

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

(Commission File Number) 1-15339

CHEMTURA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

52-2183153

(I.R.S. Employer Identification Number)

1818 Market Street, Suite 3700, Philadelphia, Pennsylvania
199 Benson Road, Middlebury, Connecticut

(Address of principal executive offices)

19103

06749

(Zip Code)

(203) 573-2000

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed from last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of the chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐
(Do not check if smaller reporting company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The number of shares of common stock outstanding as of the latest practicable date is as follows

Class	Number of shares outstanding at March 31, 2016
Common Stock - \$.01 par value	63,960,031

CHEMTURA CORPORATION AND SUBSIDIARIES
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2016

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

CHEMTURA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations (Unaudited)
Quarters ended March 31, 2016 and 2015
(In millions, except per share data)

	Quarters ended March 31,	
	2016	2015
Net sales	\$ 414	\$ 438
Cost of goods sold	293	340
Selling, general and administrative	33	36
Depreciation and amortization	21	24
Research and development	5	5
Facility closures, severance and related costs	—	1
Loss on sale of business	—	3
Impairment charges	1	—
Pension settlement	162	—
Operating (loss) income	(101)	29
Interest expense	(8)	(8)
Other (expense) income, net	(2)	11
(Loss) earnings from continuing operations before income taxes	(111)	32
Income tax benefit (expense)	15	(11)
(Loss) earnings from continuing operations	(96)	21
Loss on sale of discontinued operations, net of tax	—	(1)
Net (loss) earnings	<u>\$ (96)</u>	<u>\$ 20</u>
<u>Basic per share information</u>		
(Loss) earnings from continuing operations	\$ (1.46)	\$ 0.31
Loss on sale of discontinued operations, net of tax	—	(0.01)
Net (loss) earnings	<u>\$ (1.46)</u>	<u>\$ 0.30</u>
<u>Diluted per share information</u>		
(Loss) earnings from continuing operations	\$ (1.46)	\$ 0.30
Loss on sale of discontinued operations, net of tax	—	(0.01)
Net (loss) earnings	<u>\$ (1.46)</u>	<u>\$ 0.29</u>
Weighted average shares outstanding - Basic	<u>65.7</u>	<u>68.8</u>
Weighted average shares outstanding - Diluted	<u>65.7</u>	<u>69.8</u>

See accompanying notes to Consolidated Financial Statements.

CHEMTURA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss) (Unaudited)
Quarters ended March 31, 2016 and 2015
(In millions)

	Quarters ended March 31,	
	2016	2015
Net (loss) earnings	\$ (96)	\$ 20
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	14	(38)
Pension and other post-retirement benefit costs	135	—
Unrealized gain on available for sale securities	—	4
Comprehensive income (loss)	<u>\$ 53</u>	<u>\$ (14)</u>

See accompanying notes to Consolidated Financial Statements

CHEMTURA CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
March 31, 2016 (Unaudited) and December 31, 2015
(In millions, except par value data)

	March 31, 2016 (unaudited)	December 31, 2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 194	\$ 323
Accounts receivable, net	238	210
Inventories, net	328	315
Other current assets	125	130
Total current assets	<u>885</u>	<u>978</u>
NON-CURRENT ASSETS		
Property, plant and equipment, net	665	663
Goodwill	166	166
Intangible assets, net	86	88
Deferred tax asset	341	354
Other assets	126	111
Total assets	<u><u>\$ 2,269</u></u>	<u><u>\$ 2,360</u></u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	\$ 49	\$ 46
Accounts payable	119	120
Accrued expenses	124	142
Below market contract obligation - current	38	38
Income taxes payable	24	15
Total current liabilities	<u>354</u>	<u>361</u>
NON-CURRENT LIABILITIES		
Long-term debt	465	465
Pension and post-retirement health care liabilities	233	270
Below market contract obligation - non-current	136	145
Deferred tax liability	5	7
Other liabilities	109	110
Total liabilities	<u>1,302</u>	<u>1,358</u>
EQUITY		
Common stock - \$0.01 par value Authorized - 500.0 shares Issued - 100.6 shares at March 31, 2016 and 100.6 shares at December 31, 2015	1	1
Additional paid-in capital	4,367	4,371
Accumulated deficit	(2,222)	(2,126)
Accumulated other comprehensive loss	(313)	(462)
Treasury stock - at cost - 36.6 shares at March 31, 2016 and 33.4 shares at December 31, 2015	(867)	(783)
Total Chemtura stockholders' equity	<u>966</u>	<u>1,001</u>
Non-controlling interest	1	1
Total equity	<u>967</u>	<u>1,002</u>
Total liabilities and equity	<u><u>\$ 2,269</u></u>	<u><u>\$ 2,360</u></u>

See accompanying notes to Consolidated Financial Statements.

CHEMTURA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows (Unaudited)
Quarters ended March 31, 2016 and 2015
(In millions)

	Quarters ended March 31,	
	2016	2015
<u>Increase (decrease) in cash</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) earnings	\$ (96)	\$ 20
Adjustments to reconcile net (loss) earnings to net cash (used in) provided by operating activities:		
Loss on sale of discontinued operations	—	1
Loss on sale of business	—	3
Below market contract obligation	(9)	(9)
Pension settlement	162	—
Depreciation and amortization	21	24
Share-based compensation expense	3	3
Other non-cash transactions	1	—
Changes in assets and liabilities, net of assets acquired and liabilities assumed:		
Accounts receivable	(24)	(23)
Inventories	(7)	1
Accounts payable	(3)	11
Pension and post-retirement health care liabilities	(49)	(4)
Other	(31)	(11)
Net cash (used in) provided by operating activities	<u>(32)</u>	<u>16</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from divestments	—	(2)
Capital expenditures	(15)	(13)
Net cash used in investing activities	<u>(15)</u>	<u>(15)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long term debt	(1)	(17)
Proceeds from short-term borrowings, net	2	—
Common shares acquired	(89)	(122)
Proceeds from exercise of stock options	—	3
Net cash used in financing activities	<u>(88)</u>	<u>(136)</u>
CASH AND CASH EQUIVALENTS		
Effect of exchange rates on cash and cash equivalents	6	(12)
Change in cash and cash equivalents	(129)	(147)
Cash and cash equivalents at beginning of period	323	392
Cash and cash equivalents at end of period	<u>\$ 194</u>	<u>\$ 245</u>

See accompanying notes to Consolidated Financial Statements.

CHEMTURA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Chemtura Corporation, together with our consolidated subsidiaries, is a global specialty chemical company dedicated to delivering innovative, performance-driven engineered specialty chemical solutions which are used as additives, ingredients or intermediates that add value to our customers' end products. We are committed to global sustainability through "greener technology" and developing engineered chemical solutions that meet our customers' evolving needs. We operate in a wide variety of end-use industries, including automotive, building and construction, electronics, energy, lubricants, packaging and transportation. We are a leader in many of our key product lines and transact business in more than 80 countries.

Our principal executive offices are located in Philadelphia, PA and Middlebury, CT.

When we use the terms "Corporation," "Company," "Chemtura," "Registrant," "We," "Us" and "Our," unless otherwise indicated or the context otherwise requires, we are referring to Chemtura Corporation and our consolidated subsidiaries.

The information in the foregoing Consolidated Financial Statements for the quarters ended March 31, 2016 and 2015 is unaudited but reflects all adjustments which, in the opinion of management, are necessary for a fair presentation of the results of operations for the interim periods presented. All such adjustments are of a normal recurring nature, except as otherwise disclosed in the accompanying notes to our Consolidated Financial Statements.

Basis of Presentation

The accompanying Consolidated Financial Statements include the accounts of Chemtura and our wholly-owned and majority-owned subsidiaries that we control. Other affiliates in which we have a 20% to 50% ownership interest or a non-controlling majority interest are accounted for in accordance with the equity method. Other investments in which we have less than 20% ownership are recorded at cost. All significant intercompany balances and transactions have been eliminated in consolidation.

Our Consolidated Financial Statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

The interim Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2015 (the "2015 Form 10-K"). The consolidated results of operations for the quarter ended March 31, 2016 are not necessarily indicative of the results expected for the full year.

In accordance with the requirements of ASC 740, *Income Taxes*, we calculate our interim period income tax expense based upon an estimated effective tax rate for the annual period multiplied by our interim earnings (loss) before income taxes, adjusted for discrete items as necessary.

Accounting Policies and Other Items

Included in accounts receivable are allowances for doubtful accounts of \$2 million as of March 31, 2016 and December 31, 2015.

During the three months ended March 31, 2016 and 2015, we made cash interest payments of \$14 million and cash payments for income taxes (net of refunds) of \$2 million and \$18 million, respectively.

At March 31, 2016 and December 31, 2015, \$1 million of our asset retirement obligation was included in accrued expenses and \$15 million was included in other liabilities in our Consolidated Balance Sheet.

Accounting Developments

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective on January 1, 2018. Early adoption is permitted in 2017 for calendar year entities. We currently do not intend to early adopt. The standard permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect that the ASU will have on our consolidated financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. Under current U.S. GAAP, debt issuance costs are reported on the balance sheet as assets and amortized as interest expense. This ASU requires that they be presented on the balance sheet as a direct deduction from the carrying amount of the related debt liability, which is similar to the presentation of debt discounts or premiums. The costs will continue to be amortized to interest expense using the effective interest method. We adopted this guidance retrospectively during the first quarter of 2016. As a result of adoption of this guidance, total assets and total liabilities as of December 31, 2015 decreased as discussed below:

(in millions)	December 31, 2015		
	Previously reported	Reclassification	Current presentation
Other assets	\$ 117	(6) \$	111
Total assets	\$ 2,366	(6) \$	2,360
Long-term debt	\$ 471	(6) \$	465
Total liabilities	\$ 1,364	(6) \$	1,358
Total liabilities and equity	\$ 2,366	(6) \$	2,360

In July 2015, the FASB issued ASU No. 2015-11 *Simplifying the Measurement of Inventory*, which requires inventory to be measured at the lower of cost and net realizable value. This new standard will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years, and is to be applied prospectively. While early adoption is permitted we do not intend to early adopt these provisions. We are evaluating the impact of this new standard on our consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which revises the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for all leases with terms greater than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of operations. The provisions of ASU 2016-02 are effective for fiscal years and interim periods beginning after December 15, 2018 and should be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. We are currently evaluating the impact this accounting standard will have on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting*, which changes several aspects of the accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities, employee tax withholding, calculation of shares for use in diluted earnings per share and classification on the statement of cash flows. The provisions of ASU 2016-09 are effective for fiscal years and interim periods beginning after December 15, 2016. Early adoption is permitted. We are currently evaluating the impact this accounting standard will have on our consolidated financial statements and related disclosures.

2) DIVESTITURES

In November 2014, we sold our Chemtura AgroSolutions business to Platform Specialty Products Corporation ("Platform") under a Stock and Asset Purchase Agreement ("SAPA") for approximately \$1 billion, consisting of \$950 million in cash and 2 million shares of Platform's common stock. During 2015, we sold the 2 million shares of Platform common stock for net proceeds of \$54 million. The purchase price was subject to customary post-closing adjustments, primarily for working capital which was settled during 2015.

Under the terms of the SAPA, we retained most of the property, plant and equipment used to manufacture products of the Chemtura AgroSolutions business and continue to manufacture products for Platform under several supply agreements and a tolling agreement (collectively, the "supply agreements") with minimum terms of between two and four years. In alignment with the change in the nature of operations, we changed the name of this segment to Agrochemical Manufacturing.

The supply agreements with Platform are designed to recover the cash costs incurred to manufacture the products under the agreements. Accordingly, the supply agreements are considered below-market contracts for their full term. As of March 31, 2016, our Consolidated Balance Sheet included \$174 million, which represents the remaining loss of profit, on a discounted basis, for these products over the remaining terms of the supply agreements, including contractual obligations to continue to supply for a period of up to 2 years after termination of the supply agreements.

The recognition of this obligation, along with the accretion of the obligation to its undiscounted value, has been and will continue to be recorded as net sales in the Agrochemical Manufacturing segment on a straight-line basis over the term of each supply agreement based on our estimate of the timing of shipments. The recognition of this obligation will not generate cash flows during the term of the supply agreements. As of March 31, 2016, the current and long-term portions of this obligation, on a discounted basis, were \$38 million and \$136 million, respectively.

As of December 31, 2014, we had not transferred ownership of our wholly-owned subsidiary in Russia and our 15% investment in Certis Europe B.V. ("Certis") to Platform as provided in the SAPA due to certain pending approvals. The value ascribed to these investments as part of the purchase price was received at the closing in November 2014. We closed on the sale of our subsidiary in Russia in January 2015 and we transferred our shares in Certis to Platform during the second quarter of 2015.

Included in the loss on sale of business for the three months ended March 31, 2015 are customary working capital and other adjustments and the sale of our wholly-owned subsidiary in Russia.

3) RESTRUCTURING ACTIVITIES

A summary of the changes in the liabilities established for restructuring programs during the quarter ended March 31, 2016 is as follows:

<i>(In millions)</i>	Severance and Related Costs
Balance at December 31, 2015	\$ 3
Cash payments	(1)
Balance at March 31, 2016	<u>\$ 2</u>

At March 31, 2016 and December 31, 2015, the balance of these reserves were included in accrued expenses in our Consolidated Balance Sheet.

4) INVENTORIES

<i>(In millions)</i>	March 31, 2016	December 31, 2015
Finished goods	\$ 211	\$ 209
Work in process	44	38
Raw materials and supplies	73	68
	<u>\$ 328</u>	<u>\$ 315</u>

Included in the above net inventory balances are inventory obsolescence reserves of approximately \$20 million at March 31, 2016 and December 31, 2015.

5) PROPERTY, PLANT AND EQUIPMENT

<i>(In millions)</i>	March 31, 2016	December 31, 2015
Land and improvements	\$ 63	\$ 63
Buildings and improvements	205	200
Machinery and equipment	1,237	1,201
Information systems equipment	163	161
Furniture, fixtures and other	20	19
Construction in progress	54	65
	<u>1,742</u>	<u>1,709</u>
Less: accumulated depreciation	<u>1,077</u>	<u>1,046</u>
	<u>\$ 665</u>	<u>\$ 663</u>

Depreciation expense was \$19 million and \$21 million for the quarters ended March 31, 2016 and 2015. Depreciation expense included accelerated depreciation of certain fixed assets associated with our restructuring programs of \$1 million for the quarter ended March 31, 2015.

6) GOODWILL AND INTANGIBLE ASSETS

Goodwill was \$166 million at March 31, 2016 and December 31, 2015. The goodwill is allocated to the Industrial Performance Products segment.

Our intangible assets, excluding goodwill, consist of Patents, Trademarks, Customer Relationships, Production Rights and Other Intangibles. At March 31, 2016 and December 31, 2015, our net intangible assets were \$86 million and \$88 million, respectively. The decrease was due to amortization expense. Amortization expense related to intangible assets was \$2 million and \$3 million for the quarters ended March 31, 2016 and 2015, respectively.

7) DEBT

Our debt is comprised of the following:

<i>(In millions)</i>	March 31, 2016		December 31, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
5.75% Senior Notes due 2021	\$ 444	\$ 443	\$ 444	\$ 452
Term Loan due 2016	40	40	40	40
Other borrowings	30	30	27	27
Total Debt	<u>514</u>	<u>513</u>	<u>511</u>	<u>519</u>
Less: Other short-term borrowings	(9)		(6)	
Less: Current portion of Term Loan	(40)		(40)	
Total Long-term debt	<u>\$ 465</u>		<u>\$ 465</u>	

Financing Facilities

2021 Senior Notes

In July 2013, we completed a registered public offering of \$450 million of 5.75% Senior Notes due 2021 (the "2021 Senior Notes").

At any time prior to July 15, 2016, we are permitted to redeem some or all of the 2021 Senior Notes at a redemption price equal to 100% of the principal amount thereof plus a make-whole premium (as defined in the indenture governing the 2021 Senior Notes (the "2021 Indenture")) and accrued and unpaid interest up to, but excluding, the redemption date. At any time after July 15, 2016, we are permitted to redeem some or all of the 2021 Senior Notes, with the redemption prices being, prior to July 15, 2017, 104.313% of the principal amount; on or after July 15, 2017 and prior to July 15, 2018, 102.875% of the principal amount; on or after July 15, 2018 and prior to July 15, 2019, 101.438% of the principal amount; and thereafter 100% of the

principal amount, in each case plus any accrued and unpaid interest to the redemption date. In addition, prior to July 15, 2016, we may redeem up to 35% of the 2021 Senior Notes from the proceeds of certain equity offerings at a redemption price of 105.75% plus accrued but unpaid interest to the redemption date. If we experience certain kinds of changes in control, as defined in the 2021 Indenture, we may be required to offer to repurchase all of the 2021 Senior Notes at a redemption price (subject to limitations as described in the 2021 Indenture) equal to 101% of the aggregate principal amount plus accrued and unpaid interest.

Our 2021 Senior Notes contain covenants that limit our ability to enter into certain transactions, such as incurring secured debt and subsidiary debt and entering into sale and lease-back transactions.

Our 2021 Senior Notes are subject to certain events of default, including, among others, breach of other agreements in the 2021 Indenture; any guarantee of a significant subsidiary ceasing to be in full force and effect; a default by us or our restricted subsidiaries under any bonds, debentures, notes or other evidences of indebtedness of a certain amount, resulting in its acceleration; and certain events of bankruptcy or insolvency.

Term Loan

In August 2010, we entered into the a senior secured term loan facility due August 2016 (the "Term Loan") with Bank of America, N.A., as administrative agent, and other lenders party thereto for an aggregate principal amount of \$295 million with an original issue discount of 1%. The Term Loan permitted us to increase the size of the facility with an accordion feature by up to \$125 million. Repayments were made on the Term Loan in 2013 and 2014 with proceeds from the 2021 Senior Notes offering, the cash proceeds from the sale of businesses and cash on hand. In May 2015, we made an additional repayment of \$42 million. As of March 31, 2016, \$40 million remained outstanding under the Term Loan, which is now classified as short term borrowings in our Consolidated Balance Sheet.

