

**SETTLEMENT AGREEMENT**

WHEREAS, the State of Michigan (the “State”), acting by and through its Attorney General, has asserted that it has various claims against Monsanto Company, Solutia Inc., and Pharmacia LLC (“Defendants”) on its own behalf and acting in the State’s capacity as *parens patriae* on behalf of its citizens for alleged environmental impairments related to PCBs, including alleged natural resource damages and impairments to waterbodies and other natural resources arising from PCB-containing products sold or introduced into the State;

WHEREAS, on September 1, 2017, Defendants filed a lawsuit captioned *Monsanto Co. et al. v. Magnetek, Inc. et al.* in the Circuit Court of St. Louis County, Missouri (state court case number 17SL-CC03368), which was later removed and is currently pending in the United States District Court for the Eastern District of Missouri (federal case number 4:23-cv-00204), and asserts claims against six large purchasers of PCBs that those purchasers are obligated to indemnify Monsanto for PCB-related liabilities, as a matter of contractual indemnity under certain defense and indemnity contracts titled Special Undertaking by Purchasers of Polychlorinated Biphenyls and other theories (the “Indemnity Action”);

WHEREAS, the State has determined there is substantial basis for Defendants’ claims in the Indemnity Action and has agreed to cooperate with Monsanto by complying with Defendants’ reasonable requests for documents and information regarding the basis for the State’s alleged claims and damages as provided herein;

WHEREAS, the State and Defendants (collectively, the “Parties”) have agreed to resolve the State’s claims without the need for litigation on the terms and conditions set forth herein;

WHEREAS, by entering into this Settlement Agreement, Defendants do not admit to any wrongdoing, fault, violation of law, or liability of any kind;

AND WHEREAS, the intention of the State in effecting this settlement is to fully and finally resolve the State's claims against Defendants.

NOW, THEREFORE, without trial or adjudication of issues of fact or law, and without this Settlement Agreement constituting evidence against Defendants, the Parties hereby agree as follows:

## I. DEFINITIONS

1. As used in this Settlement Agreement, the following terms shall have the defined meanings set forth below. The definitions set forth herein are strictly and solely for the purpose of this Settlement Agreement.

2. "Attorney General" means the Attorney General of the State of Michigan.

3. "CERCLA" means the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 *et seq.*

4. "Claim" means all civil claims, demands, rights, damages, obligations, suits, debts, liens, contracts, agreements, and causes of action of every nature and description whatsoever, including civil penalties, punitive damages, attorney's fees, expert witness fees, expenses, and costs, whether ascertained or unascertained, suspected or unsuspected, existing now or arising in the future, known or unknown, both at law and in equity, on any theory whatever, whether legal, equitable, statutory, or regulatory, and regardless of the type or nature of damages or relief claimed.

5. "Contingent Amount" has the meaning set forth in Paragraph 23.

6. "Defendants" means Monsanto Company, Solutia, Inc., and Pharmacia LLC (the former Monsanto Company).

7. "Effective Date" means the date as of which all Parties have executed this Settlement Agreement.

8. “Government Entity” means any city, county, political subdivision, or any other governmental, district, or public entity within the State or any Other State, or any official of any of the foregoing thereof acting in his or her official capacity. References to “within” a state include entities located within the state even if they are not formally or legally a sub-entity of the state.

9. “Including” means including, but not limited to.

10. “Indemnitors” means (i) Magnetek, Inc.; General Electric Co.; Paramount Global; Kyocera AVX Components Corporation; Cornell Dubilier Electronics, Inc. n/k/a Rodney French, Inc.; and The Gillette Company, LLC; (ii) Kraft Heinz Foods Company, if its motion to intervene as a defendant in the Indemnity Action is granted or Kraft Heinz Foods Company is in any other way sued or subject to indemnity claims by Defendants; and (iii) any successor (including successors by merger or acquisition) of the foregoing.

11. “Indemnity Action” means *Monsanto Co. et al. v. Magnetek, Inc. et al.*, filed in the Circuit Court of St. Louis County, Missouri on September 1, 2017 (state court case number 17SL-CC03368), and removed to the United States District Court for the Eastern District of Missouri on February 20, 2023 (federal court case number 4:23-cv-204-JMD) (motion to remand pending), including as amended from time to time.

