CERIDIAN CORP /DE/
Form 10-Q/A
May 04, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q/A
(Amendment No. 1)

(Mark One)

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

For the quarterly period ended September 30, 2004

Or

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

For transition period from **to**

Commission file number: 1-15168

CERIDIAN CORPORATION
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**41-1981625** (IRS Employer Identification No.)
3311 East Old Shakopee Road, Minneapolis, Minnesota (Address of principal executive offices)	**55425** (Zip Code)

Registrant s telephone number, including area code: **(952) 853-8100**

Former name, former address and former fiscal year if changed from last report: **Not Applicable**

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 o NO ý

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YES ý NO o

The number of shares of registrant s Common Stock, par value $.01 per share, outstanding as of October 31, 2004, was 149,203,580.

CERIDIAN CORPORATION AND SUBSIDIARIES
FORM 10-Q/A
September 30, 2004

EXPLANATORY NOTE

The Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004 (the Form 10-Q) for Ceridian Corporation (the Company) was initially filed with the Securities and Exchange Commission (the SEC) on February 18, 2005 (the Original Filing Date). As described in the Form 10-Q, the Company restated its consolidated financial statements for the years 1999 through 2003 and for the first quarter of 2004 (the Prior Restatement) to make the following classes of adjustments:

adjustments concerning the capitalization and expensing of software development costs

adjustments to the accrual of certain other costs and expenses

adjustments to revenue and related costs for timing of recognition and transactions involving third party vendors

changes in accounting for interest rate and fuel price derivative instruments

reduction of the number of dilutive shares for calculation of earnings per share

reclassifications between cost and expense categories

reclassification of Comdata assets and liabilities

transfer of excess pre-1999 restructuring liabilities directly to retained earnings

The restatements of the Company s consolidated statements of operations for the three-month and nine-month periods ended September 30, 2003, the consolidated statement of cash flows for the nine-month period ended September 30, 2003, and the notes related thereto arising from the Prior Restatement are reflected in the Form 10-Q. For a more detailed description of the Prior Restatement, see the Form 10-Q and Amendment No. 1 on Form 10-K/A to the Company s Annual Report on Form 10-K for the year ended December 31, 2003 (the 2003 Form 10-K/A), filed with the SEC on February 18, 2005.

This Amendment No. 1 on Form 10-Q/A (the Form 10-Q/A) to the Form 10-Q is being filed to reflect recent restatements of the Company s consolidated balance sheet as of September 30, 2004, the consolidated statements of cash flows for the nine-month periods ended September 30, 2004 and 2003, and the consolidated statements of operations for the three-month and nine-month periods ended September 30, 2004 and 2003 and the notes related thereto. As previously disclosed, after errors were discovered in March and April 2005, the Company restated its consolidated financial statements for the years 2000 through 2003 and for the first nine months of 2004 (the Restatement) to make the following adjustments:

record accelerated amortization of the CobraServ trademark

correct the accounting for certain leases

correct errors in the accounting for international acquisitions

correct other accounting errors related to the accrual of costs and expenses

reduce income tax reserves

correct balance sheet amounts for customer funds and employee benefits

For a more detailed description of the Restatement, see the note entitled Restatement of Financial Statements to the accompanying consolidated financial statements and the section entitled Restatement in Management s Discussion and Analysis of Financial Condition and Results of Operations contained in this

Form 10-Q/A and the Company s Annual Report on Form 10-K for the year ended December 31, 2004 (the 2004 Form 10-K), filed with the SEC on April 21, 2005.

For the convenience of the reader, this Form 10-Q/A sets forth the Form 10-Q in its entirety. However, this Form 10-Q/A only amends and restates Items 1, 2, and 4 of Part I of the Form 10-Q, in each case, solely as a result of, and to reflect, the Restatement, and no other information in the Form 10-Q is amended hereby. The foregoing items have not been updated to reflect other events occurring after the Original Filing Date or to modify or update those disclosures affected by subsequent events. In addition, pursuant to the rules of the SEC, Item 6 of Part II of the Form 10-Q/A has been amended to contain currently-dated certifications from the Company s Chief Executive Officer and Chief Financial Officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The certifications of the Company s Chief Executive Officer and Chief Financial Officer are attached to this Form 10-Q/A as Exhibits 31.01, 31.02, 32.01 and 32.02.

Except for the foregoing amended information, this Form 10-Q/A continues to speak as of the Original Filing Date, and the Company has not updated the disclosure contained herein to reflect events that occurred at a later date. Other events occurring after the filing of the Form 10-Q or other disclosures necessary to reflect subsequent events have been addressed in the 2004 Form 10-K or will be addressed in any reports filed with the SEC subsequent to the date of this filing.

Concurrently with the filing of this Form 10-Q/A, the Company is filing (i) Amendment No. 2 on Form 10-Q/A to its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004 and (ii) Amendment No. 1 on Form 10-Q/A to its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004. The Company has not amended and does not intend to amend the 2003 Form 10-K/A or its previously-filed Annual Reports on Form 10-K or its Quarterly Reports on Form 10-Q for the periods affected by the Restatement that ended prior to December 31, 2003. For this reason, the consolidated financial statements, auditors reports and related financial information for the affected periods contained in the 2003 Form 10-K/A and in such reports should no longer be relied upon.

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FORM 10-Q/A
PART I. FINANCIAL INFORMATION
ITEM I. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars in millions, except per share data)

Ceridian Corporation
and Subsidiaries

	For Periods Ended September 30,			
	Three Months		Nine Months	
	2004 (restated)	2003 (restated)	2004 (restated)	2003 (restated)
Revenue	$ 328.7	$ 291.6	$ 959.1	$ 889.6
Costs and Expenses				
Cost of revenue	192.4	169.8	547.6	513.7
Selling, general and administrative	121.3	86.1	355.6	268.4
Research and development	7.0	5.0	19.9	13.3
(Gain) loss on derivative instruments	(7.9)	0.5	(2.6)	(18.7)
Other expense (income)	(0.8)	(1.1)	(2.5)	(1.3)
Interest income	(0.7)	(0.5)	(1.7)	(1.5)
Interest expense	1.2	1.3	3.2	3.6
Total costs and expenses	312.5	261.1	919.5	777.5
Earnings before income taxes	16.2	30.5	39.6	112.1
Income tax provision	5.3	11.1	13.7	39.6
Net earnings	$ 10.9	$ 19.4	$ 25.9	$ 72.5
Earnings per share				
Basic	$ 0.07	$ 0.13	$ 0.17	$ 0.49
Diluted	$ 0.07	$ 0.13	$ 0.17	$ 0.49
Shares used in calculations (in 000 s)				
Weighted average shares (basic)	149,098	148,426	148,985	148,282
Dilutive securities	1,544	2,156	2,271	1,098
Weighted average shares (diluted)	150,642	150,582	151,256	149,380
Antidilutive shares excluded (in 000 s)	6,833	4,054	6,282	9,924

See notes to consolidated financial statements.

FORM 10-Q/A
CONSOLIDATED BALANCE SHEETS (Unaudited)
(Dollars in millions)

Ceridian Corporation
and Subsidiaries

	September 30, 2004 (restated)	December 31, 2003 (restated)
Assets		
Cash and equivalents	$ 156.3	$ 124.2
Trade receivables, less allowance of $16.1 and $17.3	511.2	436.4
Other receivables	29.2	30.9
Current portion of deferred income taxes	37.1	28.5
Other current assets	51.6	56.0
Total current assets	785.4	676.0
Property, plant and equipment, net	138.7	148.0
Goodwill	935.0	918.6
Other intangible assets, net	53.1	90.2
Software and development costs, net	89.9	86.2
Prepaid pension cost	13.1	12.2
Deferred income taxes, less current portion	8.8	9.6
Investments	17.4	22.9
Derivative instruments	37.0	55.7
Other noncurrent assets	8.9	8.7
Total assets before customer funds	2,087.3	2,028.1
Customer funds	3,322.6	3,152.7
Total assets	$ 5,409.9	$ 5,180.8
Liabilities and Stockholders Equity		
Short-term debt and current portion of long-term obligations	$ 14.2	$ 6.5
Accounts payable	43.4	39.1
Drafts and settlements payable	180.8	113.7
Customer advances	37.2	31.0
Deferred income	58.8	66.9
Accrued taxes	30.4	25.5
Employee compensation and benefits	49.5	55.3
Other accrued expenses	43.6	35.4
Total current liabilities	457.9	373.4
Long-term obligations, less current portion	108.8	157.0
Deferred income taxes	44.9	38.6
Employee benefit plans	204.9	196.0
Other noncurrent liabilities	21.6	17.9
Total liabilities before customer funds obligations	838.1	782.9
Customer funds obligations	3,298.3	3,152.7
Total liabilities	4,136.4	3,935.6
Stockholders equity	1,273.5	1,245.2
Total liabilities and stockholders equity	$ 5,409.9	$ 5,180.8

See notes to consolidated financial statements.