Borrowings under the Term Loan bear interest at a rate per annum equal to, at our election, (i) 1.75% plus the Base Rate (defined as the higher of (a) the Federal Funds rate plus 0.5%; (b) Bank of America's published prime rate; and (c) the Eurodollar Rate plus 1%) or (ii) 2.75% plus the Eurodollar Rate (defined as the higher of (a) 0.75% and (b) the current LIBOR adjusted for reserve requirements).

The Term Loan contains covenants that limit, among other things, our ability to enter into certain transactions, such as creating liens, incurring additional indebtedness or repaying certain indebtedness, making investments, paying dividends, and entering into acquisitions, dispositions and joint ventures.

Additionally, the Term Loan requires that we meet certain financial maintenance covenants including a maximum Secured Leverage Ratio (net of unrestricted cash, as defined in the agreement) of 2.5:1.0 and a minimum Consolidated Interest Coverage Ratio (as defined in the agreement) of 3.0:1.0. Additionally, the Term Loan contains a covenant related to the repayment of excess cash flow (as defined in the agreement). As of March 31, 2016, we were in compliance with the covenant requirements of the Term Loan.

ABL Facility

In December 2013, we entered into a five-year senior secured revolving credit facility that provides for \$175 million available to our domestic subsidiaries (the "US ABL Facility") and €60 million available to Chemtura Sales Europe B.V., a Netherlands subsidiary (the "Foreign ABL Facility", and together with the US ABL Facility, the "2018 ABL Facility"), subject in each case to availability under a borrowing base. The 2018 ABL Facility provides a \$125 million letter of credit sub-facility.

The revolving loans under the 2018 ABL Facility will bear interest at a rate per annum which, at our option, can be either: (a) a base rate (which varies depending on the currency in which the loans are borrowed) plus a margin of between 0.50% and 1.00% for loans denominated in U.S. dollars or between 1.50% and 2.00% for loans denominated in other currencies, in each case based on the average excess availability under the 2018 ABL Facility for the preceding quarter; or (b) the current reserve adjusted Eurocurrency Rate (as defined in the agreement) plus a margin of between 1.50% and 2.00% based on the average excess availability under the 2018 ABL Facility for the preceding quarter.

The 2018 ABL Facility Agreement contains certain affirmative and negative covenants (applicable to us, the other borrowing subsidiaries, the guarantors and their respective subsidiaries other than unrestricted subsidiaries), including, without limitation, covenants requiring financial reporting and notices of certain events, and covenants imposing limitations on incurrence of indebtedness and guaranties; liens; loans and investments; asset dispositions; dividends, redemptions, and repurchases of stock and prepayments, redemptions and repurchases of certain indebtedness; mergers, consolidations, acquisitions, joint ventures or

creation of subsidiaries; material changes in business; transactions with affiliates; restrictions on distributions from restricted subsidiaries and granting of negative pledges; changes in accounting and reporting; sale leasebacks; and speculative transactions, and a springing financial covenant requiring a minimum trailing four quarter fixed charge coverage ratio of 1.0 to 1.0 at all times during (A) any period from the date when the amount available for borrowings under the 2018 ABL Facility falls below the greater of (i) \$25 million and (ii) 10% of the aggregate commitments to the date such available amount has been equal to or greater than the greater of (i) \$25 million and (ii) 10% of the aggregate commitments for 30 consecutive days, or (B) any period from the date when the amount available for borrowings under the US ABL Facility falls below the greater of (i) \$18 million and (ii) 10% of the aggregate commitments under the US ABL Facility to the date such available amount has been equal to or greater than the greater of (i) \$18 million and (ii) 10% of the aggregate commitments under the US ABL Facility for 30 consecutive days.

At March 31, 2016 and December 31, 2015, we had no borrowings under the 2018 ABL Facility. However, at March 31, 2016 and December 31, 2015 we had \$14 million of outstanding letters of credit (primarily related to insurance and environmental obligations and banking credit facilities) which utilizes available capacity under the facility. At March 31, 2016 and December 31, 2015, we had approximately \$189 million and \$186 million, respectively, of undrawn availability under the 2018 ABL Facility.

Other Facilities

In December 2012, we entered into a CNY 250 million (approximately \$40 million) 5 year secured credit facility available through December 2017 (the "China Bank Facility") with Agricultural Bank of China, Nantong Branch (the "ABC Bank"). The China Bank Facility has been used for funding construction of our manufacturing facility in Nantong, China and is secured by land, property and machinery of our subsidiary Chemtura Advanced Materials (Nantong) Co., Ltd. The loans under the China Bank Facility bear interest at a rate determined from time to time by ABC Bank based on the prevailing People's Bank of China Lending Rate. Repayments of principal are made in semi-annual installments from December 2014 through December 2017. In January 2015, we prepaid \$15 million of the China Bank Facility with proceeds from the sale of our Chemtura AgroSolutions business. At March 31, 2016 and December 31, 2015, we had borrowings of \$11 million under the China Bank Facility.

8) INCOME TAXES

We reported income tax benefit of \$15 million for the quarter ended March 31, 2016 and income tax expense of \$11 million for the quarter ended March 31, 2015. The tax benefit reported for the quarter ended March 31, 2016 reflected the tax benefit of \$33 million related to the pension annuity transaction which is considered a discrete item for purposes of our interim tax provision.

We have net liabilities related to unrecognized tax benefits of \$27 million at March 31, 2016 and December 31, 2015.

9) ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive loss ("AOCL"), net of tax at March 31, 2016 and December 31, 2015, were as follows:

<i>(in millions)</i>	Foreign Currency Translation Adjustments	Unrecognized Pension and Other Post-Retirement Benefit Costs	Total
As of December 31, 2015	\$ (141)	\$ (321)	\$ (462)
Other comprehensive income before reclassifications	14	5	19
Amounts reclassified from AOCL	—	130	130
Net current period other comprehensive income	14	135	149
As of March 31, 2016	<u>\$ (127)</u>	<u>\$ (186)</u>	<u>\$ (313)</u>

The following table summarizes the reclassifications from AOCL to the Consolidated Statement of Operations for the quarters ended March 31, 2016 and 2015:

	Amount Reclassified from AOCL		
	Quarters ended March 31,		
(in millions)	2016	2015	Affected line item in the consolidated statement of operations
Foreign currency translation items:			
Loss on sale of business (a)	\$ —	\$ (5)	Loss on sale of business
Net of tax	—	(5)	
Defined benefit pension plan items:			
Amortization of prior-service costs (b)	1	1	Primarily SG&A
Amortization of actuarial losses (b)	(2)	(7)	Primarily SG&A
Pension settlement loss	(162)	—	Pension settlement
Total before tax	(163)	(6)	
Total tax	33	1	Income Tax Benefit (Expense)
Net of tax	(130)	(5)	
Total reclassifications	\$ (130)	\$ (10)	

(a) Sale of the Chemtura AgroSolutions business (see Note 2 - Divestitures for additional information).

(b) These items are included in the computation of net periodic benefit pension cost (see Note 12 - Pension and Other Post-Retirement Benefit Plans for additional information).

10) COMMON SHARES

The computation of basic earnings per common share is based on the weighted average number of common shares outstanding. The computation of diluted earnings per common share is based on the weighted average number of common and common share equivalents outstanding. The computation of diluted earnings per common share equals the basic earnings per common share for the quarter ended March 31, 2016, since the common stock equivalents were anti-dilutive as a result of a loss from continuing operations. Common stock equivalents amounted to 0.8 million shares for the quarter ended March 31, 2016.

The following is a reconciliation of the shares used in the computation of earnings per share:

(In millions)	Quarters ended March 31,	
	2016	2015
Weighted average shares outstanding - Basic	65.7	68.8
Dilutive effect of common share equivalents	—	1.0
Weighted average shares outstanding - Diluted	65.7	69.8

In October 2014, the Board approved a share repurchase authorization of up to \$500 million conditioned upon the sale of the Chemtura AgroSolutions business (the "October 2014 Authorization"). In August 2015, the Board authorized an increase to the October 2014 Authorization by \$150 million, up to \$650 million in the aggregate when combined with the October 2014 Authorization, and extended the program to December 1, 2016.

During the three months ended March 31, 2016, we repurchased 3.5 million shares of our common stock at a cost of \$89 million. As of March 31, 2016, \$82 million remained under the share repurchase program.

The shares are expected to be repurchased from time to time through open market purchases. The program does not obligate us to repurchase any particular amount of common stock and may be modified or suspended at any time at the Board's discretion. The manner, price, number and timing of such repurchases, if any, will be subject to a variety of factors, including market conditions and the applicable rules and regulations of the Securities and Exchange Commission ("SEC"). We release the value of treasury shares at the weighted average price per share when shares are issued from treasury.

11) STOCK INCENTIVE PLANS

In 2010, we adopted the Chemtura Corporation 2010 Long-Term Incentive Plan (the "2010 LTIP"). The 2010 LTIP provides for grants of nonqualified stock options ("NQOs"), incentive stock options ("ISOs"), stock appreciation rights, dividend equivalent rights, stock units, bonus stock, performance awards, share awards, restricted stock, time-based restricted stock units ("RSUs") and performance-based RSUs. The 2010 LTIP provides for the issuance of a maximum of 11 million shares. Stock options may be granted under the 2010 LTIP at prices equal to the fair market value of the underlying common shares on the date of the grant. All outstanding stock options will expire not more than ten years from the date of the grant. Stock issuances can be from treasury shares or newly issued shares.

Share-based compensation expense was \$3 million for the quarters ended March 31, 2016 and 2015. Stock-based compensation expense was primarily reported in SG&A.

Restricted Stock Units and Performance Shares

In March 2016, the compensation and governance committee of the Board (the "Compensation Committee") approved the grant of 0.2 million time-based RSUs under the 2016 long-term incentive awards (the "2016 Awards"). These RSUs vest ratably over a three-year period.

In March 2016, the Compensation Committee also approved the grant of 0.2 million performance shares under the 2016 Awards. The performance share grant is subject to a performance multiplier of up to 2 times the targeted award. The performance measurement period is the three calendar year period ending December 31, 2018 and the performance share metric is the relative total shareholder return against the companies comprising the Dow Jones U.S. Chemical Index. The performance shares will be settled as soon as practicable after the performance period but no later than March 15, 2019. We used the Monte-Carlo simulation model to determine the fair value of the performance shares. Using this method, the average per share fair value of these awards was \$28.89.

Total remaining unrecognized compensation expense associated with all unvested time-based RSUs and performance shares at March 31, 2016 was \$19 million, which will be recognized over the weighted average period of approximately 2 years.

12) PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

Components of our defined benefit plans net periodic benefit (credit) cost for the quarters ended March 31, 2016 and 2015 are as follows:

	Defined Benefit Plans					
	Qualified U.S. Plans		International and Non-Qualified Plans		Post-Retirement Health Care Plans	
	Quarters ended March 31,		Quarters ended March 31,		Quarters ended March 31,	
	2016	2015	2016	2015	2016	2015
(In millions)						
Service cost	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —
Interest cost	3	6	4	4	1	1
Expected return on plan assets	(5)	(10)	(5)	(6)	—	—
Amortization of prior service cost	—	—	—	—	(1)	(1)
Amortization of actuarial losses	1	4	1	2	—	1
Settlement loss recognized	162	—	—	—	—	—
Net periodic benefit cost	<u>\$ 161</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1</u>

On February 22, 2016, we announced that, in accordance with the selection made by Evercore Trust Company, N.A. ("Evercore Trust"), the independent fiduciary for the Chemtura Corporation Retirement Plan (the "US Qualified Plan"), our US Qualified Plan entered into a purchase agreement with Voya Retirement Insurance and Annuity Company ("Voya"), a member of the Voya Financial, Inc. family of companies, for a group annuity contract transferring payment responsibility to Voya for the pension benefits of approximately 5,000 U.S. retirees, or their designated beneficiaries, to Voya.

By irrevocably transferring these pension benefit payment obligations to Voya, our overall projected pension benefit obligation has been reduced by \$363 million, based on the valuation date of February 17, 2016. The annuity purchase price was \$354 million and was funded by the assets of the US Qualified Plan. As a result, we recorded a pre-tax non-cash pension settlement charge of \$162 million to pension settlement in the first quarter of 2016. Additionally, we contributed \$35 million of cash to the US Qualified Plan during the first quarter of 2016 to maintain the US Qualified Plan's funded status at the approximate level that existed prior to the pension annuity transaction.

We also completed the evaluation as to whether additional benefit obligations existed in connection with the equalization of certain benefits under the Great Lakes U.K. Limited Pension Plan ("UK Pension Plan") that occurred in the early 1990s and pursuant to European Law requiring equal treatment of male and female members. During the first quarter of 2016, we reached a final agreement with the trustees of the UK Pension Plan as to the contribution our UK subsidiary should make to fund this benefit obligation and as a result we further reduced our previously estimated liability related to this matter. Therefore, in the first quarter of 2016, our UK subsidiary made a contribution of under \$1 million to the UK Pension Plan in accordance with the agreement reached with the trustees and released the \$2 million remainder of the estimated liability as a credit to SG&A.

As noted above, we contributed a total of \$35 million to our US qualified pension plans in the first quarter of 2016. We also contributed \$1 million to our US non-qualified pension plans and \$11 million to our international pension plans in the three months ended March 31, 2016. Contributions to post-retirement health care plans in the three months ended March 31, 2016 were \$2 million.

13) LEGAL PROCEEDINGS AND CONTINGENCIES

We are involved in claims, litigation, administrative proceedings and investigations of various types in a number of jurisdictions. A number of such matters involve, or may involve, claims for a material amount of damages and relate to or allege, among other things, environmental liabilities, including clean-up costs associated with hazardous waste disposal sites, natural resource damages, property damage and personal injury.

Litigation and Claims

Environmental Liabilities

We are involved in environmental matters of various types in a number of jurisdictions. These matters may, from time to time, involve claims for material amounts of damages and relate to or allege environmental liabilities, including clean up costs associated with hazardous waste disposal sites and natural resource damages.

The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), and comparable state statutes impose strict liability upon various classes of persons with respect to the costs associated with the investigation and remediation of waste disposal sites. Such persons are typically referred to as "Potentially Responsible Parties" or PRPs. Because in certain circumstances these laws have been construed to authorize the imposition of joint and several liability, the Environmental Protection Agency ("EPA") and comparable state agencies could seek to recover all costs involving a waste disposal site from any one of the PRPs for such site, including Chemtura, despite the involvement of other PRPs. Currently, we are one of a large number of PRPs with respect to a site in which we hold the majority of the liability. Chemtura and its subsidiaries may be named as PRPs at other sites in the future. In addition, we are involved with environmental remediation and compliance activities at some of our current and former sites in the United States and abroad.

Each quarter, we evaluate and review estimates for future remediation and other costs to determine appropriate environmental reserve amounts. For each site where the cost of remediation is probable and reasonably estimable, we determine the specific measures that are believed to be required to remediate the site, the estimated total cost to carry out the remediation plan, the portion of the total remediation costs to be borne by us and the anticipated time frame over which payments toward the remediation plan will occur. At sites where we expect to incur ongoing operation and maintenance expenditures, we accrue on an undiscounted basis for a period of generally 10 years those costs which we believe are probable and estimable.

The total amount accrued for environmental liabilities as of March 31, 2016 and December 31, 2015 was \$63 million. At March 31, 2016 and December 31, 2015, \$15 million and \$16 million, respectively, of these environmental liabilities were reflected as accrued expenses and \$48 million and \$47 million, respectively, were reflected as other liabilities. We estimate that ongoing environmental liabilities could range up to \$72 million at March 31, 2016. Our accruals for environmental liabilities include estimates for determinable clean-up costs. We recorded pre-tax charges of \$1 million for the three months ended March 31, 2016 and made payments of \$2 million during the three months ended March 31, 2016 for clean-up costs, which reduced our environmental liabilities. At certain sites, we have contractual agreements with certain other parties to share remediation costs. As of March 31, 2016, no receivables are outstanding related to these agreements. At a number of these

sites, the extent of contamination has not yet been fully investigated or the final scope of remediation is not yet determinable. We intend to assert all meritorious legal defenses and will pursue other equitable factors that are available with respect to these matters. However, the final cost of clean-up at these sites could exceed our present estimates, and could have, individually or in the aggregate, a material adverse effect on our financial condition, results of operations, or cash flows. Our estimates for environmental remediation liabilities may change in the future as the extent of contamination is further investigated, should additional sites be identified, further remediation measures be required or undertaken, current laws and regulations be modified or additional environmental laws and regulations be enacted, and as negotiations with respect to certain sites are finalized.

Other

We are routinely subject to civil claims, litigations, arbitrations, and regulatory investigations arising in the ordinary course of our business, as well as in respect of our divested businesses. Some of these claims and litigations relate to product liability claims, including claims related to our current and historical products and asbestos-related claims concerning premises and historic products of our corporate affiliates and predecessors.

Guarantees

In addition to the letters of credit of \$14 million outstanding at March 31, 2016 and December 31, 2015, respectively, we have guarantees that have been provided to various financial institutions. At March 31, 2016 and December 31, 2015, we had \$6 million of outstanding guarantees, respectively. The letters of credit and guarantees were primarily related to liabilities for insurance and environmental obligations, banking and credit facilities, vendor deposits and European value added tax ("VAT") obligations.

In the ordinary course of business, we enter into contractual arrangements under which we may agree to indemnify a third party to such arrangement from any losses incurred relating to the services they perform on our behalf or for losses arising from certain events as defined within the particular contract, which may include, for example, litigation, claims or environmental matters relating to our past performance. For any losses that we believe are probable and estimable, we have accrued for such amounts in our Consolidated Balance Sheets.

14) BUSINESS SEGMENT DATA

We evaluate a segment's performance based on several factors, of which the primary factor is operating income (loss). In computing operating income (loss) by segment, the following items have not been deducted: (1) general corporate expense; (2) amortization; (3) facility closures, severance and related costs; (4) gain or loss on sale of business; (5) impairment charges; and (6) pension settlement charge. Pursuant to ASC Topic 280, *Segment Reporting* ("ASC 280"), these items have been excluded from our presentation of segment operating income (loss) because they are not reported to the chief operating decision maker for purposes of allocating resources among reporting segments or assessing segment performance.

