CHEMTURA CORP

FORM 10-Q
(Quarterly Report)

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Industry	Chemical Manufacturing
Sector	Basic Materials
Fiscal Year	12/31

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 June 30, 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	**52-2183153**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
1818 Market Street, Suite 3700, Philadelphia, Pennsylvania	**19103**
199 Benson Road, Middlebury, Connecticut	**06749**
(Address of principal executive offices)	(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 June 30, 2016
Common Stock - $.01 par value	63,207,276

CHEMTURA CORPORATION AND SUBSIDIARIES
FORM 10-Q
FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2016

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

CHEMTURA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations (Unaudited)
Quarters and six months ended June 30, 2016 and 2015
(*In millions, except per share data*)

	Quarters ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Net sales	$ 441	$ 464	$ 855	$ 902
Cost of goods sold	322	350	615	690
Selling, general and administrative	37	41	70	77
Depreciation and amortization	22	24	43	48
Research and development	5	6	10	11
Facility closures, severance and related costs	—	—	—	1
Loss on sale of business	—	—	—	3
Impairment charges	—	—	1	—
Pension settlement	—	—	162	—
Equity income	—	(1)	—	(1)
Operating income (loss)	55	44	(46)	73
Interest expense	(8)	(8)	(16)	(16)
Other (expense) income, net	—	(2)	(2)	9
Earnings (loss) from continuing operations before income taxes	47	34	(64)	66
Income tax (expense) benefit	(13)	(16)	2	(27)
Earnings (loss) from continuing operations	34	18	(62)	39
Gain on sale of discontinued operations, net of tax	—	1	—	—
Net earnings (loss)	$ 34	$ 19	$ (62)	$ 39
Basic per share information				
Earnings (loss) from continuing operations	$ 0.54	$ 0.27	$ (0.96)	$ 0.57
Gain on sale of discontinued operations, net of tax	—	0.01	—	—
Net earnings (loss)	$ 0.54	$ 0.28	$ (0.96)	$ 0.57
Diluted per share information				
Earnings (loss) from continuing operations	$ 0.53	$ 0.26	$ (0.96)	$ 0.56
Gain on sale of discontinued operations, net of tax	—	0.01	—	—
Net earnings (loss)	$ 0.53	$ 0.27	$ (0.96)	$ 0.56
Weighted average shares outstanding - Basic	63.5	67.6	64.6	68.2
Weighted average shares outstanding - Diluted	64.2	68.5	64.6	69.1

See accompanying notes to Consolidated Financial Statements.

CHEMTURA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss) (Unaudited)
Quarters and six months ended June 30, 2016 and 2015
(*In millions*)

	Quarters ended June 30,		Six months ended June 30,	
	2016	**2015**	**2016**	**2015**
Net earnings (loss)	$ 34	$ 19	$ (62)	$ 39
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	(17)	20	(3)	(18)
Pension and other post-retirement benefit costs	(3)	3	132	3
Unrealized gain on available for sale securities	—	1	—	5
Comprehensive income	$ 14	$ 43	$ 67	$ 29

See accompanying notes to Consolidated Financial Statements

CHEMTURA CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
June 30, 2016 (Unaudited) and December 31, 2015
(*In millions, except par value data*)

	June 30, 2016	December 31, 2015
	(unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 186	$ 323
Accounts receivable, net	240	210
Inventories, net	313	315
Other current assets	126	130
Total current assets	865	978
NON-CURRENT ASSETS		
Property, plant and equipment, net	661	663
Goodwill	163	166
Intangible assets, net	83	88
Deferred tax asset	327	354
Other assets	122	111
Total assets	$ 2,221	$ 2,360
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	$ 11	$ 46
Accounts payable	125	120
Accrued expenses	129	142
Below market contract obligation - current	38	38
Income taxes payable	20	15
Total current liabilities	323	361
NON-CURRENT LIABILITIES		
Long-term debt	465	465
Pension and post-retirement health care liabilities	228	270
Below market contract obligation - non-current	127	145
Deferred tax liability	6	7
Other liabilities	108	110
Total liabilities	1,257	1,358
EQUITY		
Common stock - $0.01 par value Authorized - 500.0 shares Issued - 100.6 shares at June 30, 2016 and 100.6 shares at December 31, 2015	1	1
Additional paid-in capital	4,370	4,371
Accumulated deficit	(2,188)	(2,126)
Accumulated other comprehensive loss	(333)	(462)
Treasury stock - at cost - 37.4 shares at June 30, 2016 and 33.4 shares at December 31, 2015	(887)	(783)
Total Chemtura stockholders' equity	963	1,001
Non-controlling interest	1	1
Total equity	964	1,002
Total liabilities and equity	$ 2,221	$ 2,360

See accompanying notes to Consolidated Financial Statements.

CHEMTURA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows (Unaudited)
Six months ended June 30, 2016 and 2015
(*In millions*)

	Six months ended June 30,	
	2016	**2015**
Increase (decrease) in cash		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) earnings	$ (62)	$ 39
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities:		
Loss on sale of business	—	3
Below market contract obligation	(19)	(19)
Pension settlement	162	—
Depreciation and amortization	43	48
Share-based compensation expense	6	6
Other non-cash transactions	1	—
Changes in assets and liabilities, net of assets acquired and liabilities assumed:		
Accounts receivable	(28)	(25)
Inventories	4	8
Accounts payable	5	4
Pension and post-retirement health care liabilities	(53)	(7)
Other	(15)	12
Net cash provided by operating activities	44	69
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from divestments	—	3
Sale of Platform Specialty Products Corporation shares	—	54
Capital expenditures	(38)	(32)
Net cash (used in) provided by investing activities	(38)	25
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long term debt	(40)	(59)
Proceeds from short-term borrowings, net	3	—
Common shares acquired	(110)	(122)
Proceeds from exercise of stock options	—	13
Net cash used in financing activities	(147)	(168)
CASH AND CASH EQUIVALENTS		
Effect of exchange rates on cash and cash equivalents	4	(9)
Change in cash and cash equivalents	(137)	(83)
Cash and cash equivalents at beginning of period	323	392
Cash and cash equivalents at end of period	$ 186	$ 309

See accompanying notes to Consolidated Financial Statements.

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 and six months ended June 30, 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 and six months ended June 30, 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 $3 million and $2 million as of June 30, 2016 and December 31, 2015 , respectively.

During the six months ended June 30, 2016 and 2015 , we made cash interest payments of $15 million and $16 million , respectively, and cash payments for income taxes (net of refunds) of $9 million and $20 million , respectively.

At June 30, 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:

	December 31, 2015		
(in millions)	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. The adoption of this ASU will not have a material impact 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 June 30, 2016 , our Consolidated Balance Sheet included $165 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 June 30, 2016 , the current and long-term portions of this obligation, on a discounted basis, were $38 million and $127 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 six months ended June 30, 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 six months ended June 30, 2016 is as follows:

(In millions)	Severance and Related Costs	
Balance at December 31, 2015	$	3
Cash payments		(1)
Balance at June 30, 2016	$	2

At June 30, 2016 and December 31, 2015 , the balance of these reserves were included in accrued expenses in our Consolidated Balance Sheet.

4) INVENTORIES

(In millions)	**June 30, 2016**		**December 31, 2015**	
Finished goods	$	203	$	209
Work in process		43		38
Raw materials and supplies		67		68
	$	313	$	315

Included in the above net inventory balances are inventory obsolescence reserves of approximately $13 million and $20 million at June 30, 2016 and December 31, 2015 , respectively.

5) PROPERTY, PLANT AND EQUIPMENT

(In millions)	June 30, 2016	December 31, 2015
Land and improvements	$ 63	$ 63
Buildings and improvements	203	200
Machinery and equipment	1,248	1,201
Information systems equipment	161	161
Furniture, fixtures and other	19	19
Construction in progress	47	65
	1,741	1,709
Less: accumulated depreciation	1,080	1,046
	$ 661	$ 663

Depreciation expense was $20 million and $21 million for the quarters ended June 30, 2016 and 2015 , respectively and $ 39 million and $ 42 million for the six months ended June 30, 2016 and 2015 , respectively. Depreciation expense included accelerated depreciation of certain fixed assets associated with our restructuring programs of $1 million and $2 million for the quarter and six months ended June 30, 2015 , respectively.

6) GOODWILL AND INTANGIBLE ASSETS

Goodwill was $163 million and $166 million at June 30, 2016 and December 31, 2015 , respectively. The decrease in goodwill since December 31, 2015 was due to foreign currency translation. The goodwill is allocated to the Industrial Performance Products segment.

Our intangible assets, excluding goodwill, consist of Patents, Trademarks, Customer Relationships and Other Intangibles. At June 30, 2016 and December 31, 2015 , our net intangible assets were $83 million and $88 million , respectively. The decrease was primarily due to amortization expense. Amortization expense related to intangible assets was $2 million and $3 million for the quarters ended June 30, 2016 and 2015 , respectively and $4 million and $6 million for the six months ended June 30, 2016 and 2015 , respectively.

7) DEBT

Our debt is comprised of the following:

(In millions)	June 30, 2016		December 31, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
5.75% Senior Notes due 2021	$ 445	$ 455	$ 444	$ 452
Term Loan due 2016	1	1	40	40
Other borrowings	30	30	27	27
Total Debt	476	486	511	519
Less: Other short-term borrowings	(10)		(6)	
Less: Current portion of Term Loan	(1)		(40)	
Total Long-term debt	$ 465		$ 465	

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 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. If we experience certain kinds of changes in control, as defined in the indenture governing the 2021 Senior Notes (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 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% . 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 . In June 2016, we made a payment of $39 million on the Term Loan leaving $1 million remaining outstanding at June 30, 2016 .

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 June 30, 2016 , we were in compliance with the covenant requirements of the Term Loan.

