

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re : Chapter 11
SOLUTIA INC., *et al.*, : Case No. 03-17949 (PCB)
Debtors. : (Jointly Administered)
-----X

THIS PLAN APPLIES TO:

<input checked="" type="checkbox"/> All Debtors	<input type="checkbox"/> Axio Research Corporation
<input type="checkbox"/> Solutia Inc.	<input type="checkbox"/> Solutia Investments, LLC
<input type="checkbox"/> Solutia Business Enterprises Inc.	<input type="checkbox"/> Beamer Road Management Company
<input type="checkbox"/> Solutia Systems, Inc.	<input type="checkbox"/> Monchem, Inc.
<input type="checkbox"/> Solutia Overseas, Inc.	<input type="checkbox"/> Solutia Inter-America, Inc.
<input type="checkbox"/> CPFilms Inc.	<input type="checkbox"/> Solutia International Holding, LLC
<input type="checkbox"/> Solutia Management Company, Inc.	<input type="checkbox"/> Solutia Taiwan, Inc.
<input type="checkbox"/> Monchem International, Inc.	<input type="checkbox"/> Solutia Greater China, Inc.

SOLUTIA'S FIFTH AMENDED JOINT PLAN OF REORGANIZATION

KIRKLAND & ELLIS LLP
Citigroup Center
153 East 53rd Street
New York, New York 10022-4611
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
Richard M. Cieri (RC 6062)
Jonathan S. Henes (JH 1979)
Colin M. Adams (CA 2913)

Attorneys for the Debtors and Debtors in
Possession

Dated: October 19, 2007

TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
ARTICLE I DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME	1
A. Defined Terms.....	1
1. “2027 Notes”.....	1
2. “2037 Notes”.....	1
3. “Abernathy Settlement Agreement”.....	1
4. “Ad Hoc Notes Committee”.....	1
5. “Ad Hoc Trade Committee”.....	1
6. “ACE Companies”.....	1
7. “ACE Insurance Program”.....	2
8. “ACE Settlement Agreement”.....	2
9. “Administrative Expense Claim”.....	2
10. “Administrative Expense Claim Bar Date”.....	2
11. “Affiliate”.....	2
12. “Allowed Claim”.....	2
13. “Allowed . . . Claim”.....	3
14. “Anniston Consent Decree”.....	3
15. “Anniston Global Settlement Agreement”.....	3
16. “Anniston Litigation Settlement Agreements”.....	3
17. “Anniston Side Letter Agreement”.....	3
18. “Avoidance Actions”.....	3
19. “Axio Claims”.....	3
20. “Axio Liquidation Sale”.....	3
21. “Backstop Approval Order”.....	3
22. “Backstop Commitment Agreement”.....	3
23. “Backstop Investors”.....	3
24. “Backstop Pool”.....	3
25. “Ballot”.....	3
26. “Bankruptcy Code”.....	4
27. “Bankruptcy Court”.....	4
28. “Bankruptcy Rules”.....	4
29. “Bar Date”.....	4
30. “Bar Date Order”.....	4
31. “Business Day”.....	4
32. “Cash”.....	4
33. “Causes of Action”.....	4
34. “CERCLA”.....	4
35. “Chapter 11 Cases”.....	4
36. “Chemicals Assets”.....	4
37. “Chemicals Liabilities”.....	4
38. “Chocolate Bayou Agreements”.....	4
39. “Chocolate Bayou Settlement”.....	5
40. “Claim”.....	5
41. “Claim Transfer Option”.....	5
42. “Claim Transfer Procedures”.....	5
43. “Claim Transfer Rights”.....	5
44. “Claims Objection Deadline”.....	5

TABLE OF CONTENTS
(continued)

		<u>Page</u>
45.	“Class”	5
46.	“Commercial and Operating Agreements”	5
47.	“Confirmation”	5
48.	“Confirmation Date”	5
49.	“Confirmation Hearing”	5
50.	“Confirmation Order”	5
51.	“Consummation”	5
52.	“Convenience Claims”	5
53.	“CPFilms Claims”	6
54.	“Creditors’ Committee”	6
55.	“Debtor Intercompany Claim”	6
56.	“DIP Claims”	6
57.	“DIP Credit Facility”	6
58.	“DIP Lender”	6
59.	“Directors’ and Officer Indemnity Claims”	6
60.	“Disclosure Statement Hearing”	6
61.	“Disclosure Statement Order”	6
62.	“Disputed Claim”	6
63.	“Disputed Claims Reserve”	6
64.	“Disputed General Unsecured Claims Reserve”	6
65.	“Disputed General Unsecured Claim”	6
66.	“Distribution”	7
67.	“Distribution Agreement”	7
68.	“Distribution Date”	7
69.	“Distribution Record Date”	7
70.	“Effective Date”	7
71.	“Eligible Claim Transfer Shareholders”	7
72.	“Eligible Holders”	7
73.	“Eligible Claim Transfer Holders”	7
74.	“Eligible Shareholders”	7
75.	“Entity”	7
76.	“Environmental Liability”	7
77.	“Environmental Liability Costs”	7
78.	“Equity Committee”	7
79.	“Equity Committee Adversary Proceeding”	7
80.	“Equity Interest”	7
81.	“Equity Purchase”	8
82.	“Equity Purchase Procedures”	8
83.	“Equity Purchase Rights”	8
84.	“ERISA”	8
85.	“Estate” and, collectively, “Estates”	8
86.	“Exchange Act”	8
87.	“Executory Contract and/or Unexpired Lease”	8
88.	“Exit Financing Facility”	8
89.	“Exit Financing Facility Agent Bank”	8
90.	“Exit Financing Facility Commitment Letter”	8
91.	“Final Order”	8
92.	“Formalin Purchase Agreement”	8
93.	“Funding Co”	8
94.	“General Unsecured Claims”	8
95.	“Global Settlement”	9

TABLE OF CONTENTS
(continued)

		<u>Page</u>
96.	“HCN Purchase Agreement”.....	9
97.	“HMD Purchase Agreement”.....	9
98.	“HMTA Purchase Agreement”.....	9
99.	“Holdback Amount”.....	9
100.	“Holdback Escrow Account”.....	9
101.	“Holder” and, collectively, “Holders”.....	9
102.	“HSR Act”.....	9
103.	“Impaired”.....	9
104.	“Impaired Claim”.....	9
105.	“Impaired Class”.....	9
106.	“Incentive Plan”.....	9
107.	“Insured Claims”.....	10
108.	“Internal Revenue Code”.....	10
109.	“IRS”.....	10
110.	“Legacy Claims”.....	10
111.	“Legacy Sites”.....	10
112.	“Legacy Site Claims”.....	10
113.	“Legacy Tort Claims”.....	10
114.	“Lien”.....	11
115.	“Master Operating Agreement”.....	11
116.	“Monsanto”.....	11
117.	“Monsanto Claim”.....	12
118.	“Monsanto Contribution”.....	12
119.	“Monsanto/Pharmacia Injunction”.....	12
120.	“Monsanto’s Professionals”.....	12
121.	“Monsanto Settlement Agreement”.....	12
122.	“Monsanto Tort Management”.....	12
123.	“National Securities Exchange”.....	12
124.	“New By-laws”.....	12
125.	“New Certificate of Incorporation”.....	12
126.	“New Common Stock”.....	12
127.	“Nominee”.....	13
128.	“Non-Debtor Intercompany Claim”.....	13
129.	“Noteholder Claims”.....	13
130.	“NRD Claims”.....	13
131.	“NYSE”.....	13
132.	“Ordinary Course Professionals Order”.....	13
133.	“PBGC”.....	13
134.	“PCBs”.....	13
135.	“Pension Plan”.....	13
136.	“Person”.....	13
137.	“Petition Date”.....	13
138.	“Pharmacia”.....	13
139.	“Pharmacia Contribution”.....	13
140.	“Pharmacia Claims”.....	13
141.	“Plan Documents”.....	13
142.	“Plan Support Agreement”.....	14
143.	“Plan Supplement”.....	14
144.	“Prepetition Indenture”.....	14
145.	“Prepetition Indenture Charging Lien”.....	14
146.	“Prepetition Indenture Trustee”.....	14

TABLE OF CONTENTS
(continued)

		<u>Page</u>
147.	“Prepetition Indenture Trustee Adversary Proceeding”	14
148.	“Priority Non-Tax Claim”	14
149.	“Priority Tax Claim”	14
150.	“Pro Rata”	14
151.	“Professional”	15
152.	“Professional Fee Claims”	15
153.	“Professional Fee Order”	15
154.	“Quarterly Distribution Date”	15
155.	“Registration Rights Agreement”	15
156.	“Reinstated” or “Reinstatement”	15
157.	“Reorganized . . .”	16
158.	“Restructuring Transactions”	16
159.	“Restructuring Transactions Agreement”	16
160.	“Retained Sites”	16
161.	“Retirees”	16
162.	“Retiree Approval Order”	16
163.	“Retiree Benefits”	16
164.	“Retiree Claim”	16
165.	“Retirees’ Committee”	16
166.	“Retiree Settlement Agreement”	16
167.	“Retiree Trust”	16
168.	“Rights”	16
169.	“Rights Offering”	16
170.	“Rights Offering Procedures”	16
171.	“Rights Subscription Exercise Form”	17
172.	“Sauget Administrative Orders”	17
173.	“Schedules”	17
174.	“Secured Claim”	17
175.	“Securities Act”	17
176.	“Security Claims”	17
177.	“Senior Secured Notes”	17
178.	“Senior Secured Note Claims”	17
179.	“Senior Secured Notes Guarantors”	17
180.	“Senior Secured Notes Indenture”	17
181.	“Senior Secured Notes Indenture Charging Lien”	17
182.	“Senior Secured Notes Trustee”	18
183.	“Separation Agreement”	18
184.	“Settled Adversary Proceedings”	18
185.	“Shared Sites”	18
186.	“SIP Plan”	18
187.	“Solutia Tort Claims”	18
188.	“Spinoff”	18
189.	“Spinoff Indemnity Claim”	18
190.	“Stipulation of Amount and Nature of Claim”	18
191.	“Stock Pool”	18
192.	“Subsidiary” or “Subsidiaries”	18
193.	“Tolbert Settlement Agreement”	18
194.	“Tort Claims”	18
195.	“Treasury Regulations”	19
196.	“Undeliverable Distribution”	19
197.	“Uniform Commercial Code”	19