Industrial Performance Products

Industrial Performance Products are engineered solutions for our customers' specialty chemical needs. Industrial Performance Products include petroleum additives that provide detergency, friction modification and corrosion protection in automotive lubricants, greases, refrigeration and turbine lubricants as well as synthetic lubricant base-stocks and greases; castable urethane prepolymers engineered to provide superior abrasion resistance and durability in many industrial and recreational applications; and polyurethane dispersions and urethane prepolymers used in various types of coatings such as clear floor finishes, high-gloss paints and textiles treatments. These products are sold directly to manufacturers and through distribution channels.

Industrial Engineered Products

Industrial Engineered Products are chemical additives designed to improve the performance of polymers in their end-use applications. Industrial Engineered Products include brominated performance products, flame retardants, fumigants and organometallics. The products are sold across the entire value chain ranging from direct sales to monomer producers, polymer manufacturers, compounders and fabricators, manufacturers of electronic components, fine chemical manufacturers, utilities, pharmaceutical manufacturers and oilfield service companies to industry distributors.

Agrochemical Manufacturing

Our Agrochemical Manufacturing segment represents continuing supply agreements with Platform with minimum terms of between two and four years. The supply agreements with Platform are designed to recover the cash costs incurred to manufacture the products under the agreements. Due to these economics, the supply agreements are considered below-market

contracts for their full term and therefore, an obligation was recorded, on a discounted basis, which represents the remaining loss of profit on these products over the remaining terms of the supply agreements, including contractual obligations to continue to supply for a period of up to 2 years after the termination of the contracts. The recognition of this obligation, along with the accretion of the obligation to its undiscounted value, has been and will continue to be recorded as net sales in the Agrochemical Manufacturing segment on a straight-line basis over the term of each supply agreement based on our estimate of the timing of shipments. The recognition of this obligation will not generate cash flows during the term of the supply agreements.

Corporate and Other Charges

Corporate includes costs and expenses that are of a general corporate nature or managed on a corporate basis. These costs (net of allocations to the business segments) primarily represent corporate stewardship and administration activities together with costs associated with legacy activities and intangible asset amortization. Functional costs are allocated between the business segments and general corporate expense. Facility closures, severance and related costs are primarily for severance costs related to our cost savings initiatives. The loss on sale of business represents the settlement of working capital and other adjustments which occurred in 2015 related to the sale of our Chemtura AgroSolutions business in 2014. The pension settlement related to the transfer of certain pension benefit obligations to Voya.

A summary of business data for our reportable segments for the quarters ended March 31, 2016 and 2015 are as follows:

(In millions)	Quarters ended March 31,	
	2016	2015
Net Sales		
Petroleum additives	\$ 151	\$ 159
Urethanes	65	73
Industrial Performance Products	216	232
Bromine based & related products	135	139
Organometallics	37	36
Industrial Engineered Products	172	175
Agrochemical Manufacturing	26	31
Total net sales	<u>\$ 414</u>	<u>\$ 438</u>

(In millions)	Quarters ended March 31,	
	2016	2015
Operating Income (Loss)		
Industrial Performance Products	\$ 46	\$ 36
Industrial Engineered Products	18	2
Agrochemical Manufacturing	10	8
	<u>74</u>	<u>46</u>
General corporate expense, including amortization	(12)	(13)
Facility closures, severance and related costs	—	(1)
Loss on sale of business	—	(3)
Impairment charges	(1)	—
Pension settlement	(162)	—
Total operating (loss) income	<u>\$ (101)</u>	<u>\$ 29</u>

15) GUARANTOR CONDENSED CONSOLIDATING FINANCIAL DATA

Our obligations under the 2021 Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis, jointly and severally, by each current and future domestic restricted subsidiary, other than excluded subsidiaries, that guarantee any indebtedness of Chemtura or our restricted subsidiaries. Our subsidiaries that do not guarantee the 2021 Senior Notes are referred to as the “Non-Guarantor Subsidiaries.” The Guarantor Condensed Consolidating Financial Data presented below presents the statements of operations, statements of comprehensive income (loss), balance sheets and statements of cash flows for: (i) Chemtura Corporation (the “Parent Company”), the Guarantor Subsidiaries and the Non-Guarantor Subsidiaries on a consolidated basis (which is derived from Chemtura historical reported financial information); (ii) the Parent Company, alone (accounting for our Guarantor Subsidiaries and the Non-Guarantor Subsidiaries on an equity basis under which the investments are recorded by each entity owning a portion of another entity at cost, adjusted for the applicable share of the subsidiary’s cumulative results of operations, capital contributions and distributions, and other equity changes); (iii) the Guarantor Subsidiaries alone; and (iv) the Non-Guarantor Subsidiaries alone.

Condensed Consolidating Statement of Operations Quarter ended March 31, 2016 (In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Net sales	\$ 414	\$ (326)	\$ 265	\$ 85	\$ 390
Cost of goods sold	293	(326)	211	67	341
Selling, general and administrative	33	—	22	2	9
Depreciation and amortization	21	—	5	7	9
Research and development	5	—	4	—	1
Impairment charges	1	—	—	1	—
Pension settlement	162	—	162	—	—
Operating (loss) income	(101)	—	(139)	8	30
Interest expense	(8)	—	(8)	—	—
Other (expense) income, net	(2)	—	2	—	(4)
Equity in net earnings of subsidiaries	—	(25)	25	—	—
Earnings from continuing operations before income taxes	(111)	(25)	(120)	8	26
Income tax benefit (expense)	15	—	24	—	(9)
Net (loss) earnings	<u>\$ (96)</u>	<u>\$ (25)</u>	<u>\$ (96)</u>	<u>\$ 8</u>	<u>\$ 17</u>

Condensed Consolidating Statement of Comprehensive Income (Loss) Quarter ended March 31, 2016 (In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Net (loss) earnings	\$ (96)	\$ (25)	\$ (96)	\$ 8	\$ 17
Other comprehensive income (loss), net of tax					
Foreign currency translation adjustments	14	—	(2)	—	16
Pension and other post-retirement benefit costs	135	—	134	—	1
Comprehensive income (loss)	<u>\$ 53</u>	<u>\$ (25)</u>	<u>\$ 36</u>	<u>\$ 8</u>	<u>\$ 34</u>

Condensed Consolidating Balance Sheet
As of March 31, 2016
(In millions)

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Parent Company</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>
ASSETS					
Current assets	\$ 885	\$ —	\$ 282	\$ 109	\$ 494
Intercompany receivables	—	(1,594)	526	225	843
Investment in subsidiaries	—	(4,845)	824	1,135	2,886
Property, plant and equipment	665	—	109	222	334
Goodwill	166	—	93	3	70
Other assets	553	—	431	29	93
Total assets	<u>\$ 2,269</u>	<u>\$ (6,439)</u>	<u>\$ 2,265</u>	<u>\$ 1,723</u>	<u>\$ 4,720</u>
LIABILITIES AND EQUITY					
Current liabilities	\$ 354	\$ —	\$ 170	\$ 39	\$ 145
Intercompany payables	—	(1,594)	399	486	709
Long-term debt	465	—	455	—	10
Other long-term liabilities	483	—	274	71	138
Total liabilities	<u>1,302</u>	<u>(1,594)</u>	<u>1,298</u>	<u>596</u>	<u>1,002</u>
Total equity	<u>967</u>	<u>(4,845)</u>	<u>967</u>	<u>1,127</u>	<u>3,718</u>
Total liabilities and equity	<u>\$ 2,269</u>	<u>\$ (6,439)</u>	<u>\$ 2,265</u>	<u>\$ 1,723</u>	<u>\$ 4,720</u>

Condensed Consolidating Statement of Cash Flows
Quarter ended March 31, 2016
(In millions)

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Parent Company</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>
<u>Increase (decrease) to cash</u>					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (loss) earnings	\$ (96)	\$ (25)	\$ (96)	\$ 8	\$ 17
Adjustments to reconcile net (loss) earnings to net cash (used in) provided by operations:					
Below market contract obligation	(9)	—	(8)	—	(1)
Pension settlement	162	—	162	—	—
Depreciation and amortization	21	—	5	7	9
Share-based compensation expense	3	—	3	—	—
Other non-cash transactions	1	—	—	1	—
Changes in assets and liabilities, net	(114)	25	(108)	(8)	(23)
Net cash (used in) provided by operations	<u>(32)</u>	<u>—</u>	<u>(42)</u>	<u>8</u>	<u>2</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	(15)	—	(2)	(8)	(5)
Net cash used in investing activities	<u>(15)</u>	<u>—</u>	<u>(2)</u>	<u>(8)</u>	<u>(5)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments on long term debt	(1)	—	—	—	(1)
Proceeds from short-term borrowings, net	2	—	—	—	2
Common shares acquired	(89)	—	(89)	—	—
Net cash (used in) provided by financing activities	<u>(88)</u>	<u>—</u>	<u>(89)</u>	<u>—</u>	<u>1</u>
CASH AND CASH EQUIVALENTS					
Effect of exchange rates on cash and cash equivalents	6	—	—	—	6
Change in cash and cash equivalents	(129)	—	(133)	—	4
Cash and cash equivalents at beginning of period	323	—	171	—	152
Cash and cash equivalents at end of period	<u>\$ 194</u>	<u>\$ —</u>	<u>\$ 38</u>	<u>\$ —</u>	<u>\$ 156</u>

Condensed Consolidating Statement of Operations
Quarter ended March 31, 2015
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Net sales	\$ 438	\$ (343)	\$ 289	\$ 97	\$ 395
Cost of goods sold	340	(343)	245	80	358
Selling, general and administrative	36	—	24	2	10
Depreciation and amortization	24	—	5	10	9
Research and development	5	—	2	1	2
Facility closures, severance and related costs	1	—	—	1	—
Loss (gain) on sale of business	3	—	(2)	—	5
Operating income	29	—	15	3	11
Interest expense	(8)	—	(9)	—	1
Other income, net	11	—	5	2	4
Equity in net earnings of subsidiaries	—	(15)	15	—	—
Earnings from continuing operations before income taxes	32	(15)	26	5	16
Income tax expense	(11)	—	(5)	—	(6)
Earnings from continuing operations	21	(15)	21	5	10
Loss on sale of discontinued operations, net of tax	(1)	—	(1)	—	—
Net earnings	<u>\$ 20</u>	<u>\$ (15)</u>	<u>\$ 20</u>	<u>\$ 5</u>	<u>\$ 10</u>

Condensed Consolidating Statement of Comprehensive (Loss) Income
Quarter ended March 31, 2015
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Net earnings	\$ 20	\$ (15)	\$ 20	\$ 5	\$ 10
Other comprehensive (loss) income, net of tax					
Foreign currency translation adjustments	(38)	—	16	—	(54)
Pension and other post-retirement benefit costs	—	—	(2)	—	2
Unrealized gain on securities	4	—	4	—	—
Comprehensive (loss) income	<u>\$ (14)</u>	<u>\$ (15)</u>	<u>\$ 38</u>	<u>\$ 5</u>	<u>\$ (42)</u>

Condensed Consolidating Balance Sheet
As of December 31, 2015
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
ASSETS					
Current assets	\$ 978	\$ —	\$ 402	\$ 108	\$ 468
Intercompany receivables	—	(1,610)	541	223	846
Investment in subsidiaries	—	(4,799)	782	1,135	2,882
Property, plant and equipment	663	—	112	221	330
Goodwill	166	—	93	3	70
Other assets	553	—	440	29	84
Total assets	<u>\$ 2,360</u>	<u>\$ (6,409)</u>	<u>\$ 2,370</u>	<u>\$ 1,719</u>	<u>\$ 4,680</u>
LIABILITIES AND EQUITY					
Current liabilities	\$ 361	\$ —	\$ 180	\$ 41	\$ 140
Intercompany payables	—	(1,610)	407	488	715
Long-term debt	465	—	455	—	10
Other long-term liabilities	532	—	326	71	135
Total liabilities	<u>1,358</u>	<u>(1,610)</u>	<u>1,368</u>	<u>600</u>	<u>1,000</u>
Total equity	<u>1,002</u>	<u>(4,799)</u>	<u>1,002</u>	<u>1,119</u>	<u>3,680</u>
Total liabilities and equity	<u>\$ 2,360</u>	<u>\$ (6,409)</u>	<u>\$ 2,370</u>	<u>\$ 1,719</u>	<u>\$ 4,680</u>

Condensed Consolidating Statement of Cash Flows
Quarter ended March 31, 2015
(In millions)

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Parent Company</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>
<u>Increase (decrease) to cash</u>					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net earnings	\$ 20	\$ (15)	\$ 20	\$ 5	\$ 10
Adjustments to reconcile net earnings to net cash provided by operations:					
Loss on sale of discontinued operations	1	—	1	—	—
Loss (gain) on sale of business	3	—	(2)	—	5
Below market contract obligation	(9)	—	(8)	—	(1)
Depreciation and amortization	24	—	5	10	9
Share-based compensation expense	3	—	3	—	—
Changes in assets and liabilities, net	(26)	15	(18)	(11)	(12)
Net cash provided by operations	<u>16</u>	<u>—</u>	<u>1</u>	<u>4</u>	<u>11</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Net proceeds from divestments	(2)	—	(2)	—	—
Capital expenditures	(13)	—	(3)	(4)	(6)
Net cash used in investing activities	<u>(15)</u>	<u>—</u>	<u>(5)</u>	<u>(4)</u>	<u>(6)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments on long term debt	(17)	—	(1)	—	(16)
Common shares acquired	(122)	—	(122)	—	—
Proceeds from exercise of stock options	3	—	3	—	—
Net cash used in financing activities	<u>(136)</u>	<u>—</u>	<u>(120)</u>	<u>—</u>	<u>(16)</u>
CASH AND CASH EQUIVALENTS					
Effect of exchange rates on cash and cash equivalents	(12)	—	—	—	(12)
Change in cash and cash equivalents	(147)	—	(124)	—	(23)
Cash and cash equivalents at beginning of period	392	—	227	—	165
Cash and cash equivalents at end of period	<u>\$ 245</u>	<u>\$ —</u>	<u>\$ 103</u>	<u>\$ —</u>	<u>\$ 142</u>

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements included in Item 1 of this Form 10-Q.

FORWARD-LOOKING STATEMENTS

In addition to historical information, this Report contains "forward-looking statements" within the meaning of Section 27(a) of the Securities Act of 1933, as amended and Section 21(e) of the Exchange Act of 1934 as amended. We use words such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will" and similar expressions to identify forward-looking statements. Such statements include, among others, those concerning our expected financial performance and strategic and operational plans, as well as all assumptions, expectations, predictions, intentions or beliefs about future events. You are cautioned that any such forward-looking statements are not guarantees of future performance and that a number of risks and uncertainties could cause actual results to differ materially from those anticipated in the forward-looking statements.

This Report contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including our actions that will drive earnings growth, demand for our products and expectations for growth and cost savings are forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, potentially inaccurate assumptions and other factors, some of which are beyond our control and difficult to predict. If known or unknown risks materialize, or should underlying assumptions prove inaccurate, our actual results could differ materially from past results and from those expressed in forward-looking statements. Important factors that could cause our results to differ materially from those expressed in forward-looking statements include, but are not limited to, economic, business, competitive, political, regulatory, legal and governmental conditions in the countries and regions in which we operate. These factors and others are discussed more fully in the reports we file with the Securities and Exchange Commission, particularly our Annual Report on Form 10-K for the year ended December 31, 2015 (the "2015 Form 10-K"). We assume no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

OUR BUSINESS

We are a global, publicly traded specialty chemical company dedicated to delivering innovative, performance-driven engineered specialty chemical solutions which are used as additives, ingredients or intermediates that add value to our customers' end products. We are committed to global sustainability through "greener technology" and developing engineered chemical solutions that meet our customers' evolving needs. We operate in a wide variety of end-use industries, including automotive, building and construction, electronics, energy, lubricants, packaging and transportation. We are a leader in many of our key product lines and transact business in more than 80 countries. Our principal executive offices are located in Philadelphia, Pennsylvania and Middlebury, Connecticut.

The primary economic factors that influence the operations and net sales of our Industrial Performance Products ("Industrial Performance") and Industrial Engineered Products ("Industrial Engineered") segments (collectively referred to as "Industrials") are demand conditions in industrial, electronics, energy, residential and commercial construction, and transportation markets. Other factors affecting our financial performance include industry capacity, customer demand, raw material and energy costs, and selling prices. Selling prices are heavily influenced by the global demand and supply for the products we produce and competitor behavior. We pursue selling prices that reflect the value our products deliver to our customers, while seeking to pass on higher costs for raw material and energy to preserve our profit margins.

Our Agrochemical Manufacturing segment represents ongoing supply agreements with Platform Specialty Products Corporation ("Platform") which were entered into in November 2014 contemporaneously with the sale of our former Chemtura AgroSolutions business to Platform. The supply agreements with Platform are designed to recover the cash costs incurred to manufacture the products under the agreements.

FIRST QUARTER RESULTS

Overview

Consolidated net sales for the first quarter of 2016 were \$414 million or \$24 million lower than the first quarter of 2015 due to lower sales volume and mix of \$15 million, lower selling prices of \$8 million and unfavorable foreign currency translation of

\$1 million. Our Industrial Performance segment saw volume growth in our petroleum additive products that was offset by lower sales volume and weaker mix for urethanes products. The weakness in urethane product demand related to, among other factors, the decline in demand from oil and natural gas applications that has developed over the last twelve months due to lower oil prices. Our Industrial Engineered segment saw a steady increase in volume for our Emerald Innovation 3000™ products for insulation applications and sales of our organometallic products grew. This growth was offset by decreased demand for clear brine fluids used in deep offshore oil well drilling applications and the termination of certain supply agreements due to the closure of our Adrian, MI facility in the summer 2015. Our Agrochemical Manufacturing segment showed volume declines that were the result of timing of orders under our supply agreements. Increases in average sales price, particularly for our bromine products serving the insulation and electronics market, offset some of the sales price declines experienced in our Industrial Performance segment that were the result of lowering sales prices during 2015 as we passed along the reductions in raw material costs due to lower oil prices to our customers as required under formula-based contract pricing agreements.

