

ORIGINAL



**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

In the Matter of

Docket No. 9327

**Polypore International, Inc.
a corporation**

PUBLIC

**NON-PARTY EXIDE TECHNOLOGIES' OPPOSITION TO
RESPONDENT'S MOTION FOR SANCTIONS**

If any sanctions should result from Polypore's motion, they should be imposed on Polypore for filing a motion wholly lacking factual or legal support. Exide has acted appropriately at all times.

THE FACTS

On December 18, 2008 Polypore identified Dr. James Mark Stevenson as an expert witness. Mot. ¶ 1. Until December 31, 2006, Dr. Stevenson had been Exide's Vice President of Manufacturing, Industrial Energy Europe. For that reason, one of Complaint Counsel informed Exide's counsel of Dr. Stevenson's designation as an industry expert, indicating that Exide might later be asked for information about his experience and qualifications.

Dr. Stevenson's position at Exide required extensive knowledge of highly confidential Exide information. His employment contract provided:

[T]he Employee shall keep secret and shall not at any time (whether before or after the termination of his/her employment) use for his/her own or another's advantage or reveal to any person, firm or company any of the trade secrets or information technical, commercial or otherwise which the

Employee knew or ought reasonably to have known to be confidential . . .
so far as they shall have come to his/her knowledge during his/her
employment by the Company . . .

Ex. 1 at 5, ¶ 9. Exide was concerned that his work as an industry expert could compromise the secrecy of Exide's confidential information. Exide's outside counsel, Donald Russell, wrote to Dr. Stevenson (copying Polypore's counsel) to remind him of his contractual obligations. Ex. 2, 3. As that letter reveals, Polypore's description of the letter (Mot. ¶ 4) as a threat to sue Dr. Stevenson "if he submitted a report and testified in this matter" is false. The letter said that Exide expected Dr. Stevenson to comply with his contractual obligations, and that "Exide Technologies will take action, if necessary, to protect the confidentiality of its proprietary information." Ex. 2.

When he received the letter, Dr. Stevenson requested a copy of the employment agreement, which was sent to him immediately. Ex. 4, 5. The next day, March 20, Dr. Stevenson requested a call with Barbara Hatcher, Exide's General Counsel, "to clarify what exactly does Exide not want me to do? Are Exide asking me not to be the expert witness in this instance? If that is the case can Exide please request me to stop the activity." Ex. 6. A telephone call with Dr. Stevenson, Mr. Russell, and Ms. Hatcher was arranged that afternoon. See Ex. 7-10.

In that call, Mr. Russell told Dr. Stevenson that the company had no wish to interfere with his activities but, knowing virtually nothing about the matters on which he would testify or the sources of information on which he would rely, had concerns about Exide's confidential information. Dr. Stevenson stated that he would address the testing and qualification of separators and the worldwide market for separators. He said that his opinion on the first subject was based on widely known industry standards and practices,

and that his opinion on the second was based on the observation that many separator producers and battery manufacturers operated plants in countries throughout the world. Russell Decl. ¶ 6.

The second observation seemed odd to Mr. Russell, because the fact that producers have plants in multiple countries does not indicate a single geographic market that encompasses all of those countries. Seeking clarification, he asked Dr. Stevenson if he expected to testify that products were shipped from one region (*e.g.*, Europe) to another (*e.g.*, North America). That question had a direct bearing on Exide's confidentiality concerns. Whether a battery manufacturer could easily substitute separators produced in Europe for separators produced in North America depends not just on prices and shipping costs, but on battery manufacturing processes, product design, product quality, and performance standards, among other things. Those subjects entailed a significantly greater possibility of implicating confidential Exide information. Russell Decl. ¶ 7.

Later in the conversation, Dr. Stevenson made clear that, in his view, his expert report would not disclose or rely on confidential information. His comments, however, did not reference testimony he would give in a deposition or hearing. To avoid any miscommunication, Mr. Russell explained that Exide's concerns extended to disclosures in testimony, as well as in an expert report. Dr. Stevenson indicated he was unsure about the potential scope of his deposition or hearing testimony. Russell Decl. ¶ 8.

The telephone conversation was amicable and brief – perhaps twenty minutes. Dr. Stevenson stated that he would terminate his work as an expert witness if Exide asked

him to do so, but Exide made no such request. At the end of the call, Dr. Stevenson was told that Exide would promptly provide a further response. Russell Decl. ¶ 9.

The following Monday, March 23, Mr. Russell sent an email to Dr. Stevenson stating, “You have assured us that in the course of your work as an expert witness for Polypore, you have not had, and do not expect to have, any need to rely on or to disclose Exide’s confidential information. In light of that assurance, we have no objection to your continuation of that work – provided, of course, that in the course of such work, you will not use or disclose confidential information in violation of the continuing obligations under your employment agreement.” Ex. 11.

In reply, Dr. Stevenson asked for “a statement from Exide on what they consider the scope of these obligations. . . I would like to be 100% clear on what I can and can not discuss on any forthcoming events before I proceed further.” Ex. 12. Mr. Russell wrote that, rather than discussing the scope of the obligations “in the abstract” it would be more productive for Dr. Stevenson to ask for the company’s view about specific information. Ex. 13. Dr. Stevenson replied by asking about provisions in a side letter to the employment agreement. See Ex. 14; Ex. 1 at 10, ¶¶ 4-5. He repeated his description of his expert report and the sources upon which it was based, and expressed concern about the risk that he could discuss confidential information in a deposition or other testimony. Ex. 14. A response the same day told Dr. Stevenson that the side letter was inapplicable (emphasizing that Exide was NOT asking him to forego any employment); that the expert report, as he described it, would not violate his contractual obligations; and that he should talk to Polypore’s counsel about the possible scope of disclosures in a deposition. Ex. 15.

Mr. Russell and Ms. Hatcher have had no communication with Dr. Stevenson since that email exchange on March 25.

ARGUMENT

I. EXIDE HAS ACTED PROPERLY TO PROTECT ITS LEGITIMATE INTEREST IN CONFIDENTIALITY

A. Exide's Conduct Was Appropriate

Polypore cites no statute, regulation, case, order, treatise, or article that suggests, let alone states, that Exide's conduct is improper. There is a very good reason for that omission. Exide has acted properly at all times, and there is no legal or factual basis for suggesting otherwise. Polypore's core allegation, that Exide has improperly "interfered" with Dr. Stevenson, is proved false by the exhibits to Polypore's own motion.

1. Polypore implies, but refuses actually to state, that Dr. Stevenson would not disclose confidential information from Exide as an expert witness. If his testimony would not breach any confidences, it would be inaccurate to say that Polypore is making a mountain out of a molehill, *because there is no molehill*. Exide has unequivocally stated, time after time, that it has no objection to Dr. Stevenson's work as an expert witness if he does not disclose Exide's confidential information. See Ex. 11. ("In light of that assurance, we have no objection to your continuation of that work"); Ex. 15 ("we are NOT asking you to forego any employment opportunities"); Ex. 17 ("Exide has no objections to his work for Polypore, so long as he complies with his continuing obligations under his employment contract"); Ex. 19 ("If Dr. Stevenson does not disclose confidential Exide information, he is perfectly free to do as he chooses.").

2. Polypore also implies, but never explicitly argues, that it would be improper for Exide to assert its contractual rights to prevent disclosures of confidential

information in *public* testimony by Dr. Stevenson. That position, of course, lacks any legal support. No expert witness has a right to offer paid testimony in violation of contractual obligations; no party has a right to procure the testimony of an expert that would violate contractual non-disclosure commitments. In fact, expert witnesses routinely sign nondisclosure agreements in which they promise that confidential information obtained in the course of one engagement will not be used or disclosed in another engagement or for another purpose. Polypore probably has asked its own experts for such a commitment. If enforcing such agreements is impermissible “interference” with an expert witness, such agreements would be pointless.

It is not just private agreements that impose such restrictions. The protective order *in this case* states, in Section 10, that confidential material may be disclosed to experts “only for the purposes of the preparation and hearing of this Matter, or any appeal therefore, *and for no other purpose whatsoever.*”¹ Experts who receive confidential material must execute a declaration (Protective Order App. A) that they will “use such Confidential Material only for the purpose of preparing for this proceeding . . . *and for no other purpose*” and that they will “use such Confidential Material and the information contained therein *solely* for the purpose of rendering consulting services to a party to this Matter.” (Emphasis added.)

These restrictions unquestionably serve legitimate purposes, just as restrictions on the disclosure of a business’s confidential information serve legitimate purposes. Yet, under Polypore’s purported notions of what expert witnesses must be permitted to do, the Commission would be improperly interfering with an expert’s testimony in another case

¹ The Protective Order would not prohibit Dr. Stevenson from using or disclosing confidential information obtained through his Exide employment; it applies only to material obtained through discovery.

if the Commission reminded that expert of confidentiality obligations under the Protective Order. Polypore's argument virtually refutes itself.

3. Polypore's principal contention appears to be that Exide acted improperly because the Protective Order and the opportunity to obtain in camera treatment for confidential information provides complete protection for Exide. This contention, too, is patently wrong.

It is wrong, first, because Dr. Stevenson's contract (like the Protective Order) contains no exception for disclosures made in a closed proceeding. The contract prohibits Dr. Stevenson from "us[ing] for his/her own or another's advantage or reveal[ing] to any person, firm or company" confidential information obtained through his Exide employment. Ex. 1 at 5.

But Polypore's contention is wrong for another reason. The Protective Order and in camera treatment for confidential information disclosed by Dr. Stevenson will not fully protect Exide's legitimate confidentiality interests. Consider, for example, Polypore's suggestion that Dr. Stevenson's work as an expert presents no greater risk than Exide would face if he were a current employee, in which case Polypore could subpoena his testimony and Exide could address concerns about confidentiality through the Protective Order and by seeking in camera treatment. That argument ignores the fundamental differences between a current Exide employee and a former employee serving as Polypore's expert. If a current employee is deposed, Exide will know exactly what information was disclosed in the testimony. If the information is highly confidential, Exide can invoke the Protective Order and, if necessary, seek in camera treatment.

Throughout that process, the Protective Order prohibits Polypore's counsel from disclosing the information to others, including the business executives of Polypore.

Confidential information disclosed by an expert is handled much differently. First, if Dr. Stevenson were to disclose confidential information to Polypore's counsel, the protective order does NOT prohibit Polypore's counsel from disclosing the information to Polypore executives or to anyone else. Second, if Dr. Stevenson were to disclose confidential information in his expert report, Polypore alone would decide whether to designate the report as confidential. Exide would have no role in that process; if Polypore failed to designate the report as confidential, Exide would learn that its confidential information had been disclosed only after a public disclosure had occurred, at which point the damage could not be undone. Similarly, if Dr. Stevenson were to disclose confidential information in public testimony in a hearing, the confidentiality would be irrevocably lost.

These problems are not solved merely by designating a report as confidential or presenting the expert's testimony in camera. Commission rules require a determination whether in camera testimony should continue to receive in camera treatment, and for how long. If the expert's testimony is presented in camera, Exide will have no knowledge if the testimony revealed confidential information. For that reason, Exide could not argue that in camera treatment should be maintained, or that the material should remain in camera for any particular period of time. Even though Exide would be the party most affected by public disclosure, and the party with the most knowledge about the reasons for in camera treatment, Exide would be shut out of the process. Contrary to Polypore's claims, in camera treatment is no panacea.

