UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
MPM Silicones, LLC, et al.,[1]	:	Case No. 14-22503 (RDD)
Reorganized Debtors.	:	(Jointly Administered)

STIPULATION AND ORDER RELATED TO CERTAIN CLAIMS OF THE UNITED STATES AND THE STATE OF NEW YORK

This stipulation (the "Stipulation") is made this 21st day of April, 2017, by (a) the above-captioned reorganized Debtors (collectively, the "Debtors"), (b) the United States of America on behalf of the U.S. Environmental Protection Agency (the "United States"), and (c) the State of New York (the "State") on behalf of the Department of Environmental Conservation ("DEC") (collectively, the "Parties").

Recitals

WHEREAS, on April 13, 2014 (the "Petition Date"), the Debtors filed voluntary petitions for relief in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") under chapter 11 of title 11 of the United States Code;

WHEREAS, by order dated September 11, 2014 [Docket No. 1001], the Bankruptcy Court issued an order (the "Confirmation Order") confirming the Debtors' chapter 11 plan of reorganization (the "Plan"), which Plan has an effective date of October 24, 2014 (the "Effective Date"), at which time the Debtors emerged from bankruptcy protection as reorganized entities;

[1] The last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) Juniper Bond Holdings I LLC (9631); (ii) Juniper Bond Holdings II LLC (9692); (iii) Juniper Bond Holdings III LLC (9765); (iv) Juniper Bond Holdings IV LLC (9836); (v) Momentive Performance Materials China SPV Inc. (8469); (vi) Momentive Performance Materials Holdings Inc. (8246); (vii) Momentive Performance Materials Inc. (8297); (viii) Momentive Performance Materials Quartz, Inc. (9929); (ix) Momentive Performance Materials South America Inc. (4895); (x) Momentive Performance Materials USA Inc. (8388); (xi) Momentive Performance Materials Worldwide Inc. (8357); and (xii) MPM Silicones, LLC (5481). The Debtors' executive headquarters are located at 260 Hudson River Road, Waterford, NY 12188.

WHEREAS, the Parties have executed Stipulations extending the Governmental Unit Bar Date[2] and the Administrative Expense Bar Date, which were entered by the Court, and most recently executed a Stipulation and Order, which was entered by the Bankruptcy Court on January 30, 2017 [Docket No. 1575], extending until May 7, 2017 the Governmental Unit Bar Date to allow the State and the United States to file proofs of claim and the Administrative Expense Bar Date to allow the State and the United States to file administrative expense claims, with respect to any violation of environmental laws at the Debtors' facility in Waterford, New York (the "Waterford Facility"), and the Parties agreed that such bar dates may be further extended by agreement;

WHEREAS, the State and the United States assert that they have pre-petition and/or post-petition claims as a result of the Debtors' alleged violations of State and Federal environmental laws associated with the Debtors' operation of a rotary kiln incinerator at the Waterford Facility (the "Federal/State Claims");

WHEREAS, the State asserts that it has post-petition claims for allowance and payment of administrative expenses that arose before confirmation of the Debtors' Plan ("Pre-Confirmation Claims") as a result of the Debtors' alleged violations of State and Federal environmental laws at the Waterford Facility;

WHEREAS, the State also asserts that it also has causes of action for violations of environmental laws at the Debtors' Waterford Facility that arose after the Bankruptcy Court's confirmation of the Debtors' Plan ("Post-Confirmation Causes of Action"), which are not subject to the terms and conditions of the Plan or the Confirmation Order;

---

[2] Capitalized terms not otherwise defined herein have the meaning provided for in the Stipulation and Order Extending Bar Date to File a Proof of Claim and Requests for Payment of Administrative Expenses for New York State and the United States, dated January 30, 2017 [Docket Number 1575].