Gross profit for the first quarter of 2016 was \$121 million, an increase of \$23 million compared with the first quarter of 2015. Gross profit as a percentage of net sales increased to 29% for the first quarter of 2016 compared with 22% for the first quarter of 2015. The increase in gross profit was primarily due to overall favorable product mix and lower manufacturing costs, partly offset by lower sales volume and selling prices.

Selling, general and administrative (“SG&A”) expenses of \$33 million were \$3 million lower than the first quarter of 2015 primarily the result of releasing the remainder of the accrued liability for the U.K. pension equalization matter upon resolution, as well as lower facility costs and the recognition of certain technology license income. The first quarter of 2015 also benefited from the gain on the sale of a former facility in the United States.

In February 2016, the Chemtura Corporation Retirement Plan (the "US Qualified Plan") entered into a purchase agreement for a group annuity contract transferring payment responsibility for the pension benefits of certain retirees. As a result, we recorded a pre-tax non-cash pension settlement charge of \$162 million. For further information on this transaction, see Note 12 - Pension and Other Post-Retirement Benefit Plans in our Notes to Consolidated Financial Statements.

Other Non-Operating Income and Expense

Interest expense was \$8 million during the first quarters of 2016 and 2015.

Other expense, net was \$2 million in the first quarter of 2016 compared with other income, net of \$11 million in the first quarter of 2015. Other (expense) income, net primarily reflected realized and unrealized foreign exchange gains or losses. The net other income for the first quarter of 2015 reflected the significant weakening of foreign currencies against the U.S. dollar that began in late 2014. However, the net other expense for the first quarter of 2016 reflected a modest reversal as the U.S. dollar weakened against certain foreign currencies in this period.

Income tax benefit reported for the first quarter of 2016 was \$15 million compared with income tax expense of \$11 million in the first quarter of 2015. The tax benefit reported in the first quarter of 2016 included a discrete \$33 million tax benefit related to the tax impact of the pension annuity transaction.

Net loss from continuing operations for the first quarter of 2016 was \$96 million, or \$1.46 per diluted share, as compared with net earnings from continuing operations of \$21 million, or \$0.30 per diluted share, for the first quarter of 2015.

The following tables describe the major factors impacting net sales and operating income for each of our segments:

Net Sales (in millions)	Industrial Performance Products	Industrial Engineered Products	Agrochemical Manufacturing	Total
Quarter Ended March 31, 2015	\$ 232	\$ 175	\$ 31	\$ 438
Changes in selling prices	(11)	3	—	(8)
Unit volume and mix	(4)	(6)	(5)	(15)
Foreign currency	(1)	—	—	(1)
Quarter Ended March 31, 2016	\$ 216	\$ 172	\$ 26	\$ 414

Operating Income (in millions)	Industrial Performance Products	Industrial Engineered Products	Agrochemical Manufacturing	General corporate expense	Other charges (b)	Total
Quarter Ended March 31, 2015	\$ 36	\$ 2	\$ 8	\$ (13)	\$ (4)	\$ 29
Price over raw materials (a)	(2)	5	—	—	—	3
Unit volume and mix	7	—	2	—	—	9
Foreign currency	1	1	—	—	—	2
Manufacturing cost and absorption	2	7	—	—	—	9
Depreciation and amortization expense	—	1	—	2	—	3
Facility closures, severance and related costs	—	—	—	—	1	1
Sale of business	—	—	—	—	3	3
Impairment charges	—	—	—	—	(1)	(1)
Pension settlement	—	—	—	—	(162)	(162)
SG&A and other	2	2	—	(1)	—	3
Quarter Ended March 31, 2016	\$ 46	\$ 18	\$ 10	\$ (12)	\$ (163)	\$ (101)

- (a) Price over raw materials is the sum of the net changes in selling prices and the net changes in raw material costs between the two periods. As the reduction in the costs of certain raw materials result in certain circumstances in reductions in selling prices under certain contractual and negotiated agreements, the change in selling prices net of changes in raw material costs provides a better measure of the impact of selling price changes on our profitability (referred to as "price over raw materials").
- (b) Includes facility closures, severance and related costs, loss on sale of business, impairment charges and pension settlement.

The following is a discussion of the results of our segments for the first quarter ended March 31, 2016.

Industrial Performance Products

Our Industrial Performance segment reported lower net sales and higher operating income for the first quarter of 2016 compared with the same quarter of 2015.

Net sales for the first quarter of 2016 reflected volume increase that was offset by unfavorable product mix and the impact of lower overall sales prices. The lower sales prices were due to the price reductions that started during 2015 as we passed along the benefit of raw material cost reductions to our customers as required under formula-based contract pricing agreements. Volume in our petroleum additive products increased slightly, particularly for our intermediate and detergent products. However, this volume increase coupled with lower volumes of synthetic finished fluids and base stocks in petroleum additives led to a weaker product mix over the same quarter of 2015. The higher petroleum additive volume was partly offset by lower volume in our urethane products which have been impacted by, among other factors, continued softness in the mining and oil & gas industries.

Operating income improved over the same quarter in 2016 primarily the result of favorable manufacturing costs, lower SG&A expense, the recording of certain license income and the recognition of ongoing favorable raw material costs.

Industrial Engineered Products

Our Industrial Engineered segment also recorded lower net sales and higher operating income for the first quarter of 2016 compared with the same quarter of 2015.

Our Industrial Engineered Products segment revenue reflected the impact of the weakening oil and gas industry which caused lower demand for clear brine fluids used in oilfield drilling and gas applications, the result of order timing under certain supply agreements and the termination of another supply agreement due to the closure of our Adrian, MI facility in summer 2015. We were able to mitigate the impact of these volume reductions through the benefit of increased demand for our Emerald Innovation 3000™ and higher sales volumes for organometallic products. The increases in sales prices reflected the improvement in the prices of bromine and bromine derivatives during 2015 including the increase in Emerald Innovation 3000™ for the 2016 contract year.

Despite lower net sales, our Industrial Engineered segment reported a \$16 million increase in operating income. The effect of volume declines on operating income were more than offset by the benefit of increased sales price, lower raw material costs and favorable manufacturing costs in part due to our cost reduction actions in 2015.

Agrochemical Manufacturing

The Agrochemical Manufacturing segment reported lower net sales and slightly higher operating income compared with the first quarter of 2015.

The decrease in net sales was attributable to a reduction in volume. The results for the first quarters of 2016 and 2015 included \$9 million in net sales and operating profit related to the non-cash amortization, net of accretion, of a below-market contract obligation that was recorded as part of the Chemtura AgroSolutions divestiture in 2014.

Corporate

Corporate costs include those costs that are of a general nature or managed on a corporate basis. These costs, net of allocations to the business segments, primarily represent corporate stewardship and administration activities together with costs associated with legacy activities and intangible asset amortization. Functional costs are allocated between the business segments and general corporate expense.

Corporate expense was \$12 million in the first quarter of 2016, which included amortization and depreciation expense of \$2 million. In comparison, corporate expense was \$13 million in the first quarter of 2015, which included amortization and depreciation expense of \$4 million. Corporate expense in 2015 included a gain on the sale of a former facility in the United States which did not recur in 2016. Corporate expense in 2016 was favorably impacted by lower accruals for environmental obligations and lower pension expense.

LIQUIDITY AND CAPITAL RESOURCES

We believe that our cash flows from operations, borrowing capacity under our U.S. and international credit facilities and our current cash and cash equivalents provide sufficient liquidity to maintain our current operations and capital expenditure requirements, repurchase shares of our common stock under our share repurchase program, service our debt and pursue other strategic initiatives.

The following is a discussion of significant factors affecting our liquidity and use of capital resources.

Financing Facilities

Our financing facilities are comprised of public debt, several loans and a revolving line of credit.

Senior Notes

In July 2013, we issued in a registered public offering \$450 million of 5.75% Senior Notes due 2021 (the "2021 Senior Notes"). As of March 31, 2016, \$450 million remained outstanding.

Loans

In August 2010, we entered into a Term Loan due August 2016 with Bank of America, N.A., as administrative agent, and other lenders party thereto for an aggregate principal amount of \$295 million with an original issue discount of 1% (the "Term Loan"). The Term Loan permitted us to increase the size of the facility with an accordion feature by up to \$125 million. Repayments were made on the Term Loan with proceeds from the 2021 Senior Notes offering, sale of businesses and cash on hand. As of March 31, 2016, \$40 million remained outstanding under the Term Loan, which is now classified as short term borrowings in our Consolidated Balance Sheet. We expect to repay the balance of the Term Loan at or before maturity from cash-on-hand. We have no requirement to enter into a new term loan until such time that we have an investment project or acquisition which may be financed by a new term loan.

We maintain a 5 year secured credit facility of CNY 250 million (approximately \$40 million) available through December 2017 (the "China Bank Facility") with Agricultural Bank of China, Nantong Branch. The China Bank Facility has been used for funding construction of our manufacturing facility in Nantong, China and is secured by land, property and machinery of our subsidiary Chemtura Advanced Materials (Nantong) Co., Ltd. Repayments of principal are made in semi-annual installments from December 2014 through December 2017. As of March 31, 2016, \$11 million remained outstanding.

Revolving Credit Facilities

In December 2013, we entered into a five-year senior secured revolving credit facility that provides for \$175 million available to our domestic subsidiaries (the "US ABL Facility") and €60 million available to Chemtura Sales Europe B.V., a Netherlands subsidiary (the "Foreign ABL Facility", and together with the US ABL Facility, the "2018 ABL Facility"), subject in each case to availability under a borrowing base. The 2018 ABL Facility provides a \$125 million letter of credit sub-facility.

At March 31, 2016, we had no borrowings under the 2018 ABL Facility. However, we had \$14 million of outstanding letters of credit (primarily related to insurance obligations, environmental obligations and banking credit facilities) which utilizes available capacity under the facility. At March 31, 2016, we had approximately \$189 million of undrawn availability under the 2018 ABL Facility.

Covenants

These financing facilities, excluding the China Bank Facility, contain covenants that limit, among other things, our ability to enter into certain transactions, such as creating liens, incurring additional indebtedness or repaying certain indebtedness, making investments, paying dividends, and entering into acquisitions, dispositions and joint ventures. As of March 31, 2016, we were in compliance with the covenant requirements of these financing facilities.

For further discussion of the financing facilities, see Note 7 — Debt in our Notes to Consolidated Financial Statements.

Share Repurchase Program

In October 2014, the Board of Directors (the "Board") approved a share repurchase authorization of up to \$500 million conditioned upon the sale of the Chemtura AgroSolutions business (the "October 2014 Authorization"). In August 2015, the Board authorized an increase to the October 2014 Authorization by \$150 million, up to \$650 million in the aggregate when combined with the October 2014 Authorization, and extended the program to December 1, 2016.

During the three months ended March 31, 2016, we repurchased 3.5 million shares of our common stock at a cost of \$89 million. As of March 31, 2016, \$82 million remained under our share repurchase program.

The shares are expected to be repurchased from time to time through open market purchases. The share repurchase program does not obligate us to repurchase any particular amount of common stock and may be modified or suspended at any time at the Board's discretion. The manner, price, number and timing of such repurchases, if any, will be subject to a variety of factors, including market conditions and the applicable rules and regulations of the Security and Exchange Commission ("SEC").

Pension Annuity Transaction

In February 2016, the US Qualified Plan entered into a purchase agreement for a group annuity contract transferring payment responsibility for retirement pension benefits of approximately 5,000 retirees in the U.S. or their designated beneficiaries. By irrevocably transferring the pension obligations, our overall projected pension benefit obligation has been reduced by \$363 million, based on the valuation date of February 17, 2016. The annuity purchase price was \$354 million and was funded by the assets of the US Qualified Plan. Additionally, we contributed \$35 million of cash to the US Qualified Plan during the first quarter of 2016 to maintain the US Qualified Plan's funded status at the approximate level that existed prior to the pension annuity transaction. With this cash contribution to the US Qualified Plan, we do not currently anticipate further cash contributions to the US Qualified Plan in 2016 and the level of cash contributions in future years will now be lower than we would have projected prior to the pension annuity transaction. Additional information is included in Note 12 - Pension and Other Post-Retirement Benefit Plans in our Notes to Consolidated Financial Statements.

Agrochemical Manufacturing Supply Agreements

Contemporaneous with the sale of our Chemtura AgroSolutions business to Platform Specialty Products Corporation ("Platform") in 2014, we entered into several supply agreements and a tolling agreement (collectively, the "supply agreements") with minimum terms of between two and four years. The supply agreements are designed to recover the cash costs incurred to manufacture the products under the agreements. Due to these economics, the supply agreements are considered below-market contracts for their full term. As of March 31, 2016, our Consolidated Balance Sheet included \$174 million, which represented the remaining loss of profit, on a discounted basis, for these products over the remaining terms of the supply agreements, including contractual obligations to continue to supply for a period of up to 2 years after termination of the supply agreements.

The recognition of this obligation, along with the accretion of the obligation to its undiscounted value, has been and will continue to be recorded as net sales in the Agrochemical Manufacturing segment on a straight-line basis over the term of each supply agreement based on our estimate of the timing of shipments. The recognition of this obligation will not generate cash flows during the term of the supply agreements.

Cash Flows from Operating Activities

Net cash used in operating activities was \$32 million for the three months ended March 31, 2016 compared with net cash provided by operating activities of \$16 million in the same period last year. Changes in key accounts are summarized below:

Provided by (used in) (In millions)	Three months ended	
	March 31, 2016	March 31, 2015
Accounts receivable	\$ (24)	\$ (23)
Inventories	(7)	1
Accounts payable	(3)	11
Pension and post-retirement health care liabilities	(49)	(4)

During the three months ended March 31, 2016, accounts receivable represented a use of cash flows of \$24 million from December 31, 2015, primarily the result of an increase in accounts receivable due to the timing of sales in all our segments within the quarter. Additionally, our Agrochemical Manufacturing segment accounts receivable was higher due to a billing for raw materials and packaging as we transition from a supply agreement to a tolling agreement in Brazil. Inventories represented a use of cash flows of \$7 million primarily from our Industrial Performance and Industrial Engineered segments as a result of the decline in volume for certain products noted previously. Accounts payable represented a use of cash flows of \$3 million in the three months ended March 31, 2016, primarily in our Industrial Engineered segment due in part to lower purchasing due to the declines in sales volume coupled with lower raw material costs which was offset in part by an increase in our Agrochemical Manufacturing segment due to timing of payments. Contributions to pension and post-retirement benefit plans represented a use of cash flows of \$49 million primarily due to the \$35 million contribution to the US Qualified Plan described earlier. Cash contributions to fund pension and post-retirement benefit liabilities were \$49 million for the three months ended March 31, 2016 which included \$38 million for domestic plans and \$11 million for international plans.

Cash flows from operating activities for the three months ended March 31, 2016 were adjusted by the impact of certain non-cash and other charges. Non-cash charges included the pension settlement charge of \$162 million in connection with the pension annuity transaction, depreciation and amortization expense of \$21 million, and share-based compensation expense of \$3 million, offset by the recognition of the obligation, net of accretion, for the below-market obligations with Platform of \$9 million.

During the three months ended March 31, 2015, accounts receivable represented a use of cash flows of \$23 million from December 31, 2015, primarily driven by an increase in sales later in the quarter from the Industrial Performance segment coupled with an increase in accounts receivable with Platform, as the requirements for the products sold to Platform under the supply agreements increased. These increases were offset by a slight decrease in our Industrial Engineered segment. Inventory remained stable compared with December 31 2015. Accounts payable represented a source of cash flows of \$11 million in the three months ended March 31, 2015, a majority of which related to our Industrial Performance segment where the number of days payable outstanding increased, primarily related to finished fluids. Our Corporate segment also had an increase of approximately \$2 million related to a software maintenance accrual for 2015. Pension and post-retirement health care liabilities represented a use of cash flows of \$4 million primarily due to the funding of benefit obligations. Cash contributions to fund pension and post-retirement benefit liabilities were \$5 million for the three months ended March 31, 2015 which included \$2 million for domestic plans and \$3 million for international plans.

Cash flows from operating activities for the three months ended March 31, 2015 were adjusted by the impact of certain non-cash and other charges. Non-cash charges included depreciation and amortization expense of \$24 million and share-based compensation expense of \$3 million, offset by the recognition of the obligation, net of accretion, for the below-market obligations with Platform of \$9 million.

Cash Flows from Investing and Financing Activities

Investing Activities

Net cash used by investing activities was \$15 million for the three months ended March 31, 2016 which related to capital expenditures for U.S. and international facilities and environmental and other compliance requirements.

Net cash used in investing activities was \$15 million for the three months ended March 31, 2015. Investing activities included capital expenditures of \$13 million for U.S. and international facilities and environmental and other compliance requirements.

Financing Activities

Net cash used in financing activities was \$88 million for the three months ended March 31, 2016. Financing activities primarily included the repurchase of 3.5 million shares of our common stock under our share repurchase program at a cost of \$89 million.

Net cash used in financing activities was \$136 million for the three months ended March 31, 2015. Financing activities primarily included the repurchase of 5.1 million shares of our common stock under our share repurchase program at a cost of \$122 million as well as the repayment of \$15 million in principal of the China Bank Facility. Other financing sources in the period were \$3 million of proceeds from the exercise of stock options.

Contractual Obligations and Other Cash Requirements

During the three months ended March 31, 2016, we made aggregate contributions of \$47 million to our U.S. and international pension plans and \$2 million to our post-retirement benefit plans. Based on the minimum amounts required by law or contractual obligation, we will make approximately \$14 million of contributions to certain of these plans during the remainder of 2016. From time to time, we may elect to make additional discretionary cash contributions to our U.S. qualified and international pension plans.

We had net liabilities related to unrecognized tax benefits of \$27 million at March 31, 2016. We believe it is reasonably possible that our unrecognized tax benefits will remain unchanged within the next 12 months.

Guarantees

In addition to \$14 million in outstanding letters of credit at March 31, 2016, we have guarantees that have been provided to various financial institutions. At March 31, 2016, we had \$6 million of outstanding guarantees primarily related to vendor deposits. The letters of credit and guarantees were primarily related to liabilities for insurance obligations, environmental obligations, banking credit facilities, vendor deposits and European value added tax ("VAT") obligations.