FORM 10-Q/A
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Ceridian Corporation
and Subsidiaries

(Dollars in millions)

	For Periods Ended September 30, Nine Months 2004 (restated)	2003 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	$ 25.9	$ 72.5
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Deferred income tax provision (benefit)	(8.8)	(3.2)
Depreciation and amortization	92.7	60.3
Provision for doubtful accounts	7.3	8.9
Asset write-downs	2.5	
Unrealized (gain) loss on derivative instruments	20.6	4.2
Gain on sale of marketable securities	(4.5)	(3.4)
Contribution to retirement plan trusts		(29.2)
Other	10.1	5.9
Decrease (Increase) in trade and other receivables	(76.1)	(33.0)
Increase (Decrease) in accounts payable	3.8	0.4
Increase (Decrease) in drafts and settlements payable	67.1	17.3
Increase (Decrease) in employee compensation and benefits	(6.5)	(14.1)
Increase (Decrease) in accrued taxes	9.7	1.5
Increase (Decrease) in other current assets and liabilities	8.4	(5.2)
Net cash provided by (used for) operating activities	152.2	82.9
CASH FLOWS FROM INVESTING ACTIVITIES		
Expended for property, plant and equipment	(21.7)	(22.1)
Expended for software and development costs	(24.2)	(19.6)
Expended for acquisition of investments and businesses, less cash acquired	(14.1)	(1.7)
Proceeds from sales of businesses and assets	11.3	12.7
Net cash provided by (used for) investing activities	(48.7)	(30.7)
CASH FLOWS FROM FINANCING ACTIVITIES		
Revolving credit facilities and overdrafts, net	(37.7)	(50.8)
Repayment of other debt	(3.2)	(0.6)
Repurchase of common stock	(80.3)	(28.3)
Proceeds from stock option exercises and stock sales	47.3	25.2
Net cash provided by (used for) financing activities	(73.9)	(54.5)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	2.5	3.1
NET CASH FLOWS PROVIDED (USED)	32.1	0.8
Cash and equivalents at beginning of period	124.2	134.3
Cash and equivalents at end of period	$ 156.3	$ 135.1

See notes to consolidated financial statements.

CERIDIAN CORPORATION AND SUBSIDIARIES
FORM 10-Q/A
September 30, 2004
Notes to Consolidated Financial Statements
(Dollars in millions, except per share data)

(Unaudited)

STOCKHOLDERS EQUITY

	September 30, 2004 (restated)	December 31, 2003 (restated)
Common Stock		
Par value - $.01, shares authorized 500,000,000		
Shares issued 151,039,408 and 150,028,289	$ 1.5	$ 1.5
Shares outstanding 149,179,552 and 150,022,441		
Additional paid-in capital	936.3	925.2
Retained earnings	554.5	528.6
Treasury stock, at cost (1,859,856 and 5,848 common shares)	(37.5)	(0.1)
Accumulated other comprehensive income, net of deferred income taxes:		
Unrealized gain (loss) on marketable securities	3.8	3.9
Unrealized gain (loss) on customer fund securities	15.5	
Cumulative translation adjustment	34.4	21.2
Pension liability adjustment	(235.0)	(235.1)
Total stockholders equity	$ 1,273.5	$ 1,245.2

COMPREHENSIVE INCOME (LOSS)

	For Periods Ended September 30,			
	Three Months		Nine Months	
	2004 (restated)	2003 (restated)	2004 (restated)	2003 (restated)
Net earnings	$ 10.9	$ 19.4	$ 25.9	$ 72.5
Items of other comprehensive income before income taxes:				
Change in foreign currency translation adjustment	9.3	(0.6)	13.2	21.6
Change in unrealized gain (loss) from marketable securities	0.4	5.8	4.1	7.7
Change in unrealized gain (loss) from customer funds securities	19.1		24.4	
Change in pension liability			0.1	
Less unrealized gain previously reported on:				
Marketable securities sold or settled in this period	(0.9)	(3.4)	(4.4)	(3.4)
Customer funds securities sold or settled in this period			(0.1)	
Other comprehensive income (loss) before income taxes	27.9	1.8	37.3	25.9

Income tax (provision) benefit		(6.8)		(0.8)		(8.6)		(1.6)
Other comprehensive income (loss) after income taxes		21.1		1.0		28.7		24.3
Comprehensive income	$	32.0	$	20.4	$	54.6	$	96.8

INTRODUCTION

In the opinion of Ceridian Corporation, the unaudited consolidated financial statements contained herein reflect all adjustments (consisting only of normal recurring adjustments, except as set forth in the notes to consolidated financial statements) necessary to present fairly our financial position as of September 30, 2004, and results of operations for the three and nine month periods and cash flows for the nine month periods ended September 30, 2004 and 2003. These consolidated financial statements have been restated as described in the accompanying note entitled Restatement of Financial Statements. The results of operations for the nine month period ended September 30, 2004 are not necessarily indicative of the results to be expected for the full year.

RESTATEMENT OF FINANCIAL STATEMENTS

This Note should be read in conjunction with Note B, Restatement of Financial Statements in the notes to our consolidated financial statements included in Part II, Item 8, Financial Statements and Supplementary Data of the 2004 Form 10-K, which we filed with the SEC on April 21, 2005 and which provides further information on the nature and impact of the Restatement.

As described in Explanatory Note in the forepart of this report, in the 2003 Form 10-K/A, in the Form 10-Q and in the 2004 Form 10-K, we (i) previously restated our consolidated financial statements for the years 1999 through 2003 and for the first quarter of 2004 and (ii) have restated our consolidated financial statements for the years 2000 through 2003 and for the first nine months of 2004.

The Prior Restatement included the following classes of adjustments:

- adjustments concerning the capitalization and expensing of software development costs
- adjustments to the accrual of certain other costs and expenses
- adjustments to revenue and related costs for timing of recognition and transactions involving third party vendors
- changes in accounting for interest rate and fuel price derivative instruments
- reduction of the number of dilutive shares for calculation of earnings per share
- reclassifications between cost and expense categories
- reclassification of Comdata assets and liabilities
- transfer of excess pre-1999 restructuring liabilities directly to retained earnings

A more detailed description of the Prior Restatement is contained in the Form 10-Q and in the 2003 Form 10-K/A.

In addition to the Prior Restatement, we have also restated our consolidated financial statements for the years 2000 through 2003 and for the first nine months of 2004. The determination to restate these financial statements was made after errors were discovered in March and April 2005. In the Restatement, we have:

recorded accelerated amortization of the CobraServ trademark

corrected the accounting for certain leases

corrected errors in the accounting for international acquisitions

corrected other accounting errors related to the accrual of costs and expenses

reduced income tax reserves

corrected balance sheet amounts for customer funds and employee benefits

In addition, certain disclosures in other notes to our consolidated financial statements have been restated to reflect the Restatement adjustments.

The Restatement reduced our earnings before income taxes for the three months ended September 30, 2004 by $10.8 consisting of $10.2 related to accelerated amortization of the CobraServ trademark, $0.5 related to leases and $0.3 related to the accrual of costs and expenses, partially offset by an increase of $0.2 related to international acquisition accounting. The Restatement decreased our earnings before income taxes for the three months ended September 30, 2003 by $0.1 consisting of $0.5 related to leases, partially offset by increases of $0.2 related to international acquisition accounting and $0.2 related to the accrual of costs and expenses.

The Restatement reduced our earnings before income taxes for the first nine months of 2004 by $31.2 consisting of $30.6 related to accelerated amortization of the CobraServ trademark and $1.5 related to leases, partially offset by increases of $0.6 related to international acquisition accounting and $0.3 related to the accrual of costs and expenses. The Restatement increased our earnings before income taxes for the first nine months of 2003 by $0.9 consisting of $0.6 related to international acquisition accounting and $1.6 related to the accrual of costs and expenses, partially offset by a decrease of $1.3 related to leases.

The impact of the Restatement on the consolidated statements of operations for the three and nine-month periods ended September 30, 2004 and 2003 is shown in an accompanying table.

The Restatement decreased retained earnings at December 31, 2003 from $533.6 as previously reported to $528.6 as restated, which is presented on a table entitled Stockholders Equity at the beginning of these notes to consolidated financial statements. This $5.0 decrease, net of $3.8 tax, consisted of $4.0 for leases and $2.0 for international acquisition accounting, partially offset by increases of $0.9 related to income tax reserves and $0.1 related to accruals of costs and expenses.

The primary impact of the above adjustments on the September 30, 2004 and December 31, 2003 consolidated balance sheets was to intangible assets due to international acquisition adjustments, customer funds related to trust receivables, and other noncurrent liabilities due to lease adjustments. The September 30, 2004 balance sheet was also impacted by the accelerated amortization of the CobraServ trademark. The impact of the

Restatement on our consolidated balance sheets at September 30, 2004 and December 31, 2003 is shown in an accompanying table. The As Previously Reported consolidated balance sheet information at December 31, 2003 as presented in an accompanying table is as reported in the Form 10-Q. The 2004 Form 10-K also contains information related to the impact of the Restatement on the December 31, 2003 consolidated balance sheet.

The Restatement had no impact on historical cash balances or total cash flows from operating, investing or financing activities for the nine months ended September 30, 2004 and 2003. The only impact on the consolidated statements of cash flows was to reclassify certain amounts within operating cash flows.

The following is a more detailed description of the six classes of Restatement adjustments:

CobraServ trademark amortization

In March 2005, we discovered that as a result of the determination to rename the CobraServ product offering, the CobraServ trademark capitalized as part of a 1999 acquisition of our benefits services division was no longer being used. It was determined that the decision to abandon the trademark was made in January 2004 and to stop use of the CobraServ trademark in December 2004. As part of this abandonment, we began phasing out use of this trademark over the course of 2004, and the scheduled amortization expense for 2005 and future years of $40.9 was accelerated and amortized to selling, general and administrative expense in equal amounts of $10.2 over the four quarters of 2004. This treatment was applied as a change in accounting estimate under Accounting Principles Board Opinion No. 20, Accounting Changes. The impact on our consolidated balance sheets was a $10.2 reduction of other intangible assets in each of the four quarters in 2004.

Lease accounting

In April 2005, we discovered errors in our accounting for certain operating leases. Rent obligations were not being expensed on a straight-line basis in accordance with Financial Accounting Standards Board Technical Bulletin 85-3, Accounting for Operating Leases with Scheduled Rent Increases. The correction to a straight-line basis increased costs and expenses by $1.5 for the first nine months of 2004. The pretax impact for periods prior to 2004 was an expense of $6.0, which reduced retained earnings at December 31, 2003 by $4.0, net of tax.

