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OLIN CORP

FORM 10-K
(Annual Report)

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Address	OLIN CORP 190 CARONDELET PLAZA SUITE 1530 CLAYTON, MO 63105
Telephone	3144801400
CIK	0000074303
Symbol	OLN
SIC Code	2800 - Chemicals & Allied Products
Industry	Commodity Chemicals
Sector	Basic Materials
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2016

OR

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

For the transition period from _______ to ______

Commission file number 1-1070

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

Virginia	13-1872319
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
190 Carondelet Plaza, Suite 1530, Clayton, MO	**63105**
(Address of principal executive offices)	**(Zip code)**

Registrant's telephone number, including area code: (314) 480-1400

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $1 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐ Smaller Reporting Company ☐

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

As of June 30, 2016 , the aggregate market value of registrant's common stock, par value $1 per share, held by non-affiliates of registrant was approximately $4,062,589,377 based on the closing sale price as reported on the New York Stock Exchange.

As of January 31, 2017 , 165,430,330 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following document are incorporated by reference in this Form 10-K as indicated herein:

Document	Part of 10-K into which incorporated
Proxy Statement relating to Olin's Annual Meeting of Shareholders to be held in 2017	Part III

PART I

Item 1. BUSINESS

GENERAL

Olin Corporation (Olin) is a Virginia corporation, incorporated in 1892, having its principal executive offices in Clayton, MO. We are a manufacturer concentrated in three business segments: Chlor Alkali Products and Vinyls, Epoxy and Winchester. The Chlor Alkali Products and Vinyls segment manufactures and sells chlorine and caustic soda, ethylene dichloride and vinyl chloride monomer, methyl chloride, methylene chloride, chloroform, carbon tetrachloride, perchloroethylene, trichloroethylene and vinylidene chloride, hydrochloric acid, hydrogen, bleach products and potassium hydroxide, which represent 54% of 2016 sales. The Epoxy segment produces and sells a full range of epoxy materials, including allyl chloride, epichlorohydrin, liquid epoxy resins and downstream products such as converted epoxy resins and additives, which represent 33% of 2016 sales. The Winchester segment produces and sells sporting ammunition, reloading components, small caliber military ammunition and components, and industrial cartridges, which represent 13% of 2016 sales. See our discussion of our segment disclosures contained in Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

On October 5, 2015 (the Closing Date), we acquired from The Dow Chemical Company (TDCC) its U.S. Chlor Alkali and Vinyl, Global Chlorinated Organics and Global Epoxy businesses (collectively, the Acquired Business) using a Reverse Morris Trust Structure (collectively, the Acquisition). The Acquired Business's operating results are included in the accompanying financial statements since the Closing Date of the Acquisition. For segment reporting purposes, the Acquired Business's Global Epoxy operating results comprise the Epoxy segment and U.S. Chlor Alkali and Vinyl and Global Chlorinated Organics (Acquired Chlor Alkali Business) operating results combined with our former Chlor Alkali Products and Chemical Distribution segments to comprise the Chlor Alkali Products and Vinyls segment.

GOVERNANCE

We maintain an Internet website at www.olin.com . Our reports on Form 10-K, Form 10-Q and Form 8-K, as well as amendments to those reports, are available free of charge on our website, as soon as reasonably practicable after we file the reports with the Securities and Exchange Commission (SEC). Additionally, a copy of our SEC filings can be accessed from the SEC at their Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 or by calling that office of the SEC at 1-800-SEC-0330. Also, a copy of our electronically filed materials can be obtained at www.sec.gov . Our Principles of Corporate Governance, Committee Charters and Code of Conduct are available on our website at www.olin.com in the Governance Section under Governance Documents and Committees.

In May 2016 , our Chief Executive Officer executed the annual Section 303A.12(a) CEO Certification required by the New York Stock Exchange (NYSE), certifying that he was not aware of any violation of the NYSE's corporate governance listing standards by us. Additionally, our Chief Executive Officer and Chief Financial Officer executed the required Sarbanes-Oxley Act of 2002 (SOX) Sections 302 and 906 certifications relating to this Annual Report on Form 10-K, which are filed with the SEC as exhibits to this Annual Report on Form 10-K.

PRODUCTS, SERVICES AND STRATEGIES

Chlor Alkali Products and Vinyls

Products and Services

We have been involved in the chlor alkali industry for more than 120 years and are a major participant in the global chlor alkali industry. Chlorine, caustic soda and hydrogen are co-produced commercially by the electrolysis of salt. These co-produced products are produced simultaneously, and in a fixed ratio of 1.0 ton of chlorine to 1.1 tons of caustic soda and 0.03 tons of hydrogen. The industry refers to this as an Electrochemical Unit or ECU. With a demonstrated capacity of 5.8 million ECUs as of the end of 2016 , we have the largest global chlor alkali capacity, according to data from IHS, Inc. (IHS). IHS is a global information consulting company established in 1959 that provides information to a variety of industries.

Chlorine is used as a raw material in the production of thousands of products, including vinyls, urethanes, epoxy, water treatment chemicals and a variety of other organic and inorganic chemicals. A significant portion of chlorine production is consumed in the manufacture of ethylene dichloride (EDC) and vinyl chloride monomer (VCM), both of which Chlor Alkali Products and Vinyls produces. A large portion of our EDC production is utilized in the production of VCM, but we are also one of the largest global participants in merchant EDC sales. EDC and VCM are precursors for polyvinyl chloride, or PVC. PVC is a plastic used in applications such as vinyl siding, pipe, pipe fittings and automotive parts.

Our Chlor Alkali Products and Vinyls segment is one of the largest global marketers of caustic soda, including caustic soda produced by TDCC in Brazil. The off-take arrangement with TDCC in Brazil entitles the Chlor Alkali Products and Vinyls segment the right to market and sell the caustic soda produced at TDCC's Aratu, Brazil site. The diversity of caustic sourcing allows us to cost effectively supply customers worldwide. Caustic soda has a wide variety of end-use applications, the largest of which include water treatment, alumina, pulp and paper, urethanes, detergents and soaps and a variety of other organic and inorganic chemicals.

Our Chlor Alkali Products and Vinyls segment also includes the acquired chlorinated organics business which is the largest global producer of chlorinated organic products that include chloromethanes (methyl chloride, methylene chloride, chloroform and carbon tetrachloride) and chloroethenes (perchloroethylene, trichloroethylene, and vinylidene chloride). Chlorinated organics participates in both the solvent segment, as well as the intermediate segment of the global chlorocarbon industry with a focus on sustainable applications and in applications where we can benefit from our cost advantages. Intermediate products are used as feedstocks in the production of fluoropolymers, fluorocarbon refrigerants and blowing agents, silicones, cellulosics and agricultural chemicals. Solvent products are sold into end uses such as surface preparation, dry cleaning, pharmaceuticals and regeneration of refining catalysts. This business's unique technology allows us to utilize both hydrochloric acid and chlorinated hydrocarbon byproducts (RCl), produced by our other production processes, as raw materials in an integrated system. These manufacturing facilities also consume chlorine, which generates caustic soda production and sales.

We also manufacture and sell other chlor alkali-related products, including hydrochloric acid, sodium hypochlorite (bleach) and potassium hyrdroxide, which we refer to as co-products. The production of co-products, chlorinated organics and epoxy generally consume chlorine as a raw material creating downstream applications that upgrade the value of chlorine and enable caustic soda production. As industry leaders in chlorinated organics and epoxy resins, the addition of the Acquired Business creates integrated outlets for our captive chlorine. With the addition of the Acquired Business, we have increased the diversification of our high value outlets for chlorine from three to nineteen.

The Chlor Alkali Products and Vinyls segment's products are delivered by pipeline, marine vessel, deep-water and coastal barge, railcar and truck. Our chemical distribution infrastructure provides us with geographically advantaged storage capacity and provides us with a private fleet of trucks, tankers and trailers that expands our geographic coverage and enhance our service capabilities. At our largest integrated product sites, our deep-water access enables us to reach global markets.

Our Chlor Alkali Products and Vinyls segment maintains strong relationships with TDCC as both a customer and supplier. These relationships are maintained through long-term cost based contracts that provide us with a reliable supply of key raw materials and predictable and consistent demand for our end use products. Key products sold to TDCC include chlorine, cell effluent, chlorinated organics and VCM. Key raw materials received from TDCC include ethylene and electricity. Ethylene is supplied for the vinyl business under a long-term supply arrangement with TDCC whereby we receive ethylene at integrated producer economics.

Electricity, salt and ethylene are the major purchased raw materials for our Chlor Alkali Products and Vinyls segment. Electricity is the single largest raw material component in the production of chlor alkali vinyl products. Approximately 76% of our electricity is generated from natural gas or hydroelectric sources. Approximately 85% of our salt requirements are met by internal supply. The high volume nature of this industry places an emphasis on cost management and we believe that our scale, integration and raw material positions make us one of the low cost producers in the industry.

The following table lists products and services of our Chlor Alkali Products and Vinyls segment, with principal products on the basis of annual sales highlighted in bold face.

Products & Services	*Major End Uses*	*Plants & Facilities*	*Major Raw Materials & Components for Products/Services*
Chlorine/caustic soda	Pulp & paper processing, chemical manufacturing, water purification, manufacture of vinyl chloride, bleach, swimming pool chemicals and urethane chemicals	Becancour, Canada Charleston, TN Freeport, TX McIntosh, AL Niagara Falls, NY Plaquemine, LA St. Gabriel, LA	salt, electricity
Ethylene dichloride /vinyl chloride monomer	Precursor to polyvinyl chloride used in vinyl siding, plumbing and automotive parts	Freeport, TX Plaquemine, LA	chlorine, ethylene
Chlorinated organics intermediates	Used as feedstocks in the production of fluoropolymers, fluorocarbon refrigerants and blowing agents, silicones, cellulosics and agricultural chemicals	Freeport, TX Plaquemine, LA Stade, Germany	chlorine, ethylene dichloride, hydrochloric acid, methanol, RCls
Chlorinated organics solvents	Surface preparation, dry cleaning, pharmaceuticals and regeneration of refining catalysts	Freeport, TX Plaquemine, LA Stade, Germany	chlorine, ethylene dichloride, hydrochloric acid, RCls
Sodium hypochlorite (bleach)	Household cleaners, laundry bleaching, swimming pool sanitizers, semiconductors, water treatment, textiles, pulp & paper and food processing	Augusta, GA Becancour, Canada Charleston, TN Henderson, NV Lemont, IL McIntosh, AL* Niagara Falls, NY* Santa Fe Springs, CA Tracy, CA	caustic soda, chlorine
Hydrochloric acid	Steel, oil & gas, plastics, organic chemical synthesis, water & wastewater treatment, brine treatment, artificial sweeteners, pharmaceuticals, food processing and ore & mineral processing	Becancour, Canada Charleston, TN McIntosh, AL Niagara Falls, NY	chlorine, hydrogen
Potassium hydroxide	Fertilizer manufacturing, soaps, detergents & cleaners, battery manufacturing, food processing chemicals and deicers	Charleston, TN	electricity, potassium chloride
Hydrogen	Fuel source, hydrogen peroxide and hydrochloric acid	Becancour, Canada Charleston, TN Freeport, TX McIntosh, AL Niagara Falls, NY Plaquemine, LA St. Gabriel, LA	electricity, salt

* Includes low salt, high strength bleach manufacturing.

Strategies

Strengthen Our Role as Preferred Supplier in North America. Take maximum advantage of our world-scale integrated facilities on the U.S. Gulf Coast, our geographically-advantaged plants across North America and our extensive distribution network to provide a reliable and preferred supply position to our North American customers.

Capitalize on Our Low Cost Position. Our advantaged cost position is derived from shale gas, scale, integration, and deep-water ports. We expect to maximize our low cost position to export caustic soda, chlorinated organics and EDC to customers worldwide.

Optimize the Breadth of Products and Pursue Incremental Expansion Opportunities. Fully utilize the portfolio of co-products and integrated derivatives to continually upgrade chlorine and caustic soda to the highest value applications and provide expansion opportunities.

Epoxy

Products and Services

With the addition of the Acquired Business, we acquired TDCC's Global Epoxy business. The Epoxy business was one of the first major manufacturers of epoxy products, and has continued to build on a half a century of history through product innovation and technical excellence. According to data from IHS, the Epoxy segment is one of the largest fully integrated global producers of epoxy resins, curing agents and intermediates. The Epoxy segment has a favorable manufacturing cost position which is driven by a combination of scale and integration into low cost feedstocks (including chlorine, caustic soda, allylics and aromatics). The Epoxy segment produces and sells a full range of epoxy materials, including upstream products such as allyl chloride (Allyl) and epichlorohydrin (EPI), midstream products such as liquid epoxy resins (LER), and downstream products such as converted epoxy resins (CER) and additives.