CRITICAL ACCOUNTING ESTIMATES

Our Consolidated Financial Statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), which require management to make estimates and assumptions that affect the amounts and disclosures reported in our Consolidated Financial Statements and accompanying notes. Our estimates are based on historical experience and currently available information. Management's Discussion and Analysis of Financial Condition and Results of Operations and the Accounting Policies footnote in our 2015 Form 10-K describe the critical accounting estimates and accounting policies used in the preparation of our Consolidated Financial Statements. Additionally, information in Note 1 - Nature of Operations and Summary of Significant Accounting Policies in our Notes to Consolidated Financial Statements filed in Item 1 on this Form 10-Q describes any further accounting policies that we utilize for interim reporting purposes. Actual results could differ from management's estimates and assumptions. There have been no significant changes in our critical accounting estimates during the quarter ended March 31, 2016.

OUTLOOK

In 2016, we plan to build upon the improvements in our earnings and cash flows we achieved in 2015 to further expand Chemtura's profitability. We expect to deliver that improvement by continuing our focus on "managing what we can control."

A number of initiatives should contribute to the improvement in profitability. Net sales and plant utilization are anticipated to benefit from the ability to produce more of our high-viscosity polyalphaolefin products given that we have secured more supplies of a key raw material. Included in the initiatives is the benefit of growing customer demand for our Emerald Innovation 3000™ flame retardant used in styrene based insulation foams and we have increased plant throughput for this product as a result of our manufacturing excellence programs. Volume from the contracts won for our organometallics products should deliver an increasing benefit as the year progresses and new urethane products and applications offer growth opportunities.

As a partial offset to these resulting volume gains is the decline in demand for our clear brine fluids as a result of reduced deep-offshore oil & gas exploration. This long anticipated decline finally became evident in the first quarter of 2016. The current conditions in the mining and oil sector have also had a detrimental impact on demand within our Urethanes business. The closure of the Adrian, MI facility and the associated discontinuance of our bromine based biocide products in the summer of 2015 will still affect year-on-year revenue comparisons in the first half of 2016.

In 2016, we will see the full year benefit of the recovery of sales prices for bromine and bromine derivatives that occurred progressively in 2015 as well as the annualized benefit of our cost reduction actions last year. We anticipate sustaining the benefit of our commercial excellence initiatives. We are seeking to sustain these improvements in 2016 through our productivity and continuous improvement initiatives, offsetting much of the impact of any cost inflation.

While the price of oil, and therefore the cost of many of our petroleum based raw materials, started to modestly recover towards the end of the first quarter, these prices are still below our average cost in 2015. We anticipate a relatively stable input cost environment in 2016.

Elements of all of these initiatives were evident in our performance in the first quarter of 2016. Operating income in the first quarter (excluding the pension settlement charge related to the pension annuity contract purchase) is approximately at the rate we now anticipate for the next two quarters, setting the tone for our performance in 2016. The fourth quarter may be a little lower than this rate as customers often manage inventory towards the end of the year, reducing order flow in that quarter.

We still anticipate that the sum of net cash provided by operations less capital expenditures in 2016 will be at or above the value we generated in 2015. The requirement to build working capital as our net sales increased in the first quarter of 2016, compared to the fourth quarter of 2015, has constrained cash generation year-to-date. However, we plan to increase cash generation as the year progresses, particularly when we are able to reduce working capital in the second half of the year.

In the first quarter of 2016, our reduced cash balance was the result of the repurchase of our shares under our Board authorized share repurchase program and the cash contributions to our pension and post-retirement benefit plans. The balance may reduce further with additional share repurchases as well as the repayment of the remainder of our senior secured term loan on or before maturity, which should be replenished as we generate cash from operations.

We continue to explore opportunities to accelerate value creation for our shareholders through gaining scale by acquisition or a combination with another company. We believe that through building scale in industrial specialty chemicals, we can diversify our market exposures and give our Company the critical mass to invest in innovative products and applications. Executing on a compelling transaction can accelerate the benefits from our focus on the organic growth of our existing portfolio businesses and permit us to sustain our track record of delivering significant value to our shareholders.

There are a number of risks to achieving our business plans as described in Item 1A - Risk Factors in our 2015 Form 10-K.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

This Item should be read in conjunction with Item 7A - Quantitative and Qualitative Disclosures About Market Risk included in our 2015 Form 10-K.

The fair market value of long-term debt is subject to interest rate risk. Our total debt was \$514 million at March 31, 2016. The fair market value of such debt as of March 31, 2016 was \$513 million, which has been determined primarily based on quoted market prices.

We did not have any material financial instruments subject to foreign currency exchange risk as of March 31, 2016.

There have been no other significant changes in market risk during the quarter ended March 31, 2016.

ITEM 4. Controls and Procedures

(a) Disclosure Controls and Procedures

As of March 31, 2016, our management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Exchange Act. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures are effective as of the end of the period covered by this Report.

(b) Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the first quarter ended March 31, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

See Note 13 — Legal Proceedings and Contingencies in our Notes to Consolidated Financial Statements for a description of our legal proceedings.

ITEM 1A. Risk Factors

Our risk factors are described in our 2015 Form 10-K. Investors are encouraged to review those risk factors in detail before making any investment in our securities. There have been no significant changes in our risk factors during the quarter ended March 31, 2016.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities During the First Quarter of 2016

In October 2014, the Board approved a share repurchase authorization of up to \$500 million conditioned upon the sale of the Chemtura AgroSolutions business (the "October 2014 Authorization"). In August 2015, the Board authorized an increase to the October 2014 Authorization by \$150 million, up to \$650 million in the aggregate when combined with the October 2014 Authorization, and extended the program to December 1, 2016.

During the three months ended March 31, 2016, we repurchased 3.5 million shares of our common stock at a cost of \$89 million. The remaining authorization under this program was \$82 million at March 31, 2016.

The shares are expected to be repurchased from time to time through open market purchases. The program, does not obligate us to repurchase any particular amount of common stock, may be modified or suspended at any time at the Board's discretion. The manner, price, number and timing of such repurchases, if any, will be subject to a variety of factors, including market conditions and the applicable rules and regulations of the SEC.

The following table provides information about our repurchases of equity securities during the quarter ended March 31, 2016.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
	(in millions)		(in millions)	(in millions)
January 1, 2016 - January 31, 2016	1.2	\$ 25.03	1.2	\$ 141
February 1, 2016 - February 29, 2016	1.1	\$ 25.61	1.1	\$ 113
March 1, 2016 - March 31, 2016	1.2	\$ 25.57	1.2	\$ 82
Total	3.5		3.5	

ITEM 4. Mine Safety Disclosures

Not Applicable.

ITEM 5. Other Information

Not Applicable.

ITEM 6. Exhibits

The following documents are filed as part of this report:

Number	Description
2.1	Modified Purchase Agreement By and Among Chemtura Corporation, Evercore Trust Company, N.A. and Voya Retirement Insurance and Annuity Company, dated February 18, 2016.*
31.1	Certification of Periodic Report by Chemtura Corporation's Chief Executive Officer (Section 302).*
31.2	Certification of Periodic Report by Chemtura Corporation's Chief Financial Officer (Section 302).*
32.1	Certification of Periodic Report by Chemtura Corporation's Chief Executive Officer (Section 906).*
32.2	Certification of Periodic Report by Chemtura Corporation's Chief Financial Officer (Section 906).*
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema Document *
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document *
101.LAB	XBRL Taxonomy Extension Label Linkbase Document *
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document *
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document *

* Copies of these Exhibits are filed with this Quarterly Report on Form 10-Q.

CHEMTURA CORPORATION

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CHEMTURA CORPORATION

(Registrant)

Date: April 28, 2016

/s/ Laurence M. Orton

Name: Laurence M. Orton

Title: Vice President and Corporate Controller
(Principal Accounting Officer)

MODIFIED PURCHASE AGREEMENT

BY AND AMONG

CHEMTURA CORPORATION,

EVERCORE TRUST COMPANY, N.A.

AND

VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

FEBRUARY 18, 2016

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MODIFIED PURCHASE AGREEMENT

This **MODIFIED PURCHASE AGREEMENT** (this “Agreement”) is entered into as of February 18, 2016 (the “Execution Date”) by and among Voya Retirement Insurance and Annuity Company, a Connecticut life insurance company (the “Insurer”), Chemtura Corporation, a Delaware corporation (the “Company”), acting solely in a non-fiduciary capacity as the sponsor of The Chemtura Corporation Retirement Plan (the “Plan”), and Evercore Trust Company, N.A., a national trust company (the “Independent Fiduciary”), acting solely in its capacity as an independent fiduciary of the Plan with certain authority and responsibility to represent the Plan and its Plan Participants and Plan Beneficiaries in regard to the transactions set forth in this Agreement. The Insurer, the Company, and the Independent Fiduciary as the representative of the Plan are referred to collectively herein as the “Parties.”

RECITALS

A. The Company, as sponsor of the Plan, has amended the Plan to require that Plan liabilities for certain Plan Participants currently receiving benefits and certain Plan Beneficiaries be transferred to a licensed insurance company, and that such insurance company fully and irrevocably guarantee annuity payments in accordance with a group annuity contract.

B. In furtherance thereof, the Insurer wishes to issue to the Company the Group Annuity Contract on the terms set forth herein and therein.

C. The Company is desirous of proceeding with the Plan’s purchase and the Company’s receipt of the Group Annuity Contract from the Insurer.

D. The Independent Fiduciary has determined that the Plan’s purchase of the Group Annuity Contract as provided for herein satisfies the requirements of ERISA, including Interpretive Bulletin 95-1.

E. The Parties wish to enter into this Agreement to provide for the purchase and the issuance of the Group Annuity Contract by the Insurer to the Company and certain related transactions and agreements.

NOW, THEREFORE, in consideration of the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, the Parties agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions . For purposes of this Agreement:

“Action” means any claim, action, suit, arbitration, complaint, charge, investigation, inquiry or proceeding by or before any Governmental Authority.

“Affiliate” of any particular Person means any other Person controlling, controlled by or under common control with such particular Person. For the purposes of this definition, “controlling,” “controlled” and “control” means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, Contract or otherwise.

“Agreement” is defined in the preamble.

“Ancillary Agreements” means the Group Annuity Contract and all written agreements, documents or certificates to be delivered by a Party, or the Plan Trustee, in connection with the Transaction.

“Annuitant” has the meaning ascribed to such term in the Group Annuity Contract.

“Annuity Certificate” means an annuity certificate substantially in the applicable form set forth in Schedule 1.1(a), with such modifications as may be made by the Insurer as required by, or permitted under, applicable Law.

“Annuity Exhibits” means the information setting forth the schedule of Annuity Payments that will be attached and incorporated into the Group Annuity Contract.

“Annuity Payment” means the monthly payments payable to Annuitants and Joint Annuitants pursuant to the Group Annuity Contract.

“Beneficiary” has the meaning ascribed to such term in the Group Annuity Contract.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banks located in New York, New York are authorized or required by Law to close.

“Cash” means currency of the United States of America or wire transfers thereof that is legal tender for payment of all public and private debts.

“Cash Payment” is defined in Section 2.1.

“Closing” is defined in Section 2.1.

“Closing Annuity Premium” means \$354,000,000.

“Closing Date” is defined in Section 2.1.

“Closing Outside Date” is defined in Section 8.1.

“Code” means the Internal Revenue Code of 1986 and the applicable Treasury Regulations issued thereunder.

“Commercially Reasonable Efforts” means, with respect to the efforts to be expended by a Party with respect to any objective under this Agreement, reasonable, diligent, good faith efforts to

accomplish such objective as a similarly situated Person would normally use to accomplish a similar objective as expeditiously as reasonably possible under similar circumstances exercising reasonable business judgment. Notwithstanding the foregoing, “Commercially Reasonable Efforts” will not require a Person to make payments to unaffiliated third parties (other than in respect of the fees of such Person’s counsel and other advisors), to incur non-deminimis Liabilities to unaffiliated third parties or to grant any non-deminimis concessions or accommodations.

“Communications Center” is defined in Section 6.4.

“Company” is defined in the preamble.

“Company Indemnified Claims” is defined in Section 7.2.

“Company Indemnified Party” is defined in Section 7.2.

“Company’s Knowledge” means the actual knowledge of any officer of the Company responsible for the day to day administration or oversight of the Plan or directly involved in the negotiation of this Agreement or the transactions contemplated hereby, in each case, after making appropriate inquiry of those people reporting directly to such officer who have substantial responsibility for the relevant subject matter.

“Compelled Disclosing Party” is defined in Section 6.5(d).

“Confidential Information” means all business and technical information or processes, stored in any medium, to the extent the same is generally accepted as containing a trade secret, proprietary or confidential information of or belonging to any Party, its Representatives, its Affiliates or its Affiliates’ Representatives, including know-how and trade secrets, customer or client requirements and lists, life-by-life information with respect to the Priced Lives, technology, software and data processing procedures, insurance, actuarial, accounting and financial data, management systems, records, and any other information that is designated as confidential, and the portions of any reports or other documents prepared by any professional engaged in connection with this Agreement and any report or other document prepared by a receiving Party that contains or incorporates a trade secret, proprietary or confidential information of a disclosing Party. Confidential Information includes information communicated orally, in writing or in any other recorded or tangible form, includes information supplied by the disclosing Party and includes information delivered prior to the Execution Date pursuant to the Confidentiality Agreement. Information received by the receiving Party containing trade secrets or proprietary or confidential information constitutes Confidential Information.

“Confidentiality Agreement” means, the Confidentiality Agreement, dated October 22, 2015, between the Company and Evercore Trust Company, N.A.

“Consent” means any consent, approval (or deemed approval after the expiry of all appropriate waiting periods), authorization, notice, permission or waiver.

“Contract” means any legally enforceable agreement, contract, commitment, instrument, undertaking, lease, note, mortgage, indenture, license or arrangement, whether written or oral.

“Corridor Breach” is defined in Schedule 2.4(a).

“Data Corrections” is defined in Schedule 2.4(a).

“Dispute” means any claim, counterclaim, demand, cause of action, controversy or dispute.

“Enforceability Exceptions” is defined in Section 3.2.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Execution Date” is defined in the preamble.

“Fiduciary Committee” means a named fiduciary of the Plan which appointed and designated the Independent Fiduciary in connection with the Transactions.

“Final True-Up Date” means November 1, 2016.

“Fundamental Reps” means the representations and warranties contained in Sections 3.1 (Due Organization, Good Standing and Corporate Power), 3.2 (Authorization of Agreement; Enforceability), 3.4 (No Brokers’ Fees), 4.1 (Due Organization, Good Standing and Corporate Power), 4.2 (Authorization of Agreement; Enforceability), 4.4 (ERISA Related Determinations), 4.5 (No Brokers’ Fees), 5.1 (Due Organization, Good Standing and Corporate Power), 5.2 (Authorization of Agreement; Enforceability), 5.6 (No Brokers’ Fees), 5.9 (Relationship to the Plan) and 5.10 (Investment Managers).

“GAAP” means United States generally accepted accounting principles and practices in effect from time to time applied consistently throughout the periods involved.

“General Account” means the general account of the Insurer.

“Governmental Approval” means any Consent of a Governmental Authority.

“Governmental Authority” means any federal, state, municipal, foreign or local government or quasi-governmental authority or any regulatory or administrative body, department, agency, insurance commission or commissioner, subdivision, court or other tribunal, arbitrator or arbitral body of any of the foregoing.

“Group Annuity Contract” is defined in Section 6.2.

“Group Annuity Contract Issuance” is defined in Section 6.2.

“IF Engagement Letter” means the Engagement Letter, dated November 6, 2015, by and among the Fiduciary Committee and the Independent Fiduciary, and the related letter, dated

November 6, 2015, by and among the Company, the Independent Fiduciary and Aon Hewitt Investment Consulting, Inc..

“Independent Fiduciary” is defined in the preamble.

“Insurer” is defined in the preamble.

“Insurer Payment Commencement Date” means May 1, 2016.

“Insurer’s Knowledge” means the actual knowledge of any officer of the Insurer that will be responsible for the day to day administration of the Group Annuity Contract or was directly involved in the negotiation of this Agreement or the transactions contemplated hereby, in each case, (a) after making appropriate inquiry of those people reporting directly to such officer who have substantial responsibility for the relevant subject matter, and (b) if none of such officers or people reporting directly to them have substantial responsibility for the subject matter that is the subject of the relevant representation, after making appropriate inquiry of an officer of the Insurer that has substantial responsibility for such subject matter.

“Interpretive Bulletin 95-1” is defined in Section 3.7.

“Joint Annuitant” has the meaning ascribed to such term in the Group Annuity Contract.

“Law” means any federal, state, foreign or local law, statute, ordinance, regulation, rule or Order of any Governmental Authority.

“Liability” means any direct or indirect liability, debt, obligation, commitment, guaranty, claim, loss, damage, deficiency, penalty, fine, cost or expense of any kind, whether relating to payment, performance or otherwise, known or unknown, fixed, absolute or contingent, accrued or unaccrued, matured or unmatured, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, whenever and however arising (including whether or not required to be reflected or reserved under GAAP on the financial statements of the obligor or responsible Person).

“Non-Exempt Prohibited Transaction” means a transaction prohibited by ERISA Section 406 or Section 4975 of the Code, for which no statutory exemption, or Department of Labor class or individual exemption is available.

“Notice of Guaranty” means a notice of guaranty substantially in the form attached hereto as Schedule 1.1(b).

“Order” means any order, award, decision, injunction, judgment, ruling, decree, writ, subpoena or verdict entered, issued, made or rendered by any Governmental Authority or arbitrator.

“Parties” is defined in the preamble.

“Person” means any individual, corporation, limited liability company, partnership, sole proprietorship, joint venture, trust, estate, association, organization, labor union, Governmental Authority or other entity.

“Plan” is defined in the preamble.

“Plan Asset” means an asset of the Plan within the meaning of ERISA.

“Plan Beneficiary” means a person designated by a current or former Plan Participant, by a QDRO, or by the terms of the Plan, to become entitled to receive a pension benefit from the Plan.

“Plan Governing Documents” means the Plan and any documents and instruments governing the Plan as contemplated under section 404(a)(1)(D) of ERISA.