International acquisition accounting

As part of a March 2005 review of international purchase accounting entries for acquisitions in the United Kingdom and Canada in 1995 and 1998, errors were discovered in the initial entries as well as the ongoing accounting treatment. The net impact of these adjustments was a decrease in selling, general and administrative expense of $0.6 for the first nine months of 2004. The pretax impact for periods prior to 2004 was an expense of $2.9, which reduced retained earnings at December 31, 2003 by $2.0, net of tax. We also made errors in the application of certain foreign currency translation impacts for the international operations which impacted the balance sheet accounts for goodwill, other intangible assets, capitalized software and accumulated other comprehensive income foreign currency translation.

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Accrual of costs and expenses

As part of the ongoing review of our financial statements, we discovered certain other errors related to the accuracy and timeliness of the accrual of costs and expenses. These errors generally related to the timing of expense recognition and offset each other within annual reporting periods; however, the expense recognition timing between quarters had a larger impact. These adjustments decreased selling, general and administrative expense by $0.3 for the first nine months of 2004. The pretax impact for periods prior to 2004 was a reduction in expense of $0.1, which increased retained earnings at December 31, 2003 by $0.1, net of tax. The accrual of costs and expenses adjustments consisted of:

- Casualty loss reserves
- Accrual of commissions and incentives
- Prepayment of expenses originally recorded as an investment
- Payroll taxes on third party contractors in the United Kingdom

Income tax reserves

It was determined that as a result of an error in the recording of a reduction in our income tax reserves, our liability was overstated by $0.9 as of December 31, 2003. Accordingly, a tax benefit was recorded in the fourth quarter of 2003 as part of the Restatement which increased retained earnings at December 31, 2003 by $0.9. This adjustment is in addition to the tax impact of the corrections to pretax earnings listed above.

Balance sheet corrections for customer funds and employee benefits

In reviewing our customer funds assets and liabilities we discovered that corrections needed to be made related to amounts due from customers and taxing authorities. These corrections increased customer funds assets and liabilities by $12.6 at September 30, 2004 and $11.4 at December 31, 2003. We also determined that a $2.0 employee benefits accrual should have been recorded as a current liability rather than long-term and reclassified it at September 30, 2004 and December 31, 2003.

The following table presents the effect of the Restatement on the consolidated statements of operations:

	As Previously Reported (1)		CobraServ Trademark	Leases		International Acquisitions	Accrual of Costs & Expenses		Total Adjustments	As Restated
Three months ended September 30, 2004										
Revenue	$ 328.7		$	$		$				
Stephen C. Forsyth Executive Vice President and Chief Financial Officer (6)	2007	302,884	90,305	992,700	662,175	109,695	0	48,797	2,206,556	
Robert S. Wedinger Chief Business Officer	2007	270,000	0	444,626	125,235	150,000	0	384,039	1,373,900	
Gregory E. McDaniel Group President,	2007	330,000	0	126,630	171,518	384,000	0	119,506	1,131,654	
Crop Protection	2006	315,562	0	177,925	265,237	0	(11,330)	84,901	833,295	
Lynn A. Schefsky	2007	350,000	47,500	178,488	250,470	52,500	0	94,621	973,579	
Senior Vice President and General Counsel	2006	343,100	0	164,862	262,802	0	(7,212)	85,095	848,647	
Terminated Executive										
Karen R. Osar	2007	110,000	0	0	0	0	0	408,675	518,675	
Executive Vice President and Chief Financial Officer(7)	2006	433,860	0	268,782	441,096	0	23,699	110,291	1,277,728	

(1) Base Salary includes amounts deferred into the Chemtura Employee Savings Plan, a qualified 401(k) plan, and into the Company s non-qualified Supplemental Savings Plan. Messrs. Wood, Forsyth, McDaniel, and Schefsky, and Ms. Osar, each participated in both the 401(k) plan and the Supplemental Savings Plan during 2007. Participation in the Supplemental Savings Plan will be discussed further in the Non-Qualified Deferred Compensation Table below. Registrant contributions to both the 401(k) plan and the Supplemental Savings Plan are reflected in the *Company Contributions to Defined Contribution Plans* column of the All Other Compensation table below and, by extension, in the *All Other Compensation* column of this Summary Compensation Table. Registrant contributions to the Supplemental Savings Plan also are reflected in the Non-Qualified Deferred Compensation Table below. Differences in Base Salary between 2006 and 2007 are due to the following: For Messrs. Wood and Schefsky due to the period during 2006 before 2006 salary increases became effective and 2005 salary rates were still in effect; For Mr. Wedinger, due to joining the Company during 2006 as well as due to a promotional increase during 2007; for Mr. McDaniel, due to the period during 2006 before 2006 salary increases became effective, as well as due to a promotional increase during 2007.

(2) These are amounts that were awarded as discretionary cash bonuses outside of the 2007 MIP, as described in the *Discretionary Cash Performance Compensation* section. For 2007, Mr. Forsyth was provided with a $50,000 signing bonus at hire that replaced forgone compensation from his prior employer. In addition, he received a discretionary cash bonus outside of the 2007 MIP in the amount of $40,305.

(3) These are the amounts that the Company recognized as compensation expense in its financial statements for 2006 and 2007 as determined under Statement of Financial Accounting Standards 123R (FAS123R) for options and restricted stock granted in 2006 and 2007 and certain prior years.

The assumptions used in computing the Option Awards amounts are included in Note 16 to the Company s 2007 and 2006 financial statements in the 2007 and 2006 Annual Report to Stockholders and Form 10-K. For Stock Awards, the Company sets the value of a restricted stock grant (the number of shares granted times the fair market value of the Company s stock on the date of grant times the probability of vesting) and then recognizes this expense over the vesting term.

The amounts in these columns were not actually paid to any Named Executive Officer in 2007 or 2006. The value of any restricted stock for which performance or time restrictions lapsed in 2007 is reported in the Option Exercises and Stock Vested Table below. A stock option has value only if the Company s stock price is higher than the original option exercise price at the time of grant and the executive chooses to exercise the stock option.

(4) The amounts in this column were awarded pursuant to the 2007 MIP. The 2007 MIP is detailed in the preceding Compensation Discussion and Analysis under the section *Cash Performance Based Incentive Compensation*. In 2006, the Company did not achieve minimum threshold levels of performance required for funding of awards to the Named Executive Officers from the 2006 Management Incentive Program.

(5) For 2006, all amounts disclosed by the company in this column were amounts that were earned to the non-qualified Supplemental Savings Plan account of the Named Executive Officer during 2006. In the interests of clarity, and in light of further guidance, the Company is disclosing 2007 non-qualified deferred compensation in the 2007 Non-Qualified Deferred Compensation table instead of in this column, including amounts that were earned to the non-qualified Supplemental Savings Plan account of the Named Executive Officer during 2007.

(6) Mr. Forsyth initiated his employment with the Company, effective April 30, 2007.

(7) Ms. Osar terminated her employment with the Company, effective March 30, 2007. The Company filed an 8-K on May 9, 2007 that included her severance agreement.

2007 All Other Compensation

Name of Executive	Company Contribution to Defined Contribution Plans ($)(1)	Perquisite Allowance ($)(2)	Personal Use of Company Plane(3)	Company Car ($)(4)	Company Paid Financial Planning Services	Relocation Services Provided as Exceptions to Company Policy ($)	Tax Gross ups and Reimbursements ($)	Payments Made due to Severance Agreement	Total
Robert L. Wood	90,000	75,000	9,965	31,499			22,300		228,764
Stephen C. Forsyth	27,259	21,538		0					48,797
Robert S. Wedinger	20,249	16,000				219,528 (5)	128,262		384,039
Gregory E. McDaniel	34,718	32,000		31,055			21,733		119,506
Lynn A. Schefsky	31,692	32,000		18,147			12,782		94,621
Karen R. Osar	20,263	0		38,267	7,500		2,645	340,000 (6)	408,675

(1) The amounts shown in the Company Contributions to Defined Contribution Plans column were contributed into the Chemtura Employee Savings Plan, a qualified 401(k) plan generally available to all of the Company s U.S. employees and the Supplemental Savings Plan, a non-qualified savings plan that is designed to provide benefits similar to the Chemtura Employee Savings Plan, to income that is above the level currently permitted for participation in the 401(k) plan. The benefits, including Company contributions available under these plans are described in the Savings Plans section of the Compensation Discussion & Analysis above, as well as below, in the notes to the 2007 Non-Qualified Deferred Compensation table.

(2) For 2007, each of the Named Executive Officers with the exception of Ms. Osar received a perquisite allowance. At the executive s discretion, these monies are used to cover club membership, financial planning services, company cars and other expenses at the discretion of the executive. The allowance is not grossed up for taxes. In the case of the CEO, the allowance is $75,000 as discussed in the Compensation of the Chief Executive Officer section of the Compensation Discussion and Analysis. The other Named Executive Officers receive an allowance of $32,000 or $16,000 per year depending upon position. Mr. Forsyth initiated his employment with the Company on April 30, 2007. As a result, the amount of his perquisite allowance is prorated for his time as an active employee with the Company during 2007.

(3) Mr. Wood s employment contract as discussed in the Compensation of the Chief Executive Officer section of the Compensation Discussion and Analysis indicates that he is entitled to forty hours of personal usage of the Company plane. The amount indicated reflects his 26 hours of usage for 2007.

(4) As part of the conversion to fixed amount perquisite allowances, company cars are being phased out at the time that the individual lease agreements reach their scheduled termination. Individual perquisite allowances are reduced by the amount of the lease payments until the lease ends. At the termination of the lease agreements, on a one-time basis, ownership of the automobiles was transferred at no cost to the executives, in recognition that in many cases that the perquisite allowances did not fully offset the perquisites, including cars that were provided to each of the executives. In the cases of Mr. Wood, Mr. McDaniel and Mr. Schefsky, a tax gross up was provided for the value of the automobile.

