFORMATION

If any party has a substantial need for documents or other material in the possession of another party, the parties shall attempt to agree on an exchange of documents or other material. Should they fail to agree, either party may request a joint consultation with the mediator who shall assist the parties in reaching agreement. The parties and mediator may establish a plan for limited, informal, expeditious discovery that may facilitate a settlement.

At the conclusion of the mediation process, upon the request of a party which provided documents or other material to one or more other parties, the recipients shall return the same to the originating party without retaining copies thereof.

H. NEGOTIATION OF TERMS

The mediator may promote a resolution in any manner the mediator believes is appropriate. The parties are expected to initiate proposals for resolution.

If the mediator concludes that mediation techniques have been exhausted and the parties have not reached agreement, the mediator, with the consent of all parties, will promptly give them an evaluation (which if the parties so choose will be in writing) of the likely outcome of the case if it were tried to final judgment and/or a final settlement proposal which the mediator considers fair and equitable. Thereupon, the mediator will call another mediation conference, in the hope that the mediator's evaluation or proposal will lead to a resolution.

I. RESOLUTION

If a resolution is reached, the mediator, or a representative of a party, will draft a written settlement agreement incorporating all terms. This draft will be circulated among the parties, amended as necessary and formally executed.

J. FAILURE TO AGREE

If a resolution is not reached, the mediator will discuss with the parties the possibility of their agreeing on binding regular arbitration or "last offer" arbitration of their dispute. If the parties agree to arbitration in principle, the mediator will offer to assist them in structuring a procedure designed to result in a prompt, economical adjudication. The mediator will not serve as the arbitrator, unless all parties agree.

K. CONFIDENTIALITY

The entire mediation process is confidential. Unless agreed among all the parties or required to do so by law, the parties and the mediator shall not disclose to any person who is not associated with participants in the process, including any judicial officer, any information regarding the process (including pre-process exchanges and agreements), contents (including written and oral information), settlement terms or outcome of the proceeding.

Under this procedure, the entire process is a compromise negotiation subject to Federal Rule of Evidence 408 and all state counterparts, together with any applicable statute protecting the confidentiality of mediation. All offers, promises, conduct and statements, whether oral or written, made in the course of the proceeding by any of the parties, their agents, employees, experts and attorneys, and by the mediator are confidential. Such offers, promises, conduct and statements are privileged under any applicable mediation privilege and are inadmissible and not discoverable for any purpose, including impeachment, in litigation between the parties. However, evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable solely as a result of its presentation or use during the mediation.

The mediator and any documents and information in the mediator's possession will not be subpoenaed in any investigation, action or proceeding, and all parties will oppose any effort to have the mediator or documents subpoenaed. The mediator will promptly advise the parties of any attempt to compel him/her to divulge information received in mediation.

NOTICE OF NEGOTIATION

**Pursuant to CPR Chemical Industry Dispute Resolution Commitment
(To be sent by mail or fax)**

Dated: _____

To: _____ (Company)

_____ (Address)

Attn. of General Counsel

In accordance with the *CPR Chemical Industry Dispute Resolution Commitment*, which both of our companies have signed, we (the initiating company) wish to enter into negotiations regarding the dispute described below, between executives who have authority to settle the matter, as negotiations between the regularly responsible persons have reached an impasse. Kindly contact the individual named below promptly by telephone to inform us who will represent you and to arrange a place and time to meet and attempt to resolve the dispute.

1. Matter in Dispute

2. Regularly Responsible Persons

The persons who have had responsibility for the matter are:

For the initiating company

_____ (Name & Title)

For the responding company

_____ (Name & Title)

3. The executive who will represent our company in the negotiations is:

_____ (Name & Title)

Sincerely,
_____ (Company)

by _____ (Name and Title)

NOTICE OF MEDIATION

**Pursuant to CPR Chemical Industry Dispute Resolution Commitment
(To be sent by mail or fax)**

Dated: _____

To: _____ (Company)

_____ (Address)

Attn. of General Counsel

Panel Management Group
CPR Institute for Dispute Resolution
30 East 33rd Street, 6th Floor
New York, NY 10016
Fax: (212) 949-8859.

At least 30 days have elapsed since the date of receipt by the responding party of a Notice of Negotiation, dated _____, regarding the matter in dispute described below.

The dispute has not been resolved through negotiation. Therefore, we hereby request mediation of the dispute in accordance with the *CPR Procedure for Chemical Industry Dispute Resolution* attached as Appendix A to the *CPR Chemical Industry Dispute Resolution Commitment*.

We request CPR to promptly convene General Counsel of the parties (or their designees) in person or by telephone to attempt to select a mediator by agreement of the parties.

1. Matter in Dispute

Sincerely,

(Company)

by _____ (Name and Title)