“Plan Participant” means a person who is eligible to receive, and is receiving, a pension benefit from the Plan.

“Plan Trustee” means SEI Private Trust Company, in its capacity as directed trustee of the Plan and, in circumstances in which it receives assets or other payments hereunder or pursuant to the Ancillary Agreements, for the benefit of the Plan.

“Premium Adjustment” is defined in Schedule 2.4(a).

“Priced Lives” means all Plan Participants and Plan Beneficiaries who are referenced by Schedule 1.1(c).

“PTCE” means a prohibited transaction class exemption issued by the U.S. Department of Labor pursuant to section 408(a) of ERISA.

“QDRO” means a domestic relations order that satisfies the qualification requirements set forth in section 206(d)(3) of ERISA and section 401(a)(13)(B) of the Code.

“QPAM” means a Qualified Professional Asset Manager within the meaning of the U.S. Department of Labor PTCE 84-14.

“Representatives” means, in respect of any Person that is an entity, such Person’s officers, directors, employees, advisors and agents.

“SEC” means the Securities and Exchange Commission.

“Tax Qualified” means qualified by the Code for preferential tax treatment under sections 401(a) and 501(a) of the Code.

“Transaction” means the transactions contemplated by this Agreement.

“Transaction Announcements” is defined in Section 6.7.

“Uncovered Claim” is defined in Section 7.3(c).

Section 1.2 Interpretation .

(a) Whenever the words “include,” “includes” or “including” are used in this Agreement, they will be deemed to be followed by the words “without limitation.” The use of “or” is not intended to be exclusive unless expressly indicated otherwise.

(b) Words denoting any gender will include all genders. The meanings given to terms defined herein will be equally applicable to both singular and plural forms of such terms..

(c) The Schedules are incorporated by reference and made a part of this Agreement as if set forth fully in this Agreement.

(d) A reference to any party to this Agreement or any other agreement or document will include such party’s successors and permitted assigns.

(e) A reference to any Law or to any provision of any Law will include any amendment thereto, any modification or re-enactment thereof, any Law substituted therefor and all regulations issued thereunder or pursuant thereto.

(f) All references to “\$” and dollars will refer to United States currency. All references to the word “days” will refer to calendar days unless otherwise specified in a particular case.

(g) All references to any financial or accounting terms will be defined in accordance with GAAP to the extent GAAP is applicable; provided that with respect to any financial or accounting terms related to Insurer’s accounting, the accounting terms will be in accordance with relevant state insurance statutory accounting principles (including applicable permitted practices).

(h) Reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof.

(i) The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, will refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Appendix, Schedule and Letter references relate to this Agreement unless otherwise specified.

(j) The Parties each hereby acknowledge that (i) the Parties jointly and equally participated in the drafting of this Agreement and all other agreements contemplated hereby, (ii) the Parties have each been adequately represented and advised by legal counsel with respect to this Agreement and the transactions contemplated hereby, and (iii) no presumption will be made that any provision of this Agreement will be construed against any Party by reason of such role in the drafting of this Agreement and any other agreement contemplated hereby.

(k) The Table of Contents and the headings of the Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement.

(l) All capitalized terms not defined in any Schedule will have the meanings ascribed to them in this Agreement.

ARTICLE II

CLOSING

Section 2.1 Time and Place of Closing. On the terms set forth in this Agreement, the Independent Fiduciary will direct the Plan Trustee to pay the Insurer an amount in Cash equal to the Closing Annuity Premium (the “Cash Payment”) on February 25, 2016 (the “Closing”). The date on which the Closing occurs is referred to in this Agreement as the “Closing Date.”

Section 2.2 Allocation of the Cash Payment. The Insurer will allocate the Cash Payment paid at Closing in to its General Account within one Business Day after Closing.

Section 2.3 Mortality Confirmation. From and after the Closing until 10 Business Days before the Final True-Up Date, the Insurer will, at least monthly and in accordance with the Insurer’s standard verification practices and procedures, review the Social Security Master Death file and the Lexis Nexis Accurint tool to attempt to determine if any Annuitants or Joint Annuitants are deceased. If (a) subject to such standard verification practices and procedures, such data source indicates that a Annuitant or Joint Annuitant is deceased or (b) the Company presents evidence, reasonably acceptable to the Insurer, that a Annuitant or Joint Annuitant is deceased, then, the Insurer will reflect such mortality event in the calculations contemplated by Section 2.4. The Insurer will provide monthly updates to the Company of such mortality review.

Section 2.4 True-Up For Mortality and Data Correction Events.

(a) Mortality Corrections. On each of the dates that is 20 Business Days before the Insurer Payment Commencement Date and Final True-Up Date, the Insurer will deliver to the Company a written notice that specifies, in reasonable detail, (i) any deaths of Annuitants that took place prior to the Insurer Payment Commencement Date of which the Insurer is aware (including as a result of the mortality confirmation procedures set forth in Section 2.3), and (ii) the adjustment in the Closing Annuity Premium that results from such individuals no longer being Annuitants or Joint Annuitants (which calculation shall be provided on a life-by-life basis, and will be calculated in a manner consistent with the provisions of Schedule 2.4(a)).

(b) Data Corrections. On each of the dates that is 20 Business Days before the Insurer Payment Commencement Date and the Final True-Up Date, the Company shall cause to be delivered to the Insurer a revised Annuity Exhibit reflecting any Data Corrections discovered. On each of the dates that is 20 Business Days before the Insurer Payment Commencement Date and the Final True-Up Date, the Insurer will deliver to the Company a written notice that specifies, in reasonable detail, the amount of the Premium Adjustment that results from the data corrections on the revised Annuity Exhibit (which calculation shall be provided on a life-by-life basis, and will be calculated in a manner consistent with the provisions of Schedule 2.4(a)). On the Insurer Payment Commencement Date, an amount equal to the Premium Adjustment (decreased by the amounts calculated in Section 2.4(a)) will be due. If the amount is (i) a positive number, the Independent Fiduciary will cause the Plan Trustee to pay the Insurer an amount of cash equal to such amount, or (ii) a negative number,

the Insurer will pay to the Plan the amount of cash equal to such amount. For any Data Corrections with respect to benefit amount discovered between the Closing and the date that is 20 Business Days before the Final True-Up Date, the Company hereby authorizes the Insurer to correct any such incorrect benefit amount and pay the corrected benefit amount to the applicable Annuitant or Joint Annuitant beginning on the Insurer Payment Commencement Date (or, if discovered thereafter, beginning on the later applicable payment date). Any such Data Correction with respect to benefit amount and any related Data Corrections will be included in the Premium Adjustment calculated and paid on the Final True-Up Date in accordance with Section 2.4(d), as applicable.

(c) Dispute Resolution. Any dispute between the Insurer and the Company with respect to the adjustment described in Section 2.4(a) or 2.4(b) will be resolved in accordance with the procedures set forth in Schedule 2.4(c).

(d) Final True-Up.

(i) On the Final True-Up Date, or, if applicable, by the date that is five Business Days following the final resolution of all disputes in accordance with Section 2.4(c), an amount equal to the Premium Adjustment (decreased by the amounts calculated in Section 2.4(a)) will be due. If the amount determined pursuant to the prior sentence is (A) a positive number, the Independent Fiduciary will direct the Plan Trustee to pay to the Insurer an amount of cash equal to such amount, and (B) a negative number, the Insurer will pay to the Plan an amount of cash equal to such amount.

(ii) On the Final True-Up Date, or if applicable by the date that is five Business Days following the final resolution of all disputes in accordance with Section 2.4(c), the Insurer and the Company will amend the Group Annuity Contract, in each case, (A) to reflect any Final True-Up Payment (as adjusted following the resolution of any disputes in accordance with Section 2.4(c)), and (B) to substitute the Annuity Exhibits for Annuity Exhibits that reflect any Mortality Corrections or Data Corrections pursuant to Sections 2.4(a) and 2.4(b), respectively.

(e) Corridor Breach. In connection with the calculation of the adjustments contemplated in Sections 2.4(a) and 2.4(b), respectively, the Insurer will notify the Company simultaneously with the delivery of such calculation if there has been a Corridor Breach. Disputes with respect to whether or not there has been a Corridor Breach shall be subject to Section 2.4(c).

ARTICLE III

COMPANY'S REPRESENTATIONS AND WARRANTIES

The Company hereby represents and warrants to the Insurer and the Independent Fiduciary as of the Execution Date that:

Section 3.1 Due Organization, Good Standing and Corporate Power. The Company is a corporation, validly existing and in good standing under the Laws of the State of Delaware. The Company has all requisite power and authority to enter into and carry out its obligations under this Agreement and to consummate the transactions contemplated to be undertaken by the Company

herein. The Company is duly qualified or licensed to do business and is in good standing in each jurisdiction in which its sponsorship of the Plan makes such qualification or licensing necessary, except in such jurisdictions where the failure to be in good standing, or so qualified or licensed is not material.

Section 3.2 Authorization of Agreement; Enforceability . The Company has received all appropriate corporate approvals and no other action on the part of the Company or its Affiliates is necessary to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated to be undertaken by the Company under this Agreement. This Agreement is duly executed and delivered by the Company, and is a valid and binding obligation of the Company and enforceable against the Company in accordance with its terms, except to the extent that such enforceability may be affected by applicable bankruptcy, insolvency, reorganization, moratorium and similar Law affecting the enforcement of creditors' rights generally and by general equitable principles (the "Enforceability Exceptions").

Section 3.3 Consents And Approvals; No Violations . The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated to be undertaken by the Company pursuant to this Agreement do not (a) violate or conflict with any provision of its articles of incorporation or code of regulations, (b) violate or conflict with any Law or Order of any Governmental Authority applicable to the Company, (c) require any additional Governmental Approval, or (d) require any Consent of, or other action by, any Person under, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, or cause or permit termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit under, any provision of any Contract to which the Company is a party, except for such absences or occurrences of any of the foregoing that would not have a material adverse impact on the Company's ability to consummate the transactions contemplated in this Agreement and the Ancillary Agreements.

Section 3.4 No Brokers' Fee . The Company has no Liability for any fee, commission or payment to any broker, finder or agent with respect to the Transaction for which any other Party, or its respective Affiliates or Representatives, could be liable.

Section 3.5 No Discretionary Authority or Fiduciary Status . The Company is acting solely in its non-fiduciary, settlor, plan sponsor capacity in regard to the Transactions set forth in this Agreement.

Section 3.6 Delivery of Plan Governing Documents . True, correct and complete copies of the Plan Governing Documents set forth on Schedule 3.6 have been delivered to the Independent Fiduciary by the Company on or prior to the Execution Date.

Section 3.7 Plan Status. The Plan is maintained under, and is subject to, ERISA and is operated in compliance therewith in all material respects. To the knowledge of the Company, the Plan has not engaged in any Non-Exempt Prohibited Transactions. The Plan is qualified under Section 401(a) of the Code. The Plan's most recent favorable IRS determination letter is dated April 23, 2014 and, to the Company's Knowledge, no event has occurred since such date that is reasonably likely to result in the Plan losing its Tax Qualified status. The Independent Fiduciary has been duly

appointed as a fiduciary of the Plan with respect to the purchase of one or more group annuity contracts as set forth in the IF Engagement Letter, and has the sole authority and responsibility to (i) select one or more insurers to provide annuities in accordance with ERISA, including U.S. Department of Labor Interpretive Bulletin 95-1 (“Interpretive Bulletin 95-1”), (ii) represent the interests of the Plan and its participants and beneficiaries in connection with the negotiation of a commitment agreement (such as this Agreement) and the terms of any agreements with the Insurer, including the Group Annuity Contract and the Annuity Certificates, (iii) direct the Plan Trustee on behalf of the Plan to make the Cash Payment in connection with the consummation of the Transaction, and (iv) take all other actions on behalf of the Plan necessary to effectuate the foregoing, including to perform the covenants and agreements set forth in this Agreement and the IF Engagement Letter, to the extent to be performed or made by the Independent Fiduciary. All Plan amendments necessary to effect the Transactions and the transactions contemplated by the Ancillary Agreements, to the extent that they require authorization by the Company have been duly authorized and made by the Company or will be by the Closing Date.

Section 3.8 Activities within the United States. All Participants derive their interest in the Plan from activities that have occurred within the 50 United States and the District of Columbia.

Section 3.9 Information. As of the Execution Date, to the Company’s Knowledge, the census data for the date of birth, date of death, gender, benefit amounts, forms of annuity and state of residence that were furnished by or on behalf of the Company to the Insurer did not contain any misstatements that were, when taken as a whole, material.

Section 3.10 Litigation by Plan Beneficiaries and Plan Participants. As of the Execution Date, there is no Action pending or, to the Company’s Knowledge, threatened, by or on behalf of any Priced Lives relating to the Plan or any benefit payable or alleged to be payable pursuant to the Plan.

Section 3.11 No Other Representations or Warranties; Reliance . Except for the representations and warranties of the Company expressly set forth in this Article III, neither the Company nor any of its Affiliates, nor any other Person makes any express or implied representation or warranty on behalf of the Company or any of its Affiliates with respect to the Company, its Affiliates, the Plan or the Transaction. The Company acknowledges and agrees that the Insurer and the Independent Fiduciary have relied on the representations and warranties set forth in this Article III.

ARTICLE IV

INDEPENDENT FIDUCIARY’S REPRESENTATIONS AND WARRANTIES

The Independent Fiduciary hereby represents and warrants to the Company and the Insurer as of the Execution Date that:

Section 4.1 Due Organization, Good Standing and Corporate Power .

(a) The Independent Fiduciary is a trust company validly existing and in good standing under the authority of the Office of the Comptroller of the Currency. The Independent Fiduciary

has all requisite power and authority to enter into and carry out its obligations under this Agreement and to consummate the transactions contemplated to be undertaken by the Independent Fiduciary herein. The Independent Fiduciary is duly qualified or licensed to do business and is in good standing in each jurisdiction in which its representation of the Plan makes such qualification or licensing necessary, except in such jurisdictions where the failure to be in good standing or so qualified or licensed is not material.

(b) The Independent Fiduciary meets the requirements of, and in the transactions contemplated by this Agreement and the Ancillary Agreements (to the extent a party thereto) is acting as, an investment manager under section 3(38) of ERISA and a QPAM under PTCE 84-14 with respect to the transactions contemplated by this Agreement and the Group Annuity Contract. The Independent Fiduciary is experienced in independent fiduciary work, and together with its reliance on its consultant, Aon Hewitt Investment Consulting, Inc., and its counsel, Kilpatrick, Townsend and Stockton, LLP, the Independent Fiduciary is knowledgeable concerning the large scale group annuity marketplace and reasonably believes that it has the requisite expertise to select the Insurer issuing the Group Annuity Contract and to perform its obligations under this Agreement, the other Ancillary Agreements (to the extent a party thereto) and the IF Engagement Letter. The Independent Fiduciary was designated a fiduciary of the Plan by the Fiduciary Committee with respect to the purchase of one or more group annuity contracts in the IF Engagement Letter (a true and correct copy of which has been provided to the Insurer, with the fees to be paid to the Independent Fiduciary redacted therefrom), and the Independent Fiduciary reaffirms its fiduciary status as set forth in such letter. The Independent Fiduciary has provided and will continue to provide the services described in such letter prudently and for the exclusive benefit and in the sole interest of the Plan and the Plan Participants and Plan Beneficiaries. The Independent Fiduciary has the authority and responsibility to (i) determine whether the Transaction and the purchase of the Group Annuity Contract satisfy ERISA and applicable guidance, including Interpretive Bulletin 95-1, (ii) direct the Plan Trustee on behalf of the Plan in connection with the Transaction, and (iii) perform the covenants and agreements and make the representations and warranties set forth in this Agreement and the IF Engagement Letter, to the extent they are to be performed or made by the Independent Fiduciary.

Section 4.2 Authorization of Agreement; Enforceability. The Independent Fiduciary has received all appropriate corporate approvals and no other action on the part of the Independent Fiduciary is necessary to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated to be undertaken by the Independent Fiduciary under this Agreement. This Agreement is duly executed and delivered by the Independent Fiduciary, and is a valid and binding obligation of the Independent Fiduciary and enforceable against the Independent Fiduciary, in accordance with its terms, subject to the Enforceability Exceptions and the prudence requirements of ERISA.

Section 4.3 Consents and Approvals; No Violations . The execution, delivery and performance of this Agreement by the Independent Fiduciary and the consummation by the Independent Fiduciary of the transactions contemplated to be undertaken by the Independent Fiduciary pursuant to this Agreement, including the payment for and issuance of the Group Annuity Contract, do not (a) violate or conflict with the certificate or articles of incorporation, bylaws, code of regulations or the comparable governing documents of the Independent Fiduciary, (b) violate or

conflict with any Law or Order of any Governmental Authority applicable to Independent Fiduciary, (c) require any additional Governmental Approval, (d) require any Consent of or other action by any Person, or (e) result in a Non-Exempt Prohibited Transaction.

Section 4.4 ERISA Related Determinations.

(a) The Independent Fiduciary is fully qualified to serve as an independent fiduciary in connection with the Transaction and it is independent of the Company and the Insurer. The annual revenues of the Independent Fiduciary and its Affiliates received in 2015 from each of (i) the Company and its Affiliates, and (ii) the Insurer and its Affiliates, were less than one percent of the total annual revenues of the Independent Fiduciary and its Affiliates in that year, and the annual revenues of the Independent Fiduciary and its Affiliates projected to be received in 2016 from each of (x) the Company and its Affiliates, and (y) the Insurer and its Affiliates, shall be less than one percent of the total projected annual revenues of the Independent Fiduciary and its Affiliates for 2016.

(b) The Independent Fiduciary has selected the Insurer to issue the Group Annuity Contract as set forth in this Agreement and such selection, the Transaction and the transactions contemplated in the Ancillary Agreements, and the Group Annuity Contract satisfy the requirements of ERISA and applicable guidance, including Interpretive Bulletin 95-1. The Independent Fiduciary has delivered a certification confirming the foregoing, executed by a duly authorized officer of the Independent Fiduciary, to the Fiduciary Committee.

(c) The Transaction, the transactions contemplated by the Ancillary Agreements and the purchase of the Group Annuity Contract will not, result in a Non-Exempt Prohibited Transaction. The Independent Fiduciary represents that the Transaction meets the requirements to qualify for the exemption provided in Part I of PTCE 84-14.