(5) Relocation services discussed in 2007 Components of Executive Compensation. *Other Personal Benefits,* above.

(6) Ms. Osar terminated her employment with the Company, effective March 30, 2007. The Company filed an 8-K on May 9, 2007 that included her severance agreement.

2007 Grants of Plan-Based Awards

Name of Executive	Grant Date	OCG Committee Meeting Approval Date (1)	Estimated Future Payouts Under Non-equity Incentive Plan Awards(2) Threshold ($)(3)	Target ($)	Maximum ($) (4)	Estimated Future Payouts Under Equity Incentive Plan Awards(5) Threshold (#)(3)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)(6)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)(7)	Closing Market Price on Grant Date ($/Sh)	Fu Gra Da Fa Val ($)(
R. L. Wood			0	1,000,000	2,000,000								
	2/16/2007	2/16/2007				0	225,000	337,500					2,713
	2/16/2007	2/16/2007							0	75,000	12.06	12.06	408
S.C. Forsyth			0	292,500	585,000								
	4/30/2007	4/24/2007				0	45,000	67,500					496
	4/30/2007	4/24/2007							45,000				496
	4/30/2007	4/24/2007								135,000	11.03	11.03	662
R.S. Wedinger			0	150,000	300,000								
	2/16/2007	2/16/2007				0	7,100	10,150					85
	2/16/2007	2/16/2007							0	23,000	12.06	12.06	125
	12/17/2007	12/17/2007							50,000				359
G. E. McDaniel			0	192,000	384,000								
	2/16/2007	2/16/2007				0	10,500	15,750					126
	2/16/2007	2/16/2007							0	31,500	12.06	12.06	171
L. A. Schefsky			0	210,000	420,000				0				
	2/16/2007	2/16/2007					14,800	22,200					178
	2/16/2007	2/16/2007								46,000	12.06	12.06	250
K.R. Osar			0	0	0				0				

(1) On February 16, 2007, the Committee approved Stock Option Grants and performance-based Restricted Stock Grants to Named Executive Officers (including the CEO) as part of the Company s annual compensation program. The stock option exercise price was set at closing trading price for the Company s stock on the New York Stock Exchange on that date.

Additional details concerning the Committee s stock option and restricted stock grant practices are included in the Long-Term Equity Incentive Compensation Program, the Stock Option Program, and the Restricted Stock Program sections of the Compensation Discussion and Analysis.

(2) The amounts shown above in the Estimated Future Payouts Under Non-Equity Incentive Plan Awards column indicates the range of potential 2007 payments that could have been made under the Company s 2007 MIP, as authorized by the 2005 Short-Term Incentive Plan. There was no minimum amount payable, so the threshold amount in all cases is zero. Target amounts reflect the Named Executive Officers target level as a percent of the executive s base salary, assuming 100% achievement of the Company s financial goals. The maximum amount is consistent with the maximum payment that can be made under the program. Additional information on performance based variable compensation is included in the Cash Performance-Based Incentive Compensation section of the Compensation Discussion and Analysis.

(3) Upon reaching the minimum threshold amount there would be no payout until such threshold had been exceeded.

(4) The maximum payout level for the MIP may be achieved in a variety of combinations of business and individual performance, but in no case will an individual payout exceed twice the target level. By example, at the maximum business performance level for both the Operating Income and Net Income After Taxes measures, the bonus level before the impact of the individual performance factor would be 200% of target. Similarly, where performance is at threshold or at target, payout could be at the maximum level, after accounting for individual performance. Conversely, bonus payout could be decreased despite high quantitative performance, and even reduced to zero, after accounting for individual performance. A discussion of individual performance factors is set forth in the *Cash Performance-based Compensation* section of the Compensation Discussion and Analysis, above.

(5) The actual number of shares that could be earned under the 2007-2009 Performance Award Program is shown in this section. There is no minimum number of shares that is payable, so the threshold amount is zero in all cases. The target levels reflect the number of shares that would be awarded if the cumulative EBITDA level indicated in this program, for the three year period 2007 through 2009 is accomplished. There are designated levels of accomplishment in the plan that would provide the Named Executive Officers with a portion of this target at predetermined levels. In addition, the Named Executive Officers could be granted as much as one and one half times the target level in the event that the maximum level of accomplishment indicated in the program is met or exceeded. Additional details concerning this program are provided in the Restricted Stock Program section in the Compensation Discussion and Analysis.

(6) The amount shown for Mr. Forsyth reflects the value of a grant made at hire in April 2007 to replace the value of foregone compensation at his prior employer. The amount shown for Mr. Wedinger reflects the value of a grant of time-based restricted stock made to him in December 2007, in recognition of his promotion to Chief Business Officer.

(7) These stock options were granted with an exercise price equal to the closing trading price on the day of grant. This was the definition of Fair Market Value indicated in the Company s 2006 Chemtura Long-Term Incentive Plan as modified at the Committee s February 2007 meeting.

(8) This column shows the full grant date fair value of restricted stock and stock option grants made in February 2007 calculated in accordance with FAS123R. These amounts were neither paid to any Named Executive Officer nor recognized by the Company as compensation expense in 2007 under FAS123R. The full grant date fair value is the amount that the Company plans to expense in its financial statements over the award s vesting schedule. The recognized compensation expenses for 2007 are shown in the Stock Awards and Stock Options columns in the Summary Compensation Table. Those compensation expense

amounts include expenses for certain restricted stock and stock option awards granted prior to 2007.

Outstanding Equity at 2007 Fiscal Year-End

	Option Awards					Stock Awards				
Name of Executive	**Option Grant Date**	**Number of Securities Underlying Unexercised Options (# Exercisable)**	**Number of Securities Underlying Unexercised Options (# Unexercisable)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Award Grant Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Robert L. Wood	1/20/2004	500,000	0	7.6400	2/19/2014					
	2/23/2005	200,000	100,000	12.9200	3/22/2015	2/23/2005			100,000	780,000
	3/6/2006	110,000	220,000	10.7500	4/5/2016	3/6/2006			110,000	858,000
	3/6/2006	73,334	146,666	10.7500	4/5/2016					
	2/16/2007	0	75,000	12.0600	2/16/2017	2/16/2007	0		225,000	1,755,000
Stephen C. Forsyth	4/30/2007	0	135,000	11.0300	4/30/2017	4/30/2007	45,000	351,000	45,000	351,000
Robert S. Wedinger						5/8/2006	1,000	7,800		
	2/16/2007	0	23,000	12.0600	2/16/2017	2/16/2007			7,100	55,380
						12/17/2006	50,000	390,000		
Gregory E. McDaniel	11/23/2004	35,000	0	11.2400	12/22/2014	11/23/2004	10,000	78,000		
	2/23/2005	22,667	11,333	12.9200	3/22/2015	2/23/2005			11,300	88,140
	1/31/2006	8,800	17,600	12.4600	2/29/2016	1/31/2006	8,800	68,640		
	3/6/2006	8,334	16,666	10.7500	4/5/2016	3/6/2006			8,300	64,740
	2/16/2007	0	31,500	12.0600	2/16/2017	2/16/2007			10,500	81,900
Lynn A. Schefsky	11/23/2004	25,000	0	11.2400	12/22/2014	11/23/2004	6,500	50,700		
	2/23/2005	22,667	11,333	12.9200	3/22/2015	2/23/2005			11,300	88,140
	1/31/2006	6,400	12,800	12.4600	2/29/2016	1/31/2006	6,400	49,920		
	3/6/2006	13,334	26,666	10.7500	4/5/2016	3/6/2006			13,300	103,740
	2/16/2007	0	46,000	12.0600	2/16/2017	2/16/2007			14,800	115,440

Option Awards Vesting Schedule

Grant Date	Vesting Schedule
1/20/2004	All on first anniversary
1/20/2004	1/2 each year, beginning with the first anniversary
11/23/2004	1/3 each year, beginning with the first anniversary
2/23/2005	1/3 each year, beginning with the first anniversary
1/31/2006	1/3 each year, beginning with the first anniversary
3/6/2006	1/3 each year, beginning with the first anniversary
2/16/2007	1/4 each year, beginning with the first anniversary
4/30/2007	1/4 each year, beginning with the first anniversary

Stock Awards Vesting Schedule

Grant Date	Vesting Schedule
1/20/2004	1/4 first anniversary; 1/4 second anniversary; and 1/2 third anniversary
1/20/2004	1/3 each year, beginning with the first anniversary
5/3/2004	1/4 first anniversary; 1/4 second anniversary; and 1/2 third anniversary
11/23/2004	1/2 fourth anniversary; and 1/2 fifth anniversary
2/23/2005	Per terms of 2005-2007 Long-Term Incentive Plan
1/31/2006	1/2 first anniversary; and 1/2 second anniversary
3/6/2006	Per terms of 2006-2008 Long-Term Incentive Plan
2/16/2007	Per terms of 2007-2009 Long-Term Incentive Plan
4/30/2007	All on second anniversary
4/30/2007	Per the terms of the 2007-2009 Performance Award Program
12/17/2007	1/3 each year, beginning with the first anniversary

Option Exercises and Stock Vested Table

	Option Awards		Stock Awards	
Name of Executive	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
R.L. Wood	0	0	179,427	1,842,792
S.C. Forsyth	0	0	0	0
R.S. Wedinger	0	0	0	0
G.E. McDaniel	0	0	9,068	104,439
L.A. Schefsky	0	0	7,868	90,819
K.R. Osar	0	0	27,638	295,478

Mr. Wood received 65,000 shares from his restricted stock grant, one-half of the 130,000 restricted shares he was granted from the 2004-2006 Long-Term Incentive Plan valued at $9.85 per share on January 19, 2007 (the fair market value calculated as the average of the high and low trading price of a share of common stock on that date); and 66,667 time-based restricted shares, one-third of the 200,000 restricted shares that he was granted on his first day of employment on January 20, 2004. These shares also vested on January 19, 2007 and were also valued at $9.85 per share. Mr. Wood received 40,000 shares, forty percent of the

100,000 restricted shares he was granted from the 2005-2007 Long-Term Incentive Plan valued at $11.675 per share on February 1, 2007 (the fair market value calculated as the average of the high and low trading price of a share of common stock on that date). The remaining shares from this grant were cancelled as of December 31, 2007 since Company performance requirements were not met. In addition, the shares received included 7,760 shares due to dividends earned valued at $78,872. This amount is included in the Value Received on Vesting shown in the above table.