12. “Initial Amount” has the meaning set forth in Paragraph 23.

13. “Monsanto” means the current Monsanto Company.

14. “Other State” means any state of the United States other than Michigan, any territory of the United States, or the District of Columbia.

15. “Parties” means the State and Defendants.

16. “PCBs” means polychlorinated biphenyls and any products that intentionally contain polychlorinated biphenyls, including any substance found in such products where such substance was released along with polychlorinated biphenyls, and any substances into which any of the foregoing were transformed through weathering, heating, degradation, or other chemical process.

17. “Person” means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, business, legal entity, government, or any political subdivision, agency or official thereof.

18. “Released Claims” means all Claims arising out of or related to, directly or indirectly, Defendants’ manufacture, sale, distribution, testing, or marketing of PCBs, or the use, discharge, disposal or release of such PCBs, or damages or liability caused by any of the above, including any and all Claims related to the alleged presence of or damage caused by PCBs in the environment, groundwater, stormwater, stormwater and wastewater drainage systems, waterbodies (including Lakes Erie, Huron, Michigan, and Superior), sediment, soil, air, vapor, natural resources, fish and/or wildlife within the State. “Released Claims” also include any Claim for attorneys’ fees, expenses, or costs under state or federal law. “Released Claims” does not include any Claim for alleged breach of this Settlement Agreement.

19. “Released Persons” means Defendants and any Affiliate of Monsanto, Solutia, Inc., or Pharmacia LLC, including Bayer AG; Pfizer, Inc.; and Eastman Chemical Company. “Affiliate” means (a) each and all past, present, or future, direct or indirect, parent companies (including intermediate parents and ultimate parents and their direct or indirect subsidiaries), subsidiaries, affiliated or related companies, divisions, partnerships, and joint ventures; (b) any past, present, or future officer, director, shareholder, employee, partner, trustee, representative,

agent, servant, insurer, Indemnitor, or attorney (in each case, only as to conduct taken in such capacity, and in the case of Indemnitors, only as to conduct for which the Indemnitor is obligated to indemnify or pay contribution to Monsanto or paid an amount agreed by Monsanto for such indemnification and/or contribution); and (c) any predecessor, successor (including successors by merger or acquisition), or assignee of any of the above (except that assignees of Indemnitors shall not be Released Persons).

20. “Releasing Persons” means:

(a) the State, including each of its officers acting in their official capacities, agencies, departments, boards, and commissions, and any predecessor, successor, or assignee of any of the above; and

(b) to the full extent of the Attorney General’s power and authority under Michigan law to release Claims, any other public entity or Government Entity within the State and officials thereof acting in their official capacities. The State makes no representation concerning the extent of such power or authority.

21. “Settlement Amount” shall mean the sum of the Initial Amount and any Contingent Amount.

22. “State” means the State of Michigan.

## II. MONETARY PAYMENTS

23. *Settlement Amount.* The Settlement Amount is a total of \$240 million comprising an Initial Amount of \$64 million and a Contingent Amount of \$176 million.

24. *Initial Amount.* Subject to the terms and conditions below, Monsanto shall pay the Initial Amount as follows: \$32 million within thirty days after the Effective Date, and \$32 million by March 1, 2027.

25. *Contingent Amount.* The Contingent Amount shall remain in abeyance as the Indemnity Action proceeds. Payment of all or part of the Contingent Amount shall be contingent upon developments in and the outcome of the Indemnity Action as follows:

(a) Monsanto shall seek recovery of the full Settlement Amount in the Indemnity Action.