In July 2016, we amended our Term Loan providing for a new $1 million term loan which was borrowed to refinance the existing Term Loan. The interest rate for the new term loan is identical to and maintains substantially identical collateral, covenants, events of default, representations and warranties and other terms as the original Term Loan, but with an extended maturity date to July 2017, a waiver of the prepayment requirements for proceeds of asset sales and annual excess cash flow, and a reduction of the annual administrative agency fee.

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 June 30, 2016 and December 31, 2015 , we had no borrowings under the 2018 ABL Facility. However, at June 30, 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 June 30, 2016 and December 31, 2015 , we had approximately $182 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 June 30, 2016 and December 31, 2015 , we had borrowings of $11 million under the China Bank Facility.

8) INCOME TAXES

We reported income tax expense of $13 million and $16 million for the quarters ended June 30, 2016 and 2015 , respectively. We reported income tax benefit of $2 million and income tax expense of $27 million for the six months ended June 30, 2016 and 2015 respectively. The tax benefit reported for the six months ended June 30, 2016 reflected the tax benefit of $33 million , recorded in the first quarter of 2016, related to the pension annuity transaction which was considered a discrete item for purposes of our interim tax provision.

We have net liabilities related to unrecognized tax benefits of $28 million and $27 million at June 30, 2016 and December 31, 2015 , respectively. We believe it is reasonably possible that our unrecognized tax benefits will remain unchanged within the next 12 months.

9) ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive loss ("AOCL"), net of tax at June 30, 2016 and December 31, 2015 , were as follows:

(in millions)	Foreign Currency Translation Adjustments	Unrecognized Pension and Other Post-Retirement Benefit Costs	**Total**
As of December 31, 2015	$ (141)	$ (321)	$ (462)
Other comprehensive (loss) income before reclassifications	(3)	1	(2)
Amounts reclassified from AOCL	—	131	131
Net current period other comprehensive (loss) income	(3)	132	129
As of June 30, 2016	$ (144)	$ (189)	$ (333)

The following table summarizes the reclassifications from AOCL to the Consolidated Statement of Operations for the quarters and six months ended June 30, 2016 and 2015 :

	Amount Reclassified from AOCL				
	Quarters ended June 30,		**Six months ended June 30,**		
(in millions)	**2016**	**2015**	**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	2	2	Primarily SG&A
Amortization of actuarial losses (b)	(3)	(4)	(5)	(11)	Primarily SG&A
Pension settlement loss	—	—	(162)	—	Pension settlement
Total before tax	(2)	(3)	(165)	(9)	
Total tax	1	—	34	1	Income tax (expense) benefit
Net of tax	(1)	(3)	(131)	(8)	
Sale of available for sale securities:					
Gain on sale of Platform stock	—	2	—	2	Other (expense) income, net
Total tax	—	(1)	—	(1)	Income tax (expense) benefit
Net of tax	—	1	—	1	
Total reclassifications	$ (1)	$ (2)	$ (131)	$ (12)	

(a) Represents the release of the cumulative translation adjustment of our subsidiary in Russia as part of the sale of our Chemtura AgroSolutions business.
(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 six months ended June 30, 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 six months ended June 30, 2016 .

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

(In millions)	Quarters ended June 30, 2016	Quarters ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Weighted average shares outstanding - Basic	63.5	67.6	64.6	68.2
Dilutive effect of common share equivalents	0.7	0.9	—	0.9
Weighted average shares outstanding - Diluted	64.2	68.5	64.6	69.1

In October 2014 , our 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 six months ended June 30, 2016 , we repurchased 4.3 million shares of our common stock at a cost of $110 million . As of June 30, 2016 , $61 million remained under our 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 non-qualified 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 June 30, 2016 and 2015 and $ 6 million for the six months ended June 30, 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 June 30, 2016 was $17 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 and six months ended June 30, 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 June 30,		Quarters ended June 30,		Quarters ended June 30,	
(In millions)	2016	2015	2016	2015	2016	2015
Service cost	$ —	$ —	$ —	$ 1	$ —	$ —
Interest cost	4	6	4	5	1	1
Expected return on plan assets	(7)	(10)	(5)	(6)	—	—
Amortization of prior service cost	—	—	—	—	(1)	(1)
Amortization of actuarial losses	1	3	1	1	1	—
Net periodic benefit cost	$ (2)	$ (1)	$ —	$ 1	$ 1	$ —

	Defined Benefit Plans					
	Qualified U.S. Plans		International and Non-Qualified Plans		Post-Retirement Health Care Plans	
	Six months ended June 30,		Six months ended June 30,		Six months ended June 30,	
(In millions)	2016	2015	2016	2015	2016	2015
Service cost	$ —	$ —	$ 1	$ 1	$ —	$ —
Interest cost	7	12	8	9	2	2
Expected return on plan assets	(12)	(20)	(10)	(12)	—	—
Amortization of prior service cost	—	—	—	—	(2)	(2)
Amortization of actuarial losses	2	7	2	3	1	1
Settlement loss recognized	162	—	—	—	—	—
Net periodic benefit cost	$ 159	$ (1)	$ 1	$ 1	$ 1	$ 1

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 $13 million to our international pension plans in the six months ended June 30, 2016 . Contributions to post-retirement health care plans in the six months ended June 30, 2016 were $4 million .

We participate in a multi-employer pension plan that provides defined benefits to certain employees covered under a collective bargaining agreement. The projected liabilities of this plan based on the April 1, 2016 actuarial projection were $13 million and the market value of the assets were $10 million at March 31, 2016, an estimated 79.9% funded status. In May 2016, this plan was certified by its plan actuary as critical and declining. We intend to review the rehabilitation plan with the plan trustees to mitigate the risk of insolvency of this plan to the extent possible.

Our contributions to this multi-employer plan for 2016 and prior years have been and are expected to continue to be insignificant. However, due to the withdrawal of certain employers from the plan and the critical and declining status, there is uncertainty regarding the impact on our future contributions, although any incremental future contributions are not expected to have a significant impact on our Consolidated Financial Statements and related disclosures.

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 June 30, 2016 and December 31, 2015 was $62 million and $63 million , respectively. At June 30, 2016 and December 31, 2015 , $16 million of these environmental liabilities were reflected as accrued expenses and $46 million and $47 million , respectively, were reflected as other liabilities. We estimate that ongoing environmental liabilities could range up to $71 million at June 30, 2016 . Our accruals for environmental liabilities include estimates for determinable clean-up costs. We recorded pre-tax charges of $3 million for the six months ended June 30, 2016 and made payments of $5 million during the six months ended June 30, 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 June 30, 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 June 30, 2016 and December 31, 2015 , we have guarantees that have been provided to various financial institutions. At June 30, 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 reporting segment presentation of 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 manufactures 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 which occurred in the first quarter of 2016.

A summary of business data for our reportable segments for the quarters and six months ended June 30, 2016 and 2015 are as follows:

	Quarters ended June 30,		Six months ended June 30,	
(In millions)	**2016**	**2015**	**2016**	**2015**
Net Sales				
Petroleum additives	$ 154	$ 158	$ 305	$ 317
Urethanes	62	72	127	145
Industrial Performance Products	216	230	432	462
Bromine based & related products	148	158	283	297
Organometallics	43	39	80	75
Industrial Engineered Products	191	197	363	372
Agrochemical Manufacturing	34	37	60	68
Total net sales	$ 441	$ 464	$ 855	$ 902

	Quarters ended June 30,		Six months ended June 30,	
(In millions)	**2016**	**2015**	**2016**	**2015**
Operating Income (Loss)				
Industrial Performance Products	$ 35	$ 38	$ 81	$ 74
Industrial Engineered Products	25	15	43	17
Agrochemical Manufacturing	9	10	19	18
	69	63	143	109
General corporate expense, including amortization	(14)	(19)	(26)	(32)
Facility closures, severance and related costs	—	—	—	(1)
Loss on sale of business	—	—	—	(3)
Impairment charges	—	—	(1)	—
Pension settlement	—	—	(162)	—
Total operating income (loss)	$ 55	$ 44	$ (46)	$ 73

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 June 30, 2016
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
Net sales	$ 441	$ (336)	$ 279	$ 98	$ 400
Cost of goods sold	322	(336)	217	75	366
Selling, general and administrative	37	—	22	2	13
Depreciation and amortization	22	—	6	7	9
Research and development	5	—	2	1	2
Operating income	55	—	32	13	10
Interest expense	(8)	—	(8)	—	—
Other (expense) income, net	—	—	(13)	7	6
Equity in net earnings of subsidiaries	—	(33)	33	—	—
Earnings from continuing operations before income taxes	47	(33)	44	20	16
Income tax expense	(13)	—	(10)	(1)	(2)
Net earnings	$ 34	$ (33)	$ 34	$ 19	$ 14

Condensed Consolidating Statement of Operations
Six months ended June 30, 2016
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
Net sales	$ 855	$ (662)	$ 544	$ 183	$ 790
Cost of goods sold	615	(662)	428	142	707
Selling, general and administrative	70	—	44	4	22
Depreciation and amortization	43	—	11	14	18
Research and development	10	—	6	1	3
Impairment charges	1	—	—	1	—
Pension settlement	162	—	162	—	—
Operating (loss) income	(46)	—	(107)	21	40
Interest expense	(16)	—	(16)	—	—
Other (expense) income, net	(2)	—	(11)	7	2
Equity in net earnings of subsidiaries	—	(58)	58	—	—
(Loss) earnings from continuing operations before income taxes	(64)	(58)	(76)	28	42
Income tax benefit (expense)	2	—	14	(1)	(11)
Net (loss) earnings	$ (62)	$ (58)	$ (62)	$ 27	$ 31