Mr. McDaniel received 4,400 time-based restricted shares, one-half of the 8,800 restricted shares that he was granted on January 31, 2006 as a reward for merger integration activities related to the merger between Crompton Corporation and Great Lakes Chemical. These shares vested on January 31, 2007 and were valued at $11.35, the closing price on that date. Mr. McDaniel also received 4,520 shares, forty percent of the 11,300 restricted shares he was granted from the 2005-2007 Long-Term Incentive Plan valued at $11.675 per share on February 1, 2007 (the fair market value calculated as the average of the high and low trading price of a share of common stock on that date). The remaining shares from this grant were cancelled as of December 31, 2007 since Company performance requirements were not met. In addition, the shares received included 148 shares due to dividends earned valued at $1,727. This amount is included in the Value Received on Vesting shown in the above table.

Mr. Schefsky received 3,200 time-based restricted shares, one-half of the 6,400 restricted shares that he was granted on January 31, 2006 as a reward for merger integration activities related to the merger between Crompton Corporation and Great Lakes Chemical. These shares vested on January 31, 2007 and were valued at $11.35, the closing price on that date. Mr. Schefsky also received 4,520 shares, forty percent of the 11,300 restricted shares he was granted from the 2005-2007 Long-Term Incentive Plan valued at $11.675 per share on February 1, 2007 (the fair market value calculated as the average of the high and low trading price of a share of common stock on that date). The remaining shares from this grant were cancelled as of December 31, 2007 since Company performance requirements were not met. In addition, the shares received included 148 shares due to dividends earned valued at $1,727. This amount is included in the Value Received on Vesting shown in the above table.

Ms. Osar received 12,500 shares from her restricted stock grant, one-half of the 25,000 restricted shares she was granted from the 2004-2006 Long-Term Incentive Plan valued at $9.85 per share on January 19, 2007 (the fair market value calculated as the average of the high and low trading price on that date); and 3,900 time-based restricted shares, one-half of the 7,800 restricted shares that she was granted on January 31,2006 as a reward for merger integration activities related to the merger between Crompton Corporation and Great Lakes Chemical. These shares vested on January 31, 2007 and were valued at $11.35, the closing price on that date. Ms. Osar also received 3,900 shares, the second half of the 7,800 restricted shares that she was granted on January 31, 2006 as a reward for merger integration activities for the same transaction, on March 30, 2007. These shares were valued at $11.12, the closing price on that date and were vested early in connection with Ms. Osar s termination from Chemtura Corporation. Ms. Osar also received 6,600 shares, forty percent of the 16,500 restricted shares she was granted from the 2005-2007 Long-Term Incentive Plan valued at $11.675 per share on February 1, 2007 (the fair market value calculated as the average of the high and low trading price of a share of common stock on that date). The remaining shares from this grant were cancelled as of December 31, 2007 since Company performance requirements were not met. In addition, the shares received included 738 shares due to dividends earned valued at $7,665. This amount is included in the Value Received on Vesting shown in the above table.

Non-Qualified Deferred Compensation

2007 Non-Qualified Deferred Compensation Table

This table shows information regarding compensation amounts that the Named Executive Officers elected not to receive in current cash compensation but instead elected to defer to a later date under the non-qualified Chemtura Supplemental Savings Plan as well as Company contributions related to the Supplemental Savings Plan.

	Executive Contributions in Last Fiscal Year ($) (1)	Company Contributions in Last Fiscal Year ($)(2)	Aggregate Earnings in Last Fiscal Year ($)	Aggregate Withdrawals / Distributions ($)	Aggregate Balance at Last FYE ($) (3)
R.L. Wood	$54,500	$69,750	$43,868	$0	$917,412
S.C. Forsyth	$30,288	$20,509	($1,330)	$0	$49,294
R.S. Wedinger	$0	$0	$0	$0	$0
G.E. McDaniel	$24,642	$14,495	($23,544)	$0	$125,657
L.A. Schefsky	$9,000	$11,442	($14,060)	$0	$82,437
K.R. Osar	$11,295	$3,388	$14,544	$0	$293,353

(1) These amounts are elective deferrals of 2007 salary compensation made to the Supplemental Savings Plan during 2007. This deferred salary compensation also is included in the amount shown in the Summary Compensation Table above as Base Salary for 2007.

(2) These amounts are registrant contributions made to the Supplemental Savings Plan in 2007. These amounts represent matching and other contributions that would have been made by the registrant to the Chemtura Employee Savings Plan, a qualified 401(k) plan, on behalf of each applicable Named Executive Officer, but for certain U.S. Federal tax law limits under that plan. These registrant contributions to the Supplemental Savings Plan are reflected in the *Company Contributions to Defined Contribution Plans* column of the All Other Compensation table above and, by extension, in the *All Other Compensation* column of the Summary Compensation Table above.

(3) Balances are the total of (i) all compensation that the Named Executive Officers earned in past years (not just in 2007) but chose to defer, (ii) Company contributions made to the Supplemental Savings Plan on behalf of each applicable Named Executive Officer, and (iii) any investment earnings (or losses) on these amounts. These balances are not amounts paid out in 2007.

1 *Additional Information Regarding Non-Qualified Deferred Compensation*

Eligible executives, including eligible Named Executive Officers, may elect to defer receipt of a portion of their base annual salary and any annual cash incentive bonus into the Supplemental Savings Plan. This plan is intended to restore the benefits that a participating executive would have received under the qualified Chemtura Employee Savings Plan (including a flat Company contribution of 3% of annual base salary and annual cash incentive bonus, and a dollar-for-dollar match on elective deferrals up to a maximum of 6% of base salary and annual cash incentive bonus), but for certain contribution limits.

Contributions are held in a rabbi trust and remain assets of the Company, subject generally to the claims of the Company s creditors. A participant s or beneficiary s right to receive a payment or benefit under the Supplemental Savings Plan is no greater than the right of an unsecured general creditor of the Company.

2 *Deferral Investments*

Participants may invest their compensation deferrals into similar choices as those available in the Chemtura Savings Plan, except where precluded by law. No preferential earnings are paid to participants, including Named Executive Officers.

3 *Deferral Payouts*

At the time of election to defer amounts, the employee determines the form of distribution for their future payout. The participant has the option of receiving payouts in the form of a lump sum or a five-year or ten-year installment payout. Vesting for Company contributions is the same as under the Chemtura Employee Savings Plan, which is 25% per year, with 100% vesting after four years of service.

Upon the employee s termination from the Company or other future date specified by the employee, the amounts contributed to the Supplemental Savings Plan, plus any investment earnings on these amounts, are paid out to the employee. Payout may be subject to a six-month waiting period in compliance with Section 409A of the Internal Revenue Code. Amounts deferred into the Supplemental Savings Plan and earnings thereon are not taxed as income to the employee until paid out at the end of the deferral period. In the event that the Company s Board of Directors determines that a change-in-control of the Company (as defined in the Supplemental Savings Plan) has occurred, accelerated payout of deferral balances may occur for all participants in the plan.

Potential Payments Upon Termination or Change in Control

The tables below indicate the amount of compensation to be paid and benefits to be provided to the CEO and other Named Executive Officers as of December 31, 2007, in the event of termination of the executive s employment. The Chief Executive Officer is covered by an employment contract with the Company that was effective April 1, 2006. Details of the CEO s employment contract are provided in the Compensation of Chief Executive Officer section of the Compensation Discussion and Analysis.

Each of the other Named Executive Officers is covered by the Chemtura Corporation Executive and Key Employee Severance Plan, which was effective as of January 1, 2006, as amended by the Committee, effective April 15, 2007. Each of the Named Executive Officers is considered an Executive under this plan. The Plan provides severance and other benefits, as defined in the plan, in the event of termination prior to a change-in-control or after a change-in-control. In the event of involuntary termination prior to a change-in-control, the executive would receive: severance pay equal to one-year of base salary; continuation of medical, dental, and vision benefits following involuntary termination; and outplacement services up to a maximum of $10,000 for up to one-year. Severance benefits payable under this plan would be paid in lump sum. Involuntary termination under this plan shall not occur if the executive s employment is terminated due to transfer within the Company, death, disability, retirement, termination for cause or resignation.

In the event of involuntary termination after a change-in-control, the executive would receive severance pay equal to two times his/her annual base salary, plus the average of the annual bonuses paid to the participant in the three full fiscal years (or such full fiscal years that the participant was employed by the Company if he or she was not employed by the Company for three full fiscal years) ending immediately prior to the change-in-control. In addition, the executive would receive a prorata portion to the termination date of any annual bonus that the participant would be eligible to earn at the targeted performance level. The executive would also receive welfare benefits coverage for up to two years and two years perquisite allowance. The executive would also be eligible for outplacement services for up to two-years and up to a maximum of $20,000. All payments due the executive would be paid in lump sum as soon as administratively feasible following the effective date of any agreement. Upon a change-in-control, the participant would become fully vested in any stock options or other equity awards. In the event of a change-in-control resulting in excise tax, the Company would provide tax gross up for federal, state, local and excise tax on the change-of-control payments. If the value of payments in the event of a change-in-control is less than 10% above the value that triggers an excise tax, then the severance pay would be reduced to the amount necessary to avoid triggering the excise tax.