The Epoxy segment serves a diverse array of applications, including wind energy, electrical laminates, marine coatings, consumer goods and composites, as well as numerous applications in civil engineering and protective coating. The Epoxy segment has important relationships with established customers, some of which span decades. Geographically, the Epoxy segment's primary markets are North America and Western Europe. The segment's product is delivered primarily by marine vessel, deep-water and coastal barge, railcar and truck.

Allyl has use, not only as a feedstock in the production of EPI, but also as a chemical intermediate in multiple industries and applications, including water purification chemicals. EPI is primarily produced as a feedstock for use in the business's epoxy resins, and also sold to epoxy producers globally who produce their own resins for end use segments such as coatings and adhesives. LER is manufactured in liquid form and cures with the addition of a hardener into a thermoset solid material offering a distinct combination of strength, adhesion and chemical resistance that is well-suited to coatings and composites applications. While LER is sold externally, a portion of LER production is further converted into CER where value-added modifications produce higher margin customer-specific resins.

Our Epoxy segment maintains strong relationships with TDCC as both a customer and supplier. These relationships are maintained through long-term cost based contracts that provide us with a reliable supply of key raw materials. Key products sold to TDCC include aromatics and key raw materials received from TDCC include propylene and benzene.

The Epoxy segment's production economics benefit from its integration into chlor alkali and aromatics which are key inputs in epoxy production. This fully integrated structure provides both access to low cost materials and significant operational flexibility. The Epoxy segment operates an integrated aromatics production chain producing cumene, phenol, acetone and bisphenol (BisA) for internal consumption and sale. The Epoxy segment's consumption of chlorine allows the Chlor Alkali Products and Vinyls segment to generate caustic soda production and sales. Chlorine used in our Epoxy segment is transferred at cost from the Chlor Alkali Products and Vinyls segment.

The following table lists products and services of our Epoxy segment, with principal products on the basis of annual sales highlighted in bold face.

Products & Services	***Major End Uses***	***Plants & Facilities***	***Major Raw Materials & Components for Products/Services***
Allylics (allyl chloride & epichlorohydrin)	Manufacturers of polymers, resins and other plastic materials, water purification, and pesticides	Freeport, TX Stade, Germany Terneuzen, Netherlands	chlor alkali, propylene
Liquid epoxy resin	Adhesives, paint and coatings, composites and flooring	Freeport, TX Guaruja, Brazil Stade, Germany	acetone, benzene, bisphenol, chlor alkali, cumene, phenol
Converted epoxy resins	Electrical laminates, paint and coatings, wind blades, electronics and construction	Baltringen, Germany Freeport, TX Guaruja, Brazil Gumi, South Korea Pisticci, Italy Rheinmunster, Germany Roberta, GA Stade, Germany Zhangjigang, China	acetone, benzene, bisphenol, chlor alkali, cumene, phenol

Strategies

Optimize Existing Cost Position. The Epoxy segment continues to drive productivity cost improvements through the entire supply chain, enhancing reliability and delivering yield improvements. With its advantaged cost position, the business will continue its focus to sell products through improved margin discipline and optimization of our integrated aromatics capabilities.

Continued Focus on Product Innovation. With a long history of leading technology and quality, the Epoxy segment is a leading global innovator. Innovation capture in resins and systems improvements, combined with process, geographic and asset mix, provide the road map to improving the profitability of the Epoxy portfolio.

Take Maximum Advantage of Our Geographical Presence. Operating ten strategically-located sites on four continents with reliable production and delivery of product enables the business to increase market share in strategic international markets and expand into attractive new emerging markets.

Winchester

Products and Services

In 2017, Winchester is in its 151 st year of operation and its 87 th year as part of Olin. Winchester is a premier developer and manufacturer of small caliber ammunition for sale to domestic and international retailers (commercial customers), law enforcement agencies and domestic and international militaries. We believe we are a leading U.S. producer of ammunition for recreational shooters, hunters, law enforcement agencies and the U.S. Armed Forces. Winchester also manufacturers industrial products that have various applications in the construction industry.

In January 2017, SIG Sauer, Inc. was awarded a $580 million, ten-year contract for the modular handgun system pistol contract by the U.S. Army. Winchester will supply the pistol ammunition as a subcontractor to SIG Sauer, Inc.

In February 2016, Winchester was awarded a five-year contract for .38 caliber, .45 caliber and 9mm ammunition to be used by the U.S. Army. The contract has the potential to generate approximately $75 million of sales over the five-year contract.

In January 2016, Winchester was awarded a five-year contract for 5.56mm, 7.62mm and .50 caliber ammunition to be used by the U.S. Army. The contract has the potential to generate approximately $300 million of sales over the five-year contract.

In March 2015, Winchester was awarded a five-year contract for 5.56mm frangible ammunition to be used for training by the U.S. Navy and U.S. Marine Corp. The contract has the potential to generate approximately $45 million of sales over the five-year contract.

In September 2014, Winchester was awarded a five-year contract to produce training ammunition for the U.S. Department of Homeland Security. The contract has the potential to generate $50 million of sales over the five-year contract.

Our legendary Winchester ® product line includes all major gauges and calibers of shotgun shells, rimfire and centerfire ammunition for pistols and rifles, reloading components and industrial cartridges. We believe we are a leading U.S. supplier of small caliber commercial ammunition.

In 2015, Winchester was recognized with the Strategic Partnership award by Cabela’s Incorporated (Cabela’s), one of the country’s largest retailers of hunting, fishing and outdoor gear. The Strategic Partnership award is given to partners who demonstrate superior performance metrics and overall contribution to the company. In April 2014, Winchester was recognized with the exclusive Overall Vendor of the Year award by Cabela’s. The Overall Vendor of the Year is Cabela’s highest merchandising vendor award across all categories and departments. Winchester was chosen from more than 3,500 merchandise suppliers for superior performance, partnership and overall contribution to the retailer.

In October 2014, Winchester was recognized by the National Association of Sporting Goods Wholesalers (NASGW) with the group’s Excellence in Ammunition Manufacturing award. The NASGW presents the award to manufacturers who best demonstrate outstanding value and service to NASGW distributor members.

Winchester has strong relationships throughout the sales and distribution chain and strong ties to traditional dealers and distributors. Winchester has also built its business with key high-volume mass merchants and specialty sporting goods retailers. Winchester has consistently developed industry-leading ammunition, which is recognized in the industry for manufacturing excellence, design innovation and consumer value. Winchester’s new ammunition products continue to receive awards from major industry publications, with recent awards including: *American Hunter* magazine’s Golden Bullseye Award as “Ammunition Product of the Year” in 2016; *Predator Xtreme* magazine’s “2015 Readers’ Choice Gold” award; *American Rifleman* magazine’s Golden Bullseye Award as “Ammunition Product of the Year” in 2015 and 2014; one of *Outdoor Life* magazine’s “Best New Hunting Loads” in 2015; *Field & Stream* magazine’s “Best of the Best” award in 2015 and 2014; *Petersen's Hunting* magazine’s 2014 “Editor’s Choice” award; *Guns & Ammo* magazine’s “2014 Ammunition of the Year” award; and *Shooting Illustrated* magazine’s “Ammunition Product of the Year” in 2014.

Winchester purchases raw materials such as copper-based strip and ammunition cartridge case cups and lead from vendors based on a conversion charge or premium. These conversion charges or premiums are in addition to the market prices for metal as posted on exchanges such as the Commodity Exchange, or COMEX, and London Metals Exchange, or LME. Winchester’s other main raw material is propellant, which is purchased predominantly from one of the U.S.’s largest propellant suppliers.

The following table lists products and services of our Winchester segment, with principal products on the basis of annual sales highlighted in bold face.

Products & Services	*Major End Uses*	*Plants & Facilities*	*Major Raw Materials & Components for Products/Services*
Winchester® sporting ammunition (shotshells, small caliber centerfire & rimfire ammunition)	Hunters & recreational shooters, law enforcement agencies	East Alton, IL Geelong, Australia Oxford, MS	brass, lead, steel, plastic, propellant, explosives
Small caliber military ammunition	Infantry and mounted weapons	East Alton, IL Oxford, MS	brass, lead, propellant, explosives
Industrial products (8 gauge loads & powder-actuated tool loads)	Maintenance applications in power & concrete industries, powder-actuated tools in construction industry	East Alton, IL Geelong, Australia Oxford, MS	brass, lead, plastic, propellant, explosives

On November 3, 2010, we announced that we had made the decision to relocate the Winchester centerfire pistol and rifle ammunition manufacturing operations from East Alton, IL to Oxford, MS. In October 2011, we opened the new centerfire pistol and rifle production facility in Oxford, MS and, during 2013, we completed the relocation of the centerfire pistol manufacturing equipment. During 2014, the centerfire rifle manufacturing equipment was in the process of being relocated, and by December 1, 2014, all commercial centerfire rifle ammunition was manufactured in Oxford, MS. During 2015 and 2016, all of Winchester's commercial centerfire pistol and rifle ammunition were manufactured in Oxford, MS. During 2016, the final rifle ammunition production equipment relocation was completed and the annual cost savings for the project reached approximately $40 million. In 2017, we expect the cost savings from the completed project to reach approximately $45 million. With the completion of the facility, we believe Winchester has the most modern centerfire ammunition production facility in North America.

Strategies

Maximize Existing Strengths. Winchester plans to seek new opportunities to fully utilize the legendary Winchester brand name and will continue to offer a full line of ammunition products to the markets we serve, with specific focus on investments that make Winchester ammunition the retail brand of choice.

Focus on Product Line Growth. With a long record of pioneering new product offerings, Winchester has built a strong reputation as an industry innovator. This includes the introduction of reduced-lead and non-lead products, which are growing in popularity for use in indoor shooting ranges and for outdoor hunting.

Cost Reduction Strategy. Winchester plans to continue to focus on strategies that will lower our costs. During 2016, we completed the relocation of our centerfire pistol and rifle ammunition manufacturing operations from East Alton, IL to Oxford, MS. Our focus will continue to optimize the Oxford facility and maximize production output.

INTERNATIONAL OPERATIONS

With the addition of the Acquired Business, our international presence increased, including the geographic regions of Europe, Asia Pacific and Latin America. Approximately 40% of Olin's 2016 sales were generated outside of the U.S., including 28% of our Chlor Alkali Products and Vinyls 2016 segment sales, 71% of our Epoxy 2016 segment sales and 9% of our Winchester 2016 segment sales. See the Note "Segment Information" of the notes to consolidated financial statements contained in Item 8, for geographic segment data. We are incorporating our segment information from that Note into this section of our Form 10-K.

CUSTOMERS AND DISTRIBUTION

Products we sell to industrial or commercial users or distributors for use in the production of other products constitute a major part of our total sales. We sell some of our products, such as epoxy resins, caustic soda and sporting ammunition, to a large number of users or distributors, while we sell others, such as chlorine and chlorinated organics in substantial quantities to a relatively small number of industrial users. With the addition of the Acquired Business, we entered into or have significant relationships with a few customers including TDCC, who was our largest customer by revenue in 2016 . We expect these relationships to continue to be significant to Olin and to represent more than 10% of our annual sales in the future. During 2016 , sales to TDCC represented approximately 15% of our total sales. No other single customer accounted for more than 4% of sales. We discuss the customers for each of our three business segments in more detail above under “Products and Services.”

We market most of our products and services primarily through our sales force and sell directly to various industrial customers, mass merchants, retailers, wholesalers, other distributors and the U.S. Government and its prime contractors.

Sales to all U.S. Government agencies and sales under U.S. Government contracting activities in total accounted for approximately 2% of sales in 2016 . Because we engage in some government contracting activities and make sales to the U.S. Government, we are subject to extensive and complex U.S. Government procurement laws and regulations. These laws and regulations provide for ongoing government audits and reviews of contract procurement, performance and administration.
Failure to comply, even inadvertently, with these laws and regulations and with laws governing the export of munitions and other controlled products and commodities could subject us or one or more of our businesses to civil and criminal penalties, and under certain circumstances, suspension and debarment from future government contracts and the exporting of products for a specified period of time.

BACKLOG

The total amount of contracted backlog was approximately $316.7 million and $312.5 million as of January 31, 2017 and 2016 , respectively. The backlog orders are in our Winchester business. Backlogs in our other businesses are not significant. Backlog is comprised of all open customer orders not yet shipped. Approximately 75% of contracted backlog as of January 31, 2017 is expected to be filled during 2017 .

COMPETITION

We are in active competition with businesses producing or distributing the same or similar products, as well as, in some instances, with businesses producing or distributing different products designed for the same uses.