Condensed Consolidating Statement of Comprehensive Income (Loss)
Quarter ended June 30, 2016
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
Net earnings	$ 34	$ (33)	$ 34	$ 19	$ 14
Other comprehensive income (loss), net of tax					
Foreign currency translation adjustments	(17)	—	5	—	(22)
Pension and other post-retirement benefit costs	(3)	—	(3)	—	—
Comprehensive income (loss)	$ 14	$ (33)	$ 36	$ 19	$ (8)

Condensed Consolidating Statement of Comprehensive Income (Loss)
Six months ended June 30, 2016
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
Net (loss) earnings	$ (62)	$ (58)	$ (62)	$ 27	$ 31
Other comprehensive income (loss), net of tax					
Foreign currency translation adjustments	(3)	—	3	—	(6)
Pension and other post-retirement benefit costs	132	—	131	—	1
Comprehensive income (loss)	$ 67	$ (58)	$ 72	$ 27	$ 26

Condensed Consolidating Balance Sheet
As of June 30, 2016
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
ASSETS					
Current assets	$ 865	$ —	$ 281	$ 102	$ 482
Intercompany receivables	—	(1,589)	522	245	822
Investment in subsidiaries	—	(4,839)	821	1,132	2,886
Property, plant and equipment	661	—	110	226	325
Goodwill	163	—	93	3	67
Other assets	532	—	414	27	91
Total assets	$ 2,221	$ (6,428)	$ 2,241	$ 1,735	$ 4,673
LIABILITIES AND EQUITY					
Current liabilities	$ 323	$ —	$ 142	$ 41	$ 140
Intercompany payables	—	(1,589)	417	478	694
Long-term debt	465	—	455	—	10
Other long-term liabilities	469	—	263	69	137
Total liabilities	1,257	(1,589)	1,277	588	981
Total equity	964	(4,839)	964	1,147	3,692
Total liabilities and equity	$ 2,221	$ (6,428)	$ 2,241	$ 1,735	$ 4,673

Condensed Consolidating Statement of Cash Flows
Six months ended June 30, 2016
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
Increase (decrease) to cash					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (loss) earnings	$ (62)	$ (58)	$ (62)	$ 27	$ 31
Adjustments to reconcile net (loss) earnings to net cash provided by operations:					
Below market contract obligation	(19)	—	(18)	—	(1)
Pension settlement	162	—	162	—	—
Depreciation and amortization	43	—	11	14	18
Share-based compensation expense	6	—	6	—	—
Other non-cash transactions	1	—	—	1	—
Changes in assets and liabilities, net	(87)	58	(81)	(22)	(42)
Net cash provided by operations	44	—	18	20	6
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	(38)	—	(6)	(20)	(12)
Net cash used in investing activities	(38)	—	(6)	(20)	(12)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments on long term debt	(40)	—	(40)	—	—
Proceeds from short-term borrowings, net	3	—	—	—	3
Common shares acquired	(110)	—	(110)	—	—
Net cash (used in) provided by financing activities	(147)	—	(150)	—	3
CASH AND CASH EQUIVALENTS					
Effect of exchange rates on cash and cash equivalents	4	—	—	—	4
Change in cash and cash equivalents	(137)	—	(138)	—	1
Cash and cash equivalents at beginning of period	323	—	171	—	152
Cash and cash equivalents at end of period	$ 186	$ —	$ 33	$ —	$ 153

Condensed Consolidating Statement of Operations
Quarter ended June 30, 2015
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
Net sales	$ 464	$ (356)	$ 304	$ 110	$ 406
Cost of goods sold	350	(356)	260	80	366
Selling, general and administrative	41	—	25	4	12
Depreciation and amortization	24	—	6	10	8
Research and development	6	—	4	1	1
Facility closures, severance and related costs	—	—	—	1	(1)
Loss (gain) on sale of business	—	—	14	—	(14)
Equity income	(1)	—	(1)	—	—
Operating income (loss)	44	—	(4)	14	34
Interest expense	(8)	—	(8)	—	—
Other (expense) income, net	(2)	—	4	—	(6)
Equity in net earnings of subsidiaries	—	(30)	30	—	—
Earnings from continuing operations before income taxes	34	(30)	22	14	28
Income tax expense	(16)	—	(4)	—	(12)
Earnings from continuing operations	18	(30)	18	14	16
Gain on sale of discontinued operations, net of tax	1	—	1	—	—
Net earnings	$ 19	$ (30)	$ 19	$ 14	$ 16

Condensed Consolidating Statement of Operations
Six months ended June 30, 2015
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
Net sales	$ 902	$ (699)	$ 593	$ 207	$ 801
Cost of goods sold	690	(699)	505	160	724
Selling, general and administrative	77	—	49	6	22
Depreciation and amortization	48	—	11	20	17
Research and development	11	—	6	2	3
Facility closures, severance and related costs	1	—	—	2	(1)
Loss (gain) on sale of business	3	—	12	—	(9)
Equity income	(1)	—	(1)	—	—
Operating income	73	—	11	17	45
Interest expense	(16)	—	(17)	—	1
Other income (expense), net	9	—	9	2	(2)
Equity in net earnings of subsidiaries	—	(45)	45	—	—
Earnings from continuing operations before income taxes	66	(45)	48	19	44
Income tax expense	(27)	—	(9)	—	(18)
Net earnings	$ 39	$ (45)	$ 39	$ 19	$ 26

Condensed Consolidating Statement of Comprehensive Income
Quarter ended June 30, 2015
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
Net earnings	$ 19	$ (30)	$ 19	$ 14	$ 16
Other comprehensive income (loss), net of tax					
Foreign currency translation adjustments	20	—	(5)	—	25
Pension and other post-retirement benefit costs	3	—	3	—	—
Unrealized gain on available for sale securities	1	—	1	—	—
Comprehensive income	$ 43	$ (30)	$ 18	$ 14	$ 41

Condensed Consolidating Statement of Comprehensive Income (Loss)
Six months ended June 30, 2015
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
Net earnings	$ 39	$ (45)	$ 39	$ 19	$ 26
Other comprehensive (loss) income, net of tax					
Foreign currency translation adjustments	(18)	—	11	—	(29)
Pension and other post-retirement benefit costs	3	—	1	—	2
Unrealized gain on available for sale securities	5	—	5	—	—
Comprehensive income (loss)	$ 29	$ (45)	$ 56	$ 19	$ (1)

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	$ 2,360	$ (6,409)	$ 2,370	$ 1,719	$ 4,680
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	1,358	(1,610)	1,368	600	1,000
Total equity	1,002	(4,799)	1,002	1,119	3,680
Total liabilities and equity	$ 2,360	$ (6,409)	$ 2,370	$ 1,719	$ 4,680

Condensed Consolidating Statement of Cash Flows
Six months ended June 30, 2015
(In millions)

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries
Increase (decrease) to cash					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net earnings	$ 39	$ (45)	$ 39	$ 19	$ 26
Adjustments to reconcile net earnings to net cash provided by operations:					
Loss (gain) on sale of business	3	—	12	—	(9)
Below market contract obligation	(19)	—	(18)	—	(1)
Depreciation and amortization	48	—	11	20	17
Share-based compensation expense	6	—	6	—	—
Changes in assets and liabilities, net	(8)	45	(6)	(26)	(21)
Net cash provided by operations	69	—	44	13	12
CASH FLOWS FROM INVESTING ACTIVITIES					
Net proceeds from divestments	3	—	4	—	(1)
Sale of Platform Specialty Products Corporation shares	54	—	54	—	—
Capital expenditures	(32)	—	(4)	(13)	(15)
Net cash provided by (used in) investing activities	25	—	54	(13)	(16)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments on long term debt	(59)	—	(43)	—	(16)
Common shares acquired	(122)	—	(122)	—	—
Proceeds from exercise of stock options	13	—	13	—	—
Net cash used in financing activities	(168)	—	(152)	—	(16)
CASH AND CASH EQUIVALENTS					
Effect of exchange rates on cash and cash equivalents	(9)	—	—	—	(9)
Change in cash and cash equivalents	(83)	—	(54)	—	(29)
Cash and cash equivalents at beginning of period	392	—	227	—	165
Cash and cash equivalents at end of period	$ 309	$ —	$ 173	$ —	$ 136

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 of our products delivered 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.

SECOND QUARTER RESULTS

Overview

Consolidated net sales for the second quarter of 2016 were $441 million or $23 million lower than the second quarter of 2015 due to lower sales volume and unfavorable product mix of $18 million and lower selling prices of $6 million , partially offset by favorable foreign currency translation of $1 million . Our Industrial Performance segment reported a reduction in both sales prices and volume over the same quarter of 2015. Sales price declines are primarily the result of continuing to pass along lower raw material costs to our customers, including as required by contracts, coupled with lower sales prices for certain urethane products in applications experiencing weak volume demand. Volume declines have been most prevalent in our urethane products used in mining and oil and gas applications, primarily driven by the fall in oil and commodity prices over the last eighteen months. Our Industrial Engineered segment also reported a decline in sales driven by overall lower volume offset in part by higher overall sales prices. Sales of our Emerald Innovation 3000™ products for insulation applications, bromine and bromine-based products and organometallics products increased due to increased market demand. Last year, a reduction in supply of bromine from one of our suppliers due to a strike curtailed our sales of certain products; however, this year with supply restored post the strike, sales of these products have returned to normalized levels. The growth from these products and the increase in sales due to sales price increases was offset by the decline in demand for clear brine fluids used in offshore deep well oil drilling applications, the termination of certain supply agreements due to the closure of our Adrian, MI facility in June of 2015 and the timing of sales of industrial water products. Our Agrochemical Manufacturing segment showed volume reductions that were the result of timing of orders under our supply agreements. Additionally, in 2016 we have migrated from a supply agreement to a tolling agreement in Brazil. While there is no impact on gross profit, the change resulted in a reduction in both net sales and cost of sales as we no longer purchase or sell the raw material component of the products as part of the tolling arrangement.