TABLE OF CONTENTS
(continued)

	<u>Page</u>
198. "Unimpaired"	19
199. "Unimpaired Claim"	19
200. "Unimpaired Class"	19
201. "United States of America"	19
202. "Unsecured Claim"	19
203. "Voting Agent"	19
204. "Voting Deadline"	19
205. "Voting Record Date"	19
206. "Warrants"	19
207. "Warrant Agreement"	19
B. Rules of Interpretation and Computation of Time	20
1. Rules of Interpretation	20
2. Computation of Time	20
 ARTICLE II CLASSES OF CLAIMS AND EQUITY INTERESTS	 21
 ARTICLE III TREATMENT OF CLAIMS AND EQUITY INTERESTS	 22
A. Unclassified Claims	22
1. Payment of Administrative Expense Claims	22
2. Payment of Priority Tax Claims	24
B. Classes of Claims	24
1. Priority Non-Tax Claims (Class 1)	24
2. Secured Claims (Class 2)	24
3. Senior Secured Note Claims (Class 3)	25
4. Convenience Claims (Class 4)	25
5. CPFilms Claims (Class 5)	26
6. NRD Claims (Class 6)	26
7. Insured Claims (Class 7)	26
8. Tort Claims (Class 8)	27
9. Legacy Site Claims (Class 9)	27
10. Equity Interests in all Debtors other than Solutia (Class 10)	28
11. Monsanto Claim (Class 11)	28
12. Noteholder Claims (Class 12)	28
13. General Unsecured Claims (Class 13)	29
14. Retiree Claim (Class 14)	29
15. Pharmacia Claims (Class 15)	29
16. Non-Debtor Intercompany Claims (Class 16)	30
17. Debtor Intercompany Claims (Class 17)	30
18. Axio Claims (Class 18)	30
19. Security Claims (Class 19)	30
20. Equity Interests in Solutia (Class 20)	31
 ARTICLE IV ACCEPTANCE OR REJECTION OF THE PLAN	 32
A. Special Provisions Governing Unimpaired Claims	32
B. Classes Entitled to Vote	32
C. Cramdown	32
 ARTICLE V MEANS FOR IMPLEMENTATION OF THE PLAN	 33
A. General Settlement of Claims	33
B. The Global Settlement	33
1. The Distribution Agreement	33

TABLE OF CONTENTS
(continued)

	<u>Page</u>
2. Monsanto Settlement Agreement	34
3. Commercial and Operating Agreements	34
4. Monsanto Tort Management	34
5. Monsanto's Settlement of Adversary Proceedings, Contested Matters, Disputes and Monsanto Claims	34
6. Monsanto's Professionals.....	34
7. Monsanto Administrative Claim	35
8. Pharmacia Contribution.....	35
9. Settlement With Retirees.....	35
10. Settled Adversary Proceedings.....	35
11. Settlement of the Prepetition Trustee Adversary Proceeding.....	36
12. Settlement of the Equity Committee Adversary Proceeding.....	36
13. Payment of Professional Fees.....	36
14. Solutia's Assumption of Certain Environmental Liabilities.....	37
C. Restructuring Transactions.....	38
D. Continued Corporate Existence and Vesting of Assets in the Reorganized Debtors	38
E. Execution of Plan Documents	38
F. Corporate Governance, Directors and Officers and Corporate Action of the Reorganized Debtors	39
1. New Certificates of Incorporation and New By-Laws	39
2. Directors and Officers of the Reorganized Debtors	39
3. Corporate Action	39
4. The New Common Stock	40
G. Exit Financing Facility, Obtaining Cash for Distributions and Transfers of Funds Among the Debtors	40
H. The Rights Offering.....	40
1. Use of Rights Offering Proceeds.....	40
2. Rights Offering Procedures	40
3. Rights Offering Backstop.....	41
I. Funding Co.....	41
J. Incentive Plan.....	41
K. Release of Liens and Guarantee Claims	41
L. Cancellation of Existing Securities and Agreements	41
M. Limitations on Transfers of Equity Interests in Solutia During the Chapter 11 Cases.....	42
N. Effectuating Documents	42
O. Employment and Other Benefits Programs.....	42
ARTICLE VI TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES	44
A. Assumption and Rejection of Executory Contracts and Unexpired Leases	44
B. Claims Based on Rejection of Executory Contracts or Unexpired Leases.....	44
C. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed.....	44
D. Insurance Policies.....	45
1. ACE Settlement.....	45
E. Anniston Settlement	45
F. Assumption of Pension Obligations	45
G. Contracts and Leases Entered Into After the Petition Date	46
ARTICLE VII PROVISIONS GOVERNING DISTRIBUTIONS	47
A. Allowed Noteholder Claims	47

TABLE OF CONTENTS
(continued)

	<u>Page</u>
B. Distributions for Claims Allowed as of the Effective Date.....	47
C. Distributions for Holders of Equity Interests in Solutia.....	47
D. Delivery of Distributions.....	47
E. Delivery and Distributions and Undeliverable or Unclaimed Distributions	47
1. Delivery of Distributions in General.....	47
2. Undeliverable Distributions	48
F. Compliance with Tax Requirements/Allocations.....	48
G. Record Date for Distribution to Holders of Claims.....	48
H. Record Date for Distribution to Holders of Equity Interests in Solutia	49
I. Distributions of Whole Shares, Warrants, Equity Purchase Rights and Claim Transfer Rights Only	49
J. Set-offs and Recoupments.....	49
K. Surrender of Cancelled Instruments or Securities	49
L. Disputed Claims Reserve	50
1. Deposit of Cash on the Effective Date	50
2. Distribution After Allowance	50
3. Distributions After Disallowance.....	50
4. Property Held in the Disputed Claims Reserve.....	50
M. Disputed General Unsecured Claims Reserve.....	51
1. Deposit of New Common Stock on the Effective Date.....	51
2. Distributions After Allowance	51
3. Distributions After Disallowance.....	51
4. Property Held in Disputed General Unsecured Claims Reserve.....	52
 ARTICLE VIII PROCEDURES FOR TREATING DISPUTED General Unsecured CLAIMS.....	 53
A. Objections to Claims	53
B. General Unsecured Claims Monitor.....	53
C. No Distributions Pending Allowance.....	54
D. Estimation of Claims.....	54
 ARTICLE IX CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN.....	 55
A. Condition Precedent to Confirmation.....	55
B. Conditions Precedent to Effective Date	56
C. Effect of Failure of Conditions.....	57
D. Waiver of Conditions	57
 ARTICLE X INJUNCTIONS, RELEASES, EXCULPATION AND DISCHARGE	 58
A. Injunctions.....	58
1. DEBTORS' INJUNCTION.....	58
2. MONSANTO/PHARMACIA INJUNCTION.....	58
B. Releases.....	59
1. RELEASES BY THE DEBTORS.....	59
2. RELEASES BY HOLDERS OF CLAIMS AND EQUITY INTERESTS.....	60
3. RETIREE RELEASE AND INJUNCTION.....	61
C. EXCULPATION AND LIMITATION OF LIABILITY	62
D. DISCHARGE OF CLAIMS AND TERMINATION OF EQUITY INTERESTS.....	62
 ARTICLE XI RETENTION OF JURISDICTION	 64
A. Retention of Jurisdiction	64

TABLE OF CONTENTS
(continued)

	<u>Page</u>
ARTICLE XII MISCELLANEOUS PROVISIONS	66
A. Binding Effect	66
B. Preservation of Avoidance Actions	66
C. Claims of the United States of America	66
D. Applicability of Section 1125(e) of the Bankruptcy Code	66
E. Dissolution of the Creditors' Committee, Retirees' Committee and Equity Committee	66
F. Payment of Statutory Fees	67
G. Modification of the Plan	67
H. Severability	67
I. Revocation or Withdrawal of the Plan	68
J. Section 1145 Exemption	68
K. Section 1146 Exemption	68
L. Notices	68
1. The Debtors and the Reorganized Debtors	68
2. The Creditors' Committee	69
3. The Retirees' Committee	69
4. The Equity Committee	69
5. The DIP Lenders	70
6. The United States Trustee	70
7. Monsanto	70
8. Pharmacia	71
M. Governing Law	71

TABLE OF EXHIBITS

Exhibit A	Monsanto Settlement Agreement
Exhibit B	Retiree Settlement Agreement
Exhibit C	Exit Financing Facility Commitment Letter
Exhibit D	Form of New Bylaws
Exhibit E	Form of New Certificates of Incorporation
Exhibit F	Initial Directors and Officers of Each Reorganized Debtor
Exhibit G	List of Executory Contracts and Unexpired Leases to be Assumed
Exhibit H	Rights Offering Procedures
Exhibit I	Incentive Plan
Exhibit J	Registration Rights Agreement
Exhibit K	Plan Support Agreement
Exhibit L	Claim Transfer Procedures
Exhibit M	Restructuring Transactions Agreement
Exhibit N	Warrant Agreement
Exhibit O	Equity Purchase Procedures
Exhibit P	Backstop Commitment Agreement