Chlor alkali manufacturers in North America, with approximately 17 million tons of chlorine and 18 million tons of caustic soda capacity, account for approximately 17% of worldwide chlor alkali production capacity. According to IHS, we have the largest chlor alkali capacity in North America and globally. While the technologies to manufacture and transport chlorine and caustic soda are widely available, the production facilities require large capital investments, and are subject to significant regulatory and permitting requirements. Approximately 76% of the total North American chlor alkali capacity is located in the U.S. Gulf Coast region. There is a worldwide market for caustic soda, which attracts imports and allows exports depending on market conditions. Other large chlor alkali producers in North America include The Occidental Petroleum Corporation (Oxy) and Westlake Chemical Corporation (Westlake).

We are also a leading integrated global producer of chlorinated organic products with a strong cost position due to our scale and access to chlor alkali feedstocks. This industry includes large diversified producers such as Oxy, Westlake and Solvay S.A., as well as multiple producers located in China.

We are a major global fully integrated epoxy producer, with access to key low cost feedstocks and a cost advantaged infrastructure. The markets in which our Epoxy segment operates are highly competitive and are dependent on significant capital investment, the development of proprietary technology and maintenance of product research and development. Among our competitors are Huntsman Corporation, Trinseo S.A. and Hexion, Inc.

We are among the largest manufacturers in the U.S. of commercial small caliber ammunition based on independent market research sponsored by the National Shooting Sports Foundation (NSSF). Formed in 1961, NSSF has a membership of more than 8,000 manufacturers, distributors, firearms retailers, shooting ranges, sportsman's organizations and publishers. According to NSSF, our Winchester business, Vista Outdoor Inc. (Vista), and Remington Outdoor Company, Inc. (Remington) are the three largest commercial ammunition manufacturers in the U.S. The ammunition industry is highly competitive with us, Vista, Remington, numerous smaller domestic manufacturers and foreign producers competing for sales to the commercial ammunition customers. Many factors influence our ability to compete successfully, including price, delivery, service, performance, product innovation and product recognition and quality, depending on the product involved.

EMPLOYEES

As of December 31, 2016 , we had approximately 6,400 employees, with 5,300 working in the U.S. and 1,100 working in foreign countries. Various labor unions represent a significant number of our hourly-paid employees for collective bargaining purposes.

The following labor contracts are scheduled to expire in early 2018:

Location	*Number of Employees*	*Expiration Date*
Lemont (Chlor Alkali Products and Vinyls)	20	March 2018
Becancour (Chlor Alkali Products and Vinyls)	97	April 2018

While we believe our relations with our employees and their various representatives are generally satisfactory, we cannot assure that we can conclude these labor contracts or any other labor agreements without work stoppages and cannot assure that any work stoppages will not have a material adverse effect on our business, financial condition or results of operations.

RESEARCH ACTIVITIES; PATENTS

Our research activities are conducted on a product-group basis at a number of facilities. Company-sponsored research expenditures were $10.9 million in 2016 , $4.9 million in 2015 and $4.1 million in 2014 .

We own or license a number of patents, patent applications and trade secrets covering our products and processes. We believe that, in the aggregate, the rights under our patents and licenses are important to our operations, but we do not consider any individual patent, license or group of patents and licenses related to a specific process or product to be of material importance to our total business.

SEASONALITY

Our sales are affected by the cyclicality of the economy and the seasonality of several industries we serve, including building and construction, coatings, infrastructure, electronics, automotive, bleach, refrigerants and ammunition. The seasonality of the ammunition business is typically driven by the U.S. fall hunting season. Our chlor alkali businesses generally experience their highest level of activity during the spring and summer months, particularly when construction, refrigerants, coatings and infrastructure activity is higher. The chlor alkali industry is cyclical, both as a result of changes in demand for each of the co-produced products and as a result of the large increments in which new capacity is added and removed. Because chlorine and caustic soda are produced in a fixed ratio, the supply of one product can be constrained both by the physical capacity of the production facilities and/or by the ability to sell the co-produced product. Prices for both products respond rapidly to changes in supply and demand. The cyclicality of the chlor alkali industry has further impacts on downstream products. With the addition of the Acquired Business, we have significantly increased the diversification of our chlorine outlets allowing us to better manage the cyclical nature of the industry.

RAW MATERIALS AND ENERGY

Basic raw materials are processed through an integrated manufacturing process to produce a number of products that are sold at various points throughout the process. We purchase a portion of our raw material requirements and also utilize internal resources, co-products and finished goods as raw materials for downstream products. We believe we have reliable sources of supply for our raw materials under normal market conditions. However, we cannot predict the likelihood or impact of any future raw material shortages.

The principal basic raw materials for our production of Chlor Alkali Products and Vinyls' products are electricity, salt, ethylene, potassium chloride, methanol and hydrogen. A portion of our purchases of our raw materials, including ethylene and electricity, are made under long-term supply agreements, while approximately 85% of the salt used in our Chlor Alkali Products and Vinyls segment is produced from internal resources.

The Epoxy segment's principal raw materials are chlorine, benzene, propylene and aromatics which consist of cumene, phenol, acetone and BisA. A portion of our purchases of our raw materials, including benzene, propylene and a portion of our aromatics requirements, are made under long-term supply agreements, while a portion of our aromatics requirements are produced from our integrated production chain. Chlorine is predominately sourced from our Chlor Alkali Products and Vinyls segment.

Lead, brass and propellant are the principal raw materials used in the Winchester business. We typically purchase our ammunition cartridge case cups and copper-based strip, and propellants pursuant to multi-year contracts.

Electricity is the predominant energy source for our manufacturing facilities. Approximately 76% of our electricity is generated from natural gas or hydroelectric sources. In conjunction with the Acquisition, we entered into long-term power supply contracts with TDCC in addition to acquiring power assets which allow for cost differentiation at specific U.S. manufacturing sites. During 2016, Olin entered into additional arrangements to increase our supply of low cost electricity.

We provide additional information with respect to specific raw materials in the tables set forth under "Products and Services."

ENVIRONMENTAL AND TOXIC SUBSTANCES CONTROLS

As is common in our industry, we are subject to environmental laws and regulations related to the use, storage, handling, generation, transportation, emission, discharge, disposal and remediation of, and exposure to, hazardous and non-hazardous substances and wastes in all of the countries in which we do business.

The establishment and implementation of national, state or provincial and local standards to regulate air, water and land quality affect substantially all of our manufacturing locations around the world. Laws providing for regulation of the manufacture, transportation, use and disposal of hazardous and toxic substances, and remediation of contaminated sites have imposed additional regulatory requirements on industry, particularly the chemicals industry. In addition, implementation of environmental laws has required and will continue to require new capital expenditures and will increase operating costs.

We employ waste minimization and pollution prevention programs at our manufacturing sites and we are a party to various governmental and private environmental actions associated with former waste disposal sites and past manufacturing facilities. Charges to income for investigatory and remedial efforts were $9.2 million , $15.7 million and $9.6 million for the years ended December 31, 2016, 2015 and 2014, respectively. These charges may be material to operating results in future years.

In connection with the Acquisition, TDCC retained liabilities relating to releases of hazardous materials and violations of environmental law to the extent arising prior to the Closing Date.

See our discussion of our environmental matters contained in Item 3—"Legal Proceedings" below, the Note "Environmental" of the notes to consolidated financial statements contained in Item 8 and Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 1A. RISK FACTORS

In addition to the other information in this Form 10-K, the following factors should be considered in evaluating Olin and our business. All of our forward-looking statements should be considered in light of these factors. Additional risks and uncertainties that we are unaware of or that we currently deem immaterial also may become important factors that affect us.

Sensitivity to Global Economic Conditions and Cyclicality—Our operating results could be negatively affected during economic downturns.

The business of most of our customers, particularly our vinyl, urethanes and pulp and paper customers are, to varying degrees, cyclical and have historically experienced periodic downturns. These economic and industry downturns have been characterized by diminished product demand, excess manufacturing capacity and, in some cases, lower average selling prices. Therefore, any significant downturn in our customers' businesses or in global economic conditions could result in a reduction in demand for our products and could adversely affect our results of operations or financial condition.

Although we historically have not sold a large percentage of our products directly to customers abroad, a large part of our financial performance is dependent upon a healthy economy beyond North America because our customers sell their products abroad. Additionally, the percentage of our sales to customers abroad has increased significantly since the Acquired Business derives a larger portion of its sales from customers outside the U.S. As a result, our business is and will continue to be affected by general economic conditions and other factors in Europe, Asia Pacific, particularly China and Japan, and Latin America, including fluctuations in interest rates, customer demand, labor and energy costs, currency changes and other factors beyond our control. The demand for our customers' products, and therefore, our products, is directly affected by such fluctuations. In addition, our customers could decide to move some or all of their production to lower cost, offshore locations, and this could reduce demand in North America for our products. We cannot assure you that events having an adverse effect on the industries in which we operate will not occur or continue, such as a downturn in the European, Asia Pacific, particularly China and Japan, Latin American, or world economies, increases in interest rates or unfavorable currency fluctuations. Economic conditions in other regions of the world, predominantly Asia and Europe, can increase the amount of caustic soda produced and available for export to North America. The increased caustic soda supply can put downward pressure on our caustic soda prices, negatively impacting our profitability.

Cyclical Pricing Pressure—Our profitability could be reduced by declines in average selling prices of our products, particularly declines in ECU netbacks for chlorine and caustic soda.

Our historical operating results reflect the cyclical and sometimes volatile nature of the chemical and ammunition industries. We experience cycles of fluctuating supply and demand in each of our business segments, particularly in our Chlor Alkali Products and Vinyls segment, which result in changes in selling prices. Periods of high demand, tight supply and increasing operating margins tend to result in increases in capacity and production until supply exceeds demand, generally followed by periods of oversupply and declining prices. Another factor influencing demand and pricing for chlorine and caustic soda is the price of natural gas. Higher natural gas prices increase our customers' and competitors' manufacturing costs, and depending on the ratio of crude oil to natural gas prices, could make them less competitive in world markets.

In the chlor alkali industry, price is the major supplier selection criterion. We have little or no ability to influence prices in these large commodity markets. Decreases in the average selling prices of our products could have a material adverse effect on our profitability. While we strive to maintain or increase our profitability by reducing costs through improving production efficiency, emphasizing higher margin products and by controlling transportation, selling and administration expense, we cannot assure you that these efforts will be sufficient to offset fully the effect of possible decreases in pricing on operating results.

Because of the cyclical nature of our businesses, we cannot assure you that pricing or profitability in the future will be comparable to any particular historical period, including the most recent period shown in our operating results. We cannot assure you that the chlor alkali industry will not experience adverse trends in the future, or that our business, financial condition and results of operations will not be adversely affected by them.

Our Winchester and Epoxy segments are also subject to changes in operating results as a result of cyclical pricing pressures, but to a lesser extent than our Chlor Alkali Products and Vinyls segment. Selling prices of ammunition and epoxy materials are affected by changes in raw material costs and availability and customer demand, and declines in average selling prices of products of our Winchester and Epoxy segments could adversely affect our profitability.

Raw Materials—Availability of purchased feedstocks and energy, and the volatility of these costs, impact our operating costs and add variability to earnings.

Purchased feedstock and energy costs account for a substantial portion of our total production costs and operating expenses. We purchase certain raw materials as feedstocks.

Feedstock and energy costs generally follow price trends in crude oil and natural gas, which are sometimes volatile. Ultimately, the ability to pass on underlying cost increases is dependent on market conditions. Conversely, when feedstock and energy costs decline, selling prices generally decline as well. As a result, volatility in these costs could impact our business, financial condition and results of operations.

If the availability of any of our principal feedstocks is limited or we are unable to obtain natural gas or energy from any of our energy sources, we may be unable to produce some of our products in the quantities demanded by our customers, which could have a material adverse effect on plant utilization and our sales of products requiring such raw materials. In connection with the Acquisition, we entered into long-term supply agreements with TDCC for certain raw materials, including ethylene, propylene and benzene. The initial term of the majority of these supply agreements is either five or ten years (a small number of agreements have shorter or longer initial terms) beginning on the Closing Date. As these contracts with TDCC and other third-party contracts expire, we may be unable to renew these contracts or obtain new long-term supply agreements on terms comparable or as favorable to us, depending on market conditions, which may have a material adverse effect on our business, financial condition and results of operations. In addition, many of our long-term contracts contain provisions that allow their suppliers to limit the amount of raw materials shipped to us below the contracted amount in force majeure circumstances. If we are required to obtain alternate sources for raw materials because TDCC or any other supplier is unwilling or unable to perform under raw material supply agreements or if a supplier terminates its agreements with us, we may not be able to obtain these raw materials from alternative suppliers or obtain new long-term supply agreements on terms comparable or favorable to us.

Indebtedness—Our indebtedness could adversely affect our financial condition.