(b) If Monsanto receives payment of an amount through a settlement with one or more of the Indemnitors relating to the Indemnity Action, Monsanto shall pay the State an amount calculated as provided below towards the Contingent Amount:

(i) The amount Monsanto receives shall be allocated among the State and all Other States and Government Entities with which Monsanto settled a PCB-related Claim(s) between June 13, 2025 and the third anniversary of the Effective Date (or the date of the settlement with the Indemnitor(s), if earlier than the third anniversary of the Effective Date), or which obtained a judgment against Monsanto on a PCB-related Claim(s) during that time period. The allocation shall be in proportion to the full respective amounts of the settlements or judgments, with this Settlement to count as \$240 million and other settlements to include any contingent amounts as well;

(ii) Monsanto shall pay the State 75% of the amount allocated to the State, up to a maximum of the full Contingent Amount.

(c) If Monsanto recovers payment on a judgment against one or more of the Indemnitors in the Indemnity Action with respect to payments under this Settlement Agreement, Monsanto shall pay the State 75% of the amount recovered, up to a maximum of the full Contingent Amount.

(d) In the event Monsanto receives payment of sequential settlements and/or judgments as to individual Indemnitors, the provisions of subparagraphs (b) and (c) above will be applied to the second and any subsequent settlements or judgments, but: (i) for purposes of subparagraph (b)(i), this Settlement will count as \$240 million minus amounts previously allocated to the State in prior applications of subparagraph (b) and amounts previously recovered by Monsanto on a judgment as referenced in subparagraph (c) (for clarity, in each case 100% of such amounts, not the 75% paid to the State), and the settlement and judgment amounts of Other States and Government Entities shall be so reduced as well by amounts previously allocated or recovered by Monsanto as to them; (ii) for purposes of subparagraphs (b)(ii) and (c), the maximum will be the full Contingent Amount minus the amounts of prior payments to the State under subparagraphs (b) and/or (c) (for clarity, in each case the 75% paid to the State).

(e) Exhibit A sets forth examples of the operation of subparagraphs (b)-(d) that the Parties agree shall guide the application of those provisions.

(f) In no event shall Monsanto be required to pay more than the full Settlement Amount. Once the full Contingent Amount has been paid, Monsanto shall have no further obligations under this Paragraph 25 and shall not make further payments hereunder from recoveries in the Indemnity Action.

(g) If the Indemnity Action is fully resolved and Monsanto has paid less than 50% of the Contingent Amount (*i.e.*, the amounts paid to the State under subparagraphs (b)-(d) total less than \$88 million), Monsanto shall pay the State the lesser of (i) 25% of the unpaid portion of the Contingent Amount or (ii) the amount necessary to bring the portion of the Contingent Amount paid to \$88 million.

(h) If, by the fifth anniversary of the Effective Date, there has been neither the beginning of a trial in the Indemnity Action nor settlement(s) in the Indemnity Action that result in payment of at least \$44 million of the Contingent Amount, the State may elect for Monsanto to pay 25% of the Contingent Amount (*i.e.*, \$44 million) less any amounts previously paid toward the Contingent Amount in lieu of any further payment obligations under this Paragraph 25. Such election must be made unanimously by the State and must be communicated to Monsanto in writing within 90 days of the fifth anniversary of the Effective Date, or shall otherwise be deemed waived. If such election is made, Monsanto shall have no further obligations under this Agreement after making such payment. Monsanto shall provide advance notice to the State of its deadline to make such election, communicating such notice in writing no less than 20 business days before the fifth anniversary of the Effective Date. In the event Monsanto fails to provide such timely written advance notice, the time for the State to make its election shall be deemed to run from the date on which it receives such written notice from Monsanto. The foregoing notices shall be sent by courier service and email to the following addresses:

To the State:

Polly A. Synk, Division Chief  
Michigan Department of Attorney General  
Environment, Natural Resources, and Agriculture Division  
P.O. Box 30755

Lansing, MI 48909  
517-335-7664  
517-335-7636 (fax)  
synkp@michigan.gov

With a copy to:

Lynn L. Sarko  
Dan Mensher  
Keller Rohrback L.L.P.  
1201 Third Avenue, Suite 3400  
Seattle, WA 98101  
lsarko@kellerrohrback.com  
dmensher@kellerrohrback.com

Matt Edling  
Sher Edling LLP  
100 Montgomery St., Ste. 1410  
San Francisco, CA 94104  
matt@sheredling.com

