

Debtors' Motion for an Order Authorizing Certain Debtors to Modify or Terminate Certain Other Post-Employment Benefits (the "OPEB Motion").

By the OPEB Motion, the Debtors seek entry of an order authorizing Debtors Chemtura Corporation ("Chemtura") and Great Lakes Chemical Corporation ("Great Lakes" and, together with Chemtura, the "Sponsoring Debtors") to modify or terminate benefits provided under certain non-vested other post-employment benefit plans and programs (collectively, the "OPEB Plans").

Pursuant to the OPEB Plans, the Sponsoring Debtors provide (i) retiree health care and life insurance benefits (collectively, "OPEB") to certain retirees and their spouses, surviving spouses, and dependents (collectively, the "Retirees"), and (ii) may provide OPEB in the future to certain active employees who are or may become eligible for OPEB, certain former employees who are or may become eligible for OPEB, and their spouses, surviving spouses, and dependents (collectively, the "Prospective Retirees").

The Debtors maintain that most of the Sponsoring Debtors' OPEB obligations are legacy liabilities that are owed under OPEB Plans that were originally established by their predecessor companies or companies acquired by their predecessor companies, and that the OPEB Plans largely relate to facilities that are no longer in operation.¹ In total, the Sponsoring Debtors provide OPEB to approximately 1,911 Retirees and may have an obligation to provide OPEB to approximately 284 Prospective Retirees pursuant to the OPEB Plans. The Debtors estimate that the present value of the total accumulated postretirement benefit obligations under the OPEB Plans is approximately \$86.6 million. The Debtors further estimate that the aggregate cost to provide benefits pursuant to the OPEB Plans will be approximately \$45.6 million over the next five years.

The Debtors allege that the Sponsoring Debtors expressly reserved the right to modify or terminate OPEB under each of the OPEB Plans at any time. In addition, the Debtors assert that any obligations of the Sponsoring Debtors to provide OPEB arising from collective bargaining agreements have expired. Because the Sponsoring Debtors are therefore free to modify or terminate the OPEB Plans, the Debtors propose to modify the Sponsoring Debtors' obligations under the OPEB Plans as follows: (i) premiums for retiree medical OPEB will be developed annually to reflect actual claims experience under the OPEB Plans; (ii) retiree medical OPEB Plans will continue to be provided to eligible Retirees under 65 years old, subject to a maximum \$6,000 contribution toward premium costs by the Sponsoring Debtors; (iii) retiree medical OPEB Plans will continue to be provided to eligible Retirees over 65 years old, provided that each such Retiree will pay the entire premium cost; (iv) former executives will continue to receive OPEB benefits, provided that such executives will pay the full amount of the premium cost; (v) life insurance policies under the OPEB Plans will continue to be provided to eligible

¹ According to the Debtors, Chemtura provides OPEB to approximately 1,891 Retirees pursuant to OPEB Plans originally put in place by three of its predecessor companies (or by companies acquired by such predecessors): (i) Uniroyal Chemical Company, Inc.; (ii) Witco Corporation; and (iii) Crompton & Knowles ("Crompton"). Great Lakes provides OPEB to approximately 20 Retirees under an OPEB Plan that was established prior to its merger with Crompton.

Retirees, provided that such Retirees pay the entire premium cost; (vi) retiree medical benefits under the OPEB Plans will continue to be provided to Prospective Retirees who are currently employed by the Sponsoring Debtors, subject to (a) a maximum contribution of \$6,000 towards premium costs for Prospective Retirees under 65 years old and (b) a maximum contribution of \$2,500 towards premium costs for Prospective Retirees over 65 years old; and (vii) OPEB Plans will be cancelled in their entirety for each Prospective Retiree that is entitled to OPEB from another employer.

A hearing will be held on the OPEB Motion on November 18, 2009 at 9:45 a.m. (ET), with a corresponding objection deadline of November 11, 2009 at 4:00 p.m. (ET).