As of December 31, 2016 , we had $3,617.6 million of indebtedness outstanding. Outstanding indebtedness does not include amounts that could be borrowed under our $500.0 million senior revolving credit facility, under which $483.4 million was available for borrowing as of December 31, 2016 because we had issued $16.6 million of letters of credit. As of December 31, 2016 , our indebtedness represented 61.4% of our total capitalization. At December 31, 2016 , $80.5 million of our indebtedness was due within one year. Despite our level of indebtedness, we expect to continue to have the ability to borrow additional debt.

Our indebtedness could have important consequences, including but not limited to:

- limiting our ability to fund working capital, capital expenditures, and other general corporate purposes;
- limiting our ability to accommodate growth by reducing funds otherwise available for other corporate purposes and to compete, which in turn could prevent us from fulfilling our obligations under our indebtedness;
- limiting our operational flexibility due to the covenants contained in our debt agreements;
- to the extent that our debt is subject to floating interest rates, increasing our vulnerability to fluctuations in market interest rates;
- limiting our ability to pay cash dividends;
- limiting our flexibility for, or reacting to, changes in our business or industry or economic conditions, thereby limiting our ability to compete with companies that are not as highly leveraged; and
- increasing our vulnerability to economic downturns.

Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt will depend on a range of economic, competitive and business factors, many of which are outside our control. There can be no assurance that our business will generate sufficient cash flow from operations to make these payments. If we are unable to meet our expenses and debt obligations, we may need to refinance all or a portion of our indebtedness before maturity, sell assets or issue additional equity. We may not be able to refinance any of our indebtedness, sell assets or issue additional equity on commercially reasonable terms or at all, which could cause us to default on our obligations and impair our liquidity. Our

inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our debt obligations on commercially reasonable terms, would have a material adverse effect on our business, financial condition and results of operations, as well as on our ability to satisfy our debt obligations.

Credit Facilities—Weak industry conditions could affect our ability to comply with the financial maintenance covenants in our senior credit facilities.

Our senior credit facilities include certain financial maintenance covenants requiring us to not exceed a maximum leverage ratio and to maintain a minimum coverage ratio.

Depending on the magnitude and duration of chlor alkali cyclical downturns, including deterioration in prices and volumes, there can be no assurance that we will continue to be in compliance with these ratios. If we failed to comply with either of these covenants in a future period and were not able to obtain waivers from the lenders, we would need to refinance our current senior credit facilities. However, there can be no assurance that such refinancing would be available to us on terms that would be acceptable to us or at all.

Suppliers—We rely on a limited number of outside suppliers for specified feedstocks and services.

We obtain a significant portion of our raw materials from a few key suppliers. If any of these suppliers are unable to meet their obligations under present or any future supply agreements, we may be forced to pay higher prices to obtain the necessary raw materials. Any interruption of supply or any price increase of raw materials could have a material adverse effect on our business, financial condition and results of operations. In connection with the Acquisition, we entered into agreements with TDCC to provide specified feedstocks and services for the facilities operated by the Acquired Business. These facilities will be dependent upon TDCC's infrastructure for services such as wastewater and ground water treatment. Any failure of TDCC to perform its obligations under those agreements could adversely affect the operation of the affected facilities and our business, financial condition and results of operations. Many of the agreements relating to these feedstocks and services have initial terms ranging from several years to 20 years. Most of these agreements are automatically renewable, but may be terminated by us or TDCC after specified notice periods. If we are required to obtain an alternate source for these feedstocks or services, we may not be able to obtain pricing on as favorable terms. Additionally, we may be forced to pay additional transportation costs or to invest in capital projects for pipelines or alternate facilities to accommodate railcar or other delivery methods or to replace other services.

A vendor may choose, subject to existing contracts, to modify its relationship due to general economic concerns or concerns relating to the vendor or us, at any time. Any significant change in the terms that we have with our key suppliers could materially adversely affect our business, financial condition and results of operation, as could significant additional requirements from its suppliers that we provide them additional security in the form of prepayments or posting letters of credit.

Cost Control—Our profitability could be reduced if we experience increasing raw material, utility, transportation or logistics costs, or if we fail to achieve targeted cost reductions.

Our operating results and profitability are dependent upon our continued ability to control, and in some cases reduce, our costs. In addition, our expected benefits from the Acquisition are dependent upon our ability to reduce our costs following the Closing Date. If we are unable to do so, or if costs outside of our control, particularly our costs of raw materials, utilities, transportation and similar costs, increase beyond anticipated levels, our profitability will decline and we will not realize the level of cost reductions anticipated following the Closing Date.

For example, our chlor alkali product transportation costs, particularly railroad shipment costs, are a significant portion of our cost of goods sold, and have been increasing over the past several years. Part of the anticipated cost reductions from the Acquisition are due to transportation cost efficiencies from the increased number of manufacturing locations and the Acquired Business's utilization of diverse modes of delivery for products, which we currently deliver by rail. If transportation costs continue to increase, and we are unable to control those costs or pass the increased costs on to customers, our profitability in our Chlor Alkali Products and Vinyls and Epoxy segments would be negatively affected. Similarly, costs of commodity metals and other materials used in our Winchester business, such as copper and lead, can vary. If we experience significant increases in these costs and are unable to raise our prices to offset the higher costs, the profitability in our Winchester business would be negatively affected.

Production Hazards—Our facilities are subject to operating hazards, which may disrupt our business.

We are dependent upon the continued safe operation of our production facilities. Our production facilities are subject to hazards associated with the manufacture, handling, storage and transportation of chemical materials and products and ammunition, including leaks and ruptures, explosions, fires, inclement weather and natural disasters, unexpected utility disruptions or outages, unscheduled downtime, transportation interruptions, transportation accidents involving our chemical products, chemical spills and other discharges or releases of toxic or hazardous substances or gases and environmental hazards. From time to time in the past, we have had incidents that have temporarily shut down or otherwise disrupted our manufacturing, causing production delays and resulting in liability for workplace injuries and fatalities. Some of our products involve the manufacture and/or handling of a variety of explosive and flammable materials. Use of these products by our customers could also result in liability if an explosion, fire, spill or other accident were to occur. We cannot assure you that we will not experience these types of incidents in the future or that these incidents will not result in production delays or otherwise have a material adverse effect on our business, results of operations or financial condition. In the past, major hurricanes have caused significant disruption in the Acquired Business's operations on the U.S. Gulf Coast, logistics across the region and the supply of certain raw materials, which had an adverse impact on volume and cost for some of the Acquired Business's products. Due to the substantial presence we have on the U.S. Gulf Coast, similar severe weather conditions or other natural phenomena in the future could negatively affect our results of operations.

Third Party Transportation—We rely heavily on third party transportation, which subjects us to risks and costs that we cannot control, and which risks and costs may have a material adverse effect on our financial position or results of operations.

We rely heavily on railroad, truck, marine vessel, barge and other shipping companies to transport finished products to customers and to transport raw materials to the manufacturing facilities used by each of our businesses. These transport operations are subject to various hazards and risks, including extreme weather conditions, work stoppages and operating hazards, as well as interstate transportation regulations. In addition, the methods of transportation we utilize, including shipping chlorine and other chemicals by railroad and by barge, may be subject to additional, more stringent and more costly regulations in the future. If we are delayed or unable to ship finished products or unable to obtain raw materials as a result of any such new regulations or public policy changes related to transportation safety, or these transportation companies' failure to operate properly, or if there were significant changes in the cost of these services due to new additional regulations, or otherwise, we may not be able to arrange efficient alternatives and timely means to obtain raw materials or ship goods, which could result in a material adverse effect on our business, financial position or results of operations. If any third-party railroad which we utilize to transport chlorine and other chemicals ceases to transport toxic-by-inhalation hazardous ("TIH") materials, or if there are significant changes in the cost of shipping TIH materials by rail or otherwise, we may not be able to arrange efficient alternatives and timely means to deliver our products or at all, which could result in a material adverse effect on our business, financial position or results of operations.

Security and Chemicals Transportation—New regulations on the transportation of hazardous chemicals and/or the security of chemical manufacturing facilities and public policy changes related to transportation safety could result in significantly higher operating costs.

The transportation of our products and feedstocks, including transportation by pipeline, and the security of our chemical manufacturing facilities are subject to extensive regulation. Government authorities at the local, state and federal levels could implement new or stricter regulations that would impact the security of chemical plant locations and the transportation of hazardous chemicals. Our Chlor Alkali Products and Vinyls segment could be adversely impacted by the cost of complying with any new regulations. Our business also could be adversely affected if an incident were to occur at one of our facilities or while transporting product. The extent of the impact would depend on the requirements of future regulations and the nature of an incident, which are unknown at this time.

Effects of Regulation—Changes in legislation or government regulations or policies could have a material adverse effect on our financial position or results of operations.

Legislation that may be passed by Congress or other legislative bodies or new regulations that may be issued by federal and other administrative agencies, including import and export duties and quotas, anti-dumping regulations and related tariffs, could significantly affect the sales, costs and profitability of our business. The chemical and ammunition industries are subject to legislative and regulatory actions, which could have a material adverse effect on our business, financial position or results of operations. Existing and future government regulations and laws may reduce the demand for our products, including certain chlorinated organic products, such as dry cleaning solvents. Any decrease in the demand for chlorinated organic products could result in lower unit sales and lower selling prices for such chlorinated organic products, which would have a material adverse effect on our business, financial condition and results of operations.

Imbalance in Demand for Our Chlor Alkali Products—A loss of a substantial customer for our chlorine or caustic soda could cause an imbalance in customer demand for these products, which could have an adverse effect on our results of operations.

Chlorine and caustic soda are produced simultaneously and in a fixed ratio of 1.0 ton of chlorine to 1.1 tons of caustic soda. The loss of a substantial chlorine or caustic soda customer could cause an imbalance in customer demand for our chlorine and caustic soda products. An imbalance in customer demand may require Olin to reduce production of both chlorine and caustic soda or take other steps to correct the imbalance. Since Olin cannot store large quantities of chlorine, we may not be able to respond to an imbalance in customer demand for these products as quickly or efficiently as some of our competitors. If a substantial imbalance occurred, we would need to reduce prices or take other actions that could have a material adverse impact on our business, results of operations and financial condition.

Integration of Information Technology Systems—Operation on multiple Enterprise Resource Planning ("ERP") information systems, and the conversion from multiple systems to a single system, may negatively impact our operations.

We are highly dependent on our information systems infrastructure in order to process orders, track inventory, ship products in a timely manner, prepare invoices to our customers, maintain regulatory compliance and otherwise carry on our business in the ordinary course. We currently operate on an ERP information system and the Acquired Business operates on a separate ERP system. Since we are required to process and reconcile our information from multiple systems, the chance of errors has increased, and we may incur significant additional costs related thereto. Inconsistencies in the information from multiple ERP systems could adversely impact our ability to manage our business efficiently and may result in heightened risk to our ability to maintain our books and records and comply with regulatory requirements. We expect that we will transition all or a portion of the operations of the Acquired Business from one ERP system to another. The transition to a different ERP system involves numerous risks, including:

- diversion of management's attention away from normal daily business operations;
- loss of, or delays in accessing, data;
- increased demand on our operations support personnel;
- increased costs;
- initial dependence on unfamiliar systems while training personnel to use new systems; and
- increased operating expenses resulting from training, conversion and transition support activities.

Any of the foregoing could result in a material increase in information technology compliance or other related costs, and could materially and negatively impact our business, results of operations or financial condition.

Information Security—A failure of our information technology systems, or an interruption in their operation due to internal or external factors including cyber-attacks, could have a material adverse effect on our business, financial condition or results of operations.

Our operations are dependent on our ability to protect our information systems, computer equipment and information databases from systems failures. We rely on our information technology systems generally to manage the day-to-day operation of our business, operate elements of our manufacturing facilities, manage relationships with our customers, fulfill customer orders and maintain our financial and accounting records. Failure of our information technology systems could be caused by internal or external events, such as incursions by intruders or hackers, computer viruses, cyber-attacks, failures in hardware or software, or power or telecommunication fluctuations or failures. The failure of our information technology systems to perform as anticipated for any reason or any significant breach of security could disrupt our business and result in numerous adverse consequences, including reduced effectiveness and efficiency of operations, increased costs or loss of important information, any of which could have a material adverse effect on our business, financial condition or results of operations. We have technology and information security processes and disaster recovery plans in place to mitigate our risk to these vulnerabilities. However, these measures may not be adequate to ensure that our operations will not be disrupted, should such an event occur.

Litigation and Claims—We are subject to litigation and other claims, which could cause us to incur significant expenses.