Individuals who participate in the Chemtura Corporation Executive and Key Employee Severance Plan are subject to restrictive covenants including non-competition for a period of one year following termination of employment for any reason and non-solicitation of the Company s employee s, clients, agents, consultants, contractors, suppliers, or any other person or entity to cease or reduce working for or doing business with

Chemtura or any of its subsidiaries or affiliates. Chemtura may seek relief, including injunctive relief and recovery of paid amounts, in the event that participants do not complete their obligations under this plan. Participants also are required to sign a general release and waiver of all claims against the Company and its subsidiaries and affiliates.

The table below, Treatment of Equity Upon Termination indicates the treatment of Chemtura stock options and restricted stock held by the Named Executive Officers under the different types of termination.

1. Treatment of Equity Upon Termination

Equity grants made during 2007 may have specific vesting treatment based on a change in employment status. The vesting treatment is based upon the form of equity and the termination reason as outlined below for awards granted in 2007 and is specific to the Named Executive Officers.

Event	Restricted Stock	Performance-Based Restricted Stock	Stock Options
Voluntary Termination of Employment	Unvested awards are cancelled upon termination.	Unvested awards are cancelled upon termination.	Unvested awards are cancelled upon termination. Vested awards may be exercised for 90 days from termination date. Vested options for individuals meeting the requirements for early retirement (age 55 plus a minimum of 5 years of service) may be exercised until the earlier of five years following termination of employment or the expiration date of the stock option grant.
Termination of Employment for Cause	Unvested awards are cancelled upon termination.	Unvested awards are cancelled upon termination.	All awards are cancelled upon termination.
Inability of Named Executive Officer to Perform His/Her Duties	Unvested awards are cancelled upon termination.	Unvested awards are cancelled upon termination.	Unvested awards are cancelled upon termination. Vested awards may be exercised for 90 days from termination date. Vested options for individuals meeting the requirements for early retirement (age 55 plus a minimum of 5 years of service) may be exercised until the earlier of five years following termination of employment or the expiration date of the stock option grant.
Termination of Employment Without Cause	Unvested awards are cancelled upon termination.	Unvested awards are cancelled upon termination.	Unvested awards are cancelled upon termination. Vested awards may be exercised for 90 days from termination date. Vested options for individuals meeting the requirements for early retirement (age 55 plus a minimum of 5 years of service) may be exercised until the earlier of five years following termination of employment or the expiration date of the stock option grant.
Change-in-Control of Company	Unvested awards vest in full upon change-in-control.	Unvested awards vest in full upon change-in-control.	Unvested awards vest in full upon completion of change-in-control.

Death of the Named Executive Officer	Unvested awards are cancelled upon termination.	Unvested awards are cancelled upon termination.	Unvested awards are cancelled upon death. Vested awards may be exercised until the earlier of one year from death or the expiration date of the stock option grant.

The Committee has the authority to vary these terms when in their judgment to do so is in the best interests of the Company.

2. Voluntary Termination or Termination of Named Executive Officer for Cause

In the event that the Named Executive Officer terminates his or her employment voluntarily or his or her employment is terminated by Company action for cause, the employee would not receive any cash severance, accelerated stock options or restricted stock or continuation of employee benefits except as required by law.

3. Inability of Named Executive Officer to Perform His/Her Duties or Death of Named Executive Officer

Name of Executive	Cash Severance ($)(1)	Prorata Bonus ($)(2)	Stock Options ($)(3)	Restricted Stock & Performance-Based Shares ($)(3)	Welfare Benefits ($)(4)	Excise Tax Gross up ($)	Outplacement ($)	Total ($)
R. L. Wood	0	1,000,000	0	0	102,183	0	0	1,102,183
S.C. Forsyth	0	292,500	0	0	25,492	0	0	317,992
R.S. Wedinger	0	150,000	0	0	12,650	0	0	162,650
G. E. McDaniel	0	192,000	0	0	14,832	0	0	206,832
L. A. Schefsky	0	210,000	0	0	11,524	0	0	221,524

(1) Unused vacation days are paid upon termination of employment, however this value would have been earned during the period of active employment and therefore is not reported here. No additional cash payments would be made.

(2) In the event of Inability to Perform or Death, the Named Executive Officer may remain eligible for a prorated 2007 MIP award based on time in position during 2007, in accordance with the terms and conditions of the 2007 MIP. The amounts shown are for a full year payment at target assuming that the executive terminated on the last day of the year.

(3) No stock options or restricted stock would vest early as a result of termination due to an inability of a named executive officer to perform his/her duties or death. Any previously vested stock options would be available for a prescribed period of time. Additional detail concerning treatment of equity upon termination is included in the "Treatment of Equity Upon Termination" at the beginning of this section.

(4) Welfare benefits in the event of termination for Inability to Perform or Death are unvested Company contributions to the Qualified 401(k) plan, which is generally available to all U.S. employees, and the unvested Company contribution to the non-Qualified Supplemental Savings Plan available only to designated employees. Benefits indicated in this column are early vesting of Company contributions to the Supplemental Savings Plan and 401(k) plan that vest in 25% increments on service anniversaries over the employee's first four years of employment. Each of the Named Executive Officers had less than four years service with the Company as of December 31, 2007.

4. Termination of Named Executive Officer Without Cause

Name of Executive	Cash Severance ($)(1)	Prorata Bonus for Year of Termin-ation ($)(2)	Acceler-ated Vesting for Stock Options ($)(3)	Accelerated Vesting for Restricted Stock & Performance-Based Shares ($)(3)	Welfare Benefits ($)(4)	Excise Tax Gross up ($)	Outplacement ($)	Total ($)
R. L. Wood	4,000,000	1,000,000	0	0	26,068	0	0	5,026,068
S.C. Forsyth	450,000	292,500	0	0	9,258	0	10,000	761,758
R.S. Wedinger	290,000	150,000	0	0	9,258	0	10,000	459,258
G. E. McDaniel	340,000	192,000	0	0	6,190	0	10,000	548,190
L. A. Schefsky	350,000	210,000	0	0	9,258	0	10,000	579,258

From time to time, Chemtura may negotiate different severance levels when it serves the best interests of the Company and its shareholders. The amounts provided are an estimate.

(1) Cash severance for Mr. Wood includes two years base salary plus target bonus as described in the CEO s employment agreement. Each of the other Named Executive Officers participated in the Chemtura Corporation Executive and Key Employee Severance plan which provides that in the event of termination of employment without cause that twelve months salary would be payable as severance.

(2) The 2007 Management Incentive Plan provides that participants may receive prorated bonus payments for their time in position. The amounts indicated for the Named Executive Officers are target amounts assuming a full year of service, with termination of employment assumed on the last day of the year.

(3) No stock options or restricted stock would vest early as a result of termination due to termination without cause. Any previously vested stock options would be available for a prescribed period of time. Additional detail concerning treatment of equity upon termination is included in the Treatment of Equity Upon Termination at the beginning of this section.

(4) In the event of a termination of employment not for cause, Mr. Wood would receive Company-paid medical insurance for himself and his family, dental insurance for himself and his family, vision insurance for himself and his family and life insurance coverage for himself and his family, all for a period of two years.

Each of the other Named Executive Officers participates in the Chemtura Corporation Executive and Key Employee Severance plan which provides that in the event of termination without cause prior to a change-in-control, the Company will continue and pay for medical, dental and vision benefits for the twelve month period following involuntary termination.

5. Change-in-Control of the Company

Name of Executive	Cash Severance ($)(1)	Prorata Bonus for Year of Termin-ation ($)(2)	Acceler-ated Vesting for Stock Options ($)(3)	Accelerated Vesting for Restricted Stock & Performance-Based Shares ($)(3)	Welfare Benefits ($)(4)	Excise Tax Gross up ($)	Outplacement ($)	Total ($)
R. L. Wood	4,338,000	1,000,000	0	2,616,315	73,153	3,151,000	25,000	11,203,468
S.C. Forsyth	1,485,000	292,500	0	702,000	82,570	988,000	20,000	3,570,070
R.S. Wedinger	580,000	150,000	0	453,180	82,570	387,000	20,000	1,672,750
G. E. McDaniel	778,732	192,000	0	262,342	76,380	0	20,000	1,329,454
L. A. Schefsky	824,667	210,000	0	296,117	82,570	506,000	20,000	1,939,354

(1) In the event of a termination following a change-in-control, Mr. Wood would receive a severance payment in an amount calculated at three times his then current base salary plus three times the average annual bonuses during the three last full fiscal years he was employed by Chemtura. Each of the Named Executive Officers would be entitled to a severance payment in an amount calculated at two times his/her then current base salary plus two times the average annual bonuses during the three last full fiscal years he/she was employed by Chemtura.

(2) Each of the Named Executive Officers would receive a target level payment for annual bonus prorated for the number of days in the year served until termination. A full-year bonus at target is shown based on the assumption that termination would occur on the last day of the year.

(3) Equity valuations assume closing price of Chemtura stock on December 31, 2007 at $7.80 per share. All unvested stock options held by Named Executive Officers were granted at prices higher than $7,80 so as a result early vesting would not result in any additional value. Restrictions on all restricted stock held by Named Executive Officers would end upon a change-in-control. The value of shares that would vest upon a change-in-control are indicated at the share value of $7.80, the closing price of a share of Chemtura stock on the last trading day of 2007. Additional detail concerning treatment of equity upon termination is included in the Treatment of Equity Upon Termination at the beginning of this section.

(4) Each of the Named Executive Officers other than Mr. Wood would receive welfare benefits in the event of a change-in-control that includes post-employment medical insurance, dental insurance, vision insurance, life insurance, and financial planning up to $15,000 in value. Mr. Wood s welfare benefits in the event of a change in control would include post-employment medical insurance, dental insurance, vision insurance and financial planning up to $25,000 in value.

