

STATE OF NORTH CAROLINA  
COUNTY OF BLADEN

IN THE OFFICE OF  
ADMINISTRATIVE HEARINGS  
21 EHR 04867

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THE CHEMOURS COMPANY FC, LLC,

Petitioner,

v.

NORTH CAROLINA DEPARTMENT  
OF ENVIRONMENTAL QUALITY,

Respondent.

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**SETTLEMENT AGREEMENT**

Petitioner The Chemours Company FC, LLC (“Petitioner” or “Chemours”) and Respondent The North Carolina Department of Environmental Quality, Division of Air Quality (“Respondent” or “DAQ”) hereby enter into this Settlement Agreement (“Agreement”) in order to resolve the above-captioned matter. This matter arose out of the issuance of a civil penalty assessment (“CPA”) dated October 1, 2021 against Petitioner for violations of its air quality permit and Chemours’s filing of a Petition for a Contested Case Hearing seeking review of the CPA. Chemours and DAQ shall be referred to collectively herein as the “Parties.”

Whereas Chemours owns and operates a chemical manufacturing facility at 22828 NC Highway 87 West, Fayetteville, Bladen County, North Carolina. The facility is classified and permitted as a Title V facility with Air Quality Permit No. 03735T48 (“Permit”).

Whereas DAQ based the CPA on Chemours’s reporting that it had exceeded the rolling twelve month total Permit limit for GenX Compounds during the months of March through September 2021. DAQ also alleged that Chemours had failed to properly operate and maintain an emissions control device from March 9 to April 6, 2021.

Whereas Chemours has indicated that one cause of the excess emissions it reported was maintenance on an agitated bed reactor in February 2021 that resulted

in additional fine particles entering the Vinyl Ethers North (“VEN”) manufacturing area. Additional fine particles reduced treatment efficiency of the VEN area’s carbon adsorber sooner than had been expected or previously experienced.

Whereas following settlement discussions, the Parties have agreed to settle this matter on the terms set out herein to improve performance of the VEN carbon adsorber, ensure ongoing compliance with the Permit, and avoid the expense and burden of further litigation.

Now, therefore, the Parties agree as follows:

1. Chemours Obligations:

a. Chemours shall implement all measures shown on Attachment 1 in accordance with the schedule therein.

b. Chemours shall implement the testing schedule shown on Attachment 2 for the Carbon Adsorber (ID No. NCD-Q3) installed to control VE-North Indoor Fugitives (ID No. NS-B-2). In the event the Vinyl Ethers North production schedule changes after the effective date of this Agreement, Chemours will promptly propose for DAQ approval a modified testing schedule, which may include testing shown on Attachment 2 that has already been completed, and provided that any proposed modified schedule shall (a) occur over a minimum of five months, (b) propose no fewer than seven tests, (c) propose testing for at least one PPVE campaign, one PSEPVE campaign, and one EVE campaign, and (d) within a given campaign, propose intervals between tests that are substantially similar to those in Attachment 2.

c. Within 30 days of execution of this Agreement, Chemours shall pay a penalty of \$305,000 (“Settlement Amount”) by check made payable to the “North Carolina Department of Environmental Quality” and delivered to the following address:

Enforcement Group - Payments  
North Carolina Department of Environmental Quality  
Division of Air Quality  
1641 Mail Service Center  
Raleigh, North Carolina 27699-1641.

d. Chemours shall meet an emission limit for GenX Compounds emissions from the Carbon Adsorber (ID No. NCD-Q3) installed to control VE-North Indoor Fugitives (ID No. NS-B-2) of 1.0 pound per month averaged over the five month period of May-September 2022 (“Emissions Limit”). To demonstrate compliance with this provision, Chemours shall submit a report calculating monthly emissions from indoor equipment at VEN by no later than November 30, 2022. In calculating monthly emissions from VEN, Chemours shall use the emission rate established during the most recent stack test for each campaign consistent with the protocol used in the GenX Compounds emission report submitted by Chemours on July 15, 2021.

e. If Chemours fails to meet the Emissions Limit, Chemours waives any right to contest an assessment of an additional civil penalty of up to \$125,000 for violation of Permit Condition 2.2.D pursuant to N.C. Gen. Stat. Chpt.150B for the period October 2021 through February 2022 or otherwise to challenge such assessment.

f. Within five days of execution of this Agreement, Chemours shall dismiss its Petition for a Contested Case Hearing with prejudice in the above-captioned matter, 21 EHR 04867.

2. DAQ Obligations:

a. DAQ shall evaluate Chemours’s requested carbon replacement schedule under the Permit in good faith with the goal of making a final decision on Chemours’s requested carbon replacement schedule during the first quarter of 2023 based on available data.

b. If Chemours demonstrates compliance with the Emissions Limit, DAQ shall not assess any additional penalty for violation of Permit Condition 2.2.D for February 2022 and prior months.