4. Polypore's suggestion that Exide has been unwilling to clarify Dr. Stevenson's obligations under the employment agreement is also specious. When Dr. Stevenson requested a copy of the agreement, Exide provided it immediately. Ex. 5. When he raised question concerning two paragraphs in a side letter, he was promptly told that the company did not believe those provisions governed, because Exide was NOT asking him to forego any employment opportunities. Ex. 15. When he described generally the subjects of his report and the sources upon which he relied, he was told that, as described, "the report will not violate your obligations under the agreement." *Ibid.* And Dr. Stevenson repeatedly was told that if he was unsure whether information was or was not confidential, Exide would promptly respond. Ex. 13 ("[Y]ou may have questions about whether specific information is, or is not, considered by the company to be confidential at this time. We would be happy to state the company's position with regard to any specific information you identify for us."); Ex. 15 ("If you choose to [ask the company if it regards certain Exide information as confidential], the company will attempt to provide a prompt response."); Ex. 17 ("[I]f he was in doubt whether specific information that he obtained through his employment with Exide was or was not confidential in Exide's view, he could ask Exide and get a prompt response."); Ex. 19 ("[I]f he is unsure whether Exide would regard certain information as confidential or not, we would promptly tell him Exide's view, so that he can avoid any inadvertent disclosure."). Despite these repeated offers from Exide, Dr. Stevenson has never made such a request.

What Exide has not done, for good reason, is offer blanket consent to disclosures of information that has not even been identified. Thus, when Dr. Stevenson asked for

“assurance” that his report did not violate confidentiality requirements, Exide responded that, as described, the report would not violate the agreement, but added the appropriate caveat that “Exide cannot confirm that this is the case because we have not seen the report, and we assume that Polypore, for understandable reasons, would not authorize release of the report to us.” Exide then reminded Dr. Stevenson that if he was unable to provide the report, he could identify specific information to obtain Exide’s view about its confidentiality. Ex. 15.

B. There Is No Substance Behind Polypore’s Innuendos

Polypore attempts to bolster its charges by pointing to circumstances that supposedly suggest improper conduct or motives. These are merely smoke and mirrors.

1. Polypore is fond of describing Exide’s agreement with Dr. Stevenson as a “25-year old agreement” as if the date of the agreement has legal significance. Despite the innuendo, Polypore offers nothing to demonstrate that the agreement is not valid and binding today. The more relevant date, of course, is December 31, 2006, the date when Dr. Stevenson left Exide. Polypore does not dispute that information that was confidential on that date may still be confidential today.

2. Polypore hints that there is something nefarious about Complaint Counsel’s disclosure to Exide that Dr. Stevenson had been designated as an expert. Exide is not aware of any basis for believing it was improper for Complaint Counsel to disclose – much less for Exide to receive – this information. And, aside from innuendo, Polypore offers no argument that it was improper.

3. Polypore claims to have been prejudiced by the timing of Exide’s letter to Dr. Stevenson, but that claim is absurd on its face. Exide sent its letter to Dr. Stevenson

on Thursday, March 19, at 11:38 a.m. Exide informed Dr. Stevenson that “we have no objection to your continuation of that work” as an expert on Monday, March 23, at 4:34 p.m., barely more than two working days later. Exide’s prompt response to Dr. Stevenson, after he provided information about the nature of his work, belies any suggestion that Exide was trying to interfere with his work as an expert.

4. Polypore’s charge that Exide interfered with Dr. Stevenson by asking for general information about his geographic market analysis is wrong as a matter of law and as a matter of fact. As a legal matter, we know of no rule that prevents *any* person from asking an expert witness about the testimony he intends to give, much less a rule that prohibits inquiries germane to an ongoing contractual relationship. As a factual matter, the charge of “interference” is ludicrous on this record. Polypore alleges only that Exide asked a question. There is no allegation that Exide urged Dr. Stevenson to reconsider his testimony or even expressed an opinion about the testimony. Nor is there any allegation that *Dr. Stevenson* regarded the question as interference, in any way, shape, or form. Most telling of all, in the next communication from Exide to Dr. Stevenson after the question was asked, Exide informed Dr. Stevenson that “we have no objection to your continuation of that work.”

5. Polypore attempts to infer improper motives from the fact that Exide told Dr. Stevenson that his expert report, as described, would not violate contractual obligations, but did not give Dr. Stevenson the same assurance for his testimony. There is nothing improper here. Dr. Stevenson told Exide that his expert report was not based on and would not disclose confidential information; he did not offer those assurances about his testimony, because he did not know what cross-examination he might be

subjected to. Exide did not use that uncertainty to suggest to Dr. Stevenson that he should not testify; Exide told him, instead, to consult with Polypore's counsel! Ex. 15 (“[W]ith respect to the possible scope of disclosures that may be called for in a deposition, I recommend that you consult with the attorneys for Polypore with whom you have been working.”). What else would Polypore have Exide do?

The record shows clearly that Exide has acted appropriately at all times.

II. THERE IS NO BASIS IN LAW FOR POLYPORE'S MOTION OR ITS REQUESTED RELIEF

Polypore has not merely failed to identify any improper conduct; it has also failed to identify any legal authority for its motion or for the relief it has requested.

Polypore purports to bring its motion pursuant to Rules 3.38 and 3.42 of the Commission's Rules Of Practice. Neither rule is applicable. Rule 3.38 applies to discovery matters only, but Polypore's motion is unrelated to any discovery dispute. Moreover, the sanctions authorized by that rule may be imposed only on parties. See Rule 3.38(b) (“If a *party* or an officer or agent of a *party* fails to comply with any discovery obligation . . .”) (emphasis added). So, too, for the sanctions authorized by Rule 3.42((h). See Rule 3.42(h) (“Any *party* who refuses or fails to comply with a lawfully issued order or direction of an Administrative Law Judge . . .”) (emphasis added). Exide is not a party to this proceeding. Neither rule provides authority for the motion.

Polypore has also failed to provide evidence that would permit any factual findings. Polypore offers no affidavit, declaration, or other evidence. Of particular note, although Polypore claims that Dr. Stevenson fears reprisal, has been interfered with, and

will not testify unless Polypore's motion is granted, there is no evidence *from Dr. Stevenson* to support those allegations.

Polypore also asks for remedies that would be clearly contrary to law. First, Polypore requests an order that Dr. Stevenson's testimony "will not be deemed a breach of any obligation owed by Dr. Stevenson to Exide." This remedy would be improper for three reasons. First, Polypore has not even described the substance of Dr. Stevenson's testimony. Obviously there is *some* risk that the testimony would reveal confidential matters – why else would Dr. Stevenson need any reassurance? But Polypore asks for a blank check that would permit *any* disclosure, no matter how sensitive the information. Second, Polypore asks, in essence, for a declaratory ruling on the rights of Exide and Dr. Stevenson under the confidentiality agreement. We know of no authority – Polypore certainly cites none – that would authorize a declaratory judgment by the Commission concerning a contract, when neither of the contracting parties is a party in the Commission's proceeding, when neither has requested such a judgment, and when there is no claim that the contract violates any law enforced by the Commission. Third, even if adjudication of such a declaratory judgment would be permissible in other circumstances, *this* is a contract between a U.K. corporation and a U.K. citizen, which by its express terms is to be "governed by and construed in accordance with the Law of England." Ex. 1 at 9, ¶ 13. Even assuming jurisdiction over this extra-territorial matter (which is doubtful), Polypore has provided no explanation how its proposed remedy could be imposed or enforced in light of the parties' intent to be governed by the Law of England.

Polypore's most bizarre remedy, however, is its request that Exide be "precluded from offering any testimony" at the hearing. Exide, which is not a party, cannot "offer

any testimony” under any circumstances. Exide can only provide witnesses whose testimony can be offered by Complaint Counsel or Polypore. Polypore’s transparent objective is to prevent *Complaint Counsel* from offering the testimony of Exide witnesses. That would be an extraordinary remedy for at least two reasons. First, Polypore has not suggested any impropriety by Complaint Counsel, so the suggestion that a sanction should be imposed on Complaint Counsel makes no sense. Second, the purpose of these proceedings is to protect the *public* interest in competitive markets. Excluding probative testimony can only produce a less-informed decision by the Commission, detracting from the public purpose of this proceeding.

Polypore’s request for this remedy demonstrates who is trying to interfere with testimony in this proceeding. It is not Exide.

CONCLUSION

Respondent’s Motion For Sanctions Due To Exide Technologies’ Interference With Respondent’s Expert Witness should be denied.

Dated: April 27, 2009

Respectfully submitted,



Donald J. Russell

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drussell@robbinsrussell.com

Counsel for Exide Technologies, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on April 27, 2009, I caused to be filed via hand delivery and electronic mail delivery an original and two copies of the foregoing Exide Technologies' Opposition To Respondent's Motion For Sanctions, and that the electronic copy is a true and correct copy of the paper original and that a paper copy with an original signature is being filed with:

Donald S. Clark, Secretary
Office of the Secretary
Federal Trade Commission
600 Pennsylvania Avenue, N.W., Rm H-135
Washington, D.C. 20580
secretary@ftc.gov

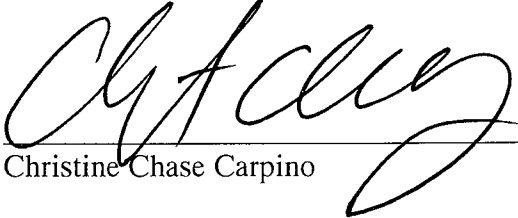
I hereby certify that on April 27, 2009, I caused to be served one copy via electronic mail delivery and two copies via hand delivery of the foregoing Exide Technologies' Opposition To Respondent's Motion For Sanctions upon:

The Honorable D. Michael Chappell
Administrative Law Judge
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580
oyalj@ftc.gov

I hereby certify that on April 27, 2009, I caused to be served by first class mail delivery and electronic mail delivery a copy of the foregoing Exide Technologies' Opposition To Respondent's Motion For Sanctions upon:

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Christine Chase Carpino

DECLARATION OF DONALD RUSSELL

1. I, Donald Russell, submit this declaration in support of Exide Technologies' Opposition To Respondent's Motion For Sanctions, submitted in *In the Matter of Polypore International, Inc.*, FTC Docket No. 9327.
2. I am an attorney with the law firm Robbins, Russell, Englert, Orseck, Untereiner & Sauber LLP in Washington, D.C. I represent Exide Technologies.
3. Exide's General Counsel, Barbara Hatcher, requested my assistance to ensure that confidential information from the company would not be disclosed in connection with Dr. James Mark Stevenson's service as an expert witness for Polypore International, Inc. in this FTC proceeding. Until December 31, 2006, Dr. Stevenson was Exide's Vice President for Manufacturing, Industrial Energy Europe. Dr. Stevenson's employment contract (Ex. 1) required him to maintain the secrecy of certain confidential information he obtained in the course of his employment.
4. The documents attached as Exhibits 2-19 to Exide's opposition are true and correct copies of email and other correspondence between me and Dr. Stevenson, and between me and Polypore's counsel, concerning that subject.
5. After receiving a letter from me (Ex. 2) that reminded Dr. Stevenson of his obligations under his employment contract, Dr. Stevenson asked me to arrange a telephone call with Ms. Hatcher. Ex. 6-10. In response to that request, Ms. Hatcher and I called Dr. Stevenson in the afternoon of Friday, March 20, 2009.
6. In that call, I indicated to Dr. Stevenson that the company had no wish to interfere with his activities but, knowing virtually nothing about the matters on which he would testify or the sources of information on which he would rely, had concerns about Exide's confidential information. Dr. Stevenson stated that he expected to address two subjects – the testing and qualification of separator products, and the worldwide nature of the

market for separators. He stated that his opinion on the first subject was based on widely known industry standards and practices, and that his opinion on the second was based on the observation that many separator producers and battery manufacturers operated plants in countries throughout the world.

