

EXHIBIT H

Certain Litigation Involving Monsanto and/or Pharmacia

Prior to the Petition Date, Solutia was a named defendant in a number of legal proceedings or was defending legal proceedings based on its indemnification obligations resulting from the Solutia Spinoff. After the Petition Date, Solutia ceased performing its defense obligations with respect to these litigation matters and Monsanto began managing this litigation pursuant to its indemnification obligations to Pharmacia. In addition to managing this litigation during the Chapter 11 cases, Monsanto has funded defense and settlement costs as well as judgments, if any, with respect to this litigation. Solutia's cessation of performance gives rise to a portion of the Claims filed by Monsanto and Pharmacia against Solutia in these Chapter 11 cases. Pursuant to the Amended Plan, Monsanto has agreed to take financial responsibility, as between itself and Reorganized Solutia only, for Tort Claims, which include the Claims discussed in this Exhibit.

A. Litigation As of Petition Date

Following is a summary of the significant legal proceedings for which Solutia ceased performing its defense obligations as of the Petition Date. Because these cases are being managed by Monsanto, Solutia is not able to provide a complete update on the status of these cases since the Petition Date.

1. Owens v. Monsanto and Related Litigation

On October 27, 2003, a motion was filed in the United States District Court for the Northern District of Alabama (the "Alabama District Court") contending that the Anniston Settlement Agreement required the payment of additional funds to plaintiffs in *Owens v. Monsanto*, an Anniston-related PCB case settled by Solutia in April 2001.

Abernathy v. Monsanto involved four consolidated cases dating back to April 1996 that had originally been filed in the Circuit Court for Calhoun County, Alabama and were later transferred to Etowah County, Alabama on behalf of approximately 3,500 plaintiffs from the vicinity of the Anniston plant. The *Abernathy* plaintiffs sought compensatory damages, punitive damages and injunctive relief requiring the removal of alleged contamination, and claimed to have suffered permanent adverse health effects and to fear future disease. The plaintiffs asserted the need for medical monitoring and diminution in the value of their residential and commercial properties. *Tolbert v. Monsanto*, which was filed in the Alabama District Court in June 2001, involved allegations of exposure to PCB, unspecified physical injuries and emotional distress suffered by approximately 18,200 plaintiffs. The *Tolbert* plaintiffs sought injunctive relief, compensatory damages, punitive damages and, in certain instances, property damages. The *Tolbert* plaintiffs also requested medical testing, monitoring and treatment.

In August 2003, the parties in both *Abernathy* and *Tolbert* entered into the Anniston Settlement Agreement to resolve these and several related cases, including the aforementioned *Owens v. Monsanto*. The Anniston Settlement Agreement was approved

by the trial courts in both *Abernathy* and *Tolbert*, and provided for cash payments of \$600 million, as well as a broad array of community health initiatives for low-income residents of Anniston and Calhoun County. In connection with the Anniston Settlement Agreement, Solutia entered into a separate agreement with Pharmacia and Monsanto, pursuant to which Solutia agreed to pay \$50 million of the \$600 million cash settlement in ten equal annual installments, without interest, beginning in August 2004. Monsanto agreed to pay \$550 million, of which a portion was funded through insurance in exchange for Solutia's agreement to issue warrants to Monsanto which would enable Monsanto to acquire up to 10 million shares of Solutia common stock at an exercise price of \$1.10 per share. Solutia did not ultimately issue the required warrants to Monsanto or Pharmacia. In addition, Solutia and Monsanto arranged for Pfizer, the parent company of Pharmacia, to provide the community health initiatives.

On August 6, 2003, the *Abernathy* court entered an order finding that, in the event Solutia commenced a chapter 11 case under the Bankruptcy Code, Solutia would be immediately severed and dismissed as a defendant, without prejudice and without further action from the court. On January 22, 2004, approximately one month after the commencement of the Chapter 11 Cases, the Alabama District Court entered an order in *Tolbert* dismissing Solutia as a defendant without prejudice.

On January 8, 2004, however, the Alabama District Court ruled that the *Owens* plaintiffs were entitled to receive a total of approximately \$1 million as a result of the Anniston Settlement Agreement. Plaintiffs' motion for reconsideration was denied on January 24, 2004, and plaintiffs filed a timely appeal to the United States Court of Appeals for the Eleventh Circuit. Solutia was not a named defendant in this litigation and therefore took no action to stay the litigation in connection with Solutia's bankruptcy proceedings. Solutia assumed the defense of the *Owens* litigation at the time of the Solutia Spinoff under its indemnification obligations to Pharmacia arising from the Distribution Agreement. As of the Petition Date, however, Solutia determined that its obligation to defend and indemnify Pharmacia and Monsanto with regard to this litigation was a prepetition obligation that Solutia would not perform, except pursuant to a confirmed plan of reorganization. Therefore, Solutia ceased defending Pharmacia with respect to this litigation as of the Petition Date.