INTRODUCTION

Solutia Inc. ("Solutia"), together with its direct and indirect subsidiaries and its Affiliates Solutia Business Enterprises Inc., Solutia Systems, Inc., Solutia Overseas, Inc., CPFilms Inc. ("CPFilms"), Solutia Management Company, Inc., Monchem International, Inc., Axio Research Corporation, Solutia Investments, LLC, Beamer Road Management Company, Monchem, Inc., Solutia Inter-America, Inc., Solutia International Holding, LLC, Solutia Taiwan, Inc. and Solutia Greater China, Inc., as debtors and debtors in possession (collectively, the "Debtors"), propose this amended joint plan of reorganization (the "Plan") for the resolution of the outstanding claims against, and equity interests in, the Debtors. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code (as defined below). Reference is made to the Debtors' disclosure statement, which was approved by the Bankruptcy Court on October 19, 2007 (the "Disclosure Statement"), for a discussion of the Debtors' history, businesses, results of operations, historical financial information, accomplishments during the Chapter 11 Cases (as defined below), projections and properties, and for a summary and analysis of this Plan and the settlements contemplated herein and the Plan Documents. There also are other agreements and documents, which are or will be filed with the Bankruptcy Court, that are referenced in this Plan or the Disclosure Statement.

ARTICLE I

DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

A. Defined Terms

As used in this Plan, capitalized terms have the meanings set forth below or in the Introduction above. Any terms that are not otherwise defined herein, but that are used in the Bankruptcy Code or the Bankruptcy Rules (each as defined below), will have the meaning ascribed to them in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1. "2027 Notes" means the \$300 million in 7.375% unsecured public notes due October 15, 2027, issued by Solutia.
2. "2037 Notes" means the \$150 million in 6.72% unsecured public notes due October 15, 2037, issued by Solutia.
3. "Abernathy Settlement Agreement" means that certain settlement agreement, dated September 9, 2003, resolving the lawsuit captioned *Sabrina Abernathy v. Monsanto Company*, Civil Action No. CY-01-832 (Etowah County).
4. "Ad Hoc Notes Committee" means the *ad hoc* committee of Holders of the 2027 Notes and the 2037 Notes.
5. "Ad Hoc Trade Committee" means the *ad hoc* committee of Holders of trade claims in Solutia.
6. "ACE Companies" means, collectively, ACE American Insurance Company, Indemnity Insurance Company of North America, ACE Insurance Company of Puerto Rico, Pacific Employers Insurance Company, Insurance Company of North America, ESIS, Inc. ("ESIS") and their respective affiliates.

7. **“ACE Insurance Program”** means all insurance policies and all agreements, documents or instruments relating thereto that have been issued or entered into by the ACE Companies (or any of them) to or with one or more of the Debtors, their respective predecessors and/or affiliates including, but not limited to, Monsanto. The ACE Insurance Program includes, without limitation: (i) Consent and Agreement regarding Assumption of Insurance Obligations, effective September 1, 1997, by and among Monsanto, Solutia and INA on behalf of the ACE Companies, (ii) that certain OCIP/Wrap-Up Casualty Insurance Program Agreement effective August 1, 1998 between Solutia and certain of the ACE Companies (“OCIP Agreement”) and (iii) those certain service agreements with ESIS (“ESIS Agreements”) under which ESIS provides the Debtors with certain claims administration services.

8. **“ACE Settlement Agreement”** means the settlement agreement to be executed by and among the ACE Companies and the Debtors pursuant to which the Debtors will assume the ACE Insurance Program in its entirety and pay the cure costs related thereto.

9. **“Administrative Expense Claim”** means a Claim for costs and expenses of administering the Estates that is Allowed under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the respective Estates and operating the businesses of the Debtors (such as wages, salaries, commissions for services and payments for inventories, leased equipment and premises), including DIP Claims; (b) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses awarded or allowed under sections 330(a) or 331 of the Bankruptcy Code, including Professional Fee Claims; (c) all fees and charges assessed against the Estates under chapter 123 of title 28, United States Code, 28 U.S.C. §§ 1911-1930; (d) Claims for reclamation allowed in accordance with section 546(c)(2) of the Bankruptcy Code and section 2-702 of the Uniform Commercial Code; (e) the fees and expenses payable pursuant to Section V.B.13 hereof; and (f) the administrative claims and professional fees and expenses payable to Monsanto pursuant to Sections V.B.6 and V.B.7 hereof.

10. **“Administrative Expense Claim Bar Date”** means the date that is the forty-fifth (45th) day after the Effective Date.

11. **“Affiliate”** means, with respect to any Person or Entity, a Person or Entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person or Entity; provided, however, that in no event shall any of Monsanto, Solutia, Reorganized Solutia or Pharmacia be considered to be Affiliates for purposes of the Plan.

12. **“Allowed Claim”** means:

a. a Claim that: (i) has been listed by a particular Debtor on its Schedules as other than disputed, contingent or unliquidated; and (ii) is not otherwise a Disputed Claim;

b. a Claim (i) for which a proof of Claim or request for payment of Administrative Claim has been filed by the applicable Bar Date or otherwise been deemed timely filed under applicable law or order of the Bankruptcy Court; (ii) as to which the Claims Objection Deadline has passed; and (iii) that is not otherwise a Disputed Claim; or

c. a Claim that is allowed: (i) in any Stipulation of Amount and Nature of Claim; (ii) in any contract, instrument or other agreement entered into in connection with the Plan and approved by the Bankruptcy Court; (iii) in a Final Order; or (iv) pursuant to the terms of the Plan.

13. **“Allowed . . . Claim”** means an Allowed Claim in the particular Class or category specified. Any reference herein to a particular Allowed Claim includes both the secured and unsecured portions of such Claim, as applicable.
14. **“Anniston Consent Decree”** means the Partial Consent Decree entered by the District Court for the Northern District of Alabama on August 9, 2003, among the United States, Pharmacia and Solutia with respect to the Anniston Superfund Site in Anniston, Alabama.
15. **“Anniston Global Settlement Agreement”** means that certain Global Settlement Agreement, dated September 9, 2003, among Solutia, Monsanto and Pharmacia, which resolved certain lawsuits pending against Solutia, Monsanto and Pharmacia in the United States District Court, Northern District of Alabama and in the Circuit Court, Etowah County, Alabama and was approved by those courts.
16. **“Anniston Litigation Settlement Agreements”** means the Abernathy Settlement Agreement together with the Tolbert Settlement Agreement.
17. **“Anniston Side Letter Agreement”** means that certain agreement, dated August 20, 2003, among Solutia, Monsanto and Pharmacia which sets forth their respective obligations under the Anniston Litigation Settlement Agreements.
18. **“Avoidance Actions”** means any and all actual or potential Claims to avoid a transfer of property or an obligation incurred by the Debtor pursuant to any applicable section of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, 553(b) and 724(a) of the Bankruptcy Code.
19. **“Axio Claims”** means all Claims against Axio Research Corporation.
20. **“Axio Liquidation Sale”** means that certain sale of the assets of Axio Research Corporation authorized pursuant to that certain order of the Bankruptcy Court dated December 16, 2004.
21. **“Backstop Approval Order”** means that certain order of the Bankruptcy Court approving the Backstop Commitment Agreement.
22. **“Backstop Commitment Agreement”** means that certain agreement, dated October 15, 2007, among Solutia and the members of the Backstop Investors, annexed hereto as Exhibit P.
23. **“Backstop Investors”** means, collectively, Highland Crusader Holding Corporation, a Delaware corporation, Longacre Fund Management, L.L.C., a Delaware limited liability company, Merrill Lynch, Pierce, Fenner & Smith Incorporated, a Delaware corporation, GMAM Investment Funds Trust II, a trust organized under the laws of New Hampshire, ReCap International (Master) Ltd., a company organized under the laws of the British Virgin Islands, Institutional Benchmarks Series (Master Feeder) Ltd., a Bermuda segregated accounts company, solely with respect to the Muscida series, Southpaw Asset Management LP, a Delaware limited partnership and UBS Securities LLC, a Delaware limited liability company, each of which has agreed to backstop the Rights Offering pursuant to the terms of the Backstop Commitment Agreement.
24. **“Backstop Pool”** means 15% of the Rights.
25. **“Ballot”** means the ballot forms distributed to each Holder of an Impaired Claim on which the Holder may indicate, among other things, whether it accepts or rejects the Plan.

26. **"Bankruptcy Code"** means title 11 of the United States Code, as applicable to the Chapter 11 Cases.

27. **"Bankruptcy Court"** means the United States Bankruptcy Court for the Southern District of New York, which has jurisdiction over the Chapter 11 Cases and, to the extent of the withdrawal of any reference under section 157 of title 28 of the United States Code, the United States District Court for the Southern District of New York.

28. **"Bankruptcy Rules"** means, collectively, the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as applicable to the Chapter 11 Cases.

29. **"Bar Date"** means, with respect to Claims against the Debtors, (a) November 30, 2004, or (b) any other bar date for the filing of Claims established by (i) the Bar Date Order, (ii) a separate order of the Bankruptcy Court, (iii) a stipulation between or among the Debtors and a Holder in connection with the Chapter 11 Cases or (iv) a supplemental bar date established by the Debtors in accordance with the Bar Date Order.