Gross profit for the second quarter of 2016 was $119 million , an increase of $5 million compared with the second quarter of 2015. Gross profit as a percentage of net sales increased to 27% for the second quarter of 2016 compared with 25% for the second quarter of 2015. The increase in gross profit was primarily due to lower costs for raw materials, favorable manufacturing absorption variances despite higher manufacturing costs and lower distribution costs offset in part by the unfavorable volume and lower sales prices discussed above. Additionally, in the second quarter of 2016, we incurred an charge of $2 million related to the resolution of a disputed multi-year state excise tax matter.

Selling, general and administrative (“SG&A”) expenses of $37 million were $4 million lower than the second quarter of 2015 primarily the result of lower expense associated with consulting, facilities and pension.

Other Non-Operating Income and Expense

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

Other expense, net was less than $1 million in the second quarter of 2016 compared with $2 million in the second quarter of 2015. Other expense, net primarily reflected realized and unrealized foreign exchange gains or losses.

Income tax expense reported for the second quarter of 2016 was $13 million compared with $16 million in the second quarter of 2015.

Earnings from continuing operations for the second quarter of 2016 were $34 million , or $0.53 per diluted share, as compared with $18 million , or $0.26 per diluted share, for the second 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 June 30, 2015	$ 230	$ 197	$ 37	**$ 464**
Changes in selling prices	(8)	2	—	**(6)**
Unit volume and mix	(6)	(9)	(3)	**(18)**
Foreign currency	—	1	—	**1**
Quarter Ended June 30, 2016	$ 216	$ 191	$ 34	**$ 441**

Operating Income (in millions)	Industrial Performance Products	Industrial Engineered Products	Agrochemical Manufacturing	General corporate expense	Total
Quarter Ended June 30, 2015	$ 38	$ 15	$ 10	$ (19)	**$ 44**
Price over raw materials (a)	1	5	—	—	**6**
Unit volume and mix	(3)	(2)	(1)	—	**(6)**
Foreign currency	1	1	—	—	**2**
Manufacturing cost and absorption	1	3	—	—	**4**
Distribution cost	2	(1)	—	—	**1**
Depreciation and amortization expense	(1)	2	—	1	**2**
SG&A and other	(4)	2	—	4	**2**
Quarter Ended June 30, 2016	$ 35	$ 25	$ 9	$ (14)	**$ 55**

(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 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").

The following is a discussion of the operating results of our segments for the second quarter ended June 30, 2016 .

Industrial Performance Products

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

Net sales for the second quarter of 2016 were impacted by both a reduction in overall sales prices coupled with lower volumes for our urethane products and unfavorable product mix in certain of our petroleum additive products. Sales prices continued to decline as we passed along the benefit of raw material cost reductions to our customers, including as required under formula-based contract pricing agreements and we saw some weakness in the sales prices of certain urethane products due to weak market demand, particularly in the mining and oil and gas application products. Volume in our urethane products, primarily those used in mining and oil and gas applications, were impacted by lower market demand as a result of the fall in oil prices, slower economic growth and lower commodity prices. We saw overall higher unit volume in our petroleum additive products, primarily in inhibitors and detergents; however, those volume increases were offset by a combination of lower volume and unfavorable mix for certain synthetic lubricants and basestocks as well as our intermediates.

Operating income reflected the lower volume and unfavorable product mix noted above, slightly favorable price-over-raw-materials, favorable manufacturing and distribution costs and favorable manufacturing absorption variances. Additionally, in the second quarter of 2016, we recognized a charge of $2 million related to the resolution of a disputed multi-year state excise tax matter.

Industrial Engineered Products

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

Our Industrial Engineered segment reported an overall reduction in net sales which was primarily driven by a decline in demand for clear brine fluids used in offshore deep oil well drilling applications, the termination of certain supply agreements due to our choice to exit our Adrian, MI facility in June of 2015, the timing of sales related to industrial water treatment chemicals under a supply agreement. However, volume and sales price growth in our Emerald Innovation 3000™ products continue to remain strong compared to the prior year and offset some of the other declines in volume. Additionally, in the second quarter of 2015, our ability to obtain bromine was restricted due to a strike at one of our suppliers. The strike was resolved later in 2015 and for the second quarter of 2016, sales of bromine and bromine-based products have returned to normalized levels. Our organometallics products showed favorable growth over the prior year.

Despite lower net sales, our Industrial Engineered segment reported a $10 million increase in operating income. The effect of volume declines on operating income were more than offset by the benefit of increased sales prices, lower raw material costs and favorable manufacturing absorption variances which were offset by slightly higher manufacturing and distribution costs. We saw reductions in SG&A in part due to our cost reduction actions during 2015.

Agrochemical Manufacturing

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

The decrease in net sales was attributable to a reduction in volume coupled with a change from a supply agreement to a tolling agreement in Brazil during the second quarter of 2016. The change to a tolling agreement does not impact our gross margin, as the agreement continues to only reimburse costs incurred. However, subsequent to the change we no longer purchase or sell the raw material component of the products produced which has impacted net sales and cost of sales by similar amounts. The results for the second quarters of 2016 and 2015 included $10 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 $14 million in the second quarter of 2016, which included amortization and depreciation expense of $3 million . In comparison, corporate expense was $19 million in the second quarter of 2015, which included amortization and depreciation expense of $4 million . T he decrease is primarily related to a reduction in amortization expense and lower accruals associated with employee incentive and benefit plans.

YEAR TO DATE RESULTS

Overview

Consolidated net sales for the six months ended June 30, 2016 were $855 million or $47 million lower than the six months ended June 30, 2015 due to lower sales volume and unfavorable product mix of $33 million , lower selling prices of $13 million and unfavorable foreign currency translation of $1 million . The decline in volume and product mix was reported in all our segments, while the decline in sales prices was primarily related to our Industrial Performance segment. Our Industrial Performance segment decline in volume was mainly a result of weak market demand for our urethane products used in the mining and oil and gas applications coupled with some unfavorable product mix in our petroleum additive products. Sales price declined as we passed along the reductions in raw material costs due to lower oil prices to our customers, including as required under formula-based contract pricing agreements coupled with some lower sales prices for our urethane products driven by weak demand in products used in oil and gas applications. Our Industrial Engineered segment reported overall lower volume as a result of a decrease in demand for clear brine fluids used in offshore deep well oil drilling applications, the termination of certain supply agreements due to the planned closure of the Adrian, MI facility in summer 2015 and the timing of sales for industrial water treatment products. These volume declines were offset by steady and strong growth in our Emerald Innovation 3000™ products used in insulation foam applications, organometallic products, the return of volume in our bromine and bromine-based products to normalized levels after a strike at a supplier constrained our bromine supply in 2015 and increased sales prices for our insulation and electronic application products. Our Agrochemical Manufacturing segment showed volume declines that were the result of timing of orders under our supply agreements. Additionally, during the second quarter of 2016, we changed from a supply agreement to a tolling agreement at our Brazil location. This impacted net sales for the value of the raw material component that is no longer purchased or sold by us as required under the tolling arrangement.

Gross profit for the six months ended June 30, 2016 was $240 million , an increase of $28 million compared with the six months ended June 30, 2015 . Gross profit as a percentage of net sales increased to 28% for the six months ended June 30, 2016 compared with 24% for the six months ended June 30, 2015 . The increase in gross profit was primarily due to lower raw material and distribution costs, favorable manufacturing absorption variances primarily for our Emerald Innovation 3000™ product, overall favorable product mix and the favorable effect of foreign currency exchange translation offset in part by the effect of lower sales prices.

SG&A expenses of $70 million were $7 million lower than the six months ended June 30, 2015 . The reduction is related to lower pension expense, lower facility costs as a result of closures we made in 2015 and lower costs associated with strategic cost reduction initiatives which were completed in 2015. Additionally, in the first quarter of 2016, we recognized income of approximately $2 million on a technology license and a $2 million charge in the second quarter of 2016 related to the resolution of a disputed multi-year state excise tax matter.

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 $16 million during the six months ended of 2016 and 2015.

Other expense, net was $2 million in the six months ended June 30, 2016 compared with other income, net of $9 million in the six month ended June 30, 2015 . Other (expense) income, net primarily reflected realized and unrealized foreign exchange gains or losses. The net other income for the six months ended June 30, 2016 and June 30, 2015 reflected the significant weakening of foreign currencies against the U.S. dollar that began in late 2014 and the additional weakening of foreign currency in June 2016, primarily in the Great Britain Pound.

Income tax benefit reported for the six months ended June 30, 2016 was $2 million compared with income tax expense of $27 million in the six months ended June 30, 2015 . The tax benefit reported for the six months ended June 30, 2016 reflected the tax benefit of $33 million , recorded in the first quarter of 2016, related to the pension annuity transaction which was considered a discrete item for purposes of our interim tax provision.

Loss from continuing operations for the six month ended June 30, 2016 was $62 million , or $0.96 per diluted share, as compared with earnings from continuing operations of $39 million , or $0.56 per diluted share, for the same period last year.

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**
Six months ended June 30, 2015	$ 462	$ 372	$ 68	**$ 902**
Changes in selling prices	(19)	6	—	**(13)**
Unit volume and mix	(10)	(15)	(8)	**(33)**
Foreign currency	(1)	—	—	**(1)**
Six months ended June 30, 2016	$ 432	$ 363	$ 60	**$ 855**

Operating Income (Loss) (in millions)	Industrial Performance Products	Industrial Engineered Products	Agrochemical Manufacturing	General corporate expense	Other charges (b)	**Total**
Six months ended June 30, 2015	$ 74	$ 17	$ 18	$ (32)	$ (4)	**$ 73**
Price over raw materials (a)	(1)	11	—	—	—	**10**
Unit volume and mix	4	(1)	1	—	—	**4**
Foreign currency	2	1	—	—	—	**3**
Manufacturing cost and absorption	3	10	—	—	—	**13**
Distribution cost	2	(1)	—	—	—	**1**
Depreciation and amortization expense	(1)	3	—	3	—	**5**
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)	3	—	3	—	**4**
Six months ended June 30, 2016	$ 81	$ 43	$ 19	$ (26)	$ (163)	**$ (46)**

(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 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 six month ended June 30, 2016 .