7. The second observation seemed odd to me, because the fact that producers have plants in multiple countries does not indicate that there is a single geographic market that encompasses all of those countries. I asked for clarification by asking Dr. Stevenson if he expected to testify that products were shipped from one region (*e.g.*, Europe) to another (*e.g.*, North America). I asked that question so that I could better assess the risk that Dr. Stevenson's work as an expert witness might compromise sensitive Exide information. In my understanding, the question whether a battery manufacturer could easily substitute separators produced in Europe (or Asia) for separators produced in North America requires consideration not just of prices and shipping costs, but of battery manufacturing processes, product design, product quality, and performance standards, among other things. If Dr. Stevenson intended to address those subjects, there would be a significantly greater possibility that his opinions would be based on (and perhaps would reveal) confidential information that he obtained while employed by Exide.

8. Later in the conversation, Dr. Stevenson made clear that, in his view, his expert report would not disclose or rely on confidential information. His comments, however, focused on his expert report, but did not reference the testimony he would likely give in a deposition or at a hearing. To avoid any miscommunication, I explained that Exide's concerns were not limited to disclosures in his expert report, but also included disclosures during testimony at a deposition or hearing. Dr. Stevenson indicated he was unsure about the potential scope of his deposition or hearing testimony.

9. Near the end of the conversation, Dr. Stevenson offered (without any prompting or request by Exide) to terminate his work as an expert witness if Exide wanted him to do so. He was not asked to do so. He was told that Exide would provide a further response as soon as possible. The telephone conversation on March 20 was amicable and brief –

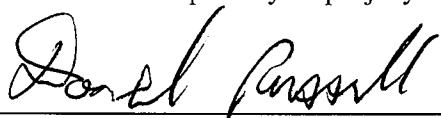
perhaps twenty minutes long. At no time during that conversation did I or Ms. Hatcher threaten to sue Dr. Stevenson or take any other action against him, or suggest that he should not work as an expert witness for Polypore.

10. The next business day, Monday, March 23, 2009, I sent an email to Dr. Stevenson telling him that, in light of his assurances that he did not expect to rely on or disclose Exide's confidential information, Exide had no objection to his continuation of his work as an expert witness for Polypore. Ex. 11.

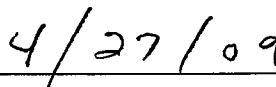
11. A series of email exchanges, which are attached as Ex. 12-15, followed that communication.

12. Neither I, nor Ms. Hatcher, have had any communication with Dr. Stevenson concerning his work as an expert witness other than the communications contained in the attached exhibits and the single telephone conversation on March 19, 2009 that is described above.

I declare under penalty of perjury that the foregoing is true and correct.



Donald Russell



Date

TAB

2

AN AGREEMENT made the 1st day of September
One thousand nine hundred and eighty four

BETWEEN

CHLORIDE MOTIVE POWER

A Division of Chloride Industrial Batteries Limited

whose registered office is at P O Box 1, Salford Road, Over Hulton,
Bolton, BL5 1DD

of the one part and Dr James Mark Stevenson

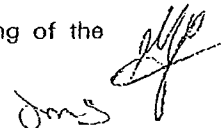
of 117, Davyhulme Road, Davyhulme, Manchester, M31 2BX.

(hereinafter called 'the Employee') of the other part.

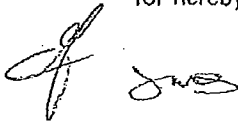
WHEREBY IT IS AGREED as follows:—

1. In this Agreement:—

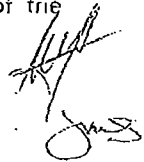
- (a) "Approving Authority" means the Board of Directors of the Company or a person designated in writing by the Board of Directors of the Company as the Approving Authority.
- (b) "Associated Company" means any company (other than a Group Company) in which the Company or any of the Group Companies holds not less than Twenty-One per cent of the issued equity share capital thereof.
- (c) "The Company" means Chloride Motive Power (A Division of C.I.B.L.) or any company substituted as the employer for the time being of the Employee pursuant to Clause 4(c).
- (d) "General Manager" means the general manager for the time being of the Company.



- (e) "Group Company" shall mean any company which is for the time being a subsidiary or holding company of the Company or a subsidiary of such holding company.
 - (f) The expressions "subsidiary" "holding company" and "equity share capital" shall bear the meanings ascribed thereto in Section 154 of the Companies Act 1948.
 - (g) "Terms of Employment for Staff" shall mean the terms and conditions of employment for staff of the Company for the time being in force.
2. THE Company shall employ the Employee and the Employee shall with effect from 1st September 1984 serve as Technical Manager - Quality Assurance - Chloride Motive Power (A Division of C.I.B.L.).
- (or in such other appointment or appointments as may from time to time be agreed). The Company shall be at liberty from time to time to appoint any other person or persons to act jointly with the Employee.
3. THE Company shall pay to the Employee during the period of his/her employment a salary at the rate of £ 14,200.00 per annum inclusive of any remuneration to which the Employee may be entitled as a director of the Company or any Group Company or Associated Company in the United Kingdom (or such higher rate as may from time to time be determined and notified by the Company to the Employee). The said salary shall be payable by twelve equal monthly payments.
4. (a) Subject to paragraph 4(d) below the Employee shall during working hours devote the whole of his/her time attention and skill to the duties of his/her employments at such locations in the United Kingdom as the approving Authority or General Manager may reasonably require and shall faithfully and diligently perform such duties and exercise such powers as may from time to time be assigned to or vested in him/her and shall obey the reasonable and lawful directions of the Approving Authority or General Manager.
- (b) The Employee may be required by the Approving Authority or General Manager in pursuance of his duties hereunder to perform services in the United Kingdom not only for the Company but also for any other Group Company or any Associated Company without further or other remuneration than is provided for hereby.

Two handwritten signatures in black ink, one larger and more stylized, the other smaller and more cursive.

- (c) Another Group Company in the United Kingdom may at any time be substituted as the employer of the Employee by not less than one months notice in writing. Such substitution shall not in any way affect any other of the terms of this Agreement which shall remain unchanged.
 - (d) If the Employee is required under this Clause to perform services for the Company or any Group Company or Associated Company (other than on a temporary basis) at a place other than his/her then existing place of employment or another company is substituted as the Employer as provided in Clause 4(c) and it is in consequence reasonably necessary (in the opinion of the Approving Authority) that he/she should change his/her place of residence in order to be able properly to perform such services the Company will (by way of grant or otherwise) give or procure to be given such financial assistance in relation to removal expenses or otherwise in accordance with the Company's Assisted Relocation Scheme for the time being in force.
 - (e) The Employee shall not be obliged to go or reside outside the United Kingdom except for visits reasonably required by the Approving Authority or the General Manager in connection with the performance of his/her duties.
 - (f) Notwithstanding the foregoing provisions of this paragraph the Employee may with the Employer's consent enter into a separate contract of employment with a Group Company abroad for services to be performed on behalf of that Company entirely outside the United Kingdom.
5. THE appointment of the Employee shall be subject to termination:—
- (a) on the part of the Employee at any time if he/she gives not less than three months prior notice in writing to the Company;
 - (b) on the part of the Company at any time if it gives not less than six months prior notice in writing to the Employee;
 - (c) automatically by effluxion of time at the end of the month in which the Employee reaches his/her normal retirement date under the Rules of the Chloride Pension Scheme applicable to him/her;



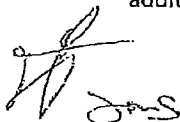
- (d) forthwith by the Company giving written notice to the Employee in the event of the Employee committing any serious breach or repeating or continuing (after warning) any material breach of his/her obligations hereunder, or being guilty of dishonesty, or committing an act of bankruptcy or compounding with his/her creditors;
- (e) automatically on the date of retirement if the Employee applies to retire early under the Rules of the Chloride Pension Scheme applicable to him/her.

6. UPON termination of the appointment for whatever reason:—

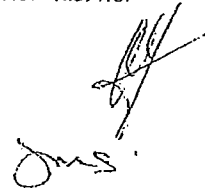
- (a) the Employee shall deliver to the Company all books, documents, papers, materials and other property relating to the business of the Company or any Group Company or Associated Company which may then be in his/her possession or under his/her control;
- (b) the Employee shall forthwith resign his/her position as a director of the Company and of any other Group Company or Associated Company of which he/she may be a Director and upon request forthwith resign any position in or office of the Company or any Group Company or Associated Company and shall transfer to the Company without payment any qualifying shares provided by it;
- (c) the Employee shall not at any time represent himself/herself as being in any way connected with the business of the Company or any Group Company or Associated Company;
- (d) the Employee shall not at any time, either on his/her own account or for any other person, firm or company, endeavour to entice away from the Company or any Group Company or Associated Company an employee of the Company or any Group Company or Associated Company.

7. (a) THIS Agreement is subject to and is deemed to incorporate the Terms of Employment for Staff.


- (b) The Employee shall conform to such hours of work as may from time to time reasonably be required of him/her and shall not be entitled to receive any additional remuneration for work outside his/her normal hours.



- (c) Subject to and in accordance with the conditions laid down in the Terms of Employment for Staff the Employee shall be entitled: —
- (i) at such time or times as may be approved by the Company to holidays without loss of remuneration;
 - (ii) to join the Chloride Pension Scheme applicable to the Employee to which he/she may be entitled at any time in accordance with the Rules of the said Scheme.
- (d) During any period of absence from work due to certified sickness or accident the Employee shall be entitled to his/her remuneration specified in Clause 3 hereof at the full rate hereinbefore referred to in respect of the first fifty-two weeks of such absence and thereafter to remuneration at such rate as the Company may determine being not less than fifty per cent of the full rate hereinbefore referred to. The Company reserves the right to deduct from the Employee's salary any amount of National Insurance Benefits including any earnings related supplement receivable by the Employee in case of sickness.
8. THE Employee shall not during his/her employment hereunder (except in pursuance of due performance of his/her duties hereunder or with the consent in writing of the Approving Authority or the General Manager) undertake any other employment or be directly or indirectly engaged or concerned or interested in any other business or activity whatever (where such engagement concern or interest may reasonably be expected by the Company to interfere or conflict with the performance of his/her duties hereunder) provided that this provision shall not prohibit the holding (directly or through nominees) of quoted investments as long as not more than one per cent of the shares or stock of any class of any one company shall be so held.
9. EXCEPT as authorised by the Approving Authority or General Manager or as required by law, the Employee shall keep secret and shall not at any time (whether before or after the termination of his/her employment) use for his/her own or another's advantage or reveal to any person, firm or company any of the trade secrets or information technical, commercial or otherwise which the Employee knew or ought reasonably to have known to be confidential concerning the organisation or affairs of the Company or of any Group Company or Associated Company so far as they shall have come to his/her knowledge during his/her employment by the Company or any Group Company or Associated Company PROVIDED THAT (subject to clause 10 below) nothing in this paragraph shall prevent the Employee from using his/her own skill in any business in which he/she may be lawfully engaged after his/her employment has ended.