30. **"Bar Date Order"** means that certain order of the Bankruptcy Court entered on October 1, 2004, which established a Bar Date for filing proofs of Claims in the Chapter 11 Cases, as the same may be amended, modified or supplemented.

31. **"Business Day"** means any day, other than a Saturday, Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

32. **"Cash"** means legal tender of the United States of America.

33. **"Causes of Action"** means all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims or any other claims whatsoever, whether known or unknown, matured or unmatured, fixed or contingent, liquidated or unliquidated, disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Cases, including through the Effective Date.

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

35. **"Chapter 11 Cases"** means (a) when used with reference to a particular Debtor, the chapter 11 case pending for that Debtor under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when used with reference to all Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

36. **"Chemicals Assets"** means the assets constituting "Chemicals Assets" as defined and set forth in the Distribution Agreement.

37. **"Chemicals Liabilities"** means the liabilities constituting "Chemicals Liabilities" as defined and set forth in the Distribution Agreement.

38. **"Chocolate Bayou Agreements"** means the Master Operating Agreement, the HMTA Purchase Agreement, and the HCN Purchase Agreement and the Formalin Purchase Agreement, the

agreements that define the relationship between Monsanto and Solutia at the Alvin, Texas "Chocolate Bayou" facility.

39. **"Chocolate Bayou Settlement"** means the settlement between Monsanto and Solutia to amend the Chocolate Bayou Agreements.

40. **"Claim"** means a "claim," as defined in section 101(5) of the Bankruptcy Code, against any Debtor.

41. **"Claim Transfer Option"** means the right of an Eligible Claim Transfer Holder to elect to transfer its Allowed General Unsecured Claim of less than \$100,000 but more than \$2,500, pursuant to the Claim Transfer Procedures, for Cash in an amount equal to 52.35% of the Allowed amount of such General Unsecured Claim to Eligible Claim Transfer Shareholders.

42. **"Claim Transfer Procedures"** means those certain Claim Transfer Procedures setting forth the terms and conditions of the Claim Transfer Rights and the Claim Transfer Option, in substantially the form annexed hereto as Exhibit L.

43. **"Claim Transfer Rights"** means the right, subject to the Claim Transfer Option, of Eligible Claim Transfer Shareholders to purchase Allowed General Unsecured Claims of less than \$100,000 but greater than \$2,500 (including the Rights related to such Allowed General Unsecured Claims) for Cash pursuant to the Claim Transfer Procedures.

44. **"Claims Objection Deadline"** means, for each Claim, the later of (a) 90 days after the Effective Date and (b) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court for objecting to such Claim.

45. **"Class"** means a class of Claims or Equity Interests, as described in Article II herein.

46. **"Commercial and Operating Agreements"** means the Master Operating Agreement, the HMD Purchase Agreement, the HMTA Purchase Agreement, the HCN Purchase Agreement and the Formalin Purchase Agreement.

47. **"Confirmation"** means the entry of the Confirmation Order on the docket of the Chapter 11 Cases.

48. **"Confirmation Date"** means the date on which the Bankruptcy Court enters the Confirmation Order on its docket, within the meaning of Bankruptcy Rules 5003 and 9021.

49. **"Confirmation Hearing"** means the hearing held by the Bankruptcy Court on Confirmation of the Plan, as such hearing may be continued from time to time.

50. **"Confirmation Order"** means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

51. **"Consummation"** means the occurrence of the Effective Date.

52. **"Convenience Claims"** means a Claim that otherwise would be a General Unsecured Claim included in Class 13, but (a) the amount of such Claim is equal to or less than \$2,500 or (b) the Holder of such Claim, in full settlement of such Claim, agrees, by the applicable voting deadline as

specified in the Disclosure Statement, pursuant to an election made by such Holder on its Ballot, to reduce such Claim to \$2,500.

53. **"CPFilms Claims"** means all Claims, other than Non-Debtor Intercompany Claims, Debtor Intercompany Claims and Legacy Claims, scheduled by or filed against CPFilms.

54. **"Creditors' Committee"** means the official committee of unsecured creditors of the Debtors appointed by the United States Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, as reconstituted from time to time.

55. **"Debtor Intercompany Claim"** means any Claim of one Debtor against another Debtor.

56. **"DIP Claims"** means all Claims arising under or pursuant to the DIP Credit Facility.

57. **"DIP Credit Facility"** means that certain Financing Agreement, dated as of January 16, 2004, as amended on March 1, 2004, July 20, 2004, June 1, 2005, March 17, 2006, and January 25, 2007, among Solutia and Solutia Business Enterprises Inc, as borrowers, all of the other Debtors, as guarantors, Citicorp USA, Inc., as administrative, collateral and documentation agent, and Citibank, N.A., as Issuer, and the lenders party thereto, as the same may be amended from time to time prior to the Confirmation Date.

58. **"DIP Lender"** means, collectively, (a) those entities identified as "Lenders" in the DIP Credit Facility and their respective successors and assigns and (b) Citibank, N.A. (as Issuer).

59. **"Directors' and Officer Indemnity Claims"** means all Claims filed by the Debtors' current and former directors, officers and employees for indemnification or contribution.

60. **"Disclosure Statement Hearing"** means the hearing held by the Bankruptcy Court regarding the approval of the Disclosure Statement.

61. **"Disclosure Statement Order"** means that certain order of the Bankruptcy Court entered on October 19, 2007, which is annexed as Exhibit B to the Disclosure Statement.

62. **"Disputed Claim"** means any Claim which is not an Allowed Claim.

63. **"Disputed Claims Reserve"** means the reserve established and maintained by the Reorganized Debtors to hold Cash to be distributed, as applicable, to Holders of Allowed Claims other than Allowed General Unsecured Claims and Allowed Noteholder Claims pending resolution of Disputed Claims (other than Disputed General Unsecured Claims and Disputed Noteholder Claims) in accordance with the terms of Section VII.L hereof.

64. **"Disputed General Unsecured Claims Reserve"** means the reserve established and maintained by the Reorganized Debtors to hold the shares of New Common Stock to be Distributed, as applicable, to Holders of Allowed General Unsecured Claims and Allowed Noteholder Claims pending the resolution of Disputed General Unsecured Claims in accordance with the terms of Section VII.L hereof.

65. **"Disputed General Unsecured Claim"** means any General Unsecured Claim that, as of the date of determination, is a Disputed Claim.

66. **“Distribution”** means any distribution made under the Plan to a Holder of an Allowed Claim.
67. **“Distribution Agreement”** means that certain agreement, dated as of September 1, 1997, as amended on July 1, 2002 and otherwise from time to time, by and between Solutia and Pharmacia.
68. **“Distribution Date”** means any date on which a Distribution is made.
69. **“Distribution Record Date”** means the date that is five Business Days after the Confirmation Date.
70. **“Effective Date”** means the day that is the first Business Day after all conditions to occurrence of the Effective Date have been met or waived pursuant to Sections IX.B and IX.D hereof.
71. **“Eligible Claim Transfer Shareholders”** means the Holders of Equity Interests in Solutia who are eligible, pursuant to the Claim Transfer Procedures, to receive Claim Transfer Rights.
72. **“Eligible Holders”** means the Holders of General Unsecured Claims (including Eligible Claim Transfer Shareholders who have purchased Allowed General Unsecured Claims pursuant to the Claim Transfer Option) and the Holders of Noteholder Claims who are eligible, pursuant to the Rights Offering Procedures, to participate in the Rights Offering.
73. **“Eligible Claim Transfer Holders”** means the Holders of Allowed General Unsecured Claims who are eligible, pursuant to the Claim Transfer Procedures, to participate in the Claim Transfer Option.
74. **“Eligible Shareholders”** means the Holders of common stock of Solutia who are eligible, pursuant to the Equity Purchase Procedures, to participate in the Equity Purchase.
75. **“Entity”** shall have the meaning set forth in section 101(15) of the Bankruptcy Code.
76. **“Environmental Liability”** means any liability constituting an “Environmental Liability” as defined and set forth in the Monsanto Settlement Agreement.
77. **“Environmental Liability Costs”** means any costs constituting “Environmental Liability Costs” as defined and set forth in the Monsanto Settlement Agreement.
78. **“Equity Committee”** means the official committee of equity security holders of the Debtors appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, as reconstituted from time to time.
79. **“Equity Committee Adversary Proceeding”** means the adversary proceeding filed on March 7, 2005 by the Equity Committee against Pharmacia and Monsanto, Case No. 05-01202.
80. **“Equity Interest”** means any share of common stock, preferred stock or other instrument evidencing an ownership interest in any of the Debtors, including any and all shares of treasury stock, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interest.