Section 4.5 No Brokers' Fee. The Independent Fiduciary has no Liability for any fee, commission or payment to any broker, finder or agent with respect to the Transaction for which any other Party, or its respective Affiliates or Representatives, could be liable.

Section 4.6 No Other Representations or Warranties; Reliance. Except for the representations and warranties of the Independent Fiduciary expressly set forth in this Article IV, neither the Independent Fiduciary nor any of its Affiliates, nor any other Person makes any express or implied representation or warranty on behalf of the Independent Fiduciary or any of its Affiliates with respect to the Independent Fiduciary, its Affiliates, the Plan or the Transaction. The Independent Fiduciary acknowledges and agrees that the Insurer and the Company have relied on the representations set forth in this Article IV.

ARTICLE V

INSURER REPRESENTATIONS AND WARRANTIES

The Insurer hereby represents and warrants to the Company and the Independent Fiduciary as of the Execution Date and, in the case of Sections 5.4 and 5.7, as of such date specified therein that:

Section 5.1 Due Organization, Good Standing and Corporate Power. The Insurer is a life insurance company duly organized, validly existing and in good standing under the Laws of the State of Connecticut. The Insurer has all requisite power and authority to enter into and carry out its obligations under this Agreement and to consummate the transactions contemplated to be undertaken by the Insurer herein. The Insurer is duly qualified or licensed to do business and is in good standing in each jurisdiction in which its performance of its obligations set forth in the Group Annuity Contract makes such qualification or licensing necessary, except in such jurisdictions where the failure to be in good standing or so qualified or licensed is not material.

Section 5.2 Authorization of Agreement; Enforceability. The Insurer has received all appropriate corporate approvals and no other action on the part of the Insurer or its Affiliates is necessary to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated to be undertaken by the Insurer under this Agreement. This Agreement is, other than the Group Annuity Contract, which is addressed by Section 5.4, duly executed and delivered by the Insurer, and is a valid and binding obligation of the Insurer and enforceable against the Insurer in accordance with its terms, subject to the Enforceability Exceptions.

Section 5.3 Consents And Approvals; No Violations. Except for the approvals of the Governmental Authorities listed on Schedule 5.3, the execution and delivery of this Agreement by the Insurer and the consummation by the Insurer of the Transactions contemplated to be undertaken by the Insurer, including the issuance of the Group Annuity Contract, do not (a) violate or conflict with any provision of its certificate or articles of incorporation, bylaws, code of regulations or comparable governing documents, (b) violate or conflict with any Law or Order of any Governmental Authority applicable to the Insurer, (c) require any Governmental Approval, (d) require any consent of or other action by any Person under, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, or cause or permit termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit under, any provision of any Contract to which the Insurer is a party, except for such absences or occurrences of any of the foregoing in clauses (a) through (d) that would not have a material adverse impact on the Insurer's ability to consummate the transactions contemplated in this Agreement or the Ancillary Agreements, or (e) result in a Non-Exempt Prohibited Transaction. Other than the filings to be made in connection with the Group Annuity Contract, and other than filings with and approvals of state insurance Governmental Authorities in the States set forth on Schedule 5.3, no further filing or approval is required to issue the Annuity Certificates in accordance with the Group Annuity Contract.

Section 5.4 Enforceability of Group Annuity Contract. The Group Annuity Contract, when executed, will be duly executed and delivered by the Insurer and will be a valid and binding, irrevocable obligation of the Insurer and enforceable against the Insurer by the

holder of the Group Annuity Contract, and each Annuitant and Joint Annuitant, in accordance with its terms. After the date which is five Business Days after the Final True-Up Date (or, if applicable, by the date that is five Business Days following the final resolution of all disputes in accordance

with Section 2.4(c)), the Insurer represents and warrants that the holder of the Group Annuity Contract has no obligations under the Group Annuity Contract, and the Group Annuity Contract continues to be a valid and binding, irrevocable obligation of the Insurer and enforceable against the Insurer by each Annuitant and Joint Annuitant, in accordance with its terms, subject to the Enforceability Exceptions and to any additional enforceability exceptions set forth in the Group Annuity Contract. At all times, the right to a benefit under the Group Annuity Contract will be enforceable by the sole choice of the Annuitant or Joint Annuitant to whom the benefit is owed by the Group Annuity Contract, subject to the Enforceability Exceptions.

Section 5.5 Compliance with Laws. The business of the Insurer has been and is being conducted in material compliance with applicable Laws, and none of the licenses, permits or Governmental Approvals required for the continued conduct of the business of the Insurer as such business is currently being conducted will lapse, terminate, expire or otherwise be impaired as a result of the consummation of the transactions contemplated to be undertaken by the Insurer or its Affiliates hereunder, except as would not reasonably be expected to be, individually or in the aggregate, materially adverse to the ability of the Insurer to perform its obligations under this Agreement.

Section 5.6 No Brokers' Fee. The Insurer has no Liability for any fee, commission or payment to any broker, finder or agent with respect to the Transaction for which any other Party, or their respective Affiliates or Representatives, could be liable.

Section 5.7 No Post-Closing Liability. Following the Group Annuity Contract Issuance, none of the Company, the Plan, the Company's other Affiliates, the Independent Fiduciary, nor any of their respective directors, officers, trustees or fiduciaries will have any Liability to pay any Annuity Payment.

Section 5.8 Accuracy of Data Provided. To the Insurer's Knowledge, (a) all material information provided by the Insurer to the Company or the Independent Fiduciary in connection with the Transaction, was, as of the date indicated on such information, true and correct in all material respects, (b) no change has occurred since the date indicated on such information that the Insurer has not publicly disclosed or disclosed to the recipient of such information that would cause such information, taken as a whole, to be materially false or misleading, and (c) the Premium Adjustments will be calculated on the basis set forth in Schedule 2.4(a).

Section 5.9 Relationship to the Plan. The Insurer is not (a) a trustee of the Plan, (b) a plan administrator (within the meaning of section 3(16)(A) of ERISA), (c) a fiduciary (within the meaning of section 3(21) of ERISA) who is expressly authorized in writing to manage, acquire or dispose of Plan Assets of the Plan on a discretionary basis, or (d) an employer any of whose employees are covered by the Plan.

Section 5.10 Investment Managers. A true and complete list of the Insurer's Affiliates that are investment managers within the meaning of section 3(38) of ERISA and that manage assets subject to ERISA is set forth on Schedule 5.10. The execution and delivery of this Agreement by the Insurer and the consummation by Insurer of the transactions contemplated to be undertaken by the Insurer do not result in a Non-Exempt Prohibited Transaction.

Section 5.11 No Other Representations or Warranties; Reliance. Except for the representations and warranties of Insurer expressly set forth in this Article V, none of the Insurer, any of its Affiliates or any other Person makes any express or implied representation or warranty on behalf the Insurer or any of its Affiliates with respect to the Insurer, its Affiliates, or the Transaction. The Insurer acknowledges and agrees that the Company and the Independent Fiduciary have relied on the representations and warranties set forth in this Article V, and that the Annuitants and Joint Annuitants will rely on the representations and warranties set forth in Section 5.4.

ARTICLE VI

COVENANTS

Section 6.1 Efforts to Close; Regulatory Clearances; Third Party Consents.

(a) Following the Execution Date, in addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties will cooperate with each other and use (and, except with respect to the Independent Fiduciary, will cause their respective Affiliates to use) their respective Commercially Reasonable Efforts to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things reasonably necessary on its part to effectuate the transactions contemplated by this Agreement.

(b) Without limiting the generality of the foregoing, the Company and the Insurer will use their respective Commercially Reasonable Efforts to obtain and to cause others to obtain, as soon as practicable, all required Governmental Approvals that may be or become necessary for the performance of their respective obligations under this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements, including approval of the Annuity Certificates from all state agencies from which approval is required (including the filing of such Annuity Certificates within ten Business Days of the Closing, and will cooperate fully with each other in promptly seeking to obtain such Governmental Approvals and Consents. Without limiting the foregoing and subject to applicable legal limitations and the written instructions of any Governmental Authority, from the Execution Date until the Insurer Payment Commencement Date, each of the Parties agrees to (i) reasonably cooperate and consult with one another, (ii) furnish to the other Parties such necessary information and assistance as such other Party may reasonably request in connection with its preparation of any notifications or filings, (iii) keep each other apprised of the status of material matters relating to the completion of the transactions contemplated thereby, including apprising the other Parties of the substance of material notices or communications received by such Party from any third party or any Governmental Authority with respect to such transactions, within five Business Days of receipt thereof, and (iv) to the extent reasonably practicable, permit the other Parties to review and incorporate the other Party's reasonable comments in any material communication to be given by it to any Governmental Authority with respect to the transactions contemplated by this Agreement and the Ancillary Agreements.

(c) Without limiting Sections 6.1(a) and 6.1(b) where the cooperation of third parties that are not Governmental Authorities, such as a trustee, record keeper or paying agent, would be necessary in order for a Party to completely fulfill its obligations under this Agreement or any

Ancillary Agreement, such Party will use its Commercially Reasonable Efforts to cause such third parties to provide such cooperation.

Section 6.2 Group Annuity Contract Issuance.

(d) The single premium, non-participating group annuity contract, including the Annuity Exhibits and all other exhibits and attachments (the “Group Annuity Contract”) shall be in the form set forth in Schedule 6.2, and no material changes may be made thereto. No later than three business days after the Closing Premium Amount has been paid by the Plan Trustee to the Insurer, to the extent required, the Insurer shall file the Group Annuity Contract with the relevant state insurance Governmental Authority, and no later than 40 days after the Closing:

(i) After receipt of an application for the Group Annuity Contract received in good order and executed by the Company, the Insurer will issue and deliver to the Company, with a copy to the Independent Fiduciary, the Group Annuity Contract (including fully completed Annuity Exhibits and all other exhibits and attachments thereto) (the “Group Annuity Contract Issuance”), duly executed by the Insurer with an effective date as of the Closing Date (it being understood that the required payments under the Group Annuity Contract will not commence until the Insurer Payment Commencement Date); and

(ii) the Company will deliver to the Insurer the Group Annuity Contract (including all exhibits and attachments thereto), duly executed by the Company (if applicable), with an effective date as of the Closing Date.

Section 6.3 Insurer Actions.

(a) Following the Closing Date, the Insurer shall perform the following:

(iii) no later than 20 days after the Final True-Up Date, mail an Annuity Certificate to each Annuitant; provided, however, that if such Annuity Certificate has not been approved by the relevant state insurance Governmental Authorities, then the Insurer will mail such Annuity Certificate to the relevant Annuitant as promptly as reasonably practicable and in any case within 20 days following the date on which such Annuity Certificate has been approved by the relevant state insurance Governmental Authorities;

(iv) make or cause to be made all Annuity Payments to each Annuitant and Joint Annuitant, as required under the Group Annuity Contract, from and after the Insurer Payment Commencement Date; provided that if the Insurer has received the Closing Annuity Premium, but for any reason the Group Annuity Contract is not issued and delivered on or before the Insurer Payment Commencement Date, the Insurer shall nevertheless make full payment of all Annuity Payments in respect of each Annuitant and Joint Annuitant from and after the Insurer Payment Commencement Date as if the Group Annuity Contract has been issued and delivered to the Company;

(v) provide a “welcome” mailing to Annuitants and Joint Annuitants and, at the request of the Company, include a notice, provided by the Company and reasonably

acceptable to the Insurer, regarding Annuity Certificates in the Insurer's "welcome" mailing to the Annuitants and Joint Annuitants, or other subsequent mailings made by the Insurer to the Annuitants and Joint Annuitants;

(vi) provide administrative services appropriate for the Group Annuity Contract that meets or exceeds customary insurance industry metrics, including, but not limited to, appropriate call center and back-office staffing and training, maintenance of written rules and procedures to govern the submission to the Insurer of claims and requests by a Annuitant, Joint Annuitant, or Beneficiary that are consistent with the Insurer's rules and procedures applicable to the administration of other group annuity contracts, compliance with all applicable federal and/or state data privacy and other privacy laws, and maintenance of a commercially reasonable disaster recovery or business continuity plan;

(vii) mail a Notice of Guaranty to each Annuitant listed on the Annuity Exhibits to the Group Annuity Contract no later than the Insurer Payment Commencement Date; and

(viii) in accordance with the Insurer's customary administrative practices, process voluntary Annuity Payment deductions (e.g., retiree life insurance deductions) on behalf of Annuitants and Joint Annuitants as indicated in the deduction file to be sent to the Insurer by the Company prior to the Insurer Payment Commencement Date.

(b) Following the Closing Date and until the last Annuity Payment is made, the Insurer will not:

(i) assign, transfer, novate, reinsure, or take any similar action with respect to the Group Annuity Contract or its obligations thereunder, unless (A) the Insurer will be the obligor to the Annuitants, Joint Annuitants, and Beneficiaries in respect of its obligations under the Group Annuity Contract, or (B) such obligations are fully transferred by operation of law to another entity that has acquired Insurer, and any successor entity to the Insurer by operation of law shall be automatically bound by all of the Insurer's obligations under the Group Annuity Contract;

(ii) seek to enforce its right to reduce an Annuity Payment due to a misstatement discovered in the Annuity Exhibit after the Final True-Up Date if such misstatement relates to Date of Birth, Gender, or Date of Death; or

(iii) take any action contrary to this Section 6.3.

(c) Each Annuitant and Joint Annuitant (i) is an intended third-party beneficiary of the Group Annuity Contract, and the rights of any Annuitant and Joint Annuitant are not conditioned upon the issuance of Annuity Certificates nor does it delay the date upon which a Annuitant or Joint Annuitant begins to have third-party beneficiary rights under the Group Annuity Contract, and (ii) shall have the right to enforce any provision of the Group Annuity Contract against the Insurer, its successors and assigns by the sole choice of such Annuitant or Joint Annuitant.

(d) Following the Closing Date, the Insurer will devote necessary and sufficient personnel to onboard the Group Annuity Contract prior to the Insurer Payment Commencement Date such that the onboarding process meets or exceeds customary insurance industry service practices.

Section 6.4 Communications Center. The Insurer will maintain, at its cost and expense, a toll-free phone number or a website (the “Communications Center”) which will be available from and after the Closing Date for Annuitants and Joint Annuitants to call with questions related to the Group Annuity Contract and the Annuity Certificates, it being understood that the Communications Center need not be solely dedicated to Annuitants and Joint Annuitants.

Section 6.5 Confidentiality.

(a) It is understood that each Party has received and will receive Confidential Information from the other Parties in connection with the negotiation of this Agreement and the Ancillary Agreements as well as in previous discussions and interactions involving the matters addressed by this Agreement and the Ancillary Agreements. Except as set forth herein (including except as expressly permitted or contemplated by the other provisions of this Agreement), the Parties will not use the Confidential Information of another disclosing Party except in connection with the performance of their respective obligations under this Agreement and will not disclose (and will cause their respective Representatives, Affiliates, and Affiliates’ Representatives not to disclose) any Confidential Information received from another Party or any of its Representatives, Affiliates or Affiliates Representatives, except to such receiving Party’s Representatives, Affiliates, and Affiliates’ Representatives, who have a need to know and have agreed (or are otherwise bound) to maintain the confidentiality of Confidential Information in accordance with this Section 6.5; provided that the disclosing Party is and will be an express third party beneficiary of such agreement by such receiving Party’s Representatives, Affiliates, and Affiliates’ Representatives. For the avoidance of doubt, this Section 6.5(a) shall not prohibit the Company, the Plan, or the Independent Fiduciary from providing this Agreement, the Group Annuity Contract, or an Annuity Certificate to any Governmental Agency.

(b) Section 6.5(a) will not apply with respect to Confidential Information that the receiving Party can demonstrate is or was:

(i) already known to the receiving Party or its Affiliates or Representatives prior to the confidential disclosure by the disclosing Party or any affiliate or Representative thereof;

(ii) independently developed by the receiving Party or its Affiliates or Representatives not in violation or breach of this Agreement or any other confidentiality obligation to the disclosing Party (such as the Confidentiality Agreement or any retention agreement with a firm or professional in connection with this Agreement);

(iii) already known to the public without breach of confidence by the receiving Party or any of its Affiliates; or

(iv) subject to prior compliance with Section 6.5(c), required to be disclosed pursuant to any applicable Law, stock exchange regulation, regulatory provision, court order, subpoena or other legal process.

(c) Section 6.5(a) will not apply from and after the Closing to restrict the use or disclosure by the Insurer of any Confidential Information related to Priced Lives, Annuity Payments, or the pricing or underwriting of the Group Annuity Contract, received from another disclosing Party, provided that the Insurer will use such Confidential Information only in compliance with all applicable Laws relating to privacy of personally identifying information. For the avoidance of doubt, this Section 6.5(c) does not apply to Confidential Information regarding the Company or the Plan (other than to the extent required in connection with the Group Annuity Contract).

(d) Except as otherwise provided in this Agreement, if any Party, its Representatives, its Affiliates or its Affiliates' Representatives, receives a request, subpoena, demand, or order for disclosure or becomes required by Law or stock exchange rule or regulation to disclose any Confidential Information (a "Compelled Disclosing Party"), such Compelled Disclosing Party will promptly, and in no case more than three Business Days following receipt of such a request, subpoena, demand, or order (so long as it is legally permitted to provide such notification), notify the other Parties to afford them the opportunity to object or seek a protective order or other remedy, including a protective order requiring Confidential Information to be submitted under seal and for the return and destruction of Confidential Information or copies thereof following the conclusion of any Action, prior to the disclosure of any such Confidential Information. The Compelled Disclosing Party will, to the extent permitted by Law, cooperate with the other Party's or Parties' efforts to obtain such protective order, at such other Party's or Parties' cost and expense. In the event that such protective order or other remedy is not sought or obtained, only that portion of Confidential Information which the Compelled Disclosing Party in good faith believes is legally required to be provided may be disclosed and such Compelled Disclosing Party will request that appropriate confidential treatment will be accorded to such Confidential Information. Notwithstanding anything to the contrary in this Agreement, a Compelled Disclosing Party may disclose any Confidential Information to an applicable regulatory authority at such authority's request or requirement (whether pursuant to an audit, exam or otherwise) without obligation to notify hereunder to the extent that any such request or requirement does not specifically mention the other Parties, or specifically address or call for the Confidential Information.