3. Except as set forth above, nothing in this agreement shall limit the ability of DAQ to take any enforcement action, including but not limited to assessment of civil penalties pursuant to N.C. Gen. Stat. § 143-215.114A or an action for injunctive relief pursuant to N.C. Gen Stat. § 143-215.114C. Nothing herein limits Chemours's defenses to any such enforcement action, including the ability to file a Petition for a Contested Case Hearing, except as set forth above.

4. Chemours expressly agrees that by entering into this Agreement, Chemours waives, for purposes of collection of the Settlement Amount, any and all defenses to the civil penalty assessment of \$305,000, and that the issues in any action to collect said penalty will be limited to Chemours's compliance with the terms of this Agreement.

5. The Parties agree and acknowledge that they have reviewed, negotiated and agreed to the terms herein as a result of an arms' length transaction entered in good faith. No inference or presumption shall be made against the drafter of this document as to the meaning of any term herein.

6. The Parties agree and acknowledge that the consideration for this settlement is the promises contained herein and that this Agreement contains the whole agreement between them.

7. This Agreement shall be construed and interpreted in accordance with the laws of the State of North Carolina, without giving effect to North Carolina's rules concerning conflicts of laws. The exclusive venue for enforcement of this Agreement is North Carolina.

8. This Agreement shall become effective immediately following execution by both of the Parties. In the interests of time and efficiency, the signature pages may be delivered separately to the Parties. Scanned and e-mailed execution are as valid

as original execution. Thereafter, all copies of the Agreement and executed signature pages shall constitute an original.

9. The Parties agree that each shall bear its own costs related to any disputes resolved by this Settlement Agreement. No Party shall apply for attorney fees or costs under any rule or law, and no Party shall be liable for any attorney fees, costs, or expenses incurred by the other.

10. This Agreement shall be binding upon the Parties, their successors and assigns, upon execution by the undersigned, who represent and warrant that they are authorized to enter into this Agreement on behalf of the Parties hereto.

11. This Agreement is entered into knowingly, intelligently, and voluntarily.

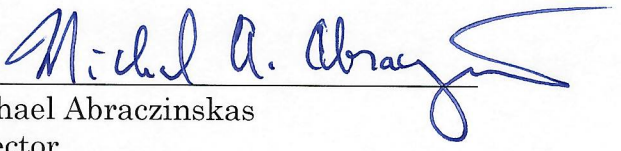
12. This Agreement shall expire 30 days after (1) the completion of the testing under paragraph 1(b) and (2) Chemours's demonstration pursuant to paragraph 1(d) that it has met the Emissions Limit or Chemours's payment of the additional penalty as set forth in paragraph 1(e) in the event that Chemours does not meet the Emissions Limit, provided that DAQ's commitments in paragraph 2 shall survive such expiration.

*[Signature Page to Follow]*

THE CHEMOURS COMPANY FC,  
LLC

NC DEPARTMENT OF  
ENVIRONMENTAL QUALITY,  
DIVISION OF AIR QUALITY

By: \_\_\_\_\_  
Dawn M. Hughes  
Plant Manager  
Chemours – Fayetteville Works

By:   
Michael Abraczinskas  
Director  
Division of Air Quality

Date: \_\_\_\_\_

Date: 4/4/22

THE CHEMOURS COMPANY FC,  
LLC

NC DEPARTMENT OF  
ENVIRONMENTAL QUALITY,  
DIVISION OF AIR QUALITY

By: *Dawn M. Hughes*  
Dawn M. Hughes  
Plant Manager  
Chemours – Fayetteville Works

By: \_\_\_\_\_  
Michael Abraczinskas  
Director  
Division of Air Quality

Date: *4/5/2022*

Date: \_\_\_\_\_

Attachment 1: VEN Emissions Reductions Actions

<u>Action</u>	<u>Date</u>
Upgrade ABR Room Filter	Complete
Increase Use of Helium Testing	Complete
Upgrade Control Valves with Bellows Seals	Complete
Upgrade Manual Valves with Low Emissions Valves	Complete
Purchase and Receipt of FLIR Cameras	Complete
Install Differential Pressure Readings on Spent Carbonate Filters	Complete
Replace Carbonate Exhaust Blower Filter	Complete
Replace ABR Bag Filter	By August 31, 2022
Upgrade Carbonate Charge Line to Hard Pipe	By October 31, 2022
Replace Reactor Circulating Loop Threaded Connections to Flanged Connections	By October 31, 2022
Replace Manual Valves with Upgraded Packing (Inside Tower)	By October 31, 2022
Upgrade Instruments to Diaphragm Seals	By October 31, 2022



CONFIDENTIAL BUSINESS INFORMATION

Attachment 2: VEN Carbon Adsorber Testing Schedule

- [REDACTED] or within a week of commencement of [REDACTED] campaign
- [REDACTED], or approximately in the middle of [REDACTED] campaign
- [REDACTED], or within a week of end of [REDACTED] campaign
- [REDACTED], or approximately within a week of end of [REDACTED] campaign
- [REDACTED], or within a week of commencement of [REDACTED] campaign
- [REDACTED], or approximately in the middle of [REDACTED] campaign
- [REDACTED], or within a week of end of [REDACTED] campaign