Industrial Performance Products

Our Industrial Performance segment reported lower net sales and higher operating income for the six month ended June 30, 2016 compared with the same period last year.

Net sales for the first six months of 2016 reflected volume declines, unfavorable product mix and lower overall sales prices. Much of the lower sales prices were the result of price reductions as we passed along the benefit of raw material costs reductions to our customers as required under formula-based contract pricing agreements coupled with lower pricing for certain of our urethane products used in mining and oil and gas applications as a result of the soft market demand for those products. The soft market demand for our urethane products used in mining and oil and gas applications also primarily impacted the volume declines this segment experienced. Our petroleum additive products reported overall growth in volumes, but those gains were offset by a combination of lower volume and unfavorable mix for certain synthetic lubricants and basestocks as well as our intermediates.

Operating income improved over the same six months of 2015 driven primarily by lower manufacturing and distribution costs, favorable product mix at the gross profit level and the favorable impact of foreign currency exchange on our costs. Included in the six months ended June 30, 2016 is the recognition of approximately $2 million in income on a technology license and a $2 million charge related to the resolution of a disputed multi-year state excise tax matter.

Industrial Engineered Products

Our Industrial Engineered segment recorded lower net sales and higher operating income for the six months ended June 30, 2016 compared with the same period last year.

Net sales for our Industrial Engineered segment reflected the impact of lower volume for clear brine fluids used in offshore deep oil well drilling applications due to lower demand as a result of the decline in oil prices in 2014 and 2015.

Our Industrial Engineered segment reported overall lower volume as a result of a decrease for clear brine fluids used in offshore deep oil well drilling applications, the termination of certain supply agreements due to our choice to exit the Adrian, MI facility in June of 2015 and the timing of orders for industrial water treatment products. These volume declines were partially offset by steady and strong growth in our Emerald Innovation 3000™ products used in insulation foam applications, improved volumes and pricing for our organometallic products, the return of volume in our bromine and bromine-based products to normalized levels after a strike at a supplier constrained our bromine supply in 2015 and increased sales prices for our insulation and electronic application products.

Despite lower net sales, our Industrial Engineered segment reported a $26 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 absorption variances, primarily related to Emerald Innovation 3000™ products, offset in part by higher manufacturing costs. Operating income in the first half of 2016 also benefited from a reduction in SG&A, 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 in the first half of 2016 compared with the same period last year.

The decrease in net sales was attributable to a reduction in volume. The results for the six months ended June 30, 2016 and 2015 included $19 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 $26 million in the six months ended June 30, 2016 which included amortization and depreciation expense of $5 million. In comparison, corporate expense was $32 million in the six months ended June 30, 2015 , which included amortization and depreciation expense of $8 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 amortization, pension and other functional spending.

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 June 30, 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"). Repayments were made on the Term Loan with proceeds from the 2021 Senior Notes offering, sale of businesses and cash on hand. As of June 30, 2016 , $1 million remained outstanding under the Term Loan. In July 2016, we amended our Term Loan providing for a new $1 million term loan which was borrowed to refinance the existing Term Loan. The interest rate for the new term loan is identical to and maintains substantially identical collateral, covenants, events of default, representations and warranties and other terms as the original Term Loan, but with an extended maturity date to July 2017, a waiver of the prepayment requirements for proceeds of asset sales and annual excess cash flow, and a reduction of the annual administrative agency fee.

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 June 30, 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 June 30, 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 June 30, 2016 , we had approximately $182 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 June 30, 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 six months ended June 30, 2016 , we repurchased 4.3 million shares of our common stock at a cost of $110 million . The remaining authorization under this program was $61 million at June 30, 2016.

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 as 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 June 30, 2016 , our Consolidated Balance Sheet included $165 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 provided by operating activities was $44 million for the six months ended June 30, 2016 compared with $69 million in the same period last year. Changes in key accounts are summarized below:

Provided by (used in)	Six months ended	
(In millions)	June 30, 2016	June 30, 2015
Accounts receivable	$ (28)	$ (25)
Inventories	4	8
Accounts payable	5	4
Pension and post-retirement health care liabilities	(53)	(7)

During the six months ended June 30, 2016 , accounts receivable represented a use of cash flows of $28 million from December 31, 2015, primarily the result of an increase in accounts receivable due to net sales being higher in the second quarter of 2016 than in the fourth quarter of 2015. Historically, fourth quarter net sales are lower due in part to planned customer shutdowns and holidays compared to second quarter net sales. The higher net sales this quarter drove the increase in our accounts receivable balances and the decrease in inventory. This is consistent with similar trends we reported in 2015. Inventory in our Agrochemical Manufacturing segment was down slightly and reflected the build of inventory for the current growing season offset by the change in the value of that inventory as a result of the switch to a tolling agreement in Brazil in 2016. Inventory in our Industrial Engineered segment increased slightly due to a build in inventory, primarily in our clear brine fluid products, due to the slower market demand for these products in the second quarter of 2016. Accounts payable represented a source of cash flows of $5 million in the six months ended June 30, 2016 , primarily the result of an increase in our Agrochemical Manufacturing segment due to timing of purchases as we built inventory for the current growing season coupled with an increase in our Industrial Engineered segment as the result of additional raw material purchases for our organometallic products due to the increase in demand. Our Industrial Performance segment reported a slight decline in accounts payable which reflects the impact of inventory management. Pension and post-retirement benefit plans represented a use of cash flows of $53 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 $53 million for the six months ended June 30, 2016 which included $40 million for domestic plans and $13 million for international plans.

Cash flows from operating activities for the six months ended June 30, 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 $43 million and share-based compensation expense of $6 million , offset by the recognition of the obligation, net of accretion, for the below-market obligations with Platform of $19 million .

During the six months ended June 30, 2015 , accounts receivable represented a use of cash flows of $25 million primarily driven by an increase in receivables in our Industrial segments due to the timing of sales in the second quarter of 2015 compared with sales in the fourth quarter of 2014 coupled with an increase in receivables related to the supply agreements with Platform in our Agrochemical Manufacturing segment as we built inventory for their growing season. Accounts payable represented a source of cash flows of $4 million in the six months ended June 30, 2015 , a majority of which related to our Agrochemical Manufacturing supply agreements as we produced more inventory to meet their growing season offset by a slight reduction in our Industrial Engineered segment related to the interruption of the supply of elemental bromine due to a strike at a third-party supplier during the first six months of 2015. Pension and post-retirement health care liabilities represented a use of cash flows of $7 million primarily due to the funding of benefit obligations. Cash contributions to fund pension and post-retirement benefit liabilities were $9 million for the six months ended June 30, 2015 which included $5 million for domestic plans and $4 million for international plans.

Cash flows from operating activities for the six months ended June 30, 2015 were adjusted by the impact of certain non-cash and other charges. Non-cash charges included depreciation and amortization expense of $48 million and share-based compensation expense of $6 million , offset by the recognition of the obligation, net of accretion, for the below-market obligations with Platform of $19 million .

Cash Flows from Investing and Financing Activities

Investing Activities

Net cash used by investing activities was $38 million for the six months ended June 30, 2016 which related to capital expenditures for U.S. and international facilities and environmental and other compliance requirements.

Net cash provided by investing activities was $25 million for the six months ended June 30, 2015 . Investing activities included net proceeds from the sale of the Platform shares of $54 million , offset by capital expenditures of $32 million for U.S. and international facilities and environmental and other compliance requirements.

Financing Activities

Net cash used in financing activities was $147 million for the six months ended June 30, 2016 . Financing activities primarily included the repurchase of 4.3 million shares of our common stock under our share repurchase program at a cost of $110 million . Also included in financing activities was a repayment of $39 million on our Term Loan during the second quarter of 2016.

Net cash used in financing activities was $168 million for the six months ended June 30, 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, the repayment of $42 million of the Term Loan as well as the repayment of $15 million in principal of the China Bank Facility. Other financing sources in the period were $13 million of proceeds from the exercise of stock options.

Contractual Obligations and Other Cash Requirements

During the six months ended June 30, 2016 , we made aggregate contributions of $49 million to our U.S. and international pension plans and $4 million to our post-retirement benefit plans. Based on the minimum amounts required by law or contractual obligation, we will make approximately $10 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 $28 million at June 30, 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 June 30, 2016 , we have guarantees that have been provided to various financial institutions. At June 30, 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 June 30, 2016 .

OUTLOOK

In 2016, we continue to build upon the improvements in our earnings and cash flows we achieved in 2015 to deliver further performance improvement. We drive that improvement by continuing our focus on “managing what we can control”. The results are evident in our performance in the first half of 2016 compared to the same period in 2015. Excluding the pre-tax $162 million pension settlement charge ($129 million after tax) associated with our pension annuity purchased in the first quarter of 2016, operating income has increased by 59% and earnings from continuing operations before income taxes has increased by 48%. Net earnings and earnings per share (excluding the effect of the pension settlement charge) have grown by higher percentages, but they also reflect a lower 2016 year-to-date tax rate than in 2015.

We anticipate that we will continue to deliver year-on-year improvement in profitability in the second half of 2016 and that operating income will be comparable to that delivered in the first half of 2016 (excluding the pension settlement charge). The percentage year-on-year improvement in operating profit will be less in the second half of 2016 than in the first half of the year, as most of the benefits of our 2015 cost reduction actions were reflected in the results for the second half of 2015. Nevertheless, we are currently on a path to deliver an increase in full year profitability compared to full year 2015 that is in line with our guidance at the start of the year.