(e) The Parties acknowledge and agree that this Section 6.5 will supersede the Confidentiality Agreement, to the extent that that such Confidentiality Agreement was applicable to a Party. Notwithstanding the foregoing, this Section 6.5(e) will not relieve any party from Liability for breaches of the Confidentiality Agreement (to the extent such Confidentiality Agreement was applicable to a Party) that have occurred prior to the date hereof.

Section 6.6 No Insurer Communications. From the date of this Agreement until the Group Annuity Contract Issuance, without the Company's prior written consent, (a) the Insurer will cause the employees of its retirement services business unit not to initiate any contact or communication with any Plan Participant or Plan Beneficiary in connection with the Transaction, (b) the Insurer will not, and will cause all of its Affiliates not to, provide any of its insurance agents, wholesalers

or retailers with any contact information of any Plan Participants or Plan Beneficiaries, and (c) the Insurer will not, and will cause all of its Affiliates not to, provide any of the respective other Representatives with any contact information of any Plan Participants or Plan Beneficiaries, except for those Representatives of the Insurer of any of their respective Affiliates who need to know such information for purposes of this Transaction and agree to comply with the requirements of this Agreement. Notwithstanding the foregoing, the above limitations shall not apply to the extent that the Insurer or its Affiliates has a pre-existing business relationship with a Plan participant or Plan beneficiary and such communications are made in the normal course of such business relationship.

Section 6.7 Public Announcements. Each of the Company and the Insurer may issue a press release announcing the execution and delivery of this Agreement and the transactions contemplated by this Agreement and the Ancillary Agreements (collectively, the “Transaction Announcements”). Each of the Company and the Insurer will provide a draft of its Transaction Announcement to the other Party (and to the Independent Fiduciary, to the extent that such Transaction Announcement references the Independent Fiduciary or the role, duties or conclusions of the Independent Fiduciary) for review prior to the issuance thereof, provided, however, that such approval shall not be unreasonably withheld or conditioned. Insurer acknowledges that the Company may publicly disclose any information that it reasonably believes is required by the rules of the SEC to be so disclosed; provided, however, that if the Company concludes that disclosure of this Agreement is required by such rules, (i) the Company and Insurer will cooperate to make an application by the Company with the SEC for confidential treatment of information relating to the pricing of the Group Annuity Contract and such other information as the Company or Insurer may jointly conclude is competitively sensitive from its perspective, or otherwise merits confidential treatment and (ii) the Company will include Insurer in any material correspondence (written or oral) with the SEC regarding such application for confidential treatment, and the Company and Insurer will otherwise reasonably cooperate in connection with such application, including by the Company proposing to redact confidential portions of documents as to which the SEC staff seeks disclosure.

Section 6.8 Administrative Transition Process. The Insurer, the Company and the Independent Fiduciary will use their respective Commercially Reasonable Efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to (i) coordinate and allow for the provision of recordkeeping and administration services regarding Annuity Payments and (ii) coordinate the transfer to the Insurer, on and after the Insurer Payment Commencement Date of all administration responsibilities necessary to effectively provide the recordkeeping and administration services regarding Annuity Payments commencing on the Insurer Payment Commencement Date.

ARTICLE VII

INDEMNIFICATION FOR THIRD PARTY CLAIMS

Section 7.1 Survival. All of the representations and warranties set forth in this Agreement will survive the Closing until the date that is six months after the Closing Date; provided, however,

that the Fundamental Reps will survive until the date that is six years after the Closing Date; provided further, however, that Sections 5.4 and 5.7 will survive until the last Annuity Payment is paid under the Group Annuity Contract. Notwithstanding the foregoing, any representation or warranty in respect of which indemnity may be sought under this Agreement will survive the time at which it would otherwise terminate pursuant to the preceding sentence if written notice of the inaccuracy or breach thereof giving rise to such right of indemnity has been given to the party against whom indemnification may be sought prior to such time.

Section 7.2 Indemnification by the Insurer. From and after the Closing, the Insurer will indemnify, defend and hold the Company, the Plan, the Independent Fiduciary, any other Person acting as fiduciary or agent for the Plan, and their respective Affiliates, officers, directors, stockholders, employees, agents and other Representatives (each, a “Company Indemnified Party”) harmless from and against any and all Liabilities (in each case, including reasonable out-of-pocket expenses and reasonable fees and expenses of counsel) to the extent arising out of or relating to the portion of any Action, demand or other claim against the Company Indemnified Party by a third party that is threatened or brought against or that involves a Company Indemnified Party and that arises out of or relates to (a) any breach by the Insurer of any representation, warranty or covenant of either such Party under this Agreement or the Ancillary Agreements or (b) any failure by the Insurer to make, or causing to be made, any payments required to be made by it to Annuitants or Joint Annuitants pursuant to the Group Annuity Contract, or the Annuity Certificates (collectively, “Company Indemnified Claims”); provided that Company Indemnified Claims will not include any failure of any such payments to individual Annuitants or Joint Annuitants to be made prior to the Insurer Payment Commencement Date.

Section 7.3 Procedures for Indemnification Claims.

(a) Any Company Indemnified Party making a claim for indemnification for Company Indemnified Claims under Section 7.2 will notify the Insurer of each Company Indemnified Claim in writing promptly after receiving notice of such, describing the Company Indemnified Claim, the amount thereof (if known and quantifiable) and the basis thereof in reasonable detail; provided, however, that the failure to notify the Insurer will affect the rights of a Company Indemnified Party hereunder only if and to the extent such failure has an actual prejudicial effect on the Insurer with respect to such claim.

(b) The Insurer will have the right at any time to assume the defense against any Company Indemnified Claim with counsel of its choice reasonably satisfactory to the Company Indemnified Party and to control the defense of such Company Indemnified Claim.

(c) From and after the date that the Insurer has assumed and is conducting the defense of a Company Indemnified Claim in accordance with Section 7.3(b), (i) the Company Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in, but not control, the defense of such Company Indemnified Claim, (ii) the Company Indemnified Party may retain counsel at its sole cost and expense to control the defense of any portion of the Action, demand or other claim against the Company Indemnified Party that is not a Company Indemnified Claim (the “Uncovered Claim”), (iii) the Insurer and the Company Indemnified Party will cooperate fully with each other and any of their respective counsel in connection with the defense, negotiation or

settlement of any such Company Indemnified Claim or (if the Company Indemnified Party retains counsel for the Uncovered Claim) the Uncovered Claim, including providing access to any relevant books and records, properties, employees and Representatives; provided, however, that for avoidance of doubt, the foregoing will not require any Person to waive, or take any action which has the effect of waiving, its attorney-client privilege, attorney work-product, or any other applicable privilege with respect thereto, (iv) the Insurer will not consent to the entry of any judgment on or enter into any settlement with respect to such Company Indemnified Claim without the prior written consent of the Company Indemnified Party (which will not be unreasonably withheld, conditioned or delayed) unless the judgment or proposed settlement involves only the payment of money damages by the Insurer and does not impose an injunction or other equitable relief upon the Company Indemnified Party, or adversely impact the Tax Qualified status of the Plan, or admit liability on the part of any Company Indemnified Party, (v) the Company Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to such Company Indemnified Claim without the prior written consent of the Insurer (which will not be unreasonably withheld, conditioned or delayed), and (vi) the Company Indemnified Party may consent to the entry of any judgment or enter into any settlement with respect to the Uncovered Claim without the prior consent of the Insurer.

(d) If the Insurer has not assumed the defense of a Company Indemnified Claim after notice thereof, (i) the Company Indemnified Party may defend against the Company Indemnified Claim in any manner it reasonably determines to be appropriate, (ii) the Insurer will reimburse the Company Indemnified Party promptly and periodically for the costs of defending against the Company Indemnified Claim (including reasonable attorneys' fees and expenses allocable to such Company Indemnified Claim) to the extent such costs are Liabilities for which the Company Indemnified Party is entitled to indemnification hereunder and (iii) the Insurer will remain responsible for any costs the Company Indemnified Party may incur resulting from the Company Indemnified Claim to the extent such costs are Liabilities for which the Company Indemnified Party is entitled to indemnification hereunder. If the Company Indemnified Party has not assumed the defense of an Uncovered Claim as contemplated by Section 7.3(c)(ii), the Insurer is not responsible in any way for any Liabilities or Orders resulting from not responding to or defending such Uncovered Claim; provided, however, that the Insurer's responsibility for Company Indemnified Claims will not be altered in any way.

Section 7.4 Claims and Payment; Treatment of Payments. On each occasion that any Company Indemnified Party will be entitled to indemnification under this Article VII, the Insurer will, at each such time, promptly pay the amount of such indemnification within ten Business Days following receipt of an invoice for out-of- pocket expense, fees or other amounts for which it is liable under this Article VII.

ARTICLE VIII

TERMINATION

Section 8.1 Termination. This Agreement may be terminated at any time prior to the Group Annuity Contract Issuance by any Party if the Closing has not occurred by or on seven days after the Execution Date (the "Closing Outside Date"); provided, however, that such right to

terminate this Agreement will not be available to such Party if any failure of such Party to perform any of its obligations under this Agreement required to be performed at or prior to the Closing has been the cause of, or resulted in, the failure of the Closing to occur on or before the Closing Outside Date and such action or failure to perform constitutes a breach of this Agreement;

Section 8.2 Effect of Termination. If this Agreement is terminated pursuant to Section 8.1, all rights and obligations of the Parties hereunder will terminate upon such termination and will become null and void, except that Section 1.1 (Definitions), Section 1.2 (Interpretation), Section 3.11 (No Other Representations or Warranties; Reliance), Section 4.6 (No Other Representations or Warranties; Reliance), Section 5.11 (No Other Representations or Warranties; Reliance), this Article VIII (Termination) and Article IX (Miscellaneous) will survive any such termination and no Party will otherwise have any Liability to any other Party hereunder; provided, however, that nothing in this Section 8.2 will relieve any Party from Liability for any fraud or willful and material breach of this Agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Expenses. Except as otherwise expressly set forth herein, each Party will bear its own costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, including all fees of law firms, commercial banks, investment banks, accountants, public relations firms, experts and consultants.

Section 9.2 Entire Agreement. This Agreement and the Ancillary Agreements, constitute the entire agreement among the Parties and supersede any prior understandings, agreements or representations (whether written or oral) by, among or between the Parties, written or oral, to the extent they relate in any way to the subject matter hereof. Notwithstanding the foregoing, (i) the IF Engagement Letter will not be superseded by this Agreement or the Ancillary Agreements and (ii) nothing in this Agreement will affect the terms or enforceability of the Group Annuity Contract.

Section 9.3 Amendments and Waivers. No amendment of any provision of this Agreement or the Ancillary Agreements will be valid unless the same will be in writing and signed by each party thereto, except as expressly provided herein. No waiver of any breach of this Agreement will be construed as an implied amendment or agreement to amend or modify any provision of this Agreement. No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, will be valid unless the same will be in writing and signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent default, misrepresentation or breach of warranty or covenant. No conditions, course of dealing or performance, understanding or agreement purporting to modify, vary, explain or supplement the terms of this Agreement will be binding unless this Agreement is amended or modified in writing pursuant to the first sentence of this Section 9.3. Except where a specific period for action or inaction is provided herein, no delay on the part of any Party in exercising any right, power or privilege hereunder will operate as a waiver thereof.

Section 9.4 Succession and Assignment. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written consent of the other Parties, and any attempt to do so will be null and void *ab initio*, without any effect whatsoever.

Section 9.5 Notices. All notices, requests, demands, claims, certifications and other communications hereunder will be in writing except as expressly provided herein. Any notice, request, demand, claim or other communication hereunder will be deemed duly given (a) when delivered personally to the recipient, (b) one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid), addressed as set forth below, or (c) when transmitted, if transmitted by facsimile, with confirmation of successful transmission received by the sender if any, to those indicated below (including the recipient):

If to the Company:

Chemtura Corporation
199 Benson Road
Middlebury, CT 06749
Attention: Billie Flaherty
Email: billie.flaherty@chemtura.com

With a copy (which will not constitute notice to the Company) to:

Jones Day
51 Louisiana Avenue, N.W.
Washington, D.C. 20001-2113
Attention: Evan Miller
Email: emiller@jonesday.com

and

Jones Day
500 Grant Street, Suite 4500
Pittsburgh, PA 15219
Attention: Marcia Kelson
Email: mkelson@jonesday.com

If to the Insurer:

Voya Retirement Insurance and Annuity Company
One Orange Way
Windsor, Connecticut 06095-4774
Attention: Matthew Condos, Senior Vice President

Institutional Markets
Email: Matthew.Condos@voya.com

If to Independent Fiduciary:

Evercore Trust Company, N.A.
55 East 52nd Street
New York, NY 10055
Attention: William E. Ryan III
Email: william.ryan@evercore.com

With a copy (which will not constitute notice to
Independent Fiduciary) to:

Kilpatrick, Townsend and Stockton, LLP
607 14th Street, NW, Suite 900
Washington, DC 20005-2018
Attention: Mark D. Wincek
Sarah N. Lowe
Email: mwincek@kilpatricktownsend.com
slowe@kilpatricktownsend.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner set forth in this Section 9.5.

Section 9.6 Governing Law. Except to the extent preempted by applicable Federal Law, this Agreement will be governed by, and construed in accordance with, the Laws of the State of New York, without regard to any principles of conflicts of law thereof that would permit or require the application of the Laws of another jurisdiction.

Section 9.7 Submission to Jurisdiction; Service of Process. Each of the Parties irrevocably and unconditionally submits to the jurisdiction of any state or federal court, and only federal court if diversity of Parties exists, sitting in the State of New York in any Dispute arising out of or relating to this Agreement or any Ancillary Agreement and agrees that all claims in respect of such Action may be heard and determined in any such court. Each Party also agrees not to bring any Action arising out of or relating to this Agreement or any Ancillary Agreement in any other court. Each of the Parties irrevocably and unconditionally waives any objection to personal jurisdiction, venue, and any defense of inconvenient forum to the maintenance of, any Action so brought and waives any bond, surety or other security that might be required of any other Party with respect thereto. Any Party may make service on any other Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving

of notices in Section 9.5; provided that nothing in this Section 9.7 will affect the right of any Party to serve legal process in any other manner permitted by Law.

Section 9.8 Waivers of Jury Trial. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE ANCILLARY AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

Section 9.9 Specific Performance. The Parties agree that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each Party will be entitled to an injunction or injunctions to prevent breaches of this Agreement by the breaching Party and to enforce specifically the terms and provisions of this Agreement, in addition to any other remedy to which such Party is entitled at law or in equity. The Parties further agree that (a) by seeking the remedies provided for in this Section 9.9, a Party will not in any respect waive its right to seek any other form of relief that may be available to such Party under this Agreement (including monetary damages) if the remedies provided for in this Section 9.9 are not available or otherwise are not granted, and (b) nothing set forth in this Section 9.9 will require any Party hereto to institute any proceeding for (or limit any Party's right to institute any proceeding for) specific performance under this Section 9.9 prior or as a condition to exercising any termination right under Article VIII, nor will the commencement of any legal action or legal proceeding pursuant to this Section 9.9 or anything set forth in this Section 9.9 restrict or limit any Party's right to terminate this Agreement in accordance with the terms of Article VIII, or pursue any other remedies under this Agreement that may be available then or thereafter.

Section 9.10 Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provisions of this Agreement; provided that if any of the material provisions of this Agreement are held illegal, invalid or unenforceable, this entire Agreement will be null and void. If any of the provisions of this Agreement are held by a court or other tribunal of competent jurisdiction to be illegal, invalid or unenforceable, such provisions will be limited or eliminated only to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect.

Section 9.11 No Third Party Beneficiaries. Except to the extent of any rights to indemnification reimbursement pursuant to the terms of this Agreement, this Agreement will not confer any rights or remedies upon any Person other than the Parties and the respective successors and permitted assigns of the foregoing; provided, however, that each Annuitant and Joint Annuitant is an intended third-party beneficiary of Article V and Section 6.3 of this Agreement.

Section 9.12 Counterparts; Facsimile and Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. This Agreement or any counterpart may be executed and delivered to the recipients listed in Section 9.5 by electronic communications by portable document format (.pdf), each of which will be deemed an original.

Section 9.13 Waiver of Punitive Damages. To the fullest extent permitted by Law, and notwithstanding any other provision of this Agreement, none of the Parties will be liable to any other Party for any punitive or exemplary damages of any nature in respect of matters arising out of this Agreement or the Ancillary Agreements, whether arising out of breach of contract, negligence, tort, strict liability or any other legal or equitable principle. The foregoing sentence will not preclude recovery of amounts claimed in a Company Indemnified Claim to the extent that claims for such amounts are subject to indemnification under this Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**VOYA RETIREMENT INSURANCE AND
ANNUITY COMPANY**

By: _____
Name:
Title:

CHEMTURA CORPORATION

By: _____
Name:
Title:

EVERCORE TRUST COMPANY, N.A., acting
solely in its capacity as independent fiduciary of
the Plan

By: _____
Name: William E. Ryan, III
Title: Managing Director and Chief Fiduciary
Officer

I, Craig A. Rogerson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chemtura Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2016

By: /s/ Craig A. Rogerson
Craig A. Rogerson
Chairman, President and Chief Executive Officer

I, Stephen C. Forsyth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chemtura Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2016

By: /s/ Stephen C. Forsyth
Stephen C. Forsyth
Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Chemtura Corporation (the “Company”) on Form 10-Q for the quarter ending March 31, 2016 (the “Report”), I, Craig A. Rogerson, Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Craig A. Rogerson
Craig A. Rogerson
Chairman, President and
Chief Executive Officer

Date: April 28, 2016

This written statement accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Chemtura Corporation (the “Company”) on Form 10-Q for the quarter ending March 31, 2016 (the “Report”), I, Stephen C. Forsyth, Executive Vice President and Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen C. Forsyth

Stephen C. Forsyth
Executive Vice President,
Chief Financial Officer,

Date: April 28, 2016

This written statement accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.