Daniel R. Flynn  
DiCello Levitt LLP  
Ten North Dearborn Street, Sixth Floor  
Chicago, Illinois 60602  
dflynn@dicellolevitt.com

To Monsanto:

William B. Dodero  
General Counsel  
Senior Vice President  
Bayer U.S. LLC  
100 Bayer Boulevard  
Whippany, New Jersey 07981  
william.dodero@bayer.com

Lisa DeBord  
Sr. Assistant General Counsel – Litigation  
Bayer U.S. LLC  
Global Litigation  
800 North Lindbergh Blvd.  
St. Louis, Missouri 63167  
lisa.debord@bayer.com

With a copy to:

Elaine P. Golin  
Graham W. Meli  
Wachtell, Lipton, Rosen & Katz  
51 West 52<sup>nd</sup> Street  
New York, New York 10019  
EPGolin@wlrk.com  
GWMeli@wlrk.com

A Party may update the foregoing notice addresses by delivering written notice to the other Party at its notice addresses.

26. *Payment Instructions.* All payments by Monsanto hereunder are on behalf of itself and the other Defendants. Monsanto shall pay the Initial Amount and any portion of the Contingent Amount due hereunder to the IOLTA account of Sher Edling LLP (“Sher Edling”), counsel for the State, by electronic funds transfer pursuant to wiring instructions to be provided by the State within 10 days of the Effective Date.

27. *Information to be provided.* Monsanto shall promptly, but no later than 10 business days, inform the State, via notice at the addresses provided in Paragraph 25, after it receives payment of any settlement or judgment in the Indemnity Action and provide the State with the information necessary to calculate the payment due under Paragraph 25 as a result of such settlement or judgment. Monsanto and the State shall then meet and confer regarding the amount of such payment to the State, and Monsanto shall then promptly make any payment that is due.

### **III. RELEASES AND COVENANTS NOT TO SUE**

28. The Releasing Persons hereby (a) fully and finally release and discharge the Released Persons, and each of them, from the Released Claims, and (b) covenant not to sue or take any other civil or administrative action against any Released Person for any Released Claim.

29. In the event the State (including any of its officers acting in their official capacities, agencies, departments, boards, or commissions) asserts a Claim against a Person who is not a Released Person and the Claim would be a Released Claim if asserted against a Released Person (a “Third Person Claim”), the Released Persons are entitled to protection against contribution and/or indemnity actions or other claims asserted against them by such Person relating to such Third Person Claim to the fullest extent provided or allowable under any provision of federal, state, or local law, including CERCLA § 113(f)(2), 42 U.S.C. § 9613(f)(2), and MCL 600.2925d, for the matters addressed in this Settlement Agreement and for all Released Claims. Among other things, the Parties agree that this Settlement Agreement constitutes a good-faith release and covenant not to sue within the meaning of MCL 600.2925d and that it entitles the Released Persons to the protection of MCL 600.2925d.

30. This Settlement Agreement is not intended to and does not release any claims the State may hold against any Person who is not a Released Person, and nothing in this Settlement Agreement shall prevent the State from asserting any Third Person Claim. If the State commences a Third Person Claim in the form of a lawsuit, it will, as part of any settlement of such Third Person Claim, obtain a release from the defendant or defendants in such Third Person Claim, for the benefit of the Released Persons, of any claim for contribution or indemnification or other claim-over arising from or related to any Third Person Claim settled or released by the State in such settlement.

31. The Parties agree and acknowledge that this Settlement Agreement was entered into in good faith and the amount of the monetary payments and contingencies thereon are reasonable as of the Effective Date. The State agrees and acknowledges that the Contingent Amount may be limited to the minimums specified in Paragraph 25(g)-(h).

32. Defendants release any Claims arising from PCB contamination that they have alleged or could allege against the State, other than a Claim, if any, for alleged breach of this Settlement Agreement.