We are a defendant in a number of pending legal proceedings relating to our present and former operations. These include product liability claims relating to ammunition and firearms and proceedings alleging injurious exposure of plaintiffs to various chemicals and other substances (including proceedings based on alleged exposures to asbestos). Frequently, the proceedings alleging injurious exposure involve claims made by numerous plaintiffs against many defendants. Because of the inherent uncertainties of litigation, we are unable to predict the outcome of these proceedings and therefore cannot determine whether the financial impact, if any, will be material to our financial position, cash flows or results of operations.

Environmental Costs—We have ongoing environmental costs, which could have a material adverse effect on our financial position or results of operations.

Our operations and assets are subject to extensive environmental, health and safety regulations, including laws and regulations related to air emissions, water discharges, waste disposal and remediation of contaminated sites. The nature of our operations and products, including the raw materials we handle, exposes us to the risk of liabilities, obligations or claims under these laws and regulations due to the production, storage, use, transportation and sale of materials that can cause contamination or personal injury, including, in the case of chemicals, potential releases into the environment. Environmental laws may have a significant effect on the costs of use, transportation and storage of raw materials and finished products, as well as the costs of the storage and disposal of wastes. In addition, we are party to various governmental and private environmental actions associated with past manufacturing facilities and former waste disposal sites. We have incurred, and expect to incur, significant costs and capital expenditures in complying with environmental laws and regulations.

The ultimate costs and timing of environmental liabilities are difficult to predict. Liabilities under environmental laws relating to contaminated sites can be imposed retroactively and on a joint and several basis. One liable party could be held responsible for all costs at a site, regardless of fault, percentage of contribution to the site or the legality of the original disposal. We could incur significant costs, including clean-up costs, natural resource damages, civil or criminal fines and sanctions and third-party lawsuits claiming, for example, personal injury and/or property damage, as a result of past or future violations of, or liabilities under, environmental or other laws.

In addition, future events, such as changes to or more rigorous enforcement of environmental laws, could require us to make additional expenditures, modify or curtail our operations and/or install pollution control equipment. It is possible that regulatory agencies may enact new or more stringent clean-up standards for chemicals of concern, including chlorinated organic products that we manufacture. This could lead to expenditures for environmental remediation in the future that are additional to existing estimates.

Accordingly, it is possible that some of the matters in which we are involved or may become involved may be resolved unfavorably to us, which could materially adversely affect our business, financial position, cash flows or results of operations. See “Environmental Matters” contained in Item 7—“Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Integration—Our integration of the Acquired Business may not be successful in realizing the anticipated benefits from the Acquisition.

As a result of the addition of the Acquired Business, we have significantly more sales, assets and employees than we did prior to the Closing Date. The integration process requires us to expend capital and significantly expand the scope of our operations and financial systems.

It may not be possible to realize the benefits of the increased sales volume and other benefits, including the expected synergies that are expected to result from the addition of the Acquired Business, or realize these benefits within the time frame that is expected. The costs to realize the anticipated synergies, including integration fees and capital spending, may be greater than anticipated. For example, the elimination of duplicative costs may not be possible or may take longer than anticipated, or the benefits from the Acquisition may be offset by costs incurred or delays in integrating the companies. In addition, the quantification of synergies expected to result from the Acquisition is based on significant estimates and assumptions that are subjective in nature and inherently uncertain. The amount of synergies actually realized, if any, and the time periods in which any such synergies are realized, could differ materially from the expected synergies discussed in this document, regardless of whether we are able to combine the two business operations successfully.

If we are unable to successfully realize the anticipated synergies and other benefits of the Acquisition, there could be a material adverse effect on our business, financial condition and results of operations.

Pension Plans—The impact of declines in global equity and fixed income markets on asset values and any declines in interest rates and/or improvements in mortality assumptions used to value the liabilities in our pension plans may result in higher pension costs and the need to fund the pension plans in future years in material amounts.

Under Accounting Standards Codification (ASC) 715 “Compensation-Retirement Benefits” (ASC 715), we recorded an after-tax charge of $37.5 million ($61.0 million pretax) to shareholders’ equity as of December 31, 2016 for our pension and other postretirement plans. This charge primarily reflected a 30 -basis point decrease in the domestic pension plans’ discount rate, partially offset by favorable performance on plan assets during 2016 . In 2015, we recorded an after-tax charge of $78.8 million ($125.3 million pretax) to shareholders’ equity as of December 31, 2015 for our pension and other postretirement plans. This charge reflected unfavorable performance on plan assets during 2015, partially offset by a 50-basis point increase in the domestic pension plans’ discount rate. In 2014, we recorded an after-tax charge of $86.6 million ($142.0 million pretax) to shareholders’ equity as of December 31, 2014 for our pension and other postretirement plans. This charge reflected a 60-basis point decrease in the plans’ discount rate and the negative impact of updated mortality tables, partially offset by favorable performance on plan assets during 2014. These non-cash charges to shareholders’ equity do not affect our ability to borrow under our senior credit facility.

The determinations of pension expense and pension funding are based on a variety of rules and regulations. Changes in these rules and regulations could impact the calculation of pension plan liabilities and the valuation of pension plan assets. They may also result in higher pension costs, additional financial statement disclosure, and the need to fund the pension plan. Effective as of the Closing Date, we changed the approach used to measure service and interest costs for our defined benefit pension plans and on December 31, 2015 changed this approach for our other postretirement benefits. Prior to the Closing Date, we measured service and interest costs utilizing a single weighted-average discount rate derived from the yield curve used to measure the plan obligations. Subsequent to the Closing Date for our defined benefit pension plans and beginning in 2016 for our other postretirement benefits, we elected to measure service and interest costs by applying the specific spot rates along the yield curve to the plans’ estimated cash flows. We believe the new approach provides a more precise measurement of service and interest costs by aligning the timing of the plans’ liability cash flows to the corresponding spot rates on the yield curve. This change does not affect the measurement of our plan obligations. We have accounted for this change as a change in accounting estimate and, accordingly, have accounted for it on a prospective basis.

During the fourth quarter of 2014, the Society of Actuaries (SOA) issued the final report of its mortality tables and mortality improvement scales. The updated mortality data reflected increasing life expectancies in the U.S. During the third quarter of 2012, the “Moving Ahead for Progress in the 21st Century Act” (MAP-21) became law. The law changed the mechanism for determining interest rates to be used for calculating minimum defined benefit pension plan funding requirements. Interest rates are determined using an average of rates for a 25-year period, which can have the effect of increasing the annual discount rate, reducing the defined benefit pension plan obligation and potentially reducing or eliminating the minimum annual funding requirement. The law also increased premiums paid to the Pension Benefit Guaranty Corporation (PBGC). During the third quarter of 2014, the “Highway and Transportation Funding Act” (HATFA 2014) became law, which includes an extension of MAP-21’s defined benefit plan funding stabilization relief.

During 2016, we made a discretionary cash contribution to our domestic qualified defined benefit pension plan of $6.0 million. Based on our plan assumptions and estimates, we will not be required to make any cash contributions to the domestic qualified defined benefit pension plan at least through 2017.

We have several international qualified defined benefit pension plans to which we made cash contributions of $1.3 million in 2016, $0.9 million in 2015 and $0.8 million in 2014, and we anticipate less than $5 million of cash contributions to international qualified defined benefit pension plans in 2017.

At December 31, 2016 , the projected benefit obligation of $2,711.7 million exceeded the market value of assets in our qualified defined benefit pension plans by $633.2 million , as calculated under ASC 715.

In addition, the impact of declines in global equity and fixed income markets on asset values may result in higher pension costs and may increase and accelerate the need to fund the pension plans in future years. For example, holding all other assumptions constant, a 100-basis point decrease or increase in the assumed long-term rate of return on plan assets for our domestic qualified defined benefit pension plan would have decreased or increased, respectively, the 2016 defined benefit pension plan income by approximately $19.8 million.

Holding all other assumptions constant for our domestic qualified defined benefit pension plan, a 50-basis point decrease in the discount rate used to calculate pension income for 2016 and the projected benefit obligation as of December 31, 2016 would have decreased pension income by $0.7 million and increased the projected benefit obligation by $147.0 million. A 50-basis point increase in the discount rate used to calculate pension income for 2016 and the projected benefit obligation as of December 31, 2016 for our domestic qualified defined benefit pension plan would have increased pension income by $0.8 million and decreased the projected benefit obligation by $133.0 million.

Foreign Exchange Rates—Fluctuations in foreign currency exchange could affect our consolidated financial results.

We earn revenues, pay expenses, own assets and incur liabilities in countries using currencies other than the U.S. dollar (USD). Because our consolidated financial statements are presented in USD, we must translate revenues and expenses into USD at the average exchange rate during each reporting period, as well as assets and liabilities into USD at exchange rates in effect at the end of each reporting period. Therefore, increases or decreases in the value of the USD against other major currencies will affect our net revenues, operating income and the value of balance sheet items denominated in foreign currencies. Because of the geographic diversity of our operations, weaknesses in various currencies might occur in one or many of such currencies over time. From time to time, we may use derivative financial instruments to further reduce our net exposure to currency exchange rate fluctuations. However, we cannot assure you that fluctuations in foreign currency exchange rates, particularly the strengthening of the USD against major currencies, would not materially adversely affect our financial results.

Credit and Capital Market Conditions—Adverse conditions in the credit and capital markets may limit or prevent our ability to borrow or raise capital.

While we believe we have facilities in place that should allow us to borrow funds as needed to meet our ordinary course business activities, adverse conditions in the credit and financial markets could prevent us from obtaining financing, if the need arises. Our ability to invest in our businesses and refinance or repay maturing debt obligations could require access to the credit and capital markets and sufficient bank credit lines to support cash requirements. If we are unable to access the credit and capital markets on commercially reasonable terms, we could experience a material adverse effect on our business, financial position or results of operations.

Labor Matters—We cannot assure you that we can conclude future labor contracts or any other labor agreements without work stoppages.

Various labor unions represent a significant number of our hourly paid employees for collective bargaining purposes. The following labor contracts are scheduled to expire in early 2018:

Location	*Number of Employees*	*Expiration Date*
Lemont (Chlor Alkali Products and Vinyls)	20	March 2018
Becancour (Chlor Alkali Products and Vinyls)	97	April 2018

While we believe our relations with our employees and their various representatives are generally satisfactory, we cannot assure that we can conclude any labor agreements without work stoppages and cannot assure that any work stoppages will not have a material adverse effect on our business, financial condition or results of operations.

Ability to Attract and Retain Qualified Employees—We must attract, retain and motivate key employees, and the failure to do so may adversely affect our business, financial condition or results of operations.

We feel our success depends on hiring, retaining and motivating key employees, including executive officers. We may have difficulty locating and hiring qualified personnel. In addition, we may have difficulty retaining such personnel once hired, and key people may leave and compete against us. The loss of key personnel or our failure to attract and retain other qualified and experienced personnel could disrupt or materially adversely affect our business, financial condition or results of operations. In addition, our operating results could be adversely affected by increased costs due to increased competition for employees, higher employee turnover, which may result in the loss of significant customer business or increased costs.

If our goodwill, other intangible assets or property plant and equipment become impaired in the future, we may be required to record non-cash charges to earnings, which could be significant.

The process of impairment testing for our goodwill involves a number of judgments and estimates made by management including future cash flows, discount rates, profitability assumptions and terminal growth rates with regards to our reporting units. Our internally generated long-range plan includes cyclical assumptions regarding pricing and operating forecasts for the chlor alkali industry. If the judgments and estimates used in our analysis are not realized or are affected by external factors, then actual results may not be consistent with these judgments and estimates, and we may be required to record a goodwill impairment charge in the future, which could be significant and have an adverse effect on our financial position and results of operations.

We review long-lived assets, including property, plant and equipment and identifiable amortizing intangible assets, for impairment whenever changes in circumstances or events may indicate that the carrying amounts are not recoverable. If the fair value is less than the carrying amount of the asset, an impairment is recognized for the difference. Factors which may cause an impairment of long-lived assets include significant changes in the manner of use of these assets, negative industry or market trends, a significant underperformance relative to historical or projected future operating results, extended period of idleness or a likely sale or disposal of the asset before the end of its estimated useful life. If our property, plant and equipment and identifiable amortizing intangible assets are determined to be impaired in the future, we may be required to record non-cash charges to earnings during the period in which the impairment is determined, which could be significant and have an adverse effect on our financial position and results of operations.

We may be affected by significant restrictions following the Closing Date in order to avoid significant tax-related liabilities.