Net cash provided by operating activities for the first half of 2016 was $44 million which includes a cash contribution of $35 million to our US Qualified Plan in the first quarter of 2016 directly as a result of the pension annuity purchase transaction. This contribution was made to maintain the funding level of the US Qualified Plan at approximately the same percentage level as existed prior to the pension annuity transaction. Excluding this cash contribution, net cash provided by operating activities was $79 million for the six months ended June 30, 2016, a 14% increase over the same period in 2015. For the full year of 2015, net cash provided by operating activities was $159 million. We believe we are on track to deliver a comparable or greater amount for 2016.

We continue to explore opportunities to accelerate value creation for our shareholders through gaining scale by acquisition, merger 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 and in this Quarterly Report on Form 10-Q.

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 $476 million at June 30, 2016 . The fair market value of such debt as of June 30, 2016 was $486 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 June 30, 2016 .

There have been no other significant changes in market risk during the quarter ended June 30, 2016 .

ITEM 4. Controls and Procedures

(a) *Disclosure Controls and Procedures*

As of June 30, 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 second quarter ended June 30, 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. Except as described below, there have been no significant changes in our risk factors during the six months ended June 30, 2016.

Proposed regulations under Section 385 of the Code may limit our ability to use intercompany debt.

On April 4, 2016, the U.S. Treasury and the IRS released proposed Treasury regulations under Section 385 of the Code. Although intended to discourage inversion transactions, these regulations include provisions that may impact many intercompany transactions including how our subsidiaries are financed, how we repatriate cash from our foreign subsidiaries and how we integrate acquisitions. In general, the proposed Treasury regulations would (i) require intercompany debt to be accompanied by extensive contemporaneous documentation in order to be treated as debt for U.S. federal income tax purposes; (ii) re-characterize intercompany debt as equity for U.S. federal income tax purposes in certain circumstances; and (iii) authorize the IRS to treat intercompany debt as in part debt and in part equity for U.S. federal income tax purposes in certain circumstances. The scope and interpretation of the proposed Treasury regulations are subject to significant uncertainty. However, if finalized in their current form, the proposed Treasury regulations may limit our ability to utilize intercompany debt which may increase our cash taxes and administrative and financing costs.

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

Issuer Purchases of Equity Securities During the Second 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 six months ended June 30, 2016 , we repurchased 4.3 million shares of our common stock at a cost of $110 million . The remaining authorization under this program was $61 million at June 30, 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 June 30, 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)
April 1, 2016 - April 30, 2016	0.6	$ 26.81	0.6	$ 66
May 1, 2016 - May 31, 2016	0.1	$ 26.50	0.1	$ 63
June 1, 2016 - June 30, 2016	0.1	$ 24.94	0.1	$ 61
Total	0.8		0.8	

ITEM 4. Mine Safety Disclosures

Not Applicable.

ITEM 5. Other Information

In July 2016, Chemtura Corporation (“Chemtura”) amended its Senior Secured Term Facility Credit Agreement, originally dated as of August 27, 2010, as amended and restated, supplemented or otherwise modified from time to time. The amendment provided for a new $1 million term loan which was borrowed to refinance the existing term loan. The interest rate for the new term loan is identical to the refinanced term loan, and the new term loan maintains substantially identical collateral, covenants, events of default, representations and warranties and other terms as the refinanced term loan, but with an extended maturity date to July 2017, a waiver of the prepayment requirements for proceeds of asset sales and annual excess cash flow, and a reduction of the annual administrative agency fee. The foregoing summary of the amendment is qualified in its entirety by reference to the actual amendment, which is filed herewith as Exhibit 10.1, and is incorporated herein by reference.

ITEM 6. Exhibits

The following documents are filed as part of this report:

Number	Description
10.1	Amendment No. 3 to the Senior Secured Term Facility Credit Agreement, dated as of July 25, 2016, between Chemtura Corporation and Bank of America, N.A.*
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: July 28, 2016	/s/ Laurence M. Orton
	Name: Laurence M. Orton Title: Vice President and Corporate Controller (Principal Accounting Officer)

AMENDMENT NO. 3 TO THE SENIOR SECURED TERM FACILITY CREDIT AGREEMENT

This AMENDMENT NO. 3 TO THE SENIOR SECURED TERM FACILITY CREDIT AGREEMENT (this " Amendment "), dated as of July 25, 2016, is made by and among CHEMTURA CORPORATION, a Delaware corporation, as the borrower (the " Borrower "), BANK OF AMERICA, N.A. (" Bank of America "), as the New Lender (as defined below), and Bank of America, N.A., as the administrative agent (the " Administrative Agent ").

PRELIMINARY STATEMENTS:

(1) The Borrower, the banks, financial institutions and other institutional lenders party thereto (the " Lenders "), and the Administrative Agent are party to the Senior Secured Term Facility Credit Agreement, originally dated as of August 27, 2010 (as amended by Amendment No. 1 to the Senior Secured Term Facility Credit Agreement, dated as of September 27, 2010, as amended and supplemented by the Amendment and Supplement to the Credit Agreement, dated as of October 31, 2012 and as amended and restated by Amendment No. 2 to the Senior Secured Term Facility Credit Agreement, dated as of October 30, 2013, and as otherwise amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the " Credit Agreement "). Capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the Credit Agreement.

(2) Prior to the execution and delivery of this Amendment, the Borrower made a voluntary partial prepayment of the Advances outstanding under the Credit Agreement in an aggregate principal amount equal to $39,000,000, which prepayment resulted in the remaining aggregate principal balance of the Advances being $1,000,000.

(3) The Borrower has requested that Bank of America refinance all Advances remaining outstanding immediately prior to the effectiveness of this Amendment (the " Existing Loans ") with a tranche of New Advances, to be made pursuant to Section 2.19 of the Credit Agreement, as herein modified (hereinafter, the " New Loans "), with such New Loans having substantially identical terms as the Existing Loans, except as otherwise provided herein.

(4) Bank of America (in this capacity, the " New Lender ") has agreed to fund the entire principal amount of the New Loans, in an aggregate principal amount equal to $1,000,000 (the " New Commitment ").

(5) Upon the effectiveness of this Amendment, the New Lender shall make the New Loans to the Borrower in an amount equal to the New Commitment, with the proceeds of such New Loans applied to prepay in full the Existing Loans held by each Lender who held Existing Loans immediately prior to the effectiveness of this Amendment.

(6) The New Lender has agreed to effectuate the foregoing, and to amend certain provisions of the Credit Agreement, and to issue certain waivers with respect thereto, all as set forth herein.

SECTION 1. The New Loans . Pursuant to Section 2.19 of the Credit Agreement, and subject to the satisfaction of the conditions precedent set forth in Section 4 below, on and as of the Effective Date (as defined below):

(a) The New Lender shall, pursuant to, and in accordance with, Section 2.19 of the Credit Agreement (as modified pursuant to Sections 2 and 3 below), make the New Loans, consisting of "New Advances" made to the Borrower (and which shall constitute a single "Borrowing"), in an aggregate principal amount equal to the New Commitment, with the proceeds of such New Loans immediately applied to prepay in full the outstanding principal amount of all Existing Loans held by the Lenders party to the Credit Agreement immediately prior to the effectiveness of this Amendment (the " Existing Lenders ").

(b) The New Lender hereby acknowledges that it is, from and after the Effective Date, a "Lender" for all purposes under the Amended Credit Agreement and the other Loan Documents (as amended hereby), and has all of the rights, remedies and obligations of a Lender under the Amended Credit Agreement and the other Loan Documents (as amended hereby).

(c) The parties hereto hereby agree that the amendments contemplated in this Amendment shall be deemed to have occurred by the parties hereto consenting to the creation of the New Loans, and the New Loans shall have identical terms with, and the same rights, remedies and obligations under the Loan Documents as, the Existing Loans, except as such terms, rights, remedies and obligations are amended by this Amendment.

SECTION 2.

Credit Agreement Amendments . Subject to the satisfaction of the conditions precedent set forth in Section 4 below, on and as of the Effective Date:

(a)

Section 1.01 of the Credit Agreement is hereby amended by inserting the following definitions into such Section 1.01 in the appropriate alphabetical order:

" Amendment No. 3 " means Amendment No. 3 to the Senior Secured Term Facility Credit Agreement, dated as of July 25, 2016, among the Borrower, the Administrative Agent and the Lender party thereto.

" Amendment No. 3 Effective Date " means the "Effective Date" under and as defined in Amendment No. 3.

" Specified Flood Zone Real Property " means the parcel of real property located at 1801 Sagamore Pkwy W, W Lafayette, IN 47906 that is owned by Great Lakes Chemical Corporation in fee simple.

(b)

Section 1.01 of the Credit Agreement is hereby amended by deleting the definitions of "Commitment", "Fee Letter", "Loan Documents" and "Stated Maturity Date" set forth in such Section 1.01 in their entirely, and replacing such defined terms with the respective corresponding defined terms set forth below:

" Commitment " means, with respect to any Lender at any time, (a) as of the Funding Date, the amount set forth for such time opposite such Lender's name on Schedule I hereto under the caption "Commitment" and (b) thereafter, the amount set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 9.07(d) as such Lender's "Commitment", as such amount may be reduced at or prior to such time pursuant to Section 2.04. Immediately prior to the effectiveness of Amendment No. 3, the amount of the Commitments shall be $1,000,000.