#### **IV. OTHER TERMS**

33. The State will cooperate with Monsanto with respect to the Indemnity Action by complying with reasonable requests by Defendants for documents and information regarding the basis for the claims and damages asserted by the State, including making documents, witness statements, or other information Defendants reasonably request regarding any Indemnitor's PCB-related activity in the State available to Defendants. The State will reasonably cooperate with Monsanto in connection with any potential settlement in the Indemnity Action, including by providing on request a release to the settling Indemnitor at least as broad as the release provided to the Indemnitor hereunder. The determination whether to settle all, or a part of, the Indemnity Action shall be in Monsanto's discretion. Monsanto covenants that any settlement of the Indemnity Action will be in good faith.

34. Each of the State and Monsanto acknowledges and agrees that:

(a) The State sought compensatory restitution and remediation (within the meaning of Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii)), as damages for alleged harms suffered by the State relating to the Released Claims and PCBs manufactured, sold, or introduced into the State by Monsanto;

(b) the Settlement Amount is being paid solely as compensatory restitution and remediation for the alleged harms described in Paragraph 34(a) allegedly suffered by the State;

(c) The payment of the Settlement Amount by Monsanto constitutes, and is paid (i) as restitution for alleged PCB contamination, and/or (ii) for remediation by the State of

alleged PCB contamination, which restitution or remediation has had or will have a direct nexus or connection with the alleged harms described in Paragraph 34(a). Payment by Monsanto of the Settlement Amount is intended to restore, in whole or in part, the State to the same or substantially similar position or condition it would have been in had the State not suffered, or otherwise to assist in addressing, the alleged harms described in Paragraph 34(a).

(d) To comply with the terms of Paragraph 34(c), the State will direct funds from this Settlement into an account or accounts that direct/limit expenditures to purposes consistent with the terms of Paragraph 34(c), as authorized by MCL 324.20126a(4). For the avoidance of doubt, nothing in this subparagraph affects Monsanto's obligations under this Agreement.

(e) For the avoidance of doubt, no portion of the Settlement Amount constitutes disgorgement or is properly characterized as the payment of statutory or other fines, penalties, punitive damages, or other punitive assessments.

35. Upon request by Monsanto, the State agrees to perform such further acts and to execute and deliver such further documents as may be reasonably necessary for Monsanto to establish the statements set forth in Paragraph 34 to the satisfaction of its tax advisors, its independent financial auditors, the Internal Revenue Service, or any other governmental authority, including as contemplated by Treasury Regulations § 1.162-21(b)(3)(ii) and any subsequently proposed or finalized relevant regulations or administrative guidance. The State agrees to prepare and file any IRS Form 1098-F (or other information return that may be required pursuant to Treasury Regulations Section 1.6050X-1(a)(1)) and written statement that satisfies the requirements of Treasury Regulations Section 1.6050X-1(c) in a manner fully consistent with

Paragraph 34, including by reporting the Settlement Amount as “Restitution/remediation amount” in Box 3 of IRS Form 1098-F.

36. In the event that (a) Monsanto commences a voluntary case under Title 11 of the United States Code (or otherwise begins or is subject to an insolvency proceeding) while any of its payment obligations remain outstanding under this Settlement Agreement, and (b) Monsanto does not assume this Settlement Agreement in such case or proceeding, then: (i) the State shall retain all payments previously received under this Settlement Agreement, (ii) the release and the covenant not to sue contained in this Settlement Agreement shall be null and void, and (iii) the State shall have the right to assert any and all claims against Monsanto in such bankruptcy case or insolvency proceeding, subject to any automatic stay applicable to such bankruptcy case or insolvency proceeding, without regard to any limits as to the amount of the Settlement otherwise provided in the Settlement Agreement; *provided, however*, that, in the event a Releasing Person asserts any Released Claim against any Released Person (in the bankruptcy case or otherwise) and thereafter receives a judgment in respect of such Released Claim, settles such Released Claim, or obtains entry of an order of a bankruptcy court allowing such Released Claim, then the amount of any payments Monsanto previously made under the Settlement Agreement shall be applied to reduce the amount of any payment or distribution in respect of such judgment, settlement, or allowed Released Claim.