10. (a) (i) THE Employee agrees that the company may at any time during the period of this agreement serve notice to the effect that the provisions of this clause are in force and that the company may subsequently retract such a notice and may serve subsequent notices in place of earlier notices.
- (ii) Upon receipt of such a notice and under the provisions thereof which shall survive the termination of this agreement and while such notice is in force the Employee agrees that for a period of 12 months after the termination of his/her employment for whatever reason he/she will not enter into a contract of service or other agreement of a like nature or otherwise become directly or indirectly involved in or concerned with any company, firm, business or organisation or any subsidiary thereof which is or might be concerned with or otherwise involved in the production, design or marketing of goods or services of the kind specified in the said notice and will not canvass, solicit or endeavour to take away from the company the business of any customer or clients who have been customers or clients of the company during the period of 3 years immediately preceding the termination of the employment.
- (iii) Any such notice must clearly state:—
- i) The nature of the goods and services in respect of which the prohibition shall apply;
- ii) the area of restriction.
- (b) IF by reason of the Company enforcing this Clause the Employee is prevented from:—
- (i) taking up any offer or offers of employment;
- or
- (ii) doing business on his/her own account or in partnership and as a result the annual total gross remuneration obtainable by the employee whether from the Company or otherwise (remuneration "A") is less than the annual total gross remuneration which the Employee can show to the reasonable satisfaction of the Company that he/she would have received had the Company not enforced the provisions of this Clause (remuneration "B") the Company shall, except where the employment was terminated by the Employee's retirement on pension compensate the Employee.



Jan S

- (iii) the amount of compensation subject to (iv) below should be equal to the difference between remuneration in "A" and remuneration "B" and be payable monthly during the period of the operation of the Constraint but only for such time as any differences shall continue and the Employee is and remains subject to and complies with any Constraint enforced by the Company as aforesaid and is not otherwise in breach of any continuing obligation to the Company.
 - (iv) the amount of compensation payable by the Company under this Clause should not exceed a sum equal to the Employees final year's salary.
 - (c) Should the Company enforce the terms of this Clause the Employee shall from time to time at the request of the Company whilst the Company's liability to pay compensation hereunder continues produce evidence satisfactory to the Company of the Employee's then current salary and emoluments.
11. (a) SUBJECT to the provisions of Patent Act 1977 if at any time during his/her employment hereunder the Employee shall (either alone or with others): --
- (i) make or discover any invention, modification, development or improvement or any process or secret whatsoever (whether or not capable of being protected by letters patent or other protection of any nature whatsoever) which shall relate to any of the products or methods of production of the Company or any Group Companies or any Associated Companies or may conveniently be used in relation thereto or which shall result from or be suggested by anything done in the course of his/her employment (hereinafter called "Inventions"); or
 - (ii) produce any work in any medium whatever, including but not limited to any design, model, drawing, document, plan, tape or photograph (hereinafter together called "Designs") and whether in two or three dimensions, which shall relate to Inventions or to any of the products or methods of production of the Company or any Group Companies or any Associated Companies or which shall result from anything done in the course of his/her employment. Such Inventions and Designs and all rights and copyright in such Designs shall be the sole and absolute property of the Company or Group Company, or Associated Company (hereinafter called the "Relevant Company") (in case of doubt the Company will designate the Relevant Company) and will fall within the provisions concerning confidentiality of Clause 9 hereof, and the Employee shall without delay communicate to the Relevant Company all available information relating to Inventions and shall without delay deliver up to the Relevant Company all Designs:

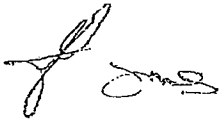
Handwritten signatures in black ink, appearing to be initials or names, located at the bottom right of the page.

(b) The Employee shall at the request and cost of the Company (whether during or after the end of his/her employment) sign and execute all such deeds and documents and do all such acts and things as the Company may reasonably require:—

(i) to apply for, obtain and vest in the name of the Company alone (unless the Company otherwise directs) letters patent, registered designs or other protection of any nature whatsoever in respect of Inventions and Designs in any country throughout the world and, when so obtained or vested, to renew and maintain the same;

(ii) to defend any proceedings in respect of such applications and any petitions or applications for revocation of such letters patent, registered designs or other protection.

12. THE Company shall be entitled to appoint and remove the Employee as a Director of the Company at any time.
13. IF this Agreement is terminated because of the liquidation of the Company for the purpose of amalgamation or reconstruction and the Employee is offered employment with such amalgamated or reconstructed company on terms not less favourable in all material respects than the terms of this Agreement, the Employee shall have no claim against the Company in respect of such termination.
14. THIS Agreement is in substitution for all previous contracts of service between the Company and the Employee which shall be deemed to have been terminated by mutual consent as from the date of commencement of this Agreement without prejudice to the rights liabilities and obligations (if any) of either party accrued or accruing prior to that date and without prejudice to the continuing validity and enforceability of any provision in any such contract of service expressed or intended to continue in force notwithstanding such termination.
15. IF the Employee has any grievance relating to his/her employment he/she should contact his/her immediate superior or deputy for the time being and the procedure available to the Employee if he/she wishes to seek redress of any grievance relating to his/her employment is laid down in "Terms of Employment for Staff".
16. THE various provisions of this Agreement are severable and if any provision hereof shall be held to be invalid or unenforceable by any court of competent jurisdiction then such invalidity or unenforceability shall not affect the remaining provisions of this Agreement.



- 17. ANY notice to be given hereunder to the Employee may be served by being handed to him/her personally or by being sent by recorded delivery first class post to him/her at his/her usual or last known address; and any notice to be given to the Company may be served by being left at or sent by recorded delivery first class post to its registered office for the time being. Any notice served by post shall be deemed to have been served on the day (excluding Sundays and Bank Holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was properly addressed and posted as a prepaid letter by recorded delivery first class mail.

- 18. ANY reference in this Agreement to an Act of Parliament shall be deemed to include any statutory modification or re-enactment thereof whenever made. The headings shall be disregarded in construing this Agreement.

- 19. THIS Agreement shall be governed by and construed in accordance with the Law of England.

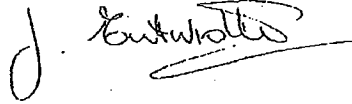
IN WITNESS whereof this Agreement has been entered into the day and year first above written.

SIGNED BY



on behalf of CHLORIDE MOTIVE POWER (A Division of C.I.B.L.)

in the presence of:-



SIGNED BY the said



(Dr James Mark Stevenson)

in the presence of:-



Chloride Motive Power

Our ref: MJF/rbw

Your ref:

Date 1st September 1984

P O Box 1,
Safford Road, Over Hulton,
Bolton BL5 1DD
Telephone: Bolton 641111 (STD Code 0204)
Telex: 635759
Cables: Chloride Bolton

Dr J M Stevenson
117 Davyhulme Road
Davyhulme
Manchester
M31 2BX

CHLORIDE

Dear *Mark*

Your Service Agreement Dated 1st September 1984

1. This side-letter is intended to be read in conjunction with the above Service Agreement.
2. Clause 10 of the Agreement provides that the Company may require the Employee not to enter another employment or contractual relationship after his employment with the Company.
3. The intention of the Company in creating the facility covered by Clause 10 is to protect the Company's genuine interests if you were to take employment with or have some other contractual relationship with a competitor or potential competitor of the Chloride Group. However it is not the Company's intention and never would be to enforce Clause 10 on the basis that you would be deprived of reasonable remuneration during the period of restraint while the Clause is in operation.
4. The nature of your employment and the continual changes of projects make it difficult to define precisely the areas of confidential information which the Company wish to protect through the use of a constraint under Clause 10 at some future date. The Company's intention is that the specific areas should be defined in the event of your leaving Chloride employment at the time when it becomes appropriate to do so. You may at any time request that the Company should so specify the areas of possible constraint within fourteen (14) days.
5. In this connection it is envisaged that the areas of confidential information will be deemed to include all recent research projects and development projects as well as all planned development projects concerning products and manufactured processes with which you have been directly involved or on which you have had access to information. It will also be deemed to include any such projects which have been or are being dealt with by employees who report directly or indirectly to you. It would not be deemed to cover any information on such projects which is a matter of public knowledge as a result of authorised publication.

A division of Chloride Industrial Batteries Ltd
Registered Office
P O Box 5, Clifton Junction,
Swinton Manchester M27 2LR
A Member of the Chloride Group PLC
Registered in England No 330983
VAT Reg No 145 1707 81

CHLORIDE

Dr J M Stevenson

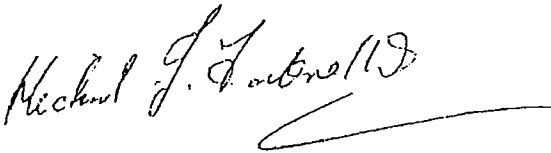
MJF/rbw

Cont/d. 2

1st September 1984

6. You are asked to acknowledge this letter by signing and returning the enclosed copy.

Yours sincerely



M J Farebrother

I agree to the conditions set out above.

Signed *J.M. Stevenson*

Date *11th October 1984*

1AB

2

From: Russell, Don
Sent: Thursday, March 19, 2009 11:38 AM
To: mjs.stevenson@btinternet.com
Subject: Your contractual obligations to Exide Technologies
Attachments: 2009-03-19 - Letter to Dr James Mark Stevenson.pdf

Dear Dr. Stevenson,

Please see the attached letter.

If you have any questions, please feel free to write or call me.

Sincerely yours,

Donald J. Russell

Robbins, Russell, Englert, Orseck,
Untereiner & Sauber LLP
1801 K Street N.W., Suite 411L
Washington, D.C. 20006
www.RobbinsRussell.com
drussell@robbinsrussell.com
202-775-4502 (Direct Dial)
202-775-4510 (Fax)

ROBBINS, RUSSELL, ENGLERT, ORSECK, UNTEREINER & SAUBER LLP

1801 K STREET, N.W., SUITE 411
WASHINGTON, D.C. 20006
PHONE (202) 775-4500
FAX (202) 775-4510
www.robbsrussell.com

Donald J. Russell

(202) 775-4502
drussell@robbsrussell.com

March 19, 2009

BY MAIL AND EMAIL

Dr. James Mark Stevenson
213 Higher Lane
Lymm
Cheshire
WA13 ORN
United Kingdom

Dear Dr. Stevenson:

I am writing to you on behalf of Exide Technologies, which has retained me to protect the company's interest in preserving the confidentiality of its proprietary information. It has come to our attention that you have contracted to serve as an expert witness in litigation brought by the United States Federal Trade Commission against Polypore International, Inc.

As you know, your employment by Exide was conditioned on a contractual commitment that requires you to keep secret all confidential information that you acquired during your employment with the company. The contract also prohibits your use of such information to your own or another's advantage. Confidential information includes, among other things, any technical or commercial information as well as information about research and development projects or planned research and development projects concerning products or manufacturing processes. Your contractual obligation to maintain the confidentiality of such information did not terminate when your employment with Exide ended, but continues so long as the information remains confidential.

We have concerns that your work as an expert witness for Polypore may conflict with your continuing obligations under your employment agreement. We believe that there is a risk that your work as an expert witness will require the disclosure of confidential information in your testimony or, at the very least, in your discussions with counsel for Polypore. We expect you to

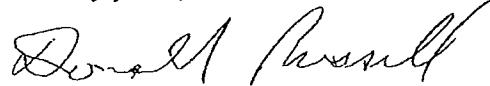
ROBBINS, RUSSELL, ENGLERT, ORSECK & UNTEREINER LLP

Dr. James Mark Stevenson
March 19, 2009
Page 2

comply fully with your contractual obligations, but Exide Technologies will take action, if necessary, to protect the confidentiality of its proprietary information.