81. **“Equity Purchase”** means the offering of up to 17% of the New Common Stock by the Debtors to Eligible Shareholders pursuant to the terms and conditions set forth in the Equity Purchase Procedures.
82. **“Equity Purchase Procedures”** means those certain Equity Purchase Procedures, setting forth the terms and conditions of the Equity Purchase, in substantially the form annexed hereto as Exhibit O.
83. **“Equity Purchase Rights”** means the rights of Eligible Shareholders to participate in the Equity Purchase pursuant to the Equity Purchase Procedures.
84. **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.
85. **“Estate”** and, collectively, **“Estates”** means the estate created for that Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.
86. **“Exchange Act”** means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a-78jj, as now in effect or hereafter amended.
87. **“Executory Contract and/or Unexpired Lease”** means a contract or lease to which one or more of the Debtors is a party and that is subject to assumption or rejection under section 365 of the Bankruptcy Code.
88. **“Exit Financing Facility”** means one or more senior secured credit facilities or arrangements that will be entered into by the Reorganized Debtors, the Exit Financing Facility Agent Bank and the relevant lenders on the Effective Date.
89. **“Exit Financing Facility Agent Bank”** means the agent bank under the Exit Financing Facility.
90. **“Exit Financing Facility Commitment Letter”** means one or more binding commitment letters that set forth a commitment to fund the Exit Financing Facility.
91. **“Final Order”** means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in the Chapter 11 Cases or the docket of any other court of competent jurisdiction, which has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari has expired, and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought.
92. **“Formalin Purchase Agreement”** means the Raw Material Purchase Agreement for Formalin dated September 1, 1997, as amended on April 1, 1999 and on September 26, 2003, between Solutia and Monsanto (as assignee of Pharmacia).
93. **“Funding Co”** means a newly created, special purpose, tax-efficient, bankruptcy-remote subsidiary of Reorganized Solutia, funded with certain proceeds of the Rights Offering.
94. **“General Unsecured Claims”** means Unsecured Claims, other than Convenience Claims, Debtor Intercompany Claims, Insured Claims (only to the extent that such Insured Claims are

payable by any available insurance coverage proceeds), the Noteholder Claims, the Monsanto Claim, Non-Debtor Intercompany Claims, NRD Claims, the Pharmacia Claims, the Legacy Site Claims, the Retiree Claim, Unsecured Claims against Axio Research Corporation, CPFilms Claims, Senior Secured Note Claims and Tort Claims.

95. **"Global Settlement"** means, as described in more detail in Section V.B hereof, the settlement between and among Monsanto, Solutia, the Creditors' Committee, the Ad Hoc Trade Committee, the Retirees' Committee, the Prepetition Indenture Trustee, the Ad Hoc Notes Committee and the Equity Committee.

96. **"HCN Purchase Agreement"** means the Raw Material Purchase Agreement for HCN dated September 1, 1997, as amended on April 1, 1999, between Solutia and Monsanto (as assignee of Pharmacia).

97. **"HMD Purchase Agreement"** means the Raw Material Purchase Agreement for HMD dated September 1, 1997, as amended from time to time, between Solutia and Monsanto (as assignee of Pharmacia).

98. **"HMTA Purchase Agreement"** means the Raw Material Conversion Agreement for HMTA dated September 1, 1997, as amended on April 1, 1999, between Solutia and Monsanto (as assignee of Pharmacia).

99. **"Holdback Amount"** means the aggregate holdback of those Professional fees billed to the Debtors during the Chapter 11 Cases that are held back pursuant to the Professional Fee Order or any other order of the Bankruptcy Court, which amount is to be deposited in the Holdback Escrow Account as of the Effective Date. The Holdback Amount shall not be considered property of the Debtors or the Reorganized Debtors except as set forth in Section III.A.1.d.ii.a.(iii) hereof.

100. **"Holdback Escrow Account"** means the escrow account established by Reorganized Solutia into which Cash equal to the Holdback Amount shall be deposited on the Effective Date for the payment of Allowed Professional Fee Claims to the extent not previously paid or disallowed.

101. **"Holder"** and, collectively, **"Holders"** means a Person or Entity legally holding a Claim or Equity Interest.

102. **"HSR Act"** means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

103. **"Impaired"** means, with respect to a Claim or Equity Interest (or Class of Claims or Equity Interests), a Claim or Equity Interest (or Class of Claims or Equity Interests) that is impaired within the meaning of section 1124 of the Bankruptcy Code.

104. **"Impaired Claim"** means a Claim classified in an Impaired Class.

105. **"Impaired Class"** means each of Classes 5, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20 as set forth in Article III hereof.

106. **"Incentive Plan"** means the employee incentive plan to be implemented in accordance with Section V.K. hereof, in substantially the form annexed hereto as Exhibit I.

107. **“Insured Claims”** means any Claims (other than Tort Claims and Environmental Liabilities) that are covered under any insurance policies that are maintained by any of the Debtors, Pharmacia or Monsanto, but only to the extent of such coverage.

108. **“Internal Revenue Code”** means the Internal Revenue Code of 1986, as amended from time to time, and any applicable rulings, Treasury Regulations, judicial decisions and notices, announcements and other releases of the United States Treasury Department or the IRS.

109. **“IRS”** means the Internal Revenue Service of the United States of America.

110. **“Legacy Claims”** means all Claims, including, but not limited to, Legacy Tort Claims and Legacy Sites Claims, arising under or related to the Distribution Agreement, including any and all Claims relating to or arising out of the Spinoff, the Chemicals Liabilities and the Spinoff Indemnity Claims.

111. **“Legacy Sites”** means the “Legacy Sites” as defined and set forth in the Monsanto Settlement Agreement.

112. **“Legacy Site Claims”** means all Environmental Liability Costs with respect to the Legacy Sites.

113. **“Legacy Tort Claims”** means all legal, equitable or other claims, demands, costs, causes of action and/or other liabilities arising under tort law (including demands for indemnification or contribution relating to or arising out of any such liability, whether arising under contract, tort law or otherwise), whether currently asserted or asserted in the future, whether known or unknown:

(a) which constitute Chemicals Liabilities assumed by Solutia under the Distribution Agreement;

(b) for which Solutia was required to indemnify Monsanto and Pharmacia under the Distribution Agreement; and

(c) which are for property damage, personal injury, products liability or premises liability or other damages arising out of or related to exposure to asbestos, PCB, dioxin, benzene, vinyl chloride, silica, butadiene, pentachlorophenol, styrene tars, other chemical exposure or environmental contamination,

regardless of whether:

- i. any of the Debtors is, was or will be named as a defendant in any action commenced by or on behalf of the holder of such Legacy Tort Claim,
- ii. such holder has filed a proof of claim in the Chapter 11 Case, or
- iii. the alleged exposure occurred before or after the Spinoff.

“Legacy Tort Claims” also includes legal, equitable or other claims, demands, costs, causes of action and/or other liabilities arising against Solutia under tort law (including demands for indemnification or contribution relating to or arising out of any such liability, whether arising under contract, tort law or otherwise), whether currently asserted or asserted in the future, whether known or unknown, in circumstances where:

(u) the claims in question reflect the description contained in clause (c) of the first sentence of this definition;

(v) the property from which such chemical exposure or environmental contamination arose was previously owned by Pharmacia and transferred to Solutia in connection with the Spinoff;

(w) the claims arise from Solutia's conduct after the Spinoff;

(x) such conduct constituted the remediation, or non-remediation, of conditions which existed as of the Spinoff and were subject to Solutia's assumption of remediation obligations under the Distribution Agreement; and

(y) such conduct by Solutia was in accordance with federal or state environmental law or orders or was a continuation of activities conducted, or inactivity, by Pharmacia at the time of the Spinoff, provided, however, that in the case of non-remediation, such non-remediation must not have been in violation of federal or state environmental laws or orders,

regardless of whether:

- i. any of the Debtors is, was or will be named as a defendant in any action commenced by or on behalf of the holder of such Legacy Tort Claim, or
- ii. such holder has filed a proof of claim in the Chapter 11 Case.

"Legacy Tort Claims" shall not include, among other things: NRD Claims; claims for medical or retiree benefits, including retiree medical, disability and life insurance benefits; monitoring obligations with respect to PAB-exposed former employees; workers compensation claims brought solely pursuant to worker compensations statutes and not constituting or arising out of a claim, demand, cost, cause of action and/or other liability that would otherwise be defined as a "Legacy Tort Claim" herein; antitrust claims; commercial, business or contract claims; Environmental Liability Costs; any other remediation obligations covered by the terms of the Monsanto Settlement Agreement; Legacy Claims for "response" as defined under Section 101(25) of CERCLA; claims asserted in connection with any pension or similar obligations of Solutia, including (x) claims asserted in the actions entitled *Walker v. Monsanto Company Pension Plan*, No. 04-cv-436-DRH, *Scharringhausen v. Solutia Inc. Employees' Pension Plan*, No. 3:06CV00099, and the administrative charge entitled *Larry Probst v. Monsanto Company and Solutia, Inc.*, EEOC Charge Nos. 280 A 00618 through 280 A 00652, and any similar litigation and (y) claims asserted in the action entitled *Miller v. Pharmacia Corporation*, No. 4:04CV981, or any similar litigation; or (other than as may be provided in the second sentence of this definition) any claims, including claims for exposure to chemicals or other substances, arising from Solutia's conduct after the Spinoff.

114. **"Lien"** means any lien, lease, right of first refusal, servitude, claim, pledge, option, charge, hypothecation, easement, security interest, right-of-way, encroachment, mortgage, deed of trust or any other encumbrance, restriction or limitation whatsoever.

115. **"Master Operating Agreement"** means that certain Master Operating Agreement, dated as of September 1, 1997, as amended from time to time, by and between Solutia and Monsanto (as assignee of Pharmacia).

116. **"Monsanto"** means Monsanto Company, a Delaware corporation, and its Affiliates.

117. **“Monsanto Claim”** means any and all Claims of Monsanto, including all Claims of Monsanto on account of Solutia’s breach of the Distribution Agreement.