37. This Settlement Agreement represents the complete agreement as to each and every term agreed to by and among the State and Defendants. The settlement contemplated by this Settlement Agreement is not subject to any condition not expressly provided for herein, and there exist no collateral or oral agreements relating to the subject matter of this Settlement Agreement. In entering into this Settlement Agreement, no Party has made or relied on any

warranty, promise, inducement, or representation not specifically set forth herein. No Party will disclose any prior agreement or understanding (or draft thereof) relating to the subject matter hereof except pursuant to valid legal process or when required by a court of competent jurisdiction and, unless prohibited by valid legal process or such court, each Party will give the other Party 5 days' notice and opportunity to object if a request for disclosure of any such material is made pursuant to legal process or if a court requires disclosure.

38. The provisions of this Settlement Agreement shall be construed in accordance with the laws of the State of Michigan, without regard to conflict of law principles.

39. This Settlement Agreement shall be binding according to its terms upon, and inure to the benefit of, the State and Defendants, and shall not give any legal or equitable right, remedy, or claim to any other Person, provided, however, that the release and covenants not to sue set forth in Paragraph 28 and the requirements of Paragraphs 29 and 30 shall be enforceable by the Released Persons. This Settlement Agreement does not release any Claims that Defendants may have pursuant to insurance or indemnity contracts.

40. The failure of the State or Defendants to exercise any rights under this Settlement Agreement shall not be deemed a waiver of any right or any future rights, except as expressly specified herein.

41. The headings in this Settlement Agreement are for the convenience of the reader only and shall not affect the meaning or interpretation of this Settlement Agreement.

42. None of the Parties shall be considered to be the primary drafter of this Settlement Agreement or any provision hereof for the purpose of any rule of interpretation or construction that might cause any provision to be construed against the drafter.

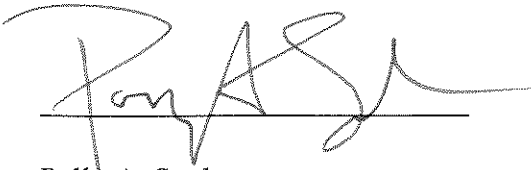
43. The undersigned representatives of the Parties certify that they are fully authorized to enter into and execute this Settlement Agreement and to bind that Party on whose behalf they are signing. This Agreement shall become effective only when executed by all Parties to the Agreement. The Agreement may be executed by the Parties in one or more counterparts, all of which taken together shall constitute one and the same instrument.

44. Neither the fact of, nor any provision contained in, this Settlement Agreement, nor any action taken hereunder shall constitute, be construed as, or be admissible in evidence as an admission of (a) the validity of any claim or allegation by the State, or of any defense of Defendants; or (b) any wrongdoing, fault, violation of law, or liability of any kind on the part of Defendants or any Released Person.

45. This Settlement Agreement may be modified only by a written agreement signed by authorized representatives of all Parties.

*[signature pages follow]*

**DANA NESSEL  
ATTORNEY GENERAL OF MICHIGAN**

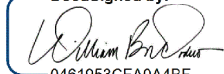
A handwritten signature in black ink, appearing to read "Polly A. Synk", written over a horizontal line.

Polly A. Synk  
Assistant Attorney General  
Michigan Department of Attorney General  
Environment, Natural Resources, and  
Agriculture Division  
525 West Ottawa  
Lansing, Michigan 48909

Date: May 18 2020

For the State of Michigan

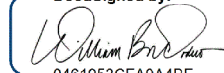
**MONSANTO COMPANY**

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Date: 5/18/2026

William B. Dodero  
General Counsel  
Senior Vice President  
Bayer U.S. LLC  
100 Bayer Boulevard  
Whippany, NJ 07981  
United States

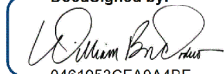
**MONSANTO COMPANY AS POWER OF ATTORNEY FOR PHARMACIA LLC**

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Date: 5/18/2026

William B. Dodero  
General Counsel  
Senior Vice President  
Bayer U.S. LLC  
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**MONSANTO COMPANY AS POWER OF ATTORNEY FOR SOLUTIA, INC.**

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Date: 5/18/2026

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## **Exhibit A – Examples of Contingent Amount Calculations**<sup>1</sup>