If you have any questions concerning this matter, please feel free to contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Donald J. Russell". The signature is written in a cursive, flowing style.

Donald J. Russell
Counsel for Exide Technologies

cc: Barbara Hatcher
William Rickard

1 AB

3

From: Russell, Don
Sent: Thursday, March 19, 2009 11:40 AM
To: Rikard, Jr., William L.
Subject: Letter to Dr. James Mark Stevenson
Attachments: 2009-03-19 - Letter to Dr James Mark Stevenson.pdf

Dear Mr. Rickard,

Please see the attached letter that was sent to Dr. Stevenson.

Donald J. Russell

Robbins, Russell, Englert, Orseck,
Untereiner & Sauber LLP
1801 K Street N.W., Suite 411L
Washington, D.C. 20006
www.RobbinsRussell.com
drussell@robbinsrussell.com
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March 19, 2009

BY MAIL AND EMAIL

Dr. James Mark Stevenson
213 Higher Lane
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WA13 ORN
United Kingdom

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We have concerns that your work as an expert witness for Polypore may conflict with your continuing obligations under your employment agreement. We believe that there is a risk that your work as an expert witness will require the disclosure of confidential information in your testimony or, at the very least, in your discussions with counsel for Polypore. We expect you to

ROBBINS, RUSSELL, ENGLERT, ORSECK & UNTEREINER LLP

Dr. James Mark Stevenson

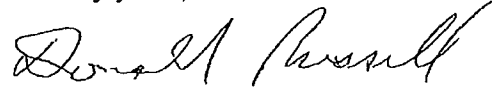
March 19, 2009

Page 2

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Sincerely yours,

A handwritten signature in cursive script, appearing to read "Donald J. Russell".

Donald J. Russell

Counsel for Exide Technologies

cc: Barbara Hatcher
William Rickard

TAB

4

From: Mark Stevenson [mjs.stevenson@btinternet.com]
Sent: Thursday, March 19, 2009 3:40 PM
To: Russell, Don
Subject: Re: Your contractual obligations to Exide Technologies

Dear Mr Russell,

I would appreciate it if you could send me a copy of the Confidentiality document. I am travelling at present and as such have no access to documents.

I need to know what level of confidentiality there is even though my work on the Polypore litigation is just giving a general opinion on certain points .

Please copy Mr William Rickard.

Thank you for your assistance.

Yours sincerely

Mark Stevenson

From: "Russell, Don" <drussell@robbinsrussell.com>
To: "mjs.stevenson@btinternet.com" <mjs.stevenson@btinternet.com>
Sent: Thursday, 19 March, 2009 3:38:28 PM
Subject: Your contractual obligations to Exide Technologies

Dear Dr. Stevenson,

Please see the attached letter.

If you have any questions, please feel free to write or call me.

Sincerely yours,

Donald J. Russell

Robbins, Russell, Englert, Orseck,

Untereiner & Sauber LLP

1801 K Street N.W., Suite 411L

Washington, D.C. 20006

www.RobbinsRussell.com

drussell@robbinsrussell.com

202-775-4502 (Direct Dial)

202-775-4510 (Fax)

LAB

5

From: Russell, Don
Sent: Thursday, March 19, 2009 4:58 PM
To: Mark Stevenson
Cc: Rikard, Jr., William L.
Subject: RE: Your contractual obligations to Exide Technologies
Attachments: 1984-09-01 - Agreement between Chloride Motive Power and Dr James Mark Stevenson.pdf

A copy of the agreement is attached. In accordance with your request, I am also sending a copy to Mr. Rikard.

From: Mark Stevenson [mailto:mjs.stevenson@btinternet.com]
Sent: Thursday, March 19, 2009 3:40 PM
To: Russell, Don
Subject: Re: Your contractual obligations to Exide Technologies

Dear Mr Russell,

I would appreciate it if you could send me a copy of the Confidentiality document. I am travelling at present and as such have no access to documents.

I need to know what level of confidentiality there is even though my work on the Polypore litigation is just giving a general opinion on certain points .

Please copy Mr William Rickard.

Thank you for your assistance.

Yours sincerely

Mark Stevenson

From: "Russell, Don" <drussell@robbinsrussell.com>
To: "mjs.stevenson@btinternet.com" <mjs.stevenson@btinternet.com>
Sent: Thursday, 19 March, 2009 3:38:28 PM
Subject: Your contractual obligations to Exide Technologies

Dear Dr. Stevenson,

Please see the attached letter.

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Sincerely yours,

Donald J. Russell

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Untereiner & Sauber LLP

1801 K Street N.W., Suite 411L

Washington, D.C. 20006

www.RobbinsRussell.com

drussell@robbinsrussell.com

202-775-4502 (Direct Dial)

202-775-4510 (Fax)

AN AGREEMENT made the 1st day of September
One thousand nine hundred and eighty four BETWEEN

CHLORIDE MOTIVE POWER

A Division of Chloride Industrial Batteries Limited

whose registered office is at P.O. Box 1, Salford Road, Over Hulton,
Bolton, BL5 1DD

of the one part and Dr James Mark Stevenson

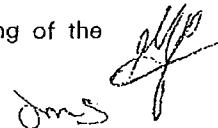
of 117, Davyhulme Road, Davyhulme, Manchester, M31 2BX.

(hereinafter called 'the Employee') of the other part.

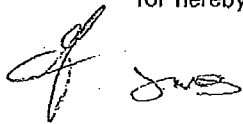
WHEREBY IT IS AGREED as follows:—

1. In this Agreement:—

- (a) "Approving Authority" means the Board of Directors of the Company or a person designated in writing by the Board of Directors of the Company as the Approving Authority.
- (b) "Associated Company" means any company (other than a Group Company) in which the Company or any of the Group Companies holds not less than Twenty-One per cent of the issued equity share capital thereof.
- (c) "The Company" means Chloride Motive Power (A Division of C.I.B.L.) or any company substituted as the employer for the time being of the Employee pursuant to Clause 4(c).
- (d) "General Manager" means the general manager for the time being of the Company.



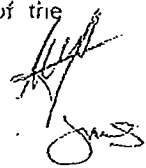
- (e) "Group Company" shall mean any company which is for the time being a subsidiary or holding company of the Company or a subsidiary of such holding company.
 - (f) The expressions "subsidiary" "holding company" and "equity share capital" shall bear the meanings ascribed thereto in Section 154 of the Companies Act 1948.
 - (g) "Terms of Employment for Staff" shall mean the terms and conditions of employment for staff of the Company for the time being in force.
2. THE Company shall employ the Employee and the Employee shall with effect from 1st September 1984 serve as Technical Manager - Quality Assurance - Chloride Motive Power (A Division of C.I.B.L.).
- (or in such other appointment or appointments as may from time to time be agreed). The Company shall be at liberty from time to time to appoint any other person or persons to act jointly with the Employee.
3. THE Company shall pay to the Employee during the period of his/her employment a salary at the rate of £ 14,200.00 per annum inclusive of any remuneration to which the Employee may be entitled as a director of the Company or any Group Company or Associated Company in the United Kingdom (or such higher rate as may from time to time be determined and notified by the Company to the Employee). The said salary shall be payable by twelve equal monthly payments.
4. (a) Subject to paragraph 4(d) below the Employee shall during working hours devote the whole of his/her time attention and skill to the duties of his/her employments at such locations in the United Kingdom as the approving Authority or General Manager may reasonably require and shall faithfully and diligently perform such duties and exercise such powers as may from time to time be assigned to or vested in him/her and shall obey the reasonable and lawful directions of the Approving Authority or General Manager.
- (b) The Employee may be required by the Approving Authority or General Manager in pursuance of his duties hereunder to perform services in the United Kingdom not only for the Company but also for any other Group Company or any Associated Company without further or other remuneration than is provided for hereby.

Two handwritten signatures in black ink, one larger and more stylized, the other smaller and more cursive.

- (c) Another Group Company in the United Kingdom may at any time be substituted as the employer of the Employee by not less than one months notice in writing. Such substitution shall not in any way affect any other of the terms of this Agreement which shall remain unchanged.
- (d) If the Employee is required under this Clause to perform services for the Company or any Group Company or Associated Company (other than on a temporary basis) at a place other than his/her then existing place of employment or another company is substituted as the Employer as provided in Clause 4(c) and it is in consequence reasonably necessary (in the opinion of the Approving Authority) that he/she should change his/her place of residence in order to be able properly to perform such services the Company will (by way of grant or otherwise) give or procure to be given such financial assistance in relation to removal expenses or otherwise in accordance with the Company's Assisted Relocation Scheme for the time being in force.
- (e) The Employee shall not be obliged to go or reside outside the United Kingdom except for visits reasonably required by the Approving Authority or the General Manager in connection with the performance of his/her duties.
- (f) Notwithstanding the foregoing provisions of this paragraph the Employee may with the Employer's consent enter into a separate contract of employment with a Group Company abroad for services to be performed on behalf of that Company entirely outside the United Kingdom.

5. THE appointment of the Employee shall be subject to termination:—

- (a) on the part of the Employee at any time if he/she gives not less than three months prior notice in writing to the Company;
- (b) on the part of the Company at any time if it gives not less than six months prior notice in writing to the Employee;
- (c) automatically by effluxion of time at the end of the month in which the Employee reaches his/her normal retirement date under the Rules of the Chloride Pension Scheme applicable to him/her;

Handwritten signatures in black ink, appearing to be initials or names, located in the bottom right corner of the page.

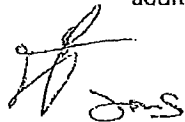
- (d) forthwith by the Company giving written notice to the Employee in the event of the Employee committing any serious breach or repeating or continuing (after warning) any material breach of his/her obligations hereunder, or being guilty of dishonesty, or committing an act of bankruptcy or compounding with his/her creditors;
- (e) automatically on the date of retirement if the Employee applies to retire early under the Rules of the Chloride Pension Scheme applicable to him/her.

6. UPON termination of the appointment for whatever reason:—

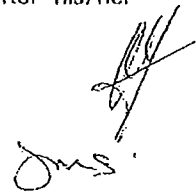
- (a) the Employee shall deliver to the Company all books, documents, papers, materials and other property relating to the business of the Company or any Group Company or Associated Company which may then be in his/her possession or under his/her control;
- (b) the Employee shall forthwith resign his/her position as a director of the Company and of any other Group Company or Associated Company of which he/she may be a Director and upon request forthwith resign any position in or office of the Company or any Group Company or Associated Company and shall transfer to the Company without payment any qualifying shares provided by it;
- (c) the Employee shall not at any time represent himself/herself as being in any way connected with the business of the Company or any Group Company or Associated Company;
- (d) the Employee shall not at any time, either on his/her own account or for any other person, firm or company, endeavour to entice away from the Company or any Group Company or Associated Company an employee of the Company or any Group Company or Associated Company.

7. (a) THIS Agreement is subject to and is deemed to incorporate the Terms of Employment for Staff.


- (b) The Employee shall conform to such hours of work as may from time to time reasonably be required of him/her and shall not be entitled to receive any additional remuneration for work outside his/her normal hours.