118. **“Monsanto Contribution”** means, among other things, (a) the Monsanto Tort Management, (b) Monsanto’s settlement of adversary proceedings (including the Settled Adversary Proceedings), contested matters, disputes and the Monsanto Claim, (c) Monsanto’s management, litigation and settlement of various Legacy Claims, including Legacy Tort Claims, from the Petition Date through the Effective Date, (d) Monsanto’s agreement to take financial responsibility, as between itself and Reorganized Solutia only, for the Legacy Site Claims and Environmental Liability for the Shared Sites, subject to the sharing mechanism set forth in the Monsanto Settlement Agreement, and (e) Monsanto’s agreement to (i) pay certain liabilities, including certain environmental liabilities as set forth in Section V.B herein and in the Monsanto Settlement Agreement, (ii) forever release the Debtors from any and all indemnity obligations owed to Monsanto arising under the Distribution Agreement and/or any other agreement (other than as set forth in the Monsanto Settlement Agreement and the Commercial and Operating Agreements), including any amendments to the Distribution Agreement, related to the Legacy Claims or otherwise, (iii) enter into the Monsanto Settlement Agreement and amend the Master Operating Agreement, (iv) waive any right to file surrogate Claims pursuant to Bankruptcy Rule 3005, (v) grant certain indemnities to the Reorganized Debtors pursuant to the terms of the Monsanto Settlement Agreement, and (vi) enter into the Chocolate Bayou Settlement.

119. **“Monsanto/Pharmacia Injunction”** means the injunction in favor of Monsanto and Pharmacia as set forth in Section X.A.2 hereof.

120. **“Monsanto’s Professionals”** means Willkie Farr & Gallagher LLP, Bryan Cave LLP, Boies, Schiller & Flexner LLP, Greenhill & Co., LLC, Kramer Capital Partners, Perella Weinberg Partners LP, Groom Law Group, ARCADIS, FTI Consulting, Dickstein Shapiro Morin & Oshinky LLP and Sonnenschein Nath & Rosenthal LLP, Environ, William Holder, The Weinberg Group, Inc., Navigant and BDO Seidman, LLP.

121. **“Monsanto Settlement Agreement”** means that certain Settlement Agreement, dated October 15, 2007, between and among Reorganized Solutia, Monsanto and Funding Co, annexed hereto as Exhibit A.

122. **“Monsanto Tort Management”** means Monsanto’s agreement to take financial responsibility, as between itself and Reorganized Solutia only, for the management and payment of the Legacy Tort Claims and to indemnify Reorganized Solutia for the Legacy Tort Claims, pursuant to the terms of the Monsanto Settlement Agreement.

123. **“National Securities Exchange”** means any exchange registered pursuant to Section 6(a) of the Exchange Act.

124. **“New By-laws”** means the form of the by-laws of each of the Reorganized Debtors, which form is annexed hereto as Exhibit D.

125. **“New Certificate of Incorporation”** means, the form of the certificates of incorporation of each of the Reorganized Debtors, which form is annexed hereto as Exhibit E.

126. **“New Common Stock”** means the shares of common stock, par value \$.01 per share, of Reorganized Solutia, authorized pursuant to the New Certificate of Incorporation of Reorganized Solutia.

127. **“Nominee”** means any broker, dealer, commercial bank, trust company, savings and loan financial institution or other nominee in whose name securities were registered or held of record on behalf of a beneficial Holder.

128. **“Non-Debtor Intercompany Claim”** means any Claim owed by a Debtor to a non-Debtor Affiliate as of the Petition Date.

129. **“Noteholder Claims”** means the Claims of the Holders of the 2027 Notes and/or 2037 Notes for principal and accrued but unpaid interest as of the Petition Date.

130. **“NRD Claims”** means Claims filed in the Chapter 11 Cases in accordance with the Bar Date Order under Section 107(a)(4)(C) of CERCLA, 42 U.S.C. § 9607(a)(4)(C), or other provision of law, for damages for injury to, destruction of or loss of natural resources, including the reasonable cost of assessing such damages.

131. **“NYSE”** means the New York Stock Exchange.

132. **“Ordinary Course Professionals Order”** means that certain order of the Bankruptcy Court entered on January 16, 2004, as amended from time to time, which authorized the employment and payment of Professionals by the Debtors in the ordinary course of business.

133. **“PBGC”** means the Pension Benefit Guaranty Corporation.

134. **“PCBs”** means polychlorinated biphenyls.

135. **“Pension Plan”** means the Solutia Inc. Employees’ Pension Plan, dated September 1, 1997, as amended and restated from time to time.

136. **“Person”** shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

137. **“Petition Date”** means December 17, 2003, the date on which the Debtors commenced the Chapter 11 Cases.

138. **“Pharmacia”** means Pharmacia Corporation, formerly known as Monsanto Company, a Delaware corporation.

139. **“Pharmacia Contribution”** means, pursuant to the provisions of Article V hereof, Pharmacia’s agreement to (a) subject to the indemnity agreement to be provided by the Reorganized Debtors pursuant to the Monsanto Settlement Agreement, forever release the Debtors and the Reorganized Debtors from any and all Legacy Claims, including any indemnity obligations arising under the Distribution Agreement, or otherwise, and any other claims or liabilities Pharmacia holds, has held or may in the future hold against the Debtors and the Reorganized Debtors, related to the Distribution Agreement or the Legacy Claims, and (b) waive the Pharmacia Claims in their entirety with prejudice.

140. **“Pharmacia Claims”** means all Claims asserted by Pharmacia, its parent and Affiliates, including Pfizer Inc., including Legacy Claims and any Claims for indemnification, contribution or otherwise arising under or related to the Distribution Agreement or any other agreement.

141. **“Plan Documents”** means (a) the Monsanto Settlement Agreement, (b) the Exit Financing Facility, (c) the Exit Financing Facility Commitment Letter, (d) the New Certificate of Incorporation of each Reorganized Debtor, (e) the New By-laws of each Reorganized Debtor, (f) the list

of Executory Contracts and Unexpired Leases to be assumed, (g) the Rights Offering Procedures, (h) the Equity Purchase Procedures, (i) the Claim Transfer Procedures, (j) the Commercial and Operating Agreements, (k) the Incentive Plan, (l) the Registration Rights Agreement, (m) the Restructuring Transactions Agreement, (n) the Retiree Settlement Agreement, (o) the Warrant Agreement, (p) the Backstop Commitment Agreement and (q) any and all instruments, certificates, agreements or other documents executed, delivered, entered into or filed in connection with the Plan or any of the foregoing.

142. "Plan Support Agreement"

means the agreement annexed hereto as Exhibit K.

143. "Plan Supplement" means the following forms of documents: (a) the Exit Financing Facility Commitment Letter; (b) the New Certificate of Incorporation of each Reorganized Debtor; (c) the New By-laws of each Reorganized Debtor; (d) the list of Executory Contracts and Unexpired Leases to be assumed; (e) the Incentive Plan; (f) the Restructuring Transactions Agreement; and (g) the identity and affiliations of any Person proposed to serve on the initial board of directors or be an officer of each of the Reorganized Debtors and to the extent any director or officer of Reorganized Solutia is an "insider" under the Bankruptcy Code, the nature and amount of any compensation to be paid to such director or officer; each in substantially final form or final form, as applicable, each of which will be filed with the Bankruptcy Court at least ten (10) days prior to the Confirmation Hearing.

144. "Prepetition Indenture" means that certain Indenture, dated October 1, 1997, as the same may have been subsequently modified, amended or supplemented, together with all instruments and agreements related thereto, between Solutia and the Prepetition Indenture Trustee, under which Solutia issued the 2027 Notes and the 2037 Notes.

145. "Prepetition Indenture Charging Lien" means any lien of the Prepetition Indenture Trustee, arising under the Prepetition Indenture, against Distributions on account of Noteholder Claims, securing payment of the fees and expenses of the Prepetition Indenture Trustee, including fees and expenses of counsel and other professionals engaged by or on behalf of or for the benefit of the Prepetition Indenture Trustee.

146. "Prepetition Indenture Trustee" means Wilmington Trust Company, or any predecessor (including JPMorgan Chase Bank) or successor thereto, as indenture trustee under the Prepetition Indenture.

147. "Prepetition Indenture Trustee Adversary Proceeding" means the adversary proceeding commenced on May 27, 2005 by JPMorgan Chase Bank against Solutia in the Bankruptcy Court, Case No. 05-01843.

148. "Priority Non-Tax Claim" means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

149. "Priority Tax Claim" means any Claim of a governmental unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

150. "Pro Rata" means the ratio of the amount of an Allowed Claim in a particular Class to the aggregate amount of all Allowed Claims in such Class.

151. **“Professional”** means (a) any professional employed in the Chapter 11 Cases by an order or orders of the Bankruptcy Court issued pursuant to section 327, 328 or 1103 of the Bankruptcy Code and (b) any professional or other Entity seeking compensation and reimbursement in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

152. **“Professional Fee Claims”** means all Administrative Expense Claims for the compensation of Professionals and the reimbursement of expenses incurred by such Professionals (to the extent Allowed under section 328, 330, 331, 363 or 503 of the Bankruptcy Code) through the Effective Date.

153. **“Professional Fee Order”** means that certain order of the Bankruptcy Court entered on January 16, 2004, establishing procedures for interim compensation and reimbursement of expenses of Professionals.

154. **“Quarterly Distribution Date”** means the last Business Day of the month following the end of each calendar quarter after the Effective Date; provided, however, that if the Effective Date is within 45 days before the end of a calendar quarter, the first Quarterly Distribution Date will be the last Business Day of the month following the end of the first calendar quarter after the calendar quarter in which the Effective Date falls.

155. **“Registration Rights Agreement”** means the agreement attached hereto as Exhibit J, whereby Reorganized Solutia will be obligated to register certain shares of New Common Stock pursuant to the terms and conditions of such agreement.