" Fee Letter " means the "Fee Letter", made by and between the Borrower and Bank of America (in its capacity as Administrative Agent), originally dated as of August 11, 2010 and delivered in connection with the Engagement Letter, as amended pursuant to Amendment No. 3, and as otherwise amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

" Loan Documents " means (i) this Agreement, (ii) the Notes, if any, (iii) the Escrow Agreement, (iv) the Collateral Documents, (v) the Intercreditor Agreement, (vi) solely for purposes of the Collateral Documents, each Secured Hedge Agreement, Secured Cash Management Agreement and Secured Specified Credit Agreement, (vii) the Guaranty, (viii) the Fee Letter (other than for purposes of Section 9.01 hereof), (ix) Supplement No. 1 and each Incremental Commitment supplement, (x) Amendment No. 2, (xi) Amendment No. 3, and (xii) any other document, agreement or instrument executed and delivered by a Loan Party in connection with the Term Facility, in each case as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

" Stated Maturity Date " mean July 24, 2017.

(c)

Section 2.01(a) of the Credit Agreement is hereby amended by (i) deleting the last sentence of such Section 2.01(a) in its entirety, and (ii) inserting the following sentences into such Section 2.01(a) immediately following the period at the end of such Section 2.01(a): "On the Amendment No. 3 Effective Date, each of the advances and loans outstanding immediately prior to such date were repaid and replaced with new advances made in accordance with the terms of Amendment No. 3, and Section 2.19 hereof. Each new advance so made to repay prior advances and loans is hereinafter referred to as an " Advance "."

(d)

Section 2.03 of the Credit Agreement is hereby amended and restated in its entirety as follows:

Section 2.03. Repayment of Advances . The Borrower shall repay to the Administrative Agent for the ratable account of the Lenders on the Termination Date the aggregate outstanding principal amount of all Advances then outstanding.

(e)

Section 2.05(b)(i) of the Credit Agreement is hereby amended by inserting the following sentence into such Section 2.05(b)(i) immediately following the period at the end of such Section 2.05(b)(i): "Notwithstanding anything to the contrary set forth above, in no event shall the Borrower be required to make any mandatory prepayments pursuant to this Section 2.05(b)(i) if, or to the extent that, the making of such prepayment would cause the outstanding aggregate principal amount of the Advances to be reduced to an amount that is less than $1,000,000."

(f) Section 2.05(b)(iii) of the Credit Agreement is hereby amended by inserting the following sentence into such Section 2.05(b)(iii) immediately following the period at the end of such Section 2.05(b)(iii): "Notwithstanding anything to the contrary set forth above, the Borrower shall not be required to make any mandatory prepayment pursuant to this Section 2.05(b)(iii) in respect of Excess Cash Flow for the Fiscal Year ending December 31, 2016."

(g) Section 2.08(a) of the Credit Agreement is hereby amended by inserting the following proviso into the first sentence of such Section 2.08(a) immediately following the text of such first sentence and immediately prior to the period at the end of such sentence: " provided , that if, and for so long as, the aggregate principal amount of all outstanding Advances is less than $5,000,000, (x) the Borrower may make Conversions of Base Rate Advances into Eurodollar Rate Advances in amounts equal to $1,000,000 (or any integral multiple thereof), and (y) there shall be no more than one Interest Period in effect at any time with respect to the Advances".

(h) Section 2.08(b)(i) of the Credit Agreement is hereby amended by inserting the following proviso into such Section 2.08(b)(i) immediately following the text thereof and immediately prior to the period at the end of such Section: " provided , that if, and for so long as, the aggregate principal amount of all outstanding Advances is less than $5,000,000, then the Borrower may maintain a single Borrowing consisting of Eurodollar Rate Advances in a principal amount equal to $1,000,000 (or any integral multiple thereof)".

(i) Section 2.13 of the Credit Agreement is hereby amended by deleting clause (viii) of such Section 2.13 in its entirety and replacing it with the following clause: "(viii) as provided in Amendment No. 2, as provided in Amendment No. 3, and for other general corporate purposes and activities (including but not limited to Investments, Permitted Acquisitions and other transactions permitted hereunder)".

(j) Section 2.19(a) of the Credit Agreement is hereby amended by inserting the following parenthetical clause into clause (i) of the first proviso of such Section 2.19(a) immediately following the text of such clause (i) and immediately prior to the comma at the end of such clause: "(or such lesser amount as may be agreed by the Borrower, the Administrative Agent and the lenders providing such New Advances in the agreement pursuant to which such New Advances are made)".

(k) Section 2.19(d) of the Credit Agreement is hereby amended by inserting the following parenthetical clause into clause (A) of such Section 2.19 immediately following the text of such clause (A) and immediately prior to the comma at the end of such clause: "(or such other evidence of the Borrower's authority to borrow such New Advances as may be acceptable to the Administrative Agent and the lenders providing such New Advances, in each case in such receiving Person's sole discretion)".

(l) Section 5.01(h) of the Credit Agreement is hereby amended by inserting the following sentence into such Section 5.01(h) immediately following the period at the end of such Section 5.01(h): "Notwithstanding anything to the contrary set forth above or in the Security Agreement or any other Collateral Document, there shall be no requirement hereunder or under any Collateral Document or other Loan Document for the Loan Parties to obtain or provide a Mortgage with respect to, or otherwise take any specific steps to pledge or perfect the security interest of the Secured Parties in, the Specified Flood Zone Real Property."

SECTION 3. Other Amendments, Waivers and Release . Subject to the satisfaction of the conditions precedent set forth in Section 4 below, on and as of the Effective Date:

(a) The Fee Letter is hereby amended by the Borrower and the Administrative Agent by reducing the amount of the "Administrative Agency Fee" set forth therein from "$125,000 per year" to "$5,000 per year".

(b) The Administrative Agent and the New Lender hereby waive (i) prior delivery of a notice of a Borrowing with respect to the New Loans under Section 2.02(a) of the Credit Agreement, (ii) prior delivery of a notice of prepayment with respect to the prepayment of the Existing Loans under Section 2.05(a) of the Credit Agreement, in each case solely in connection with the execution, delivery and effectiveness of this Amendment, and the consummation of the transactions set forth herein, including the making of the New Loans and the application of the proceeds thereof, and (iii) any discrepancy between the conditions and requirements that shall have been satisfied prior to the extension of the New Loans and the conditions and requirements applicable to New Advances set forth in Section 2.19 of the Credit Agreement prior to giving effect to this Amendment, and the Administrative Agent and the New Lender hereby agree that the amendments in this Amendment, including but not limited to Section 2(j) and 2(k) of this Amendment, shall be given retroactive effect to immediately prior to the Effective Date and the making of the New Loans.

(c)

The Borrower hereby waives prior delivery of notice of the applicable interest rate with respect to the New Loans under Section 2.06(c) of the Credit Agreement, solely in connection with the execution, delivery and effectiveness of this Amendment, and the consummation of the transactions set forth herein, including the making of the New Loans.

(d)

The New Lender, in its capacity as the sole Lender after giving effect to this Amendment, hereby consents to the termination of the existing Mortgage on the Specified Flood Zone Real Property, and instructs the Administrative Agent to cooperate with Borrower to effect such termination, subject to the terms of the Intercreditor Agreement and the other Loan Documents, and at the sole cost and expense of the Borrower.

(e)

The Administrative Agent and the New Lender hereby waive delivery of certificates and resolutions of all Loan Parties, other than the Borrower, under Section 2.19(d)(i) of the Credit Agreement, solely in connection with the execution, delivery and effectiveness of this Amendment, and the consummation of the transactions set forth herein, including the making of the New Loans and the application of the proceeds thereof.

SECTION 4.

Conditions to Effectiveness . The obligations of the New Lenders to provide its New Commitments and make the New Loan, as provided in Section 1 hereof, and the amendments, waivers and release set forth in Sections 2 and 3 hereof, shall become effective on and as of the first Business Day on which the following conditions precedent shall have been satisfied, or shall have been waived by the New Lender and the Administrative Agent (the " Effective Date "):

(a)

The Administrative Agent shall have received counterparts of this Amendment, executed by the Borrower and the New Lender.

(b)

The Administrative Agent shall have received counterparts of the attached consent and affirmation (the " Consent ") executed by the Borrower and each of the Guarantors.

(c)

The Administrative Agent shall have received a certificate of a Responsible Officer of the Borrower, dated as of the Effective Date, (i) certifying and attaching the resolutions adopted by the Borrower approving or consenting to the execution and delivery of this Amendment and the Consent by the Borrower and the performance by the Borrower of its obligations hereunder and thereunder, under the Amended Credit Agreement and under the other Loan Documents to which it is a party (as amended hereby), and the making of the New Loans (or such other evidence of authority as may be acceptable to the Administrative Agent and the New Lender, in each case in such Person's sole discretion); (ii) attaching a good standing certificate from the applicable Governmental Authority of the Borrower's jurisdiction of incorporation, issued as of a recent date; (iii) certifying the names and true signatures of the officers of the Borrower authorized to sign this Amendment and the Consent, and any other documents to be delivered by the Borrower pursuant thereto; (iv) attaching a copy of the charter or other constitutive document of the Borrower and each amendment thereto, certified as of a recent date by the applicable Governmental Authority of the Borrower's jurisdiction of incorporation, organization or formation, as being a true and correct copy thereof; and (v) attaching and certifying a true and correct copy of the by-laws of the Borrower as in effect on the Effective Date.

(d)

The Administrative Agent shall have received a certificate of a Responsible Officer of the Borrower, dated as of the Effective Date, certifying that, immediately before and immediately after giving effect to this Amendment and the making of the New Loans and to the application of the proceeds therefrom, (i) the Borrower would be in pro forma compliance with the requirements of Section 5.04 of the Credit Agreement and (ii) the Borrower is in compliance with the requirements of clauses (h) and (i) of this Section 4.