- (c) Subject to and in accordance with the conditions laid down in the Terms of Employment for Staff the Employee shall be entitled:—
- (i) at such time or times as may be approved by the Company to holidays without loss of remuneration;
 - (ii) to join the Chloride Pension Scheme applicable to the Employee to which he/she may be entitled at any time in accordance with the Rules of the said Scheme.
- (d) During any period of absence from work due to certified sickness or accident the Employee shall be entitled to his/her remuneration specified in Clause 3 hereof at the full rate hereinbefore referred to in respect of the first fifty-two weeks of such absence and thereafter to remuneration at such rate as the Company may determine being not less than fifty per cent of the full rate hereinbefore referred to. The Company reserves the right to deduct from the Employee's salary any amount of National Insurance Benefits including any earnings related supplement receivable by the Employee in case of sickness.
8. THE Employee shall not during his/her employment hereunder (except in pursuance of due performance of his/her duties hereunder or with the consent in writing of the Approving Authority or the General Manager) undertake any other employment or be directly or indirectly engaged or concerned or interested in any other business or activity whatever (where such engagement concern or interest may reasonably be expected by the Company to interfere or conflict with the performance of his/her duties hereunder) provided that this provision shall not prohibit the holding (directly or through nominees) of quoted investments as long as not more than one per cent of the shares or stock of any class of any one company shall be so held.
9. EXCEPT as authorised by the Approving Authority or General Manager or as required by law, the Employee shall keep secret and shall not at any time (whether before or after the termination of his/her employment) use for his/her own or another's advantage or reveal to any person, firm or company any of the trade secrets or information technical, commercial or otherwise which the Employee knew or ought reasonably to have known to be confidential concerning the organisation or affairs of the Company or of any Group Company or Associated Company so far as they shall have come to his/her knowledge during his/her employment by the Company or any Group Company or Associated Company PROVIDED THAT (subject to clause 10 below) nothing in this paragraph shall prevent the Employee from using his/her own skill in any business in which he/she may be lawfully engaged after his/her employment has ended.



10. (a) (i) THE Employee agrees that the company may at any time during the period of this agreement serve notice to the effect that the provisions of this clause are in force and that the company may subsequently retract such a notice and may serve subsequent notices in place of earlier notices.
- (ii) Upon receipt of such a notice and under the provisions thereof which shall survive the termination of this agreement and while such notice is in force the Employee agrees that for a period of 12 months after the termination of his/her employment for whatever reason he/she will not enter into a contract of service or other agreement of a like nature or otherwise become directly or indirectly involved in or concerned with any company, firm, business or organisation or any subsidiary thereof which is or might be concerned with or otherwise involved in the production, design or marketing of goods or services of the kind specified in the said notice and will not canvass, solicit or endeavour to take away from the company the business of any customer or clients who have been customers or clients of the company during the period of 3 years immediately preceding the termination of the employment.
- (iii) Any such notice must clearly state:—
- i) The nature of the goods and services in respect of which the prohibition shall apply;
 - ii) the area of restriction.
- (b) IF by reason of the Company enforcing this Clause the Employee is prevented from:—
- (i) taking up any offer or offers of employment;
- or
- (ii) doing business on his/her own account or in partnership and as a result the annual total gross remuneration obtainable by the employee whether from the Company or otherwise (remuneration "A") is less than the annual total gross remuneration which the Employee can show to the reasonable satisfaction of the Company that he/she would have received had the Company not enforced the provisions of this Clause (remuneration "B") the Company shall, except where the employment was terminated by the Employee's retirement on pension compensate the Employee.


JMS

- (iii) the amount of compensation subject to (iv) below should be equal to the difference between remuneration in "A" and remuneration "B" and be payable monthly during the period of the operation of the Constraint but only for such time as any differences shall continue and the Employee is and remains subject to and complies with any Constraint enforced by the Company as aforesaid and is not otherwise in breach of any continuing obligation to the Company.
 - (iv) the amount of compensation payable by the Company under this Clause should not exceed a sum equal to the Employees final year's salary.
 - (c) Should the Company enforce the terms of this Clause the Employee shall from time to time at the request of the Company whilst the Company's liability to pay compensation hereunder continues produce evidence satisfactory to the Company of the Employee's then current salary and emoluments.
11. (a) SUBJECT to the provisions of Patent Act 1977 if at any time during his/her employment hereunder the Employee shall (either alone or with others): --
- (i) make or discover any invention, modification, development or improvement or any process or secret whatsoever (whether or not capable of being protected by letters patent or other protection of any nature whatsoever) which shall relate to any of the products or methods of production of the Company or any Group Companies or any Associated Companies or may conveniently be used in relation thereto or which shall result from or be suggested by anything done in the course of his/her employment (hereinafter called "Inventions"); or
 - (ii) produce any work in any medium whatever, including but not limited to any design, model, drawing, document, plan, tape or photograph (hereinafter together called "Designs") and whether in two or three dimensions, which shall relate to Inventions or to any of the products or methods of production of the Company or any Group Companies or any Associated Companies or which shall result from anything done in the course of his/her employment. Such Inventions and Designs and all rights and copyright in such Designs shall be the sole and absolute property of the Company or Group Company, or Associated Company (hereinafter called the "Relevant Company") (in case of doubt the Company will designate the Relevant Company) and will fall within the provisions concerning confidentiality of Clause 9 hereof, and the Employee shall without delay communicate to the Relevant Company all available information relating to Inventions and shall without delay deliver up to the Relevant Company all Designs:

Handwritten signatures in black ink, appearing to be initials or names, located at the bottom right of the page.

(b) The Employee shall at the request and cost of the Company (whether during or after the end of his/her employment) sign and execute all such deeds and documents and do all such acts and things as the Company may reasonably require:—

(i) to apply for, obtain and vest in the name of the Company alone (unless the Company otherwise directs) letters patent, registered designs or other protection of any nature whatsoever in respect of Inventions and Designs in any country throughout the world and, when so obtained or vested, to renew and maintain the same;

(ii) to defend any proceedings in respect of such applications and any petitions or applications for revocation of such letters patent, registered designs or other protection.

12. THE Company shall be entitled to appoint and remove the Employee as a Director of the Company at any time.
13. IF this Agreement is terminated because of the liquidation of the Company for the purpose of amalgamation or reconstruction and the Employee is offered employment with such amalgamated or reconstructed company on terms not less favourable in all material respects than the terms of this Agreement, the Employee shall have no claim against the Company in respect of such termination.
14. THIS Agreement is in substitution for all previous contracts of service between the Company and the Employee which shall be deemed to have been terminated by mutual consent as from the date of commencement of this Agreement without prejudice to the rights liabilities and obligations (if any) of either party accrued or accruing prior to that date and without prejudice to the continuing validity and enforceability of any provision in any such contract of service expressed or intended to continue in force notwithstanding such termination.
15. IF the Employee has any grievance relating to his/her employment he/she should contact his/her immediate superior or deputy for the time being and the procedure available to the Employee if he/she wishes to seek redress of any grievance relating to his/her employment is laid down in "Terms of Employment for Staff".
16. THE various provisions of this Agreement are severable and if any provision hereof shall be held to be invalid or unenforceable by any court of competent jurisdiction then such invalidity or unenforceability shall not affect the remaining provisions of this Agreement.



17. ANY notice to be given hereunder to the Employee may be served by being handed to him/her personally or by being sent by recorded delivery first class post to him/her at his/her usual or last known address; and any notice to be given to the Company may be served by being left at or sent by recorded delivery first class post to its registered office for the time being. Any notice served by post shall be deemed to have been served on the day (excluding Sundays and Bank Holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was properly addressed and posted as a prepaid letter by recorded delivery first class mail.
18. ANY reference in this Agreement to an Act of Parliament shall be deemed to include any statutory modification or re-enactment thereof whenever made. The headings shall be disregarded in construing this Agreement.
19. THIS Agreement shall be governed by and construed in accordance with the Law of England.

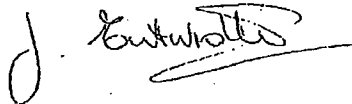
IN WITNESS whereof this Agreement has been entered into the day and year first above written.

SIGNED BY



on behalf of CHLORIDE MOTIVE POWER (A Division of C.I.B.L.)

in the presence of: -



SIGNED BY the said

(Dr James Mark Stevenson)



in the presence of: -



Chloride Motive Power

Our ref; MJF/rbw

Your ref:

Date 1st September 1984

P.O. Box 1,
Salford Road, Over Hulton,
Bolton BL5 1DD
Telephone: Bolton 641111 (STD Code 0204)
Telex: 635759
Cables: Chloride Bolton

Dr J M Stevenson
117 Davyhulme Road
Davyhulme
Manchester
M31 2BX

CHLORIDE

Dear *Mark*

Your Service Agreement Dated - 1st September 1984

1. This side-letter is intended to be read in conjunction with the above Service Agreement.
2. Clause 10 of the Agreement provides that the Company may require the Employee not to enter another employment or contractual relationship after his employment with the Company.
3. The intention of the Company in creating the facility covered by Clause 10 is to protect the Company's genuine interests if you were to take employment with or have some other contractual relationship with a competitor or potential competitor of the Chloride Group. However it is not the Company's intention and never would be to enforce Clause 10 on the basis that you would be deprived of reasonable remuneration during the period of restraint while the Clause is in operation.
4. The nature of your employment and the continual changes of projects make it difficult to define precisely the areas of confidential information which the Company wish to protect through the use of a constraint under Clause 10 at some future date. The Company's intention is that the specific areas should be defined in the event of your leaving Chloride employment at the time when it becomes appropriate to do so. You may at any time request that the Company should so specify the areas of possible constraint within fourteen (14) days.
5. In this connection it is envisaged that the areas of confidential information will be deemed to include all recent research projects and development projects as well as all planned development projects concerning products and manufactured processes with which you have been directly involved or on which you have had access to information. It will also be deemed to include any such projects which have been or are being dealt with by employees who report directly or indirectly to you. It would not be deemed to cover any information on such projects which is a matter of public knowledge as a result of authorised publication.

A Division of Chloride Industrial Batteries Ltd
Registered Office
P.O. Box 5, Clifton Junction,
Swinton Manchester M27 2LA
A Member of the Chloride Group PLC
Registered in England No 330983
VAT Reg No 145 1707 81

CHLORIDE

Dr J M Stevenson

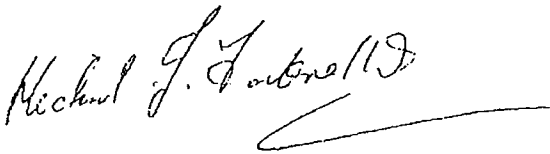
MJF/rbw

Cont/d. 2

1st September 1984

6. You are asked to acknowledge this letter by signing and returning the enclosed copy.

Yours sincerely



M J Farebrother

I agree to the conditions set out above.

Signed *J.M. Stevenson*

Date *11th October 1984*

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6

From: Mark Stevenson [mjs.stevenson@btinternet.com]
Sent: Friday, March 20, 2009 8:49 AM
To: Russell, Don
Subject: Re: Your contractual obligations to Exide Technologies

Dear Mr Russell,
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From: "Russell, Don" <drussell@robbinsrussell.com>
To: Mark Stevenson <mjs.stevenson@btinternet.com>
Cc: "Rikard, Jr., William L." <williamrikard@parkerpoe.com>
Sent: Thursday, 19 March, 2009 8:58:15 PM
Subject: RE: Your contractual obligations to Exide Technologies

A copy of the agreement is attached. In accordance with your request, I am also sending a copy to Mr. Rikard.