In connection with the Acquisition, we entered into a Tax Matters Agreement (the Tax Matters Agreement) with TDCC. The Tax Matters Agreement generally prohibits us and our affiliates from taking certain actions that could cause certain related transactions consummated on the Closing Date, to fail to qualify as tax-free transactions. In particular, unless an exception applies, for a two-year period following the Closing Date, we may not:

- enter into any transaction or series of transactions (or any agreement, understanding or arrangement) as a result of which one or more persons would acquire (directly or indirectly) stock comprising 50 percent or more of the vote or value of Blue Cube Spinco Inc. (Spinco) (taking into account the stock of Spinco acquired pursuant to the Agreement and Plan of Merger (Merger Agreement) and Separation Agreement dated March 26, 2015);

- redeem or repurchase any stock or stock rights;

- amend our certificate of incorporation or take any other action affecting the relative voting rights of our capital stock;

- merge or consolidate with any other person (other than pursuant to the Merger Agreement and Separation Agreement dated March 26, 2015);

- take any other action that would, when combined with any other direct or indirect changes in ownership of Spinco capital stock (including pursuant to the Merger Agreement and Separation Agreement dated March 26, 2015), have the effect of causing one or more persons to acquire stock comprising 50 percent or more of the vote or value of Spinco, or would reasonably be expected to adversely affect the tax-free status of the related transactions consummated on the Closing Date;

- discontinue the active conduct of the Acquired Business; or

- sell, transfer or otherwise dispose of assets (including stock of subsidiaries) that constitute more than 35 percent of the consolidated gross assets of Spinco and/or its subsidiaries (subject to exceptions for, among other things, ordinary course dispositions and repayments or prepayments of Spinco debt).

If we decide to take any such restricted action, we will be required to cooperate with TDCC in obtaining a supplemental Internal Revenue Service (IRS) ruling or an unqualified tax opinion acceptable to TDCC to the effect that such action will not affect the status of certain related transactions consummated on the Closing Date as tax-free transactions. However, if we take any of the above actions and such action results in tax-related losses to TDCC, then we generally will be required to indemnify TDCC for such losses, without regard to whether TDCC has given us prior consent.

Due to these restrictions and indemnification obligations under the Tax Matters Agreement, we may be limited in our ability to pursue strategic transactions, equity or convertible debt financings or other transactions that may otherwise be in our best interests. Also, our potential indemnity obligation to TDCC might discourage, delay or prevent a change of control during this two-year period that our shareholders may consider favorable to our ability to pursue strategic transactions, equity or convertible debt financings, or other transactions that may otherwise be in our best interests.

The historical financial information of the Acquired Business may not be representative of its results or financial condition if it had been operated independently of TDCC and, as a result, may not be a reliable indicator of its future results.

The financial information of the Acquired Business prior to the Closing Date and included within the unaudited pro forma financial information within this document has been derived from the consolidated financial statements and accounting records of TDCC and reflects all direct costs as well as assumptions and allocations made by TDCC management. The financial position, results of operations and cash flows of the Acquired Business presented may be different from those that would have resulted had the Acquired Business been operated independently of TDCC during the applicable periods or at the applicable dates.

The unaudited pro forma financial information of Olin and the Acquired Business is not intended to reflect what actual results of operations and financial condition would have been had Olin and the Acquired Business been a combined company for the periods presented, and therefore these results may not be indicative of Olin's future operating performance.

The unaudited pro forma financial information presented in this document is for illustrative purposes only and is not intended to, and does not purport to, represent what our actual results or financial condition would have been if the Acquisition had occurred on the relevant date. The unaudited pro forma financial information has been prepared using the acquisition method of accounting. Under the acquisition method of accounting, the purchase price is allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair values with any excess purchase price allocated to goodwill.

The unaudited pro forma financial information does not reflect the costs of any integration activities or transaction-related costs or incremental capital spending that Olin management believes are necessary to realize the anticipated synergies from the Acquisition. Accordingly, the unaudited pro forma financial information included in this document does not reflect what our results of operations or operating condition would have been had Olin and the Acquired Business been a consolidated entity during all periods presented, or what our results of operations and financial condition will be in the future.

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 2. PROPERTIES

Information concerning our principal locations from which our products and services are manufactured, distributed or marketed are included in the tables set forth under the caption "Products and Services" contained in Item 1—"Business." Generally, these facilities are well maintained, in good operating condition, and suitable and adequate for their use. Our two largest facilities are co-located with TDCC. The land in which these facilities are located is leased with a 99 year term, commencing on the Closing Date. Additionally, we lease warehouses, terminals and distribution offices and space for executive and branch sales offices and service departments. We believe our current facilities are adequate to meet the requirements of our present operations.

Item 3. LEGAL PROCEEDINGS

Saltville

We have completed all work in connection with remediation of mercury contamination at the site of our former mercury cell chlor alkali plant in Saltville, VA required to date. In mid-2003, the Trustees for natural resources in the North Fork Holston River, the Main Stem Holston River and associated floodplains, located in Smyth and Washington Counties in Virginia and in Sullivan and Hawkins Counties in Tennessee notified us of, and invited our participation in, an assessment of alleged damages to natural resources resulting from the release of mercury. The Trustees also notified us that they have made a preliminary determination that we are potentially liable for natural resource damages in said rivers and floodplains. We agreed to participate in the assessment. We and the Trustees have entered into discussions concerning a resolution of this matter. In light of the ongoing discussions and inherent uncertainties of the assessment, we cannot at this time determine whether the financial impact, if any, of this matter will be material to our financial position or results of operations. See "Environmental Matters" contained in Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

Other

As part of the continuing environmental investigation by federal, state and local governments of waste disposal sites, we have entered into a number of settlement agreements requiring us to participate in the investigation and cleanup of a number of sites. Under the terms of such settlements and related agreements, we may be required to manage or perform one or more elements of a site cleanup, or to manage the entire remediation activity for a number of parties, and subsequently seek recovery of some or all of such costs from other Potentially Responsible Parties (PRPs). In many cases, we do not know the ultimate costs of our settlement obligations at the time of entering into particular settlement agreements, and our liability accruals for our obligations under those agreements are often subject to significant management judgment on an ongoing basis. Those cost accruals are provided for in accordance with generally accepted accounting principles and our accounting policies set forth in "Environmental Matters" contained in Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

We, and our subsidiaries, are defendants in various other legal actions (including proceedings based on alleged exposures to asbestos) incidental to our past and current business activities. At December 31, 2016 and 2015 , our consolidated balance sheets included liabilities for these legal actions of $13.6 million and $21.2 million , respectively. These liabilities do not include costs associated with legal representation. Based on our analysis, and considering the inherent uncertainties associated with litigation, we do not believe that it is reasonably possible that these legal actions will materially adversely affect our financial position, cash flows or results of operations.

In connection with the Acquisition, TDCC retained liabilities relating to the Acquired Business for litigation, releases of hazardous materials and violations of environmental law to the extent arising prior to the Closing Date.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

As of January 31, 2017 , we had 4,220 record holders of our common stock.

Our common stock is traded on the New York Stock Exchange.

The high and low sales prices of our common stock during each quarterly period in 2016 and 2015 are listed below. A dividend of $0.20 per common share was paid during each of the four quarters in 2016 and 2015 .

2016	***First Quarter***	***Second Quarter***	***Third Quarter***	***Fourth Quarter***
Market price of common stock per New York Stock Exchange composite transactions				
High	$ 17.75	$ 24.99	$ 26.46	$ 26.93
Low	12.29	16.55	18.24	19.62
2015				
Market price of common stock per New York Stock Exchange composite transactions				
High	$ 34.34	$ 32.56	$ 27.18	$ 22.13
Low	22.00	26.77	15.73	16.60

Issuer Purchases of Equity Securities

Period	***Total Number of Shares (or Units) Purchased***	***Average Price Paid per Share (or Unit)***	***Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs***	***Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs***
October 1-31, 2016	—	—	—	
November 1-30, 2016	—	—	—	
December 1-31, 2016	—	—	—	
Total				6,062,657 [1]

(1) On April 24, 2014, we announced a share repurchase program approved by the board of directors for the purchase of up to 8 million shares of common stock that will terminate on April 24, 2017. Through December 31, 2016 , 1,937,343 shares had been repurchased, and 6,062,657 shares remained available for purchase under this program. Under the Merger Agreement relating to the Acquisition, we were restricted from repurchasing shares of our common stock prior to the consummation of the merger. For a period of two years subsequent to the Closing Date, we will continue to be subject to certain restrictions on our ability to conduct share repurchases.

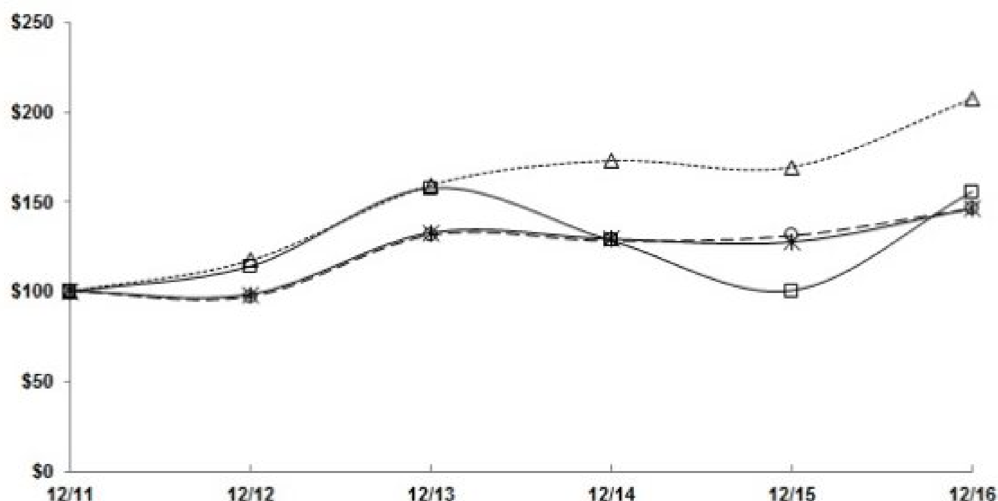
Performance Graph

This graph compares the total shareholder return on our common stock with the cumulative total return of the Standard & Poor's 1000 Index (the S&P 1000), our current peer group (the 2016 Peer Group) and our prior peer group (the 2015 Peer Group). The 2015 Peer Group consists of a customized peer group of four companies comprised of: Orbital ATK, Inc., TDCC, Oxy, and Westlake. The 2016 Peer Group consists of a customized peer group of five companies comprised of: TDCC, Huntsman Corporation, Trinseo S.A., Oxy and Westlake.

We adjusted the peer group to better reflect companies that are in our current line of business which was primarily driven by acquisitions and divestitures within our prior peer group. We believe the current peer group provides a better and more accurate basis to compare our performance.

COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN

Among Olin Corporation, the S&P 1000 Index,
2015 Peer Group and 2016 Peer Group



Olin Corporation — S&P 1000 — 2015 Peer Group — 2016 Peer Group

	12/11	12/12	12/13	12/14	12/15	12/16
Olin Corporation	100	114	158	128	101	156
S&P 1000	100	117	160	173	169	208
2015 Peer Group	100	97	132	128	131	146
2016 Peer Group	100	98	133	129	128	146

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Data is for the five-year period from December 31, 2011 through December 31, 2016. The cumulative return includes reinvestment of dividends. The Peer Groups are weighted in accordance with market capitalization (closing stock price multiplied by the number of shares outstanding) as of the beginning of each of the five years covered by the performance graph. We calculated the weighted return for each year by multiplying (a) the percentage that each corporation's market capitalization represented of the total market capitalization for all corporations in the Peer Groups for such year by (b) the total shareholder return for that corporation for such year.