WHEREAS, the Debtors have not admitted to any violations under environmental laws with respect to the Federal/State Claims, Pre-Confirmation Claims or Post-Confirmation Causes of Action and reserve all rights and defenses with respect to such claims;

WHEREAS, the Parties agree that the State's Pre-Confirmation Claims and Post-Confirmation Causes of Action ("State-Only Claims and Causes of Action") are separate and distinct from the Federal/State Claims;

WHEREAS, the Plan and the Confirmation Order provided for an injunction against the continuation of all causes of action against the Debtors which arose prior to the Effective Date (the "Plan Injunction"), subject to certain exceptions;

WHEREAS, the State and Debtors submitted a Stipulation and Order [Docket No. 1584] related to the State-Only Claims and Causes of Action, which, among other things, provided that the State may liquidate or reduce to judgment those claims in an appropriate judicial or administrative forum and that the State would seek to collect on the State's Pre-Confirmation Claims through the claims and/or administrative expense payment process before the Bankruptcy Court (the "State-Only Claims Stipulation");

WHEREAS, the Court so ordered the State-Only Claims Stipulation on March 8, 2017 [Docket No. 1586];

WHEREAS, sections 7.1(b) and 9.1 of the Plan authorize the Debtors to enter into settlements of claims without the necessity of a motion pursuant to Rule 9019, and without approval from the Bankruptcy Court;

WHEREAS, the Parties have entered into a settlement agreement which fully resolves the Federal/State Claims (the "Settlement Agreement"), which involves a cash payment from the Debtors (the "Settlement Amount");

WHEREAS, the Parties seek to have the Settlement Agreement approved by the United States District Court for the Northern District of New York (the "District Court"); and

WHEREAS, the Parties agree that the United States and the State may bring an action in the District Court against the Debtors with respect to the Federal/State Claims, which action will include the Parties seeking the District Court's approval of the Settlement Agreement.

NOW, THEREFORE, the Parties, by their respective counsel, stipulate and agree as follows:

AGREEMENT

1. The United States and the State may commence and continue to judgment an action in the District Court asserting their Federal/State Claims, which will include the Parties seeking the District Court's approval of the Settlement Agreement. After the Settlement Agreement is approved, payment of the Settlement Amount will be made by the Debtors pursuant to the terms of the Settlement Agreement. If the District Court does not approve the Settlement Agreement, the United States and the State may seek appropriate relief as afforded under the laws at issue and proceed to a final judicial determination on the action or enter into an alternative settlement of the Federal/State Claims.

2. Neither this Stipulation, nor any actions taken pursuant hereto, shall (a) affect the rights of the Parties to assert any claims or defenses with respect to the Federal/State Claims, or (b) constitute evidence admissible against any of the Parties with respect to the Federal/State Claims.

3. The Parties each acknowledge and understand that this Stipulation does not constitute an admission or concession of liability by any Party.

4. Facsimile or other electronic copies of signatures on this Stipulation are acceptable, and a facsimile or other electronic copy of a signature is deemed an original.

5. This Stipulation may be executed in counterparts, each of which is deemed an original but, when taken together, constitute one and the same document.

Dated: April 21, 2017

JOON H. KIM
Acting United States Attorney for the
Southern District of New York

By: /s/ Arastu K. Chaudhury
ARASTU K. CHAUDHURY
Assistant United States Attorney
86 Chambers Street
New York, New York 10007
Telephone: 212-637-2633
Facsimile: 212-637-2750
arastu.chaudhury@usdoj.gov

Dated: April 21, 2017

ERIC T. SCHNEIDERMAN
New York State Attorney General

By: /s/ Maureen F. Leary

Maureen F. Leary
Andrew Gershon
Assistant Attorneys General
120 Broadway
New York, NY 10271
Telephone: (212) 416-8474
Counsel for the State of New York and the Department of Environmental Conservation

ED_002999_00002071-00005

Dated: April 21, 2017

MPM SILICONES, LLC, et al.,
Reorganized Debtors

By: /s/ Matthew A. Feldman

Matthew A. Feldman
Rachel C. Strickland
Jennifer J. Hardy
WILLKIE FARR & GALLAGHER LLP
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8000
Facsimile: (212) 728-8111
Counsel for the Reorganized Debtors

SO ORDERED

/s/Robert D. Drain

Dated: April 28, 2017
White Plains, New York

HONORABLE ROBERT D. DRAIN
U.S. BANKRUPTCY JUDGE

ED_002999_00002071-00006