From: Mark Stevenson [mailto:mjs.stevenson@btinternet.com]
Sent: Thursday, March 19, 2009 3:40 PM
To: Russell, Don
Subject: Re: Your contractual obligations to Exide Technologies

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I need to know what level of confidentiality there is even though my work on the Polypore litigation is just giving a general opinion on certain points .
Please copy Mr William Rickard.
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Yours sincerely
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To: "mjs.stevenson@btinternet.com" <mjs.stevenson@btinternet.com>
Sent: Thursday, 19 March, 2009 3:38:28 PM
Subject: Your contractual obligations to Exide Technologies

Dear Dr. Stevenson,

Please see the attached letter.

If you have any questions, please feel free to write or call me.

Sincerely yours,

Donald J. Russell

Robbins, Russell, Englert, Orseck,
Untereiner & Sauber LLP
1801 K Street N.W., Suite 411L
Washington, D.C. 20006
www.RobbinsRussell.com
drussell@robbinsrussell.com
202-775-4502 (Direct Dial)
202-775-4510 (Fax)

TAB

X

From: Russell, Don
Sent: Friday, March 20, 2009 8:52 AM
To: Mark Stevenson
Subject: RE: Your contractual obligations to Exide Technologies

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8

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TAB

9

From: Russell, Don
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Subject: RE: Your contractual obligations to Exide Technologies

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10

From: Mark Stevenson [mjs.stevenson@btinternet.com]
Sent: Friday, March 20, 2009 9:10 AM
To: Russell, Don
Subject: Re: Your contractual obligations to Exide Technologies

I take a flight at 17 00 so I guess 16 00.
Yes you can ring my mobile if we can not speak to day.
Thanks
Mark Stevenson

From: "Russell, Don" <drussell@robbinsrussell.com>
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Sent: Thursday, 19 March, 2009 8:58:15 PM
Subject: RE: Your contractual obligations to Exide Technologies

A copy of the agreement is attached. In accordance with your request, I am also sending a copy to Mr. Rikard.

From: Mark Stevenson [mailto:mjs.stevenson@btinternet.com]
Sent: Thursday, March 19, 2009 3:40 PM
To: Russell, Don
Subject: Re: Your contractual obligations to Exide Technologies

Dear Mr Russell,

I would appreciate it if you could send me a copy of the Confidentiality document. I am travelling at present and as such have no access to documents.

I need to know what level of confidentiality there is even though my work on the Polypore litigation is just giving a general opinion on certain points .

Please copy Mr William Rickard.

Thank you for your assistance. .

Yours sincerely

Mark Stevenson

From: "Russell, Don" <drussell@robbinsrussell.com>
To: "mjs.stevenson@btinternet.com" <mjs.stevenson@btinternet.com>
Sent: Thursday, 19 March, 2009 3:38:28 PM
Subject: Your contractual obligations to Exide Technologies

Dear Dr. Stevenson,

Please see the attached letter.

If you have any questions, please feel free to write or call me.

Sincerely yours,

Donald J. Russell

Robbins, Russell, Englert, Orseck,

Untereiner & Sauber LLP
1801 K Street N.W., Suite 411L
Washington, D.C. 20006
www.RobbinsRussell.com
drussell@robbinsrussell.com
202-775-4502 (Direct Dial)
202-775-4510 (Fax)

TAB

//

From: Russell, Don
Sent: Monday, March 23, 2009 4:34 PM
To: Mark Stevenson
Subject: Your work for Polypore

Dear Mr. Stevenson,

Thank you for your prompt reply to my letter of March 19, 2009. You have assured us that in the course of your work as an expert witness for Polypore, you have not had, and do not expect to have, any need to rely on or to disclose Exide's confidential information. In light of that assurance, we have no objection to your continuation of that work -- provided, of course, that in the course of such work, you will not use or disclose confidential information in violation of the continuing obligations under your employment agreement.

If you have any questions concerning Exide's views on the scope of those obligations, please feel free to contact me.

Donald J. Russell

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TAB

12

From: Mark Stevenson [mjs.stevenson@btinternet.com]
Sent: Monday, March 23, 2009 6:03 PM
To: Russell, Don
Subject: Re: Your work for Polypore

Dear Mr Russell,

Thank you for getting back to me as quickly as you have done so. I appreciate Exide's statement in this matter. I would also request that , as you offer , a statement from Exide on what they consider the scope of these obligations. I have read my Confidentiality agreement that you sent together with the attached letter which sought to qualify the scope. The attached letter seemed to relate principally to development projects . I would like to be 100 % clear on what I can and can not discuss on any forthcoming events before I proceed further.
Thank you for your assistance
Yours sincerely
Mark Stevenson

----- Original Message -----

From: Russell, Don
To: Mark Stevenson
Sent: Monday, March 23, 2009 8:34 PM
Subject: Your work for Polypore

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If you have any questions concerning Exide's views on the scope of those obligations, please feel free to contact me.

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202-775-4510 (Fax)

TAB

13

From: Russell, Don
Sent: Tuesday, March 24, 2009 10:39 AM
To: Mark Stevenson
Subject: RE: Your work for Polypore

Dear Mr. Stevenson,

We believe the language in the employment agreement is clear and requires no additional explanation or clarification, and that it would not be productive to attempt to address any questions about the scope of the obligations in the abstract.

However, we understand that you may have questions about whether specific information is, or is not, considered by the company to be confidential at this time. We would be happy to state the company's position with regard to any specific information you identify for us.

Don Russell

From: Mark Stevenson [mailto:mjs.stevenson@btinternet.com]
Sent: Monday, March 23, 2009 6:03 PM
To: Russell, Don
Subject: Re: Your work for Polypore

Dear Mr Russell,

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Thank you for your assistance
Yours sincerely
Mark Stevenson

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To: Mark Stevenson
Sent: Monday, March 23, 2009 8:34 PM
Subject: Your work for Polypore

Dear Mr. Stevenson,

Thank you for your prompt reply to my letter of March 19, 2009. You have assured us that in the course of your work as an expert witness for Polypore, you have not had, and do not expect to have, any need to rely on or to disclose Exide's confidential information. In light of

that assurance, we have no objection to your continuation of that work -- provided, of course, that in the course of such work, you will not use or disclose confidential information in violation of the continuing obligations under your employment agreement.

If you have any questions concerning Exide's views on the scope of those obligations, please feel free to contact me.

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202-775-4510 (Fax)

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14

From: Mark Stevenson [mjs.stevenson@btinternet.com]
Sent: Wednesday, March 25, 2009 6:52 AM
To: Russell, Don
Subject: Re: Your work for Polypore

Dear Mr Russell,

Thank you your response on this matter.

I am trying not to be pedantic on this but I need complete peace of mind that I am not going to concern Exide in anything that I state.

Looking at the side letter in the Service Agreement and in particularly points 4 and 5 and I quote
Point 4.

The nature of your employment and the continual changes of projects make it difficult to define precisely the areas of confidential information which the Company wish to protect through the use of a constraint under Clause 10 at some future date . The Company's intention is that is that the specific areas should be defined in the event of your leaving Chloride employment at the time when it becomes appropriate to do so. You may at any time request that the Company should so specify the areas of possible constraint within fourteen (14) days.

Point 5.

In this connection it is envisaged that the areas of confidential information will be deemed to include all recent research projects and development projects as well as all planned development projects concerning products and manufactured processes with which you have been directly involved or on which you have had access to information. It will also be deemed to include any such projects which have been or are being dealt with by employees who report directly or indirectly to you . It should not be deemed to cover any information on such projects which is a matter of public knowledge as a result of authorized publication.

As discussed with yourself and Barbara Hatcher the scope of my expert witness in the Polypore is to give an opinion on the global nature of the lead acid battery industry and the testing and approval in the use of polyethylene separators particularly in Motive Power cells . The opinion on the global nature of the business is derived from knowledge of the industry and the many examples one can see publically on this . The opinion on the use of polyethylene separators again is formed from my 35 years in the business . In the report I have prepared , but not yet approved for release, no where do I mention any research or development projects I have worked on or indeed Exide in any Technical sense. There are no tests mentioned that are specific to Exide . Given this I think that the report does not infringe the Confidentiality issue but I still require assurance on this. I am also concerned on your comment about the stages after the report such as the deposition and the risk that I could discuss confidential information. As I have never been through this process I envisaged myself at deposition to stick to the scope of the report only and offer no opinions outside of this.
I would appreciate the Company's view on this.

Thank you
Yours sincerely
Mark Stevenson

----- Original Message -----

From: [Russell, Don](#)
To: [Mark Stevenson](#)
Sent: Tuesday, March 24, 2009 2:38 PM
Subject: RE: Your work for Polypore

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explanation or clarification, and that it would not be productive to attempt to address any questions about the scope of the obligations in the abstract.

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Don Russell

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Yours sincerely
Mark Stevenson

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TAB

15

From: Russell, Don
Sent: Wednesday, March 25, 2009 11:36 AM
To: Mark Stevenson
Subject: RE: Your work for Polypore

Dear Dr. Stevenson,

Thanks for your response. I want to try to answer your questions as clearly as possible, but ultimately I think you will have to rely on your own judgment and the advise of the attorneys with whom you are working.

Here is what I can say:

First, the letter that you quote speaks to a situation in which, pursuant to section 10 of the agreement, the company has asked you forego certain employment opportunities. I hope we have made it clear that we are NOT asking you to forego any employment opportunities.

Second, if your report is based on publicly available information and knowledge that is widely known in the industry, and does not contain confidential information obtained through your employment with Exide, then release of the report will not violate your obligations under the agreement. Of course, Exide cannot confirm that this is the case because we have not seen the report, and we assume that Polypore, for understandable reasons, would not authorize release of the report to us. However, I assume you would be free to ask the company if it regards certain information that you obtained from Exide as confidential (without disclosing your report). If you choose to do so, the company will attempt to provide a prompt response.

Third, with respect to the possible scope of disclosures that may be called for in a deposition, I recommend that you consult with the attorneys for Polypore with whom you have been working.

We appreciate your cooperation in this matter.

Sincerely,

Don Russell

From: Mark Stevenson [mailto:mjs.stevenson@btinternet.com]
Sent: Wednesday, March 25, 2009 6:52 AM
To: Russell, Don
Subject: Re: Your work for Polypore

Dear Mr Russell,

Thank you your response on this matter.

I am trying not to be pedantic on this but I need complete peace of mind that I am not going to concern Exide in anything that I state.

Looking at the side letter in the Service Agreement and in particularly points 4 and 5 and I quote Point 4.

The nature of your employment and the continual changes of projects make it difficult to define precisely the areas of confidential information which the Company wish to protect through the use of a constraint under Clause 10 at some future date . The Company's intention is that is that the specific areas should be defined in the event of your leaving Chloride employment at the time when it becomes appropriate to do so. You may at any time request that the Company should so specify the areas of possible constraint within fourteen (14) days.
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I would appreciate the Company's view on this.

Thank you
Yours sincerely
Mark Stevenson

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To: [Mark Stevenson](#)
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Sent: Monday, March 23, 2009 6:03 PM

To: Russell, Don
Subject: Re: Your work for Polypore

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Thank you for your assistance

Yours sincerely
Mark Stevenson

----- Original Message -----

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To: Mark Stevenson
Sent: Monday, March 23, 2009 8:34 PM
Subject: Your work for Polypore

Dear Mr. Stevenson,

Thank you for your prompt reply to my letter of March 19, 2009. You have assured us that in the course of your work as an expert witness for Polypore, you have not had, and do not expect to have, any need to rely on or to disclose Exide's confidential information. In light of that assurance, we have no objection to your continuation of that work -- provided, of course, that in the course of such work, you will not use or disclose confidential information in violation of the continuing obligations under your employment agreement.