(e)

The Administrative Agent shall have received all deeds, conveyances, security agreement, mortgages, assignments, estoppel certificates, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances and other instruments, or any amendment or modification of any thereof

(if any), as the Administrative Agent shall have requested prior to the Effective Date in order to reflect such the New Loans.

(f)
The Administrative Agent shall have received evidence that all reasonable and documented out-of-pocket costs, fees and expenses of the Administrative Agent (including the reasonable fees and expenses of counsel to the Administrative Agent invoiced to the Borrower at least one Business Day prior to the Effective Date) owed by the Borrower in connection with this Amendment shall have been paid, and that concurrently with the occurrence of the Effective Date, without duplication, the Existing Loans (together with all accrued and unpaid interest thereon (whether or not due and payable), and any other amounts then due and payable with respect thereto under Section 9.04(d) of the Credit Agreement) will be, or have been, repaid in full.

(g)
The Administrative Agent shall have received all documentation and other information reasonably requested in writing at least five Business Days prior to the date of this Amendment in order to allow it to comply with applicable “know your customer” and anti-money laundering rules and regulations, including without limitation, the PATRIOT ACT.

(h)
The representations and warranties contained in Section 5 below, in Article IV of the Credit Agreement, and in the other Loan Documents shall be true and correct in all material respects (provided , that any representation or warranty that is already qualified as to “materiality”, “Material Adverse Effect” or similar language shall be true and correct in all respects) on and as of the Effective Date, immediately before and immediately after giving effect to this Amendment and the making of the New Loans and to the application of the proceeds therefrom, as though made on and as of such date, other than any such representations or warranties that, by their terms, refer to a specific date other than the Effective Date, in which case such representations or warranties were true and correct in all material respects (provided , that any representation and warranty that is qualified as to “materiality”, “Material Adverse Effect” or similar language were true and correct in all respects) as of such specific date.

(i)
On and as of the Effective Date, immediately before and immediately after giving effect to this Amendment and the making of the New Loans and to the application of the proceeds therefrom, no Default or Event of Default has occurred and is continuing, or would arise as a result thereof.

This Amendment is subject to the provisions of Section 9.01 of the Credit Agreement.

SECTION 5.
Representations and Warranties . The Borrower represents and warrants as follows:

(a)
The execution, delivery and performance by the Borrower of this Amendment and by each Loan Party of the Consent, and the consummation of each aspect of the transactions contemplated hereby, are within such Loan Party’s constitutive powers, have been duly authorized by all necessary constitutive action, and do not (i) contravene such Loan Party’s constitutive documents, (ii) violate any law (including, without limitation, the Securities Exchange Act of 1934), rule, regulation (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award applicable to such Loan Party, (iii) conflict with or result in the breach of, or constitute a default under, any contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting any Loan Party, or (iv) except for the Liens created or to be created under the Loan Documents, result in or require the creation or imposition of any Lien upon or with respect to any of the properties of any Loan Party or any of its Subsidiaries except, in each case referred to in clauses (ii) and (iii), to the extent that such violation conflict, breach or default would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(b)
No authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any third party is required for the due execution, delivery, recordation, filing or performance by the Borrower of this Amendment or by any Loan Party of the Consent, or for the consummation of each aspect of the transactions contemplated hereby and thereby.

(c)

This Amendment has been duly executed and delivered by the Borrower, and the Consent has been duly executed and delivered by each Loan Party. Each of this Amendment and the Consent is the legal, valid and binding obligation of each Loan Party party thereto, enforceable against such Loan Party in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors rights generally or by equitable principles relating to enforceability.

(d)

The representations and warranties contained in each Loan Document are true and correct in all material respects (provided that each representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language is true and correct in all respects) on and as of the Effective Date, immediately before and immediately after giving effect to this Amendment, as though made on and as of the Effective Date, other than any such representations or warranties that, by their terms, refer to a specific date, in which case such representations or warranties were true and correct in all material respects (provided that each such representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language was true and correct in all respects) as of such specific date; and

(e)

On the Effective Date, immediately before and immediately after giving effect to this Amendment and the making of the New Loans and to the application of the proceeds therefrom, no Default or Event of Default has occurred and is continuing, or would arise as a result thereof.

SECTION 6.

Reference to and Effect on the Credit Agreement and the Loan Documents .

(a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "herein", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Notes and each of the other Loan Documents to "the Credit Agreement", "therein", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment (as so amended, the " Amended Credit Agreement "). On and after the effectiveness of this Amendment, each reference in the Fee Letter to "this Fee Letter", "herein", "hereunder", "hereof" or words of like import referring to the Fee Letter, and each reference in the Notes and each of the other Loan Documents to "the Fee Letter", "therein", "thereunder", "thereof" or words of like import referring to the Fee Letter shall mean and be a reference to the Fee Letter as amended by this Amendment. This Amendment is a "Loan Document" under and as defined in the Credit Agreement.

(b)

The Credit Agreement and the Fee Letter, each as specifically amended by this Amendment, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

(c)

The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under the Credit Agreement or any other Loan Document, nor constitute a waiver of any provision of the Credit Agreement or any other Loan Document.

SECTION 7.

Costs and Expenses . The Borrower agrees to pay, within 10 Business Days of demand, all reasonable costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder, in accordance with the terms of Section 9.04 of the Credit Agreement.

SECTION 8.

Execution in Counterparts . This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 9.

Jurisdiction, Etc .

(a)

Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or federal court of the United States of America sitting in the Borough of Manhattan, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Amendment or any of the other Loan Documents to which it is a party, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b)

Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Amendment or any of the other Loan Documents to which it is a party in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 10.

GOVERNING LAW . THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK

SECTION 11.

WAIVER OF JURY TRIAL . EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to the Senior Secured Term Facility Credit Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CHEMTURA CORPORATION,
as Borrower

By:
Name:
Title:

BANK OF AMERICA, N.A.,
as Administrative Agent

By:
Name:
Title:

BANK OF AMERICA, N.A.,
as New Lender and Lender

By:
Name:
Title:

CONSENT AND AFFIRMATION

Dated as of July 25, 2016

Reference is made to (a) the Senior Secured Term Facility Credit Agreement, originally dated as of August 27, 2010 (as amended by Amendment No. 1 to the Senior Secured Term Facility Credit Agreement, dated as of September 27, 2010, as amended and supplemented by the Amendment and Supplement to the Credit Agreement, dated as of October 31, 2012, as amended and restated by Amendment No. 2 to the Senior Secured Term Facility Credit Agreement, dated as of October 30, 2013 and as amended by Amendment No. 3 to the Senior Secured Term Facility Credit Agreement, dated as of the date hereof, and as otherwise amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the " Credit Agreement "; capitalized terms used herein and not otherwise defined are used herein as therein defined), among Chemtura Corporation, as borrower (the " Borrower "), Bank of America, N.A., as administrative agent (the " Administrative Agent ") and the lenders party thereto (the " Lenders "), and (b) Amendment No. 3 to the Senior Secured Term Facility Credit Agreement, dated as of the date hereof, made by and among the Borrower, the Administrative Agent and Bank of America, N.A., as Lender (the " Amendment "). Each of the undersigned, each a Guarantor under the Guaranty and a Grantor under the Security Agreement, hereby consents to the Amendment and the amendments and modifications to the Credit Agreement contained in the Amendment, and affirms its respective guarantees, pledges and grants of security interests, as applicable, under and subject to the terms of the Guaranty, the Security Agreement and each of the other Collateral Documents to which it is party, and hereby (i) confirms and agrees that notwithstanding the effectiveness of the Amendment, each of the Guaranty and the Security Agreement and each other Collateral Document to which it is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of the Amendment, each reference in the Guaranty, the Security Agreement or any other Loan Document to "the Credit Agreement", "thereunder", "therein" or "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as further amended by the Amendment, and on and after the effectiveness of the Amendment, (ii) confirms and agrees that the Guaranty, the Security Agreement and the other Collateral Documents to which such Guarantor or Grantor is a party and all of the Collateral described therein do, and shall continue to, guaranty and secure the complete payment and performance when due of all of the Guaranteed Obligations and the Secured Obligations (in each case, as defined therein, respectively) and all Obligations under the Credit Agreement and the other Loan Documents, including but not limited to the Obligations in respect of the New Loans (used hereinafter as defined in the Amendment) and any Notes issued representing such New Loans, and (iii) affirms its grant to the Administrative Agent (in each case under and pursuant to the provisions of the Security Agreement and the other Collateral Documents), for the ratable benefit of the Secured Parties, of a security interest in all of the Collateral (as defined in the Security Agreement) and all other collateral in which a Lien is purported to be granted under the other Collateral Documents to which it is a party, now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the payment of such Grantor's Obligations under the Credit Agreement and the other Loan Documents, including such Obligations in respect of the New Loans and any Notes issued representing such New Loans. This Consent and Affirmation is intended to affirm and acknowledge that the guaranty and the grant contained in the Guaranty and the Security Agreement guaranty and secure (as applicable) the payment of the Obligations in respect of the New Loans and any Notes issued representing such New Loans together with all other Obligations under the Credit Agreement and the other Loan Documents, and nothing herein shall be deemed to supersede, impair or otherwise limit such guaranty and grant contained in the Guaranty and/or the Security Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Consent and Affirmation to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CHEMTURA CORPORATION

By:

Name:
Title:

GLCC LAUREL, LLC

By:
Name:
Title:

GREAT LAKES CHEMICAL CORPORATION

By:
Name:
Title:

Exhibit 31.1

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: July 28, 2016

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

Exhibit 31.2

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: July 28, 2016

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

Exhibit 32.1

**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 quarterly report of Chemtura Corporation (the “Company”) on Form 10-Q for the quarter ending June 30, 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: July 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.

Exhibit 32.2

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 quarterly report of Chemtura Corporation (the "Company") on Form 10-Q for the quarter ending June 30, 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: July 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.