### **Example A:**

In addition to the Michigan Settlement, Monsanto settles PCB claims with two Other States: State X for \$100 million and State Y for \$120 million (each including any contingent amounts). Monsanto then receives payment of \$1 billion through a settlement of the Indemnity Action. The \$1 billion would be allocated: \$520 million to Michigan (52% = \$240 million divided by \$460 million in total state settlements); \$220 million to State X (22% = \$100 million divided by \$460 million); and \$260 million to State Y (26% = \$120 million divided by \$460 million). *See* Paragraph 25(b)(i). Because 75% of \$520 million exceeds the maximum Contingent Amount, Monsanto would pay Michigan \$176 million in full satisfaction of the Contingent Amount. *See* Paragraph 25(b)(ii). Monsanto would then have no further payment obligations under this Settlement. *See* Paragraph 25(f).

### **Example B:**

In addition to the Michigan Settlement, Monsanto settles PCB claims with two Other States: State X for \$100 million and State Y for \$120 million (each including any contingent amounts). Monsanto then receives payment of \$400 million through a settlement of the Indemnity Action. The \$400 million would be allocated: \$208 million to Michigan (52%, as calculated above); \$88 million to State X (22%); and \$104 million to State Y (26%). *See* Paragraph 25(b)(i). Monsanto would pay Michigan \$156 million (75% of \$208 million) toward the Contingent Amount. *See* Paragraph 25(b)(ii). Monsanto would potentially have further payment obligations under Paragraph 25(d) towards the remaining \$20 million of the Contingent Amount if it obtains a further recovery in the Indemnity Action. However, because the \$156 million paid Michigan is more than 50% of the Contingent Amount, Monsanto would have no further obligations under Paragraphs 25(g)-(h).

### **Example C:**

After the settlements described in Example B, Monsanto (a) settles PCB claims with State Z for \$100 million (including any contingent amounts); and (b) receives payment of \$50 million through another settlement of the Indemnity Action. In allocating among the states, the Michigan Settlement will count as \$32 million (\$240 million minus \$208 million previously allocated to Michigan); the State X settlement \$12 million (\$100 million minus \$88 million); the State Y settlement \$16 million (\$120 million minus \$104 million); and the State Z settlement \$100 million. *See* Paragraph 25(d)(i). Michigan would be allocated \$10 million of the \$50 million Indemnity Action settlement (20% = \$32 million divided by \$160 million in total state settlements as counted per the preceding sentence). Monsanto would pay Michigan \$7.5 million (75% of \$10 million). *See* Paragraphs 25(b)(ii), 25(d).

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<sup>1</sup> Certain of these examples use rounded numbers for illustration. Actual numbers would be used in implementing the Settlement Agreement.

If Monsanto were to receive payment of any subsequent settlements or judgments in the Indemnity Action, the foregoing calculations would be repeated, but Michigan could receive a maximum additional payment of \$12.5 million (the \$176 million maximum Contingent Amount minus the previous \$156 million and \$7.5 million payments). *See* Paragraphs 25(d)(ii), 25(f).

**Example D:**

Monsanto recovers payment of \$240 million on a judgment in the Indemnity Action with respect to payments under the Michigan Settlement Agreement. Monsanto would pay the State \$176 million. (75% of \$240 million is \$180 million, but Monsanto's maximum payment is the full Contingent Amount.) *See* Paragraph 25(c). Monsanto would then have no further payment obligations to Michigan. *See* Paragraph 25(f).

**Example E:**

Monsanto recovers payment of \$200 million on a judgment in the Indemnity Action with respect to payments under this Michigan Settlement Agreement. Monsanto would pay the State \$150 million (75% of \$200 million) toward the Contingent Amount. *See* Paragraph 25(c). Monsanto would potentially have further payment obligations under Paragraph 25(d) towards the remaining \$26 million of the Contingent Amount if it obtains a further recovery in the Indemnity Action. However, because the \$150 million paid Michigan is more than 50% of the Contingent Amount, Monsanto would have no further obligations under Paragraphs 25(g)-(h).