Item 6. SELECTED FINANCIAL DATA

FIVE-YEAR SUMMARY

	2016	2015	2014	2013	2012
Operations	($ and shares in millions, except per share data)				
Sales	$ 5,551	$ 2,854	$ 2,241	$ 2,515	$ 2,185
Cost of goods sold	4,924	2,487	1,853	2,034	1,748
Selling and administration	323	186	166	190	169
Restructuring charges	113	3	16	6	9
Acquisition-related costs	49	123	4	—	8
Other operating income	11	46	2	1	8
Earnings of non-consolidated affiliates	2	2	2	3	3
Interest expense	192	97	44	39	26
Interest income and other income (expense)	3	1	1	—	(10)
Income (loss) before taxes from continuing operations	(34)	7	163	250	226
Income tax (benefit) provision	(30)	8	58	71	76
Income (loss) from continuing operations	(4)	(1)	105	179	150
Discontinued operations, net	—	—	1	—	—
Net (loss) income	$ (4)	$ (1)	$ 106	$ 179	$ 150
Financial position					
Cash and cash equivalents and restricted cash	$ 185	$ 392	$ 257	$ 312	$ 177
Working capital, excluding cash and cash equivalents	439	395	182	125	150
Property, plant and equipment, net	3,705	3,953	931	988	1,034
Total assets	8,763	9,289	2,689	2,790	2,762
Capitalization:					
Short-term debt	81	205	16	13	24
Long-term debt	3,537	3,644	650	665	674
Shareholders' equity	2,273	2,419	1,013	1,101	998
Total capitalization	$ 5,891	$ 6,268	$ 1,679	$ 1,779	$ 1,696
Per share data					
Basic:					
Continuing operations	$ (0.02)	$ (0.01)	$ 1.33	$ 2.24	$ 1.87
Discontinued operations, net	—	—	0.01	—	—
Net (loss) income	$ (0.02)	$ (0.01)	$ 1.34	$ 2.24	$ 1.87
Diluted:					
Continuing operations	$ (0.02)	$ (0.01)	$ 1.32	$ 2.21	$ 1.85
Discontinued operations, net	—	—	0.01	—	—
Net (loss) income	$ (0.02)	$ (0.01)	$ 1.33	$ 2.21	$ 1.85
Common Cash Dividends	0.80	0.80	0.80	0.80	0.80
Market price of common stock:					
High	26.93	34.34	29.28	29.52	23.48
Low	12.29	15.73	20.43	21.29	18.40
Year end	25.61	17.26	22.77	28.85	21.59
Other					
Capital expenditures	$ 278	$ 131	$ 72	$ 91	$ 256
Depreciation and amortization	534	229	139	135	111
Common dividends paid	132	80	63	64	64
Repurchases of common stock	—	—	65	36	3
Current ratio	1.7	1.7	2.2	2.1	1.7
Total debt to total capitalization	61.4%	61.4%	39.7%	38.1%	41.1%
Effective tax rate	88.6%	120.9%	35.5%	28.6%	33.6%
Average common shares outstanding - diluted	165.2	103.4	79.7	80.9	81.0
Shareholders	4,200	4,500	3,600	3,900	4,100

Employees	6,400	6,200	3,900	4,100	4,100

Since August 22, 2012, our Selected Financial Data reflects the acquisition of K.A. Steel Chemicals Inc. (KA Steel). Since October 5, 2015, our Selected Financial Data reflects the operating results of the Acquired Business. Our Selected Financial Data also reflects the adoption of Accounting Standard Update (ASU) 2015-03, “Simplifying the Presentation of Debt Issuance Costs” which required retrospective application. See the Note “Recent Accounting Pronouncements” of the notes to consolidated financial statements contained in Item 8.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS BACKGROUND

We are a leading vertically-integrated global manufacturer and distributor of chemical products and a leading U.S. manufacturer of ammunition. Our operations are concentrated in three business segments: Chlor Alkali Products and Vinyls, Epoxy and Winchester. All of our business segments are capital intensive manufacturing businesses. Chlor Alkali Products and Vinyls operating rates are closely tied to the general economy. Each segment has a commodity element to it, and therefore, our ability to influence pricing is quite limited on the portion of the segment's business that is strictly commodity.

Our Chlor Alkali Products and Vinyls segment is a commodity business where all supplier products are similar and price is the major supplier selection criterion. We have little or no ability to influence prices in the large, global commodity markets. Our Chlor Alkali Products and Vinyls segment produces some of the most widely used chemicals in the world that can be upgraded into a wide variety of downstream chemical products used in many end-markets. Cyclical price swings, driven by changes in supply/demand, can be abrupt and significant and, given capacity in our Chlor Alkali Products and Vinyls segment, can lead to very significant changes in our overall profitability.

The Epoxy segment consumes products manufactured by the Chlor Alkali Products and Vinyls segment. While competitive differentiation exists through downstream customization and product development opportunities, pricing is extremely competitive with a broad range of competitors across the globe.

Winchester also has a commodity element to its business, but a majority of Winchester ammunition is sold as a branded consumer product where there are opportunities to differentiate certain offerings through innovative new product development and enhanced product performance. While competitive pricing versus other branded ammunition products is important, it is not the only factor in product selection.

RECENT DEVELOPMENTS AND HIGHLIGHTS

2016 Overview

In 2016, Chlor Alkali Products and Vinyls generated segment income of $224.9 million compared to $115.5 million for 2015. The improvement in the Chlor Alkali Products and Vinyls segment income reflects the inclusion of a full year of the Acquired Chlor Alkali Business and lower freight costs, primarily driven by the realization of synergies, partially offset by lower product prices. The lower product prices were primarily due to caustic soda, hydrochloric acid and potassium hydroxide prices, partially offset by increased chlorine prices. The Chlor Alkali Products and Vinyls segment income in 2015 was also impacted by the recognition of $6.7 million of additional costs of goods sold related to the fair value adjustment related to the purchase accounting for inventory and insurance recoveries of $11.4 million. Chlor Alkali Products and Vinyls segment income included depreciation and amortization expense of $418.1 million and $186.1 million in 2016 and 2015, respectively.

During the second half of 2016, Chlor Alkali Products and Vinyls segment results began to reflect improvements in caustic soda prices. For the final nine months of 2016, caustic soda price indices have increased resulting in positive product price momentum into 2017. During the fourth quarter of 2016, a caustic soda price increase was announced for $40 per ton and, during February 2016, an additional caustic soda price increase of $60 per ton was announced. While the success of these caustic soda price increases are not yet known, the majority of the benefit, if realized, would impact 2017 results.

In 2016, Epoxy generated segment income of $15.4 million compared to a segment loss of $7.5 million for 2015. The fourth quarter of 2015 was impacted by the recognition of $17.3 million of additional costs of goods sold related to the fair value adjustment related to the purchase accounting for inventory. Additionally, Epoxy segment results were higher than the prior year due to the ownership of the Acquired Business for the full year. Epoxy segment results included depreciation and amortization expense of $90.0 million and $20.9 million in 2016 and 2015, respectively.

Winchester reported segment income of $120.9 million for 2016 compared to $115.6 million for 2015. The increase in segment income in 2016 compared to 2015 reflects lower commodity and other material costs and increased volumes. These increases were partially offset by lower product prices and higher operating costs. Winchester's segment income included depreciation and amortization expense of $18.5 million and $17.4 million in 2016 and 2015, respectively.

Other operating income for 2016 included an $11.0 million insurance recovery for property damage and business interruption related to a 2008 chlor alkali facility incident.

During 2016, Olin entered into arrangements to increase our supply of low cost electricity. These arrangements improve manufacturing flexibility at our Freeport, TX and Plaquemine, LA facilities, reduce our overall electricity cost and accelerate the realization of cost synergies available from the Acquired Business. In conjunction with these arrangements, Olin made payments of $175.7 million during 2016.

In 2016, we entered into sale/leaseback transactions for railcars that we acquired in connection with the Acquisition. We received proceeds from the sales of $40.4 million.

Financing

During 2016, we repaid $125.0 million of 6.75% senior notes due 2016 (2016 Notes), which became due, $67.5 million under the required quarterly installments of the $1,350.0 million senior term loan facility and $12.2 million due under the annual requirements of the SunBelt Notes.

On December 20, 2016, we entered into a three year, $250.0 million Receivables Financing Agreement. As of December 31, 2016, $210.0 million was drawn under this program and the proceeds were used to repay a portion of the Sumitomo Credit Facility.

Restructuring

On March 21, 2016, we announced that we had made the decision to close a combined total of 433,000 tons of chlor alkali capacity across three separate locations. Associated with this action, we have permanently closed our Henderson, NV chlor alkali plant with 153,000 tons of capacity and have reconfigured the site to manufacture bleach and distribute caustic soda and hydrochloric acid. Also, the capacity of our Niagara Falls, NY chlor alkali plant has been reduced from 300,000 tons to 240,000 tons and the chlor alkali capacity at our Freeport, TX facility was reduced by 220,000 tons. This 220,000 ton reduction was entirely from diaphragm cell capacity. For the year ended December 31, 2016 , we recorded pretax restructuring charges of $111.3 million , of which $76.6 million of these charges were non-cash asset impairment charges for equipment and facilities. We expect to incur additional restructuring charges through 2020 of approximately $33 million related to these capacity reductions.

Acquisition

On the Closing Date, we acquired from TDCC the Acquired Business, whose operating results are included in the accompanying financial statements since the date of the Acquisition. For segment reporting purposes, the Acquired Business's Global Epoxy operating results comprise the Epoxy segment and the Acquired Chlor Alkali Business operating results combined with our former Chlor Alkali Products and Chemical Distribution segments comprise the Chlor Alkali Products and Vinyls segment.

Under the Merger Agreement dated March 26, 2015, the aggregate purchase price for the Acquired Business was $5,136.7 million , after the final post closing adjustments. The $5,136.7 million consisted of $2,095.0 million of cash and debt transferred to TDCC and approximately 87.5 million shares of Olin common stock valued at $1,527.4 million , plus the assumption of pension liabilities of $442.3 million and long-term debt of $569.0 million . During 2016, payments of $69.5 million were made related to certain acquisition related liabilities including the final working capital adjustment. The value of the common stock was based on the closing stock price on the last trading day prior to the Closing Date of $17.46.

Certain additional agreements were entered into, including, among others, an Employee Matters Agreement, a Tax Matters Agreement, site, transitional and other service agreements, supply and purchase agreements, real estate agreements, technology licenses and intellectual property agreements. In addition, Olin and TDCC agreed in connection with the Acquisition to enter into arrangements for the long-term supply of ethylene by TDCC to Olin, pursuant to which, among other things, Olin made upfront payments on the Closing Date of $433.5 million in order to receive ethylene at producer economics and for certain reservation fees for the option to obtain additional future ethylene supply at producer economics. During 2016, one of the options to obtain additional future ethylene supply at producer economics was exercised by us and, accordingly, additional payments will be made to TDCC of $209.4 million in 2017. On February 27, 2017, we exercised the remaining option to obtain additional future ethylene supply and in connection with the exercise we also secured a long-term customer arrangement. Consequently, additional payments will be made to TDCC of between $425 million and $465 million on or about the fourth quarter of 2020.

In connection with the Acquisition, TDCC retained liabilities relating to the Acquired Business for litigation, releases of hazardous materials and violations of environmental law to the extent arising prior to the Closing Date.

In connection with the Acquisition, we filed a Certificate of Amendment to our Articles of Incorporation to increase the number of authorized shares of Olin common stock from 120.0 million shares to 240.0 million shares. Olin issued approximately 87.5 million shares of Olin common stock on the Closing Date that represented approximately 53% of the outstanding shares of Olin common stock. Olin's pre-merger shareholders continued to hold the remaining approximately 47% of the outstanding shares of Olin common stock.

We financed the cash and debt portion of the Acquisition with new long-term debt which consisted of $720.0 million aggregate principal amount of 9.75% senior notes due October 15, 2023, $500.0 million aggregate principal amount of 10.00% senior notes due October 15, 2025 and a $1,350.0 million five-year senior term loan facility, a portion of which was used to refinance the remaining $146.3 million outstanding on an existing term loan facility. Also in connection with the Acquisition, we obtained a three-year senior term loan facility in an aggregate principal amount of $800.0 million, which was primarily used to refinance existing indebtedness of the Acquired Business that was assumed by Olin.

The Acquired Business's results of operations have been included in our consolidated results for the period subsequent to the Closing Date. Our results for the years ended December 31, 2016 and 2015 includes Epoxy sales of $1,822.0 million and $429.6 million , respectively, and segment income (loss) of $15.4 million and $(7.5) million , respectively. For the years ended December 31, 2016 and 2015, Chlor Alkali Products and Vinyls include sales of the Acquired Chlor Alkali Business of $1,715.7 million and $373.0 million , respectively, and segment income of $164.5 million and $37.2 million , respectively.

For the years ended December 31, 2016, 2015 and 2014, we incurred acquisition-related costs in connection with the Acquisition and related transactions, including $48.8 million , $76.3 million and $4.2 million , respectively, of advisory, legal, accounting, integration and other professional fees. For the year ended December 31, 2015, we also incurred acquisition-related costs of $47.1 million as a result of the change in control, which created a mandatory acceleration of expenses under deferred compensation plans as a result of the transactions and $30.5 million of financing-related fees.

As a result of the Acquisition, we believe we can generate at least $250 million in annual cost synergies by 2019, or if we are able to increase sales to new third-party customers and access new product markets as a result of the Acquisition, the potential for additional annual synergies of up to $100 million. Synergies realized in 2016 were approximately $75 million primarily related to cost savings. During the first three years we expect to incur $100 million to $150 million in transition-related costs and $255 million in incremental capital spending and payments under electricity supply contracts which we believe are necessary to realize the anticipated synergies.