DIRECTORS COMPENSATION

During 2007, the Board of Directors elected to not make any changes to Board compensation levels. The Company does not make any separate payment to the directors in the form of meeting fees.

Director Compensation Table

Name of Director	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings($)(3)	All Other Compensation ($)	Total ($)
Nigel D. T. Andrews	75,000	75,000	0	0	0	0	150,000
James W. Crownover	67,000	75,000	0	0	0	0	142,000
Robert A. Fox	72,000	75,000	0	0	0	0	147,000
Edward, P. Garden	67,000	75,000	0	0	0	0	142,000
Martin M. Hale	72,000	75,000	0	0	0	0	147,000
Roger L. Headrick	100,000	75,000	0	0	0	0	175,000
Mack G. Nichols	75,000	75,000	0	0	0	0	150,000
C. A. (Lance) Piccolo	97,000	75,000	0	0	0	0	172,000
Bruce F. Wesson	90,000	75,000	0	0	0	0	165,000

(1) Detail of Fees Earned or Paid in Cash:

Mr. Andrews: Retainer $67,000, plus Finance and Pension Committee Chairmanship $8,000

Mr. Crownover: Retainer $67,000

Mr. Fox: Retainer $67,000, plus Audit Committee service $5,000

Mr. Garden: Retainer $67,000

Mr. Hale: Retainer $67,000, plus Audit Committee service $5,000

Mr. Headrick: Retainer $67,000, plus Organization Compensation Governance Committee Chairmanship $8,000, plus Co-Lead Director $25,000

Mr. Nichols: Retainer $67,000, plus Health and Safety Chairmanship $8,000

Mr. Piccolo: Retainer $67,000, plus Audit Committee service $5,000, plus Co-Lead Director $25,000

Mr. Wesson: Retainer $67,000, plus Audit Committee Chairmanship $18,000, plus Audit Committee service $5,000

(2) Each director receives an annual stock grant of restricted stock units with a value at the date of grant of $75,000 to be settled upon such director s termination of service on the Board of Directors. Each director received a grant of 6,219 restricted stock units, calculated at the fair market value per share of $12.06 on the grant date of February 16, 2007. The fair market value per share of $12.06 was set at the closing trading price of a share of the Company s common stock on the grant date. The grant date was the date of the first Board of Directors meeting of the year. These shares earn quarterly dividends.

(3) The Company does not provide pensions for directors. Balances in the Director s Deferred Compensation accounts declined in 2007. For directors with participant accounts, the amount of the decline in each account was as follows:

Mr. Fox: ($52,782)

Mr. Headrick: (56,849)

Mr. Piccolo: ($42,038)

Mr. Wesson: ($73,021)

At December 31, 2007, the non-management directors had the following outstanding stock option awards, all of which are fully vested: Mr. Andrews, 31,677 shares; Mr. Crownover, 31,677 shares; Mr. Fox, 64,245 shares; Mr. Hale, 36,123 shares; Mr. Headrick, 64,245 shares; Mr. Nichols, 36,123 shares; Mr. Piccolo, 72,474 shares; and Mr. Wesson, 73,593 shares. The Company ceased granting stock options to directors in 2004.

SECTION 16(a) BENEFICIAL OWNERSHIP

REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company s officers and directors, as well as stockholders who own more than ten percent of a registered class of the Company s equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission and the New York Stock Exchange. Officers, directors and stockholders who own more than ten percent of such of the Company s securities are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons that no Forms 5 was required for those persons, the Company believes that during fiscal year 2007, all filings required of its officers, directors and covered stockholders were made in compliance with applicable SEC regulations.

COMMUNICATIONS WITH

THE BOARD OF DIRECTORS

Stockholders, employees and other interested parties may communicate with the Company s Board of Directors, independent co-lead directors or any member of the Board, in the following manner:

By telephone at any time, confidentially or anonymously, toll-free, by calling:

1-800-729-1514 from inside the United States or Canada, or

outside the area by calling 1-704-501-2359 (collect).

By writing, confidentially or anonymously, to:

Chemtura Corporation Board of Directors

c/o CCI

P.O. Box 461915

Charlotte, NC 28256

For further information concerning communication with members of the Company s Board of Directors, please refer to the Company s website at www.chemtura.com.

DISTRIBUTION AND ELECTRONIC

AVAILABILITY OF PROXY MATERIALS

This year, we are taking advantage of the new Securities and Exchange Commission (SEC) rules that allow companies to furnish proxy materials to shareowners via the Internet. If you received a Notice of Internet Availability of Proxy Materials (Notice) by mail, you will not receive a printed copy of the proxy materials, unless you specifically request one. The Notice instructs you on how to access and review all of the important information contained in the Proxy Statement and Annual Report, as well as how to submit your proxy over the Internet. If you received the Notice and would still like to receive a printed copy of our proxy materials, you should follow the instructions for requesting these materials included in the Notice.

We plan to mail the Notice to shareowners by April 4, 2008. We will continue to mail a printed copy of this Proxy Statement and form of proxy to certain shareowners and we expect that mailing to begin on April 4, 2008.

We first made available the proxy solicitation materials at www.proxyvote.com on or around March 28, 2008, to all stockholders entitled to vote at the annual meeting. You may also request a printed copy of the proxy solicitation materials by any of the following methods: via the Internet at www.proxyvote.com; by telephone at 1-800-579-1639; or by sending an e-mail to sendmaterial@proxyvote.com. Our 2007 Annual Report to stockholders was made available at the same time and by the same methods.

AVAILABLE INFORMATION

The Company s Internet Web site address is www.chemtura.com. The Company s Corporate Governance Principles, Code of Business Conduct and charters for its Audit Committee and its Organization, Compensation and Governance Committee are available on the Company s Web site and will be available, free of charge, to any stockholder who requests them from the Corporate Secretary at:

Chemtura Corporation

Attn: Corporate Secretary

199 Benson Road

Middlebury, CT 06749 USA

OTHER MATTERS

As of the date of this Proxy Statement, the Board of Directors does not know of any matter other than those referred to in this Proxy Statement as to which action is expected to be taken at the Annual Meeting of Stockholders.

The shares represented by proxies in the form solicited by the Board of Directors will be voted at the meeting. Where a choice is specified on the proxy with respect to a matter to be voted upon, the shares represented by the proxy will be voted in accordance with the specification so made. If no choice is specified, such shares will be voted for the election as directors of the six nominees for directorships named herein and/or to ratify the company s selection for 2008 of its independent registered public accounting firm.

If any business not referred to in this Proxy Statement shall properly come before the meeting, it is intended that those persons named as proxies will vote the proxies in accordance with their judgment of the best interests of the Company and its stockholders.

By Order of the Board of Directors,

/s/ Lynn A. Schefsky

Lynn A. Schefsky

Secretary

Dated: March 28, 2008

Appendix A

Chemtura Corporation

Charter of the Organization, Compensation and Governance Committee of the Board of Directors

Composition:

The Board of Directors annually elects, by majority vote of the directors then in office, the members, not fewer than three in number, of the Organization, Compensation and Governance Committee. All members of the committee shall be Independent Directors, as that term is defined in the corporation s Corporate Governance Principles.

Functions And Authority:

The functions and authority of the Organization, Compensation and Governance Committee include:

• annually evaluating the effectiveness of the Board, including receiving comments from all directors regarding the Board s performance, reviewing the definition of independence in the Corporate Governance Principles and ensuring compliance with the corporation s policies on independence, and reporting to the Board with an assessment of the Board s performance, to be discussed with the full Board following the end of each fiscal year;

• annually reviewing the Corporate Governance Principles and recommending to the Board, where appropriate, modifications or additions thereto;

• advising the Board with respect to the organization, size and composition of the Board and Board committees, including the appointment and removal of independent directors as members and chairmen of committees;

• identifying and screening candidates who fulfill the criteria set forth in the Corporate Governance Principles for membership on the Board utilizing, where appropriate, outside search firms;

• annually reviewing with the CEO the qualifications for Board membership in the context of the current Board membership;

• annually recommending to the Board a slate of candidates for election by the shareholders to the Board;

• obtaining, as appropriate, the services of a consulting firm to assist in the evaluation of director, chief

• executive or senior executive compensation, with the sole right to approve such firm s fee and other retention terms;

• obtaining, as appropriate, the services of a search firm, which will work for the Board with the cooperation of management, to identify director candidates, with the sole right to approve such firm s fee and other retention terms;

• advising the Board with respect to the selection of the CEO and obtaining, as appropriate, the services of a search firm to identify CEO candidates when necessary;

• annually reviewing succession plans with the CEO and the Board;

• monitoring the corporation s compliance with the requirements of the Sarbanes-Oxley Act of 2002 regarding 401(k) plans and with all other applicable laws affecting employee compensation and benefits;

• overseeing the corporation s compliance with the requirement of the New York Stock Exchange rules that shareholders approve equity compensation plans, with permitted exceptions;

• reviewing and approving corporate goals and objectives relevant to the CEO s compensation, annually evaluating the CEO s performance in light of those goals and objectives, and setting the CEO s compensation level based on this evaluation;

• approving the level of compensation for senior executive officers named in the corporation s proxy statement;

• reviewing and approving bonus and deferred compensation plans, incentive arrangements and equity ownership guidelines for executive officers;

• reviewing, approving and monitoring the Chemtura Corporation long-term incentive plans;

• receiving periodic reports on the corporation s compensation programs as they affect all employees;

• reviewing and approving (a) any employment agreements and severance arrangements; and (b) any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits;

• annually reviewing the compensation of the Board and executives of the corporation in conjunction, where appropriate, with outside experts and reporting to the Board on the results of the review;

• producing an annual report on executive compensation for inclusion in the corporation s proxy statement, in accordance with applicable rules and regulations;

• obtaining, as appropriate, the services of internal or external legal, accounting or other advisors;

• annually reviewing the structure and operations of the committee (including authority to delegate to subcommittees), committee member qualifications, and the process for appointing and removing committee members;

• annually reviewing this charter and recommending to the Board, where appropriate, modifications or additions hereto;

• performing an annual evaluation of the performance of the committee in fulfilling the functions set forth in its charter; and

• regularly reporting to the Board on the activities of the committee.