If you have any questions concerning Exide's views on the scope of those obligations, please feel free to contact me.

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TAB

16

PARKER POE

PARKER POE ADAMS & BERNSTEIN LLP

Attorneys and Counselors at Law

Eric D. Welsh

Partner

Telephone: 704.335.9052

Direct Fax: 704.335.9755

ericwelsh@parkerpoe.com

Three Wachovia Center

401 South Tryon Street

Suite 3000

Charlotte, NC 28202-1942

Telephone 704.372.9000

Fax 704.334.4706

www.parkerpoe.com

March 26, 2009

VIA ELECTRONIC MAIL AND FIRST CLASS MAIL

Donald J. Russell, Esq.
Robbins, Russell, Englert, Orseck,
Untereiner & Sauber, LLP
1801 K Street N.W., Suite 411L
Washington, DC 20006

Re: In the Matter of Polypore International, Inc., Docket No. 9327

Dear Don:

I have been provided a copy of your letter dated March 19, 2009 to Dr. James Mark Stevenson concerning his engagement as an expert witness in this matter. I understand that my partner, William L. Rikard, Jr., spoke with you on the telephone on March 19 with respect to your letter. I also understand that during that call you advised Mr. Rikard that you had become aware of Dr. Stevenson's engagement in this matter as an expert prior to that day but that you were "too busy" to raise the issue before then. I also understand that during your conversation with Mr. Rikard you had stated that the information regarding Dr. Stevenson's engagement as an expert was public.

Since receiving a copy of your letter and your conversation with Mr. Rikard, we have conducted further inquiry into this matter. We are greatly troubled by Exide's improper conduct in this matter. While you state that the information regarding Dr. Stevenson's engagement was "public", that information was not filed with the Commission and is not available on the Commission website. We had, however, advised the FTC Complaint Counsel with respect to this matter and while you refused to respond to Mr. Rikard's question as to whether you learned of this information from Complaint Counsel, the facts would certainly indicate that that was the source. It would certainly be consistent with what we learned in discovery regarding Exide's communications with Complaint Counsel in this matter. This close relationship was further evidenced by the lunch that you and your client had with Complaint Counsel at the continued deposition of Douglas Gillespie on March 10, 2009. The fact that you chose to send this letter threatening Dr. Stevenson with a lawsuit the day before his report was due to be submitted reflects a calculated move to interfere with this witness's testimony.

I have had several conversations with Dr. Stevenson since this event regarding your letter and his subsequent conversations with you and Ms. Hatcher on this subject. I found the content


CHARLESTON, SC
COLUMBIA, SC
MYRTLE BEACH, SC
RALEIGH, NC
SPARTANBURG, SC

Donald J. Russell, Esq.
March 26, 2009
Page 2

of what he told me to be equally disturbing. It is apparent to me that Exide is only concerned about preventing Dr. Stevenson from testifying in this matter and has no real concern of his potentially violating the terms of a twenty-five year old confidentiality agreement embedded in an employment agreement. Indeed, your question to Dr. Stevenson, in substance, of "do you intend to testify that other suppliers could sell into the United States" reflects Exide's intentions to interfere with this witness's testimony. Finally, Ms. Hatcher's and your apparent comments that while Dr. Stevenson's report in this matter, as generally outlined by Dr. Stevenson in the call, would not be a problem in terms of his confidentiality agreement, but that concerns remained over his testifying in court reflects again Exide's true intentions of preventing Dr. Stevenson from testifying in this matter. Indeed, Exide's position is apparently that it will sue Dr. Stevenson for testifying in a court of law. Absurd! I remind you that there is a far-reaching protective order in place in this case which would protect any confidential information of Exide from disclosure to my client whether in deposition or at trial. You have produced documents to us (many belatedly) and sat through a number of Exide depositions, all of which are subject to the terms of the confidentiality order which was provided to you months ago. You expressed no concern then about confidentiality or Dr. Stevenson. Dr. Stephenson left Exide's employment over two years ago. Any purported concerns over confidentiality could be addressed prior to trial. Instead of raising any such concern directly with us, which you had innumerable opportunities to do so, you chose instead to threaten our witness with a lawsuit the day before his report was due for submission.

Dr. Stevenson has forwarded to me your recent e-mail communications in this matter. Although he has asked for clarification of his obligations and assurance from your client that they will take no legal action against him for testifying in a court of law in this matter, you and your client have refused to give those assurances. Dr. Stevenson has advised that he cannot move forward as an expert witness without such assurances. Exide's conduct here is resulting in great prejudice to my client and we intend to bring this matter to the attention of Judge Chappell as soon as possible. We will ask Judge Chappell to look into this matter and provide appropriate relief to my client.

Sincerely yours,


Eric D. Welsh

EDW/mnb

cc: William L. Rikard, Jr., Esq.
J. Robert Robertson, Esq.

TAB

17

ROBBINS, RUSSELL, ENGLERT, ORSECK, UNTEREINER & SAUBER LLP

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Donald J. Russell

(202) 775-4502
drussell@robbsrussell.com

March 27, 2009

By Email and U.S. Mail

Eric D. Welsh, Esq.
Parker, Poe, Adams & Bernstein LLP
Three Wachovia Center
401 South Tryon Street, Suite 3000
Charlotte, N.C. 28202

Re: In the Matter of Polypore International, Inc., Docket No. 9327

Dear Mr. Welsh:

Your letter of March 26, 2009 is riddled with factual inaccuracies and allegations that are entirely false. I see no point in trying to correct all of them, but your central charge – that Exide has tried to prevent Dr. Stevenson from testifying as an expert witness for Polypore – is one that I will not leave unanswered.

We have made it perfectly clear to Dr. Stevenson, orally and in the email correspondence that you reference, that Exide has no objection to his work for Polypore, so long as he complies with his continuing obligations under his employment contract. We also told him that if he was in doubt whether specific information that he obtained through his employment with Exide was or was not confidential in Exide's view, he could ask Exide and get a prompt response. After hearing his assurances that his work did not involve information specific to Exide or its products and processes, we told him that the work as described would not be in conflict with his confidentiality obligations. We absolutely did not tell Dr. Stevenson that he would be sued for testifying. When Dr. Stevenson asked about the potential scope of questioning in a deposition, we advised him to consult with you.

Dr. Stevenson, as you know, was a high level executive at Exide through the end of 2006, and therefore had access to information that was and still is highly confidential. It is entirely

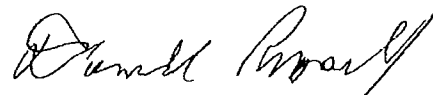
ROBBINS, RUSSELL, ENGLERT, ORSECK, UNTEREINER & SAUBER LLP

Eric D. Welsh
March 27, 2009
Page 2

appropriate for Exide to protect the confidentiality of that information by reminding Dr. Stevenson of his contractual obligations. At the same time, we have assured him that we do not seek in any way to interfere with work that is consistent with those obligations.

In short, Exide's actions in this matter have been entirely appropriate.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Donald Russell".

Donald J. Russell

cc: J. Robert Robertson

TAB

18

From: Welsh, Eric D. [ericwelsh@parkerpoe.com]
Sent: Wednesday, April 15, 2009 11:58 AM
To: Russell, Don
Cc: Rikard, Jr., William L.
Subject: In re Polypore International, Inc., Docket No. 9327

Don

Further to our conversation this morning, in an abundance of caution and to resolve any concern that Exide has over confidentiality, I propose that Dr. Stevenson's deposition testimony be covered under the protective order. I would also propose that his testimony at the hearing be handled in camera. In return, I ask that Exide advise Dr. Stevenson in writing that if his testimony is covered in this way, Exide will not take any legal action against him with respect to these issues of confidentiality. Please understand that we do not concede that Dr. Stevenson has or would disclose any confidential information of Exide in this engagement. In addition, my silence in this email regarding our view of Exide's intentions should not be taken as our conceding anything on this point either. I am simply trying to keep the discussion focused on the proposal so we can move forward in this matter.

This proposal will give Dr. Stevenson the assurances that he needs to move forward in this matter and will certainly address any concern of Exide with respect to confidentiality. While you raised some question about whether I may have forwarded information that I learned from Dr. Stevenson to my client, please be advised that, while I am not going to divulge to you my communications with my client, I have not provided to my client the specifics of what I have discussed with Dr. Stevenson.

Let me know as soon as possible your client's response to this proposal. If this proposal is not acceptable to your client, we will need to bring the matter to the immediate attention of Judge Chappell.

I look forward to hearing from you.

Best regards,

Eric Welsh

Eric Welsh
Partner



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Phone: 704.335.9052 | Fax: 704.335.9755 | www.parkerpoe.com | [vcard](#) | [map](#)

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TAB

19

From: Russell, Don
Sent: Wednesday, April 15, 2009 5:26 PM
To: Welsh, Eric D.
Cc: Rikard, Jr., William L.
Subject: RE: In re Polypore International, Inc., Docket No. 9327

Eric,

Thank you for your proposal. After reviewing it carefully, I have several concerns. First, it is unclear how you can assure that Dr. Stevenson's testimony would be given in camera treatment. It is my understanding that the FTC will be the ultimate arbiter of that question. Second, even assuming that in camera treatment is provided, it is unclear how long that treatment will last. Third, it is not clear what advance notice, if any, Exide would receive before such testimony would be made public, or even whether Exide, if notified, would be given an opportunity to review the testimony prior to its public release. These concerns are magnified by the fact that we have only the vaguest idea of the possible scope of Dr. Stevenson's testimony.

Of course, none of those concerns will matter if Dr. Stevenson's work as a paid expert will not entail the disclosure of confidential Exide information. When Dr. Stevenson assured us several weeks ago that it would not, we indicated to him that we had no objection to his work for you based on that representation.

Our position then and now is simple. If Dr. Stevenson does not disclose confidential Exide information, he is perfectly free to do as he chooses. As we have indicated many times before, if he is unsure whether Exide would regard certain information as confidential or not, we would promptly tell him Exide's view, so that he can avoid any inadvertent disclosure. However, we cannot simply give him and you a blanket assurance, when we do not know what information might be at issue, what protections will or will not be in place to prevent public disclosure, and how long those protections will remain.

Don

From: Welsh, Eric D. [mailto:ericwelsh@parkerpoe.com]
Sent: Wednesday, April 15, 2009 11:58 AM
To: Russell, Don
Cc: Rikard, Jr., William L.
Subject: In re Polypore International, Inc., Docket No. 9327

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simply trying to keep the discussion focused on the proposal so we can move forward in this matter.

This proposal will give Dr. Stevenson the assurances that he needs to move forward in this matter and will certainly address any concern of Exide with respect to confidentiality. While you raised some question about whether I may have forwarded information that I learned from Dr. Stevenson to my client, please be advised that, while I am not going to divulge to you my communications with my client, I have not provided to my client the specifics of what I have discussed with Dr. Stevenson.

Let me know as soon as possible your client's response to this proposal. If this proposal is not acceptable to your client, we will need to bring the matter to the immediate attention of Judge Chappell.

I look forward to hearing from you.

Best regards,

Eric Welsh

Eric Welsh
Partner



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