156. **“Reinstated” or “Reinstatement”** means a Claim or Equity Interest unimpaired within the meaning of section 1124 of the Bankruptcy Code. Unless the Plan specifies a particular method of Reinstatement, when the Plan provides that an Allowed Claim or Allowed Equity Interest will be Reinstated, such Claim or Equity Interest will be Reinstated, at the applicable Reorganized Debtor’s sole discretion, in accordance with one of the following:

(a) The legal, equitable and contractual rights to which such Claim or Equity Interest entitles the holder will be unaltered; or

(b) Notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim or Equity Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default:

iii. any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code, will be cured;

iv. the maturity of such Claim or Equity Interest, as such maturity existed before such default, will be reinstated;

v. the Holder of such Claim or Equity Interest will be compensated for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law to the extent required by section 1124(c) of the Bankruptcy Code; and

vi. the legal, equitable or contractual rights to which such Claim or Equity Interest entitles the Holder of such Claim or Equity Interest will not otherwise be altered.

157. **“Reorganized . . .”** means, when used in reference to a particular Debtor, such Debtor on and after the Effective Date.

158. **“Restructuring Transactions”** means those mergers, consolidations, restructurings, transfers, conversions, dispositions, liquidations or dissolutions that the Debtors or Reorganized Debtors determine to be necessary or appropriate to effect a restructuring of a Debtor’s business or a restructuring of the overall corporate structure of the Reorganized Debtors, all of which shall be effected by the Restructuring Transactions Agreement.

159. **“Restructuring Transactions Agreement”** means the agreement or agreements that govern the Restructuring Transactions, annexed hereto as Exhibit M.

160. **“Retained Sites”** means the “Retained Sites” as defined and set forth in the Monsanto Settlement Agreement.

161. **“Retirees”** has the meaning set forth in the preamble to the Retiree Settlement Agreement.

162. **“Retiree Approval Order”** means that certain order of the Bankruptcy Court approving the Retiree Settlement Agreement.

163. **“Retiree Benefits”** means the benefits provided to the Retirees as set forth in the Retiree Settlement Agreement.

164. **“Retiree Claim”** means an Allowed non-priority, Unsecured Claim on account of certain consensual benefit reductions included in the Retiree Settlement Agreement, in the aggregate amount of \$35 million, the Distribution received on account of which, in accordance with the terms of the Retiree Settlement Agreement and the Plan will be held in trust (or sold) for the benefit of Retirees in accordance with the terms of the Retiree Settlement Agreement.

165. **“Retirees’ Committee”** means the official committee of retirees of the Debtors appointed by the United States Trustee in the Chapter 11 Cases pursuant to section 1114 of the Bankruptcy Code.

166. **“Retiree Settlement Agreement”** means that certain agreement, as amended, between the Debtors and the Retirees’ Committee, effective as of the Effective Date, in substantially the form of Exhibit B.

167. **“Retiree Trust”** has the meaning set forth in the Retiree Settlement Agreement.

168. **“Rights”** means the rights to subscribe for and to acquire on the Effective Date an aggregate of 31.4% of the New Common Stock, in exchange for \$250 million in Cash, in accordance with the terms and conditions of the Rights Offering as set forth in the Rights Offering Procedures and the Backstop Commitment Agreement.

169. **“Rights Offering”** means the offering of the Rights by the Debtors to Eligible Holders and members of the Backstop Investors.

170. **“Rights Offering Procedures”** means those certain Rights Offering Procedures, setting forth the terms and conditions of the Rights Offering, in substantially the form annexed hereto as Exhibit H.

171. **"Rights Subscription Exercise Form"** means that certain form distributed to each Eligible Holder, which form such Eligible Holder may use to exercise Rights.

172. **"Sauget Administrative Orders"** means the Administrative Orders, relating to the Sauget, Illinois Area 1 and Area 2 sites, V-W-99-C-554, effective January 21, 1999; V-W-99-554, issued May 31, 2000; V-W-01-C-622, effective November 24, 2000; and V-W-C-716, issued September 30, 2002.

173. **"Schedules"** means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors with the Bankruptcy Court, as required by section 521 of the Bankruptcy Code and the Official Bankruptcy Forms, as the same may have been or may be amended, modified or supplemented.

174. **"Secured Claim"** means a Claim, other than a Senior Secured Note Claim or DIP Claim, that is secured by a lien on property in which an Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Holder's interest in the applicable Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code and, if applicable, section 1129(b) of the Bankruptcy Code.

175. **"Securities Act"** means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect or hereafter amended.

176. **"Security Claims"** means any Claim (a) arising from rescission of a purchase or sale of a security of any of the Debtors, (b) for damages arising from the purchase or sale of such security, (c) for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such Claim, or (d) otherwise subject to subordination under section 510(b) of the Bankruptcy Code.

177. **"Senior Secured Notes"** means those certain 11.25% Senior Secured Notes, due on July 15, 2009, issued pursuant to the Senior Secured Notes Indenture.

178. **"Senior Secured Note Claims"** means any and all Allowed Claims of the Senior Secured Notes Trustee and the Holders of the Senior Secured Notes against Solutia and the Senior Secured Notes Guarantors arising under the Senior Secured Notes Indenture, which claim amount will be determined by the Bankruptcy Court (whether secured or unsecured).

179. **"Senior Secured Notes Guarantors"** means CPFilms, Inc., Monchem, Inc., Monchem International, Inc., Solutia Systems, Inc., Solutia Business Enterprises, Inc. and Solutia Investments, LLC., each of which is a guarantor of the Senior Secured Notes.

180. **"Senior Secured Notes Indenture"** means that certain Indenture, dated July 9, 2002, between Solutia and The Bank of New York, as successor indenture trustee, as amended from time to time.

181. **"Senior Secured Notes Indenture Charging Lien"** means any lien of the Senior Secured Notes Trustee, arising under the Senior Secured Notes Indenture, against Distributions on account of Senior Secured Note Claims, securing payment of the fees and expenses of the Senior Secured Notes Trustee, including fees and expenses of counsel and other professionals engaged by or on behalf of or for the benefit of the Senior Secured Notes Trustee.

182. “**Senior Secured Notes Trustee**” means The Bank of New York, or any predecessor or successor thereto, as indenture trustee under the Senior Secured Notes Indenture.

183. “**Separation Agreement**” means that certain agreement, dated as of September 1, 2000, as amended, by and between Pharmacia and Monsanto.

184. “**Settled Adversary Proceedings**” means the following adversary proceedings commenced in the Bankruptcy Court: *Solutia Inc. v. Pharmacia Corp.*, Case No. 03-93700 (PCB), filed December 17, 2003; *Solutia Inc. v. Pharmacia Corp.*, Case No. 04-2969 (PCB), filed April 20, 2004; *Official Committee of Retirees v. Solutia Inc.*, Case No. 04-3057 (PCB), filed May 7, 2004; and *Solutia Inc. v. Monsanto Company and Pharmacia Corp.*, Case No. No. 05-03353 (PCB), filed on December 17, 2005.

185. “**Shared Sites**” means the “Shared Sites” as defined and set forth in the Monsanto Settlement Agreement.

186. “**SIP Plan**” means the Solutia Inc. Savings and Investment Plan, dated September 1, 1997, as amended and restated from time to time.

187. “**Solutia Tort Claims**” means all Tort Claims other than Legacy Tort Claims.

188. “**Spinoff**” means the transaction contemplated by the Distribution Agreement, whereby Pharmacia spun-off its Chemicals Assets and Chemicals Liabilities to Solutia.

189. “**Spinoff Indemnity Claim**” means any Claim or claim against any of the Debtors, the Subsidiaries or Solutia’s Affiliates, as appropriate, for indemnification or contribution held by Monsanto or Pharmacia, including the Monsanto Claims and the Pharmacia Claims, that arise from or relate to the Spinoff or the Distribution Agreement.

190. “**Stipulation of Amount and Nature of Claim**” means a stipulation or other agreement between a Debtor or Reorganized Debtor, subject to Section VIII.B hereof, or the claims monitor, and a Holder of a Claim approved by the Bankruptcy Court or an agreed order of the Bankruptcy Court, establishing the allowed amount and nature of a Claim.

191. “**Stock Pool**” means 46.6% of the New Common Stock to be Distributed to the Holders of Allowed Noteholder Claims and Allowed General Unsecured Claims, which pool may be decreased or increased from time to time as set forth in Section VII.M hereof.

192. “**Subsidiary**” or “**Subsidiaries**” means the direct and indirect subsidiaries of Solutia.

193. “**Tolbert Settlement Agreement**” means that certain settlement agreement, dated September 9, 2003, resolving the lawsuit captioned *Tolbert v. Monsanto Company*, Civil Action No. 01-C-1407-S.

194. “**Tort Claims**” means all Claims, whether currently asserted or asserted in the future, whether known or unknown, arising under tort law for personal injury or property damage arising from exposure to chemicals or other substances regardless of whether: (a) any of the Debtors is, was or will be named as a defendant in any action commenced by or on behalf of the holder of such Tort Claim; (b) such holder has filed a proof of claim in the Chapter 11 Case; or (c) the alleged exposure occurred before or after the Spinoff.

195. **“Treasury Regulations”** means regulations (including temporary and proposed regulations) promulgated under the Internal Revenue Code, as amended from time to time, by the United States Treasury Department.

196. **“Undeliverable Distribution”** means a Distribution of New Common Stock, Warrants or Cash that is returned to the Reorganized Debtors as undeliverable or is otherwise unclaimed for one year after the date such Distribution was made.

197. **“Uniform Commercial Code”** means the uniform code of laws governing various commercial transactions, including the sale of goods, banking transactions, secured transactions in personal property and other matters, as applicable in the relevant state(s).

198. **“Unimpaired”** means, with respect to a Claim (or Class of Claims), a Claim (or Class of Claims) that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

199. **“Unimpaired Claim”** means a Claim classified in an Unimpaired Class.

