

**Debtors' Motion Pursuant to Sections 363 And 365 of the Bankruptcy Code Authorizing Chemtura Corporation to Amend and Assume an Exclusive Distributor Agreement With Sinon Corporation and Sinon USA Inc. and Pay Related Cure Costs (the "Assumption Motion").**

By the Assumption Motion, the Debtors seek entry of an order authorizing the Debtors to (i) enter into an amendment to an agreement with Sinon Corporation and Sinon USA Inc. (collectively, "Sinon"), (ii) assume the agreement as amended, and (iii) pay related cure costs.

Sinon is an Environmental Protection Agency ("EPA") registered company that manufactures the technical form of paraquat dichloride that the Debtors use to create the end use form of paraquat dichloride, otherwise known as the crop protection product Firestorm. Sinon is the Debtors' only EPA-registered source of technical paraquat dichloride. In 2008, the Debtors' net sales of Firestorm were approximately \$9.8 million, and the Debtors forecast that 2009 sales will reach approximately \$5.7 million.

On October 6, 2005, Chemtura Corporation ("Chemtura") entered into an Exclusive Distributor Agreement (the "Agreement") with Sinon for the purchase of paraquat dichloride. The Agreement provides for an initial term of five years and renews automatically for additional two-year periods, unless otherwise terminated by either party.

During the course of the Debtors' chapter 11 cases, the Debtors have engaged in arms' length negotiations surrounding the Agreement. Recently, Sinon indicated that it was prepared to issue a notice of non-renewal under the Agreement, which would result in the termination of the Agreement on January 31, 2011. To prevent the termination of the Agreement, the Debtors intensified their ongoing negotiations with Sinon to amend the Agreement.

The Debtors and Sinon have agreed to amend the Agreement (the "Amendment"), and the Debtors now seek authority to assume the Agreement as amended. The key terms of the Amendment are as follows:

(i) **Purchase Price Adjustments and Payment Terms.** The Amendment clarifies the current price for purchases under the Agreement and modifies certain business terms relating to price adjustments. More specifically, the Amendment provides for specific prices, whereas the prices under the Agreement fluctuate and are dependent on certain targets as determined by the parties. In addition, the Amendment provides that Chemtura will pay in advance in cash for each shipment under the Agreement subject to a three percent discount to offset the financial impact to Chemtura of such cash-in-advance payments for the duration of Chemtura's chapter 11 cases. After a chapter 11 plan of reorganization is confirmed, Chemtura will have the option to purchase product on a cash-in-advance basis, with prices remaining subject to three percent discount, or Chemtura may return to the 60-day payment

terms provided for in the Agreement, in which case the three percent discount will not apply to such purchases.

(ii) **Sinon Transfer Termination Right.** Sinon may terminate the amended Agreement immediately upon notice to Chemtura if Chemtura transfers its crop protection business segment to a company that produces paraquat or that has a license or other right to market paraquat in the United States.

(iii) **New Initial Term and Sinon Plan Termination Right.** The initial term of the Agreement shall end on July 31, 2011 if a chapter 11 plan of reorganization has not been confirmed by the Court as of July 1, 2010. The initial term of the Agreement shall end on January 31, 2012 if a chapter 11 plan of reorganization has been confirmed by the Court as of July 1, 2010. Furthermore, if a chapter 11 plan of reorganization has not been confirmed by the Court as of July 1, 2010 Sinon may terminate the Agreement as of July 31, 2011 on one year's written notice.

(iv) **Cure Costs.** As consideration for the Amendment, Chemtura has agreed to the payment of \$357,367.50 (the "Cure Costs") representing the amount due and owing to Sinon pre-petition in full and final satisfaction of any and all cure costs relating to the assumption of the Agreement as amended.

The Debtors assert that entry into the Amendment and assumption of the Agreement is in the best interest of the Debtors' estates because the Amendment will enable the Debtors to (i) maintain their business relationship with Sinon, (ii) obtain favorable pricing adjustments, and (iii) gain additional time to qualify a replacement supplier of technical paraquat dichloride in the event Sinon ultimately seeks to terminate the Agreement, as qualifying a supplier under the EPA will take at least 18 months. The Debtors believe that the benefits under the Amendment outweigh the corresponding \$357,367.50 Cure Costs necessary to assume the Agreement.

***A hearing on the Assumption Motion has been scheduled for January 14, 2010 at 9:45 a.m. (ET), with a corresponding objection deadline of January 7, 2010 at 4:00 p.m. (ET).***