2. Payton v. Monsanto

This case was brought in the Circuit Court in Shelby County, Alabama on July 15, 1997 on behalf of a purported class of all owners, lessees and licensees of properties located on Lay Lake, which is downstream from Lake Logan Martin on the Coosa River. Plaintiffs sought compensatory and punitive damages in an unspecified amount for an alleged increased risk of physical injury and illness, emotional distress caused by fear of future injury or illness, medical monitoring and diminishment in the value of their properties and their riparian rights. The parties reached a tentative agreement to settle this case for a cash payment of \$5 million and an equitable component that was to be determined. Solutia is not a named defendant in this litigation and therefore took no action to stay the litigation in connection with its bankruptcy proceedings. Solutia assumed the defense of this litigation at the time of the Solutia

Spinoff under its indemnification obligations to Pharmacia arising from the Distribution Agreement. As of the Petition Date, however, Solutia determined that its obligation to defend and indemnify Pharmacia and Monsanto with regard to this litigation was a prepetition obligation that Solutia would not perform, except pursuant to a confirmed plan of reorganization. Therefore, Solutia ceased defending Pharmacia with respect to this litigation as of the Petition Date.

3. Other Anniston Cases

As of the Petition Date, approximately ten cases remained pending in various Circuit Courts in the State of Alabama relating to environmental issues at Solutia's Anniston, Alabama location. Solutia is a named defendant in those ten proceedings. As a result, Solutia filed a suggestion of bankruptcy in each case staying the litigation against it.

Prior to the Petition Date, Solutia also defended Pharmacia with respect to this litigation. Solutia determined that its obligation to defend and indemnify Pharmacia and Monsanto with regard to this litigation was a prepetition obligation that Solutia would not perform, except pursuant to a confirmed plan of reorganization. Therefore, Solutia ceased defending Pharmacia with respect to this litigation as of the Petition Date.

4. PENNDOT Case

Pharmacia was one of several defendants added on February 7, 1997 to a case then pending in the Commonwealth Court of Pennsylvania (the "Commonwealth"). This action was originally filed against United States Mineral Products Company in 1990 by the Commonwealth, seeking damages caused by the presence of asbestos fireproofing in the Transportation and Safety Building ("T&S Building") in Harrisburg, Pennsylvania. The Commonwealth sought recovery of costs it allegedly incurred in testing, monitoring, cleanup, demolition and temporary relocation of the Commonwealth's employees caused by the alleged contamination. In addition, the Commonwealth sought the cost of constructing a new building on the site of the T&S Building. On August 23, 2000, the jury returned a verdict of \$90 million against Pharmacia. The verdict was reduced to \$45 million by the trial court because the manufacturer of the fiberglass ductboard reached a settlement with the Commonwealth during trial. On behalf of Pharmacia, Solutia filed extensive post-trial motions, seeking judgment notwithstanding the jury's verdict or a new trial. The trial court denied these motions in orders entered on October 16, 2002. On November 15, 2002, Solutia filed an appeal as of right to the Supreme Court of Pennsylvania. On November 17, 2003, the Supreme Court of Pennsylvania remanded the case to the trial court for an opinion solely on the issue of juror misconduct. In response to Solutia's application, the Supreme Court of Pennsylvania ordered the trial court to issue its opinion on that issue by March 15, 2004. Solutia was not a named defendant in this litigation and therefore took no action to stay the litigation in connection with its bankruptcy proceedings. As of the Petition Date, Solutia determined that its obligation to defend and indemnify Pharmacia and Monsanto with regard to this litigation was a prepetition obligation that Solutia would not perform, except pursuant to a confirmed

plan of reorganization. Therefore, Solutia ceased defending Pharmacia with respect to this litigation as of the Petition Date.

5. Premises-Based Asbestos Litigation

Like a great number of other companies that used high temperature manufacturing processes, Pharmacia historically used asbestos-insulating materials in piping and other equipment at its chemicals plants. As a result, Pharmacia and Solutia have been named as defendants along with numerous other premises owners in actions brought by employees of contractors who claim that they were exposed to asbestos at Solutia's facilities and at the facilities of these other owners. As of the Petition Date, there were approximately 570 asbestos actions involving an estimated 3,500 to 4,500 plaintiffs brought against Pharmacia and/or Solutia. As of the Petition Date, Solutia determined that its obligation to defend and indemnify Pharmacia and Monsanto with regard to this litigation was a prepetition obligation that Solutia would not perform, except pursuant to a confirmed plan of reorganization. Therefore, Solutia ceased defending Pharmacia with respect to this litigation as of the Petition Date.

B. Litigation Subsequent to the Petition Date

Solutia is aware of two additional significant litigation matters that Monsanto began managing after the Petition Date. These litigation matters are described below. Monsanto may be managing additional litigations that constitute Tort Claims of which Solutia is unaware. Monsanto's management of these litigations, including the GE litigation described below, gives rise to Claims by Monsanto and Pharmacia against Solutia in these Chapter 11 Cases. Pursuant to the Amended Plan, Monsanto has agreed to take financial responsibility, as between itself and Reorganized Solutia only, for Tort Claims, which include the Claims discussed below.