200. **“Unimpaired Class”** means each of Classes 1, 2, 3, 4, 6, 7, 8, 9 and 10 as set forth in Article III of the Plan.

201. **“United States of America”** means the United States of America and all of its agencies, subdivisions and instrumentalities.

202. **“Unsecured Claim”** means any Claim that is neither secured nor entitled to priority under the Bankruptcy Code or any order of the Court, including any Claim arising from the rejection of an Executory Contract or Unexpired Lease under section 365 of the Bankruptcy Code.

203. **“Voting Agent”** means Financial Balloting Group LLC, 757 Third Avenue, 3rd Floor, New York, New York 10017.

204. **“Voting Deadline”** means the date set by the Bankruptcy Court by which all Ballots for acceptance or rejection of the Plan must be received by the Voting Agent.

205. **“Voting Record Date”** means the record date set by the Bankruptcy Court, pursuant to Bankruptcy Rule 3017(d), for determining which creditors and equity security holders are entitled to receive solicitation materials and, when applicable, to vote on the Plan.

206. **“Warrants”** means the warrants to be issued on the Effective Date pursuant to the terms of the Warrant Agreement to purchase up to 7.5% of the New Common Stock at a strike price of \$29.70.

207. **“Warrant Agreement”** means that certain warrant agreement, dated as of the Effective Date, governing the Warrants to be issued by Reorganized Solutia, in substantially the form annexed hereto as Exhibit N.

B. Rules of Interpretation and Computation of Time

1. Rules of Interpretation

For purposes of the Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) unless otherwise provided in the Plan, any reference in the Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified or supplemented pursuant to the Plan or Confirmation Order; (d) any reference to an Entity as a Holder of a Claim or Equity Interest includes that Entity's successors, assigns and, where applicable, Affiliates; (e) all references in the Plan to sections, articles and exhibits are references to sections, articles and exhibits of or to the Plan; (f) the words "herein," "hereunder" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (g) captions and headings to articles and sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (h) subject to the provisions of any contract, certificates of incorporation, by-laws, similar constituent documents, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the rights and obligations arising under the Plan will be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and the Bankruptcy Rules; and (i) the rules of construction set forth in section 102 of the Bankruptcy Code will apply.

2. Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) will apply.

ARTICLE II

CLASSES OF CLAIMS AND EQUITY INTERESTS

All Claims and Equity Interests, except Administrative Expense Claims and Priority Tax Claims, are placed in the Classes described below for all purposes, including voting and Distribution pursuant to the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims, as described in Section III.A hereof, have not been classified and, thus, are excluded from the Classes described below. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or Equity Interest qualifies within the description of such other Classes.

Class	Designation	Impairment	Entitled to Vote
Class 1	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
Class 2	Secured Claims	Unimpaired	No (deemed to accept)
Class 3	Senior Secured Note Claims	Unimpaired	No (deemed to accept)
Class 4	Convenience Claims	Unimpaired	No (deemed to accept)
Class 5	CPFilms Claims	Impaired	Yes
Class 6	NRD Claims	Unimpaired	No (deemed to accept)
Class 7	Insured Claims	Unimpaired	No (deemed to accept)
Class 8	Tort Claims	Unimpaired	No (deemed to accept)
Class 9	Legacy Site Claims	Unimpaired	No (deemed to accept)
Class 10	Equity Interests in all Debtors other than Solutia	Unimpaired	No (deemed to accept)
Class 11	Monsanto Claim	Impaired	Yes
Class 12	Noteholder Claims	Impaired	Yes
Class 13	General Unsecured Claims	Impaired	Yes
Class 14	Retiree Claim	Impaired	Yes
Class 15	Pharmacia Claims	Impaired	Yes
Class 16	Non-Debtor Intercompany Claims	Impaired	No (deemed to accept)
Class 17	Debtor Intercompany Claims	Impaired	No (deemed to accept)
Class 18	Axio Claims	Impaired	No (deemed to reject)
Class 19	Security Claims	Impaired	Yes
Class 20	Equity Interests in Solutia	Impaired	Yes

ARTICLE III

TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. **Unclassified Claims**

1. **Payment of Administrative Expense Claims**

a. **Administrative Expense Claims in General**

Except as specified in this Section III.A or in Sections V.B.6, V.B.7 or V.B.13 hereof, and subject to the Administrative Expense Claim Bar Date provisions herein, unless otherwise agreed to by the Holder of an Administrative Expense Claim and the applicable Debtor or Reorganized Debtor, each Holder of an Allowed Administrative Expense Claim will receive, in full satisfaction of its Administrative Expense Claim, Cash equal to the amount of such Allowed Administrative Expense Claim either (i) on the Effective Date or as soon thereafter as reasonably practicable or (ii) if the Administrative Expense Claim is not Allowed as of the Effective Date, 30 days after the date on which an order allowing such Administrative Expense Claim becomes a Final Order.

b. **Ordinary Course Liabilities**

Allowed Administrative Expense Claims based on liabilities incurred by a Debtor in the ordinary course of its business will be paid by the applicable Reorganized Debtor pursuant to the terms and conditions of the particular transaction giving rise to such Allowed Administrative Expense Claims, without any further action by the Holders of such Allowed Administrative Expense Claims.

c. **DIP Claims**

On the Effective Date, or as soon thereafter as reasonably practicable, unless otherwise agreed to by the DIP Lenders pursuant to the DIP Credit Facility, Allowed DIP Claims will be paid in Cash in amounts equal to the amount of such Allowed DIP Claims.

d. **Bar Dates for Administrative Expense Claims**

i. **General Administrative Expense Claim Bar Date Provisions**

Except as otherwise provided in this Section III.A or in Sections V.B.6, V.B.7 or V.B.13 hereof, unless a request for the payment of an Administrative Expense Claim previously was filed with the Bankruptcy Court, requests for payment of an Administrative Expense Claim must be filed with the Bankruptcy Court and served on the Reorganized Debtors, pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order, no later than 45 days after the Effective Date. Any Holder of an Administrative Expense Claim that is required to file and serve a request for payment of such Administrative Expense Claim and that does not file and serve such a request within the time established by this Section III.A of the Plan will be forever barred from asserting such Administrative Expense Claim against the Debtors, the Reorganized Debtors or their respective property and such Administrative Expense Claim will be deemed discharged as of the Effective Date. Objections to such requests for payment of an Administrative Expense Claim must be filed with the Bankruptcy Court and served on the Debtors or the Reorganized Debtors, as applicable, and the requesting party by the later of (A) 120 days after the Effective Date or (B) 60 days after the filing of the applicable request for payment of the Administrative Expense Claims with the Bankruptcy Court.

ii. Bar Dates for Certain Administrative Expense Claims

a. Professional Compensation

(i) Final Fee Applications. All final requests for payment of Professional Fee Claims must be filed with the Bankruptcy Court and served on Reorganized Solutia no later than 45 days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court in the Chapter 11 Cases, the allowed amounts of such Professional Fee Claims shall be determined by the Bankruptcy Court.

(ii) Payment of Interim Amounts. Subject to the Holdback Amount, on the Effective Date, the Debtors or Reorganized Debtors shall pay all amounts owing to Professionals for all outstanding amounts payable relating to prior periods through the Effective Date. To receive payment on the Effective Date for unbilled fees and expenses incurred through such date, the Professionals shall reasonably estimate fees and expenses due for periods that will not have been billed as of the Effective Date and shall deliver such estimate to the Debtors and the United States Trustee prior to the Effective Date. The Debtors or Reorganized Debtors, as applicable, shall pay the Professionals' reasonably estimated amount of such fees and expenses as soon as reasonably practicable after receiving the estimate, but in no event prior to the Effective Date. Within forty-five (45) days after the Effective Date, a Professional receiving payment for the estimated period shall submit a detailed invoice covering such period in the manner and providing the detail as set forth in the Professional Fee Order. If the estimated payment received by any Professional exceeds the actual fees and expenses for such period, as ultimately approved by the Bankruptcy Court in connection with the relevant final fee application, such excess amount will be credited against the Holdback Amount for such Professional or, if the award of the Holdback Amount for such matter is insufficient, disgorged by such Professional within 45 days after the issuance of the Order approving the relevant final fee application. If the estimated payment received by any Professional is lower than the actual fees and expenses for such period as ultimately approved by the Bankruptcy Court in connection with the relevant final fee application, the difference between the amount approved and the estimated payment shall promptly be paid to such Professional.

(iii) Holdback Amount. On the Effective Date, the Debtors or the Reorganized Debtors shall fund the Holdback Escrow Account with Cash equal to the aggregate Holdback Amount for all Professionals. The Reorganized Debtors shall maintain the Holdback Escrow Account in trust for the Professionals with respect to whom fees have been held back pursuant to the Professional Fee Order. Such funds shall not be considered property of the Debtors, or the Reorganized Debtors. The remaining Holdback Amount owing to each Professional shall be paid to such Professional by Reorganized Solutia from the Holdback Escrow Account when such Professional's Professional Fee Claim is finally allowed by the Bankruptcy Court. When all Professional Fee Claims have been paid in full, amounts remaining in the Holdback Escrow Account, if any, shall be paid to the Reorganized Debtors.

b. Ordinary Course Liabilities

Notwithstanding the provisions of Section III.A.1.d.i hereof, Holders of Administrative Expense Claims based on liabilities incurred by a Debtor in the ordinary course of its business will not be required to file or serve any request for payment of such Administrative Expense Claims. Such Administrative Expense Claims will be satisfied pursuant to Section III.A.1.a hereof.