Meetings: The Organization, Compensation and Governance Committee shall meet at least three times each year.

Adopted: July 1, 2005

Appendix B

Chemtura Corporation

Charter of The Audit Committee of The Board of Directors

Composition:

The Board of Directors annually elects, by majority vote of the directors then in office and on the recommendation of the Organization, Compensation and Governance Committee, the members, not fewer than three in number, of the Audit Committee. The Board shall designate one member to serve as chairman of the committee. Audit Committee members shall meet the independence and experience requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities and Exchange Act of 1934 and the rules and regulations of the Securities and Exchange Commission. At least one member of the Audit Committee shall be an audit committee financial expert as defined by the Securities and Exchange Commission. A director who holds 20% or more of the corporation s stock (or who is a general partner, controlling shareholder or officer of any such holder) cannot serve as chairman, or be a voting member of, the Audit Committee.

Functions And Authority:

The Audit Committee is appointed by the Board to assist the Board in monitoring

(1) the integrity of the financial statements of the corporation,
(2) the independent auditor s qualifications and independence,
(3) the performance of the corporation s internal audit function and independent auditors, and
(4) the compliance by the corporation with legal and regulatory requirements.

The functions and authority of the Audit Committee include:

- Meeting periodically with the corporation s independent auditor to review the scope of the annual audit, policies relating to internal accounting and auditing procedures and controls, and the completed annual audit including any significant comments or recommendations of the auditor together with the responses of management

- Meeting periodically with management to address the corporation s policies with respect to risk assessment and risk management and major financial risk exposures and the steps management has taken to monitor and control such exposures

- Reviewing with the corporation s general counsel at least annually legal and regulatory matters that may have a material impact on the financial statements, the corporation s compliance policies and any significant reports or inquiries received from regulators or governmental agencies

- Meeting periodically with the chief financial officer, the internal auditor and the independent auditor in separate executive sessions to discuss any matters they believe should be brought to the attention of the committee (including resolving any disagreements between management and the independent auditor regarding financial reporting)

• Exercising general oversight with respect to the adequacy and effectiveness of the corporation s internal administrative, business process and accounting controls including reviewing disclosures made to the Audit Committee by the corporation s CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the corporation s internal controls

• Discussing the annual audited financial statements and quarterly financial statements with management and the independent auditor, including the corporation s disclosure under Management s Discussion and Analysis of Financial Condition and Results of Operations and the results of the independent auditor s review of the quarterly financial statements and, if so determined by the committee, recommending to the Board that the audited financial statements be included in the annual report on Form 10-K

• Discussing with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the corporation s financial statements, including any significant changes in the corporation s selection or application of accounting principles, any major issues as to the adequacy of the corporation s internal controls and any special steps adopted in light of material control deficiencies

• Reviewing and discussing quarterly reports from the independent auditors on:

(a) All critical accounting policies and practices to be used

(b) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor

(c) Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences

• Discussing earnings press releases, including the use of pro forma or adjusted GAAP information, and financial information and earnings guidance provided to analysts and rating agencies

• Discussing with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the corporation s financial statements

• Setting hiring policies regarding employees or former employees of the independent auditor

• Obtaining, as appropriate, advice and assistance from outside legal, accounting or other advisors

• Preparing annually a report to the shareholders, as required by the Securities and Exchange Commission, to be included in the corporation s proxy statement

• Obtaining and reviewing at least annually, a report by the independent auditor describing: the auditor s internal quality- control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditor, and any steps taken to deal with any such issues; and (to assess the auditor s independence) all relationships between the independent auditor and the corporation

• Evaluating together with the Board the performance of the independent auditor and the lead partner of the independent audit team and, if so determined by the Audit Committee, replacing the independent auditor

• Ensuring the rotation of the audit partners as required by law and considering whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis

• Meeting with the independent auditor prior to the audit to discuss the planning and staffing of the audit

• Reviewing the appointment and replacement of the senior internal auditing executive

• Reviewing the significant reports to management prepared by the internal auditing department and management s responses

• Discussing with the independent auditor and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit

• Selecting each year after discussion with the board (subject, if applicable, to shareholder ratification) the corporation s independent auditor, which firm is ultimately accountable to, and reports directly to, the Audit Committee

• Approving all audit and non-audit services in advance as required by law and approving all fees paid to the auditor for both audit and non-audit services, giving consideration to the possible effect that providing such non-audit services could have on the auditor s independence

• Receiving periodic reports from the independent auditor regarding the independent auditor s qualifications and independence, discussing such reports with the independent auditor, and if so determined by the Audit Committee, recommending that the Board take appropriate action to satisfy itself of the qualifications and independence of the independent auditor

- Discussing with the independent auditor those matters required to be communicated to audit committees by Statement of Auditing Standards (SAS) No. 61
- Obtaining from the independent auditor assurance that Section 10A(b) of the Securities and Exchange Act of 1934 has not been implicated
- Reviewing significant programs maintained by the corporation with respect to compliance with law and exercising oversight of the activities of the Office of Global Ethics and Compliance as well as the Corporate Compliance Committee
- Establishing procedures for handling complaints about accounting and auditing matters
- Regularly reporting to the Board concerning the activities of the committee
- Reviewing at least annually the corporation s Code of Business Conduct and Ethics
- Performing an annual evaluation of the performance of the Audit Committee
- Reviewing this charter on an annual basis and recommending to the Board appropriate modifications or additions hereto

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the corporation s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Finally, it is not the duty of the Audit Committee to conduct investigations to assure compliance with laws and regulations and the corporation s policies and code of conduct.

Meetings: The Audit Committee meets four times each year in January, March, July and October and, as necessary, at other times during the year. In addition, in each quarter in which the corporation files or releases quarterly financial statements, the chairman of the Audit Committee will meet by telephone or in person with management and the independent auditor prior to such filing or release to determine whether there have been any significant changes in the corporation s accounting principles and whether there are any items required to be communicated by the independent auditors to the Audit Committee in accordance with SAS No. 61. Based upon the outcome of this meeting, the chairman will determine whether or not to convene a meeting of the Audit Committee prior to the filing or release of the quarterly financial statements.

Adopted: April 29, 2003

Revised: January 23, 2005

CHEMTURA CORPORATION
199 BENSON ROAD

MIDDLEBURY, CT 06749

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS

If you would like to reduce the costs incurred by Chemtura Corporation in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Chemtura Corporation, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: CHTUR1 KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

CHEMTURA CORPORATION	**For** All	**Withhold** All	**For All** Except	To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.
THE BOARD OF DIRECTORS RECOMMEND A VOTE FOR ITEMS 1, 2 AND 3.				
Vote on Directors	o	o	o	

1. ELECTION OF DIRECTORS

Nominees:

01)	Nigel D.T. Andrews	04)	C. A. (Lance) Piccolo
02)	Robert A. Fox	05)	Bruce F. Wesson
03)	Martin M. Hale	06)	Robert L. Wood

Vote on Proposals	**For**	**Against**	**Abstain**
2. Proposal to ratify Chemtura Corporation s selection for the calendar year 2008 of KPMG LLP as its independent registered public accounting firm.	o	o	o

The shares represented by this proxy when properly executed will be voted in the manner directed herein by the undersigned Stockholder(s). **If no direction is made, this proxy will be voted FOR items 1, 2 and 3.** If any other matters properly come before the meeting, or if cumulative voting is required, the person named in this proxy will vote in their discretion.

Please sign your name exactly as it appears hereon. When signing as attorney, executor, administrator, trustee or guardian, please add your title as such. When signing as joint tenants, all parties in the joint tenancy must sign. If a signer is a corporation, please sign in full corporate name by duly authorized officer.

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date

Important Notice Regarding Internet Availability of Proxy Materials for the Annual Meeting:
The Notice and Proxy Statement and Annual Report Combo Document are available at www.proxyvote.com.

CHEMTURA CORPORATION

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
ANNUAL MEETING OF STOCKHOLDERS
MAY 14, 2008

The stockholder hereby appoints **Robert L. Wood** and **Lynn A. Schefsky**, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Stock of Chemtura Corporation that the undersigned is entitled to vote at the Annual Meeting of Stockholders of to be held at 11:15 a.m., Eastern Daylight Time on May 14, 2008, at Chemtura Corporation, 199 Benson Road, Middlebury, Connecticut, and any adjournment or postponement thereof, with all powers the undersigned would have if present, upon the proposal set for the on the reverse side and in their discretion on all matters properly coming before the meeting, including those described in the Notice and Proxy Statement thereof, receipt of which is acknowledged.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE STOCKHOLDER. IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED ON THE REVERSE SIDE FOR THE BOARD OF DIRECTORS AND FOR EACH PROPOSAL. IF UNDER ITEM 1, ANY NOMINEE FOR THE BOARD OF DIRECTORS NAMED IN THE PROXY STATEMENT IS UNAVAILABLE TO SERVE, THIS PROXY WILL BE VOTED FOR SUCH SUBSTITUTE NOMINEE AS MAY BE RECOMMENDED BY THE BOARD OF DIRECTORS. THE BOARD OF DIRECTORS IS NOT AWARE OF OTHER MATTERS TO COME BEFORE THE MEETING.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE

CONTINUED AND TO BE SIGNED ON REVERSE SIDE