On January 3, 2006, Solutia received notice that an action, captioned *Michael Abbatiello et al. v. Monsanto Company, Pharmacia Corporation and Solutia Inc.* (the "First GE Litigation"), was filed on December 26, 2005 in the Supreme Court of the State of New York (the "New York Supreme Court"). The action was filed on behalf of 590 current General Electric employees who work at its Schenectady, New York plant and includes eleven separate causes of action alleging that General Electric purchased various PCB-containing products from Pharmacia which were used in the manufacture of a variety of products including electric motors, generators, gas turbines, wire and cable, insulating materials and microwave tubes. PCBs were later detected in the various locations, including retention ponds, ground water, and water treatment centers on the approximately 628 acre site. The plaintiffs seek \$1 billion in compensatory damages and \$1 billion in punitive damages for each cause of action for a total of \$22 billion dollars.

On March 13, 2007, another class action lawsuit, captioned *Corlew, et al., v. General Electric Company, Monsanto Company, Pharmacia Corporation, and Solutia Inc.*, was filed in the New York Supreme Court (the "Second GE Litigation", and together with the First GE Litigation, the "GE Litigation"). The plaintiffs in the Second GE Litigation are current residents of Schenectady, New York, who seek to represent a

class of all individuals who owned and/or occupied property within a five-mile radius of General Electric's main plant in Schenectady. The plaintiffs allege that their properties were contaminated by the release of PCBs which were used in the manufacture of a variety of products at General Electric's Schenectady plant, and which were manufactured by Monsanto, Pharmacia, and/or Solutia (collectively referred to in the Complaint as "Monsanto"). Plaintiffs allege thirteen separate claims against Monsanto, Pharmacia, and Solutia collectively including negligence, breach of warranty, strict liability, fraudulent concealment, negligent and intentional infliction of emotional distress, nuisance, trespass, unjust enrichment, and willful and wanton misconduct, with each claim seeking between \$12 billion and \$20 billion in compensatory damages, and an equivalent amount in punitive damages.

6. Nitro Tort Claimants Litigation¹

On December 17, 2004, a case was filed in Putnam County Circuit Court, West Virginia, captioned, *Verdie Allen, et al., v. Monsanto Company, et al.*, Civil Action No. 04-C-465. The plaintiffs are residents of the area surrounding the former plant site operated in Nitro, West Virginia, by Monsanto (n/k/a Pharmacia) and subsequently by Flexys America, LP. The plaintiff residents allege contamination of their property and personal exposure to dioxin congeners generated during the operation of the 2,4,5-T manufacturing process at the Nitro Plant. In addition, the plaintiffs contend that dioxin was present on the plant site and in ground water, and that during the years ownership by Pharmacia, Solutia and operation of the site by Flexys America, LP, dioxin congeners continued to be introduced into the environment outside the plant during the operation of the waste treatment plant and certain groundwater contamination remediation operations. The plaintiffs seek certification as a class action, recovery of damages for personal injuries, contamination of property and medical monitoring. This case is pending before the Putnam County Circuit Court and discovery is proceeding.

In addition, prior to the commencement of the Debtors' bankruptcy cases, on or about August 2, 2000, a case was filed in Putnam County Circuit Court, West Virginia, captioned, *Robert Carter, et al., v. Monsanto Company, et al.*, Civil Action No. 00-C-300. The plaintiffs are residents of the area surrounding former dump sites along Heizer and Manilla Creeks, tributaries of the Poca River and the Kanawha River in Putnam County, West Virginia. These dump sites were used by the former Monsanto (n/k/a Pharmacia) for the landfill disposal of plant waste, including but not limited to waste products from the herbicide 2,4,5-T produced at the Nitro Plant, which contained dioxin congeners. The dump sites were also the sites of open burning of Pharmacia plant waste. The residents allege contamination of their property and personal exposure to dioxin congeners generated during the operation of the dump sites. In addition, the plaintiffs contend that dioxin entered the streams and was carried downstream to adjoining properties in the watershed. The plaintiffs contend that in the absence of complete

¹ The following description of the Nitro Tort Claimants litigation has been provided by counsel to the Nitro Tort Plaintiffs, the Calwell Practice, PLLC and James F. Humphrey, and Associates, LC (collectively, the "Calwell Practice"). The views asserted in this section are solely those of the Calwell Practice. Solutia does not agree with, support or adopt in any way whatsoever, the allegations made by the Calwell Practice in this section.

remediation, the sites continue to leach dioxin containing waste into the environment, including both surface water and groundwater. The plaintiffs seek certification as a class action, recovery of damages for personal injuries, contamination of property and medical monitoring. This case is pending before the Putnam County Circuit Court and discovery is proceeding.