PENSION AND POSTRETIREMENT BENEFITS

Under ASC 715, we recorded an after-tax charge of $37.5 million ($61.0 million pretax) to shareholders' equity as of December 31, 2016 for our pension and other postretirement plans. This charge primarily reflected a 30 -basis point decrease in the domestic pension plans' discount rate, partially offset by favorable performance on plan assets during 2016 . In 2015, we recorded an after-tax charge of $78.8 million ($125.3 million pretax) to shareholders' equity as of December 31, 2015 for our pension and other postretirement plans. This charge reflected unfavorable performance on plan assets during 2015, partially offset by a 50-basis point increase in the domestic pension plans' discount rate. In 2014, we recorded an after-tax charge of $86.6 million ($142.0 million pretax) to shareholders' equity as of December 31, 2014 for our pension and other postretirement plans. This charge reflected a 60-basis point decrease in the plans' discount rate and the negative impact of updated mortality tables, partially offset by favorable performance on plan assets during 2014. Our benefit obligation as of December 31, 2014 increased approximately $90 million pretax as a result of updated mortality tables. The non-cash charges to shareholders' equity do not affect our ability to borrow under our senior credit facility.

Effective as of the Closing Date, we changed the approach used to measure service and interest costs for our defined benefit pension plans and on December 31, 2015 changed this approach for our other postretirement benefits. Prior to the Closing Date, we measured service and interest costs utilizing a single weighted-average discount rate derived from the yield curve used to measure the plan obligations. Subsequent to the Closing Date for our defined benefit pension plans and beginning in 2016 for our other postretirement benefits, we elected to measure service and interest costs by applying the specific spot rates along the yield curve to the plans' estimated cash flows. We believe the new approach provides a more precise measurement of service and interest costs by aligning the timing of the plans' liability cash flows to the corresponding spot rates on the yield curve. This change does not affect the measurement of our plan obligations. We have accounted for this change as a change in accounting estimate and, accordingly, have accounted for it on a prospective basis.

During the fourth quarter of 2014, the SOA issued the final report of its mortality tables and mortality improvement scales. The updated mortality data reflected increasing life expectancies in the U.S. During the third quarter of 2012, the MAP-21 became law. The law changed the mechanism for determining interest rates to be used for calculating minimum defined benefit pension plan funding requirements. Interest rates are determined using an average of rates for a 25-year period, which can have the effect of increasing the annual discount rate, reducing the defined benefit pension plan obligation, and potentially reducing or eliminating the minimum annual funding requirement. The law also increased premiums paid to the PBGC. During the third quarter of 2014, HATFA 2014 became law, which includes an extension of MAP-21's defined benefit plan funding stabilization relief.

As of the Closing Date and as part of the Acquisition, our U.S. qualified defined benefit pension plan assumed certain U.S. qualified defined benefit pension obligations and assets related to active employees and certain terminated, vested retirees of the Acquired Business with a net liability of $281.7 million. In connection therewith, pension assets were transferred from TDCC's U.S. qualified defined benefit pension plans to our U.S. qualified defined benefit pension plan during 2016. Immediately prior to the Acquisition, the Acquired Business's participant accounts assumed in the Acquisition were closed to new participants and were no longer accruing additional benefits.

During 2016, we made a discretionary cash contribution to our domestic qualified defined benefit pension plan of $6.0 million. Based on our plan assumptions and estimates, we will not be required to make any cash contributions to the domestic qualified defined benefit pension plan at least through 2017 .

As of the Closing Date, we assumed certain accrued defined benefit pension liabilities relating to employees of TDCC in Germany, Switzerland and other international locations who transferred to Olin in connection with the Acquisition. The net liability assumed as of the Closing Date was $160.6 million. We also have a small Canadian defined benefit pension liability. In connection with international qualified defined benefit pension plans, we made cash contributions of $1.3 million , $0.9 million and $0.8 million in 2016, 2015, and 2014, respectively, and we anticipate less than $5 million of cash contributions to international qualified defined benefit pension plans in 2017 .

At December 31, 2016 , the projected benefit obligation of $2,711.7 million exceeded the market value of assets in our qualified defined benefit pension plans by $633.2 million , as calculated under ASC 715.

Components of net periodic benefit (income) costs were:

	Years ended December 31,		
	2016	***2015***	***2014***
	($ in millions)		
Pension (benefits) costs	$ (37.1)	$ 18.7	$ (25.0)
Other postretirement benefit costs	2.5	6.7	6.6

For the year ended December 31, 2015, pension costs included $47.1 million of costs incurred as a result of the change in control, which created a mandatory acceleration of expenses under our domestic non-qualified pension plan as a result of the Acquisition. These charges were included in acquisition-related costs.

For both the years ended December 31, 2015 and 2014, we recorded a curtailment charge of $0.2 million associated with permanently closing a portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014. These charges were included in restructuring charges.

The service cost and the amortization of prior service cost components of pension expense related to employees of the operating segments are allocated to the operating segments based on their respective estimated census data.

CONSOLIDATED RESULTS OF OPERATIONS

	Years ended December 31,		
	2016	**2015**	**2014**
	($ in millions, except per share data)		
Sales	$ 5,550.6	$ 2,854.4	$ 2,241.2
Cost of goods sold	4,923.7	2,486.8	1,853.2
Gross margin	626.9	367.6	388.0
Selling and administration	323.2	186.3	166.1
Restructuring charges	112.9	2.7	15.7
Acquisition-related costs	48.8	123.4	4.2
Other operating income	10.6	45.7	1.5
Operating income	152.6	100.9	203.5
Earnings of non-consolidated affiliates	1.7	1.7	1.7
Interest expense	191.9	97.0	43.8
Interest income	3.4	1.1	1.3
Income (loss) from continuing operations before taxes	(34.2)	6.7	162.7
Income tax (benefit) provision	(30.3)	8.1	57.7
Income (loss) from continuing operations	(3.9)	(1.4)	105.0
Income from discontinued operations, net	—	—	0.7
Net (loss) income	$ (3.9)	$ (1.4)	$ 105.7
Net (loss) income per common share:			
Basic (loss) income per common share:			
Income (loss) from continuing operations	$ (0.02)	$ (0.01)	$ 1.33
Income from discontinued operations, net	—	—	0.01
Net (loss) income	$ (0.02)	$ (0.01)	$ 1.34
Diluted (loss) income per common share:			
Income (loss) from continuing operations	$ (0.02)	$ (0.01)	$ 1.32
Income from discontinued operations, net	—	—	0.01
Net (loss) income	$ (0.02)	$ (0.01)	$ 1.33

2016 Compared to 2015

Sales for 2016 were $5,550.6 million compared to $2,854.4 million last year, an increase of $2,696.2 million , or 94% . The sales increase was primarily due to the inclusion of a full year of the Acquired Business of $2,735.1 million . Chlor Alkali Products and Vinyls sales generated from legacy businesses decreased $56.8 million due to lower product prices and volumes. The lower volumes were primarily due to hydrochloric acid and potassium hydroxide volumes, partially offset by increased chlorine and caustic soda volumes. The lower product prices were primarily due to caustic soda, hydrochloric acid and potassium hydroxide prices, partially offset by increased chlorine prices. Winchester sales increased by $17.9 million from the prior year due to increased shipments to commercial customers and law enforcement agencies, partially offset by decreased shipments to industrial and military customers.

Gross margin increased $259.3 million , or 71% , from 2015 primarily due to the inclusion of a full year of the Acquired Business of $264.2 million which includes the fourth quarter of 2015 impact of additional costs of goods sold related to the fair value adjustment related to the purchase accounting for inventory of $24.0 million. Chlor Alkali Products and Vinyls gross margin generated from legacy businesses decreased $16.1 million primarily due to lower product prices and insurance recoveries recognized in 2015, partially offset by lower freight costs, primarily driven by the realization of synergies. The insurance recoveries represented reimbursement of costs incurred and expensed in prior periods, primarily related to the portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014. Winchester gross margin increased $7.6 million primarily due to lower commodity and other material costs and increased volumes, partially offset by lower product prices and higher operating costs. Gross margin was also impacted by lower environmental costs of $6.5 million. Gross margin as a percentage of sales decreased to 11% in 2016 from 13% in 2015.

Selling and administration expenses in 2016 increased $136.9 million , or 73% , from 2015, primarily due to the inclusion of a full year of the Acquired Business's selling and administration costs of $100.6 million, increased consulting fees of $11.6 million, increased legal and legal-related settlement expenses of $7.3 million, increased stock-based compensation expense of $6.8 million, which includes mark-to-market adjustments, and increased non-income tax expense of $4.0 million. Selling and administration expenses as a percentage of sales were 6% in 2016 and 7% in 2015.

Restructuring charges in 2016 of $112.9 million were primarily associated with the closure of 433,000 tons of chlor alkali capacity across three separate locations, of which $76.6 million were non-cash asset impairment charges. Restructuring charges for 2016 and 2015 were also associated with permanently closing a portion of the Becancour, Canada chlor alkali facility and the relocation of our Winchester centerfire ammunition manufacturing operations from East Alton, IL to Oxford, MS which was completed during 2016.

Acquisition-related costs for the years ended December 31, 2016 and 2015 were associated with the Acquisition and consisted of advisory, legal, accounting, integration and other professional fees. For the year ended December 31, 2015, acquisition-related costs also included $47.1 million of costs incurred as a result of the change in control, which created a mandatory acceleration of expenses under deferred compensation plans.

Other operating income in 2016 included an $11.0 million insurance recovery for property damage and business interruption related to a 2008 chlor alkali facility incident. Other operating income in 2015 included insurance recoveries for property damage and business interruption of $42.3 million related to the portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014 and $3.7 million related to the McIntosh, AL chlor alkali facility.

Interest expense increased by $94.9 million in 2016 due to a higher level of debt outstanding due to the financing of the Acquisition and higher interest rates. These increases were partially offset by acquisition financing expenses incurred in 2015 of $30.5 million primarily for the Bridge Financing associated with the Acquisition.

The effective tax rate from continuing operations for 2016 included a benefit of $4.8 million associated with return to provision adjustments for the finalization of our prior years' U.S. federal and state income tax returns. The return to provision adjustment for 2016 included $14.9 million of benefit primarily associated with a change in estimate related to the calculation of salt depletion and $9.7 million of expense associated with the correction of an immaterial error related to non-deductible acquisition costs. The effective tax rate from continuing operations for 2016 also included an expense of $4.1 million related to changes in uncertain tax positions for prior tax years and a benefit of $3.2 million related to the remeasurement of deferred taxes due to a decrease in our state effective tax rates. After giving consideration to these items, the effective tax rate from continuing operations for 2016 of 77.2% was higher than the 35% U.S. federal statutory rate, primarily due to favorable permanent salt depletion deductions in combination with a pretax loss. The effective tax rate from continuing operations for 2015 included $8.9 million of expense associated with certain transaction costs related to the Acquisition that are not deductible for U.S. tax purposes partially offset by $2.6 million of benefit associated with salt depletion deductions. After giving consideration to these items, the effective tax rate from continuing operations for 2015 of 26.9% was lower than the 35% U.S. federal statutory rate, primarily due to favorable permanent tax deduction items, such as the domestic manufacturing deduction and tax deductible dividends paid to the Contributing Employee Ownership Plan (CEOP).

2015 Compared to 2014

Sales for 2015 were $2,854.4 million compared to $2,241.2 million in 2014, an increase of $613.2 million, or 27%. Sales of the Acquired Business were $802.6 million. Chlor Alkali Products and Vinyls sales generated from legacy businesses decreased by $162.4 million primarily due to lower chlorine, caustic soda, potassium hydroxide and hydrochloric acid volumes and lower product prices, predominantly caustic soda and bleach partially offset by higher chlorine prices. Winchester sales decreased by $27.0 million primarily due to lower shipments to commercial customers, partially offset by increased shipments to military customers.

Gross margin decreased $20.4 million, or 5%, from 2014. Gross margin of the Acquired Business was $52.8 million, which included additional costs of goods sold of $24.0 million related to the fair value adjustment related to the purchase accounting for inventory. Chlor Alkali Products and Vinyls gross margin from legacy businesses declined $55.4 million, primarily due to decreased chlorine, caustic soda, potassium hydroxide and hydrochloric acid volumes and lower product prices, partially offset by lower operating costs and property damage and business interruption insurance recoveries. The lower product prices were predominantly due to caustic soda and bleach, partially offset by higher chlorine prices. Winchester gross margin was lower by $12.1 million primarily due to lower volumes and a less favorable product mix for pistol and shotshell ammunition, partially offset by decreased commodity and other material costs. Gross margin was also negatively impacted by higher environmental costs of $7.5 million. Gross margin as a percentage of sales was 13% in 2015 and 17% in 2014.

Selling and administration expenses in 2015 increased $20.2 million , or 12%, from 2014, primarily due to selling and administration costs of the Acquired Business of $25.4 million and an increase in stock-based compensation expense of $3.2 million, which includes mark-to-market adjustments, partially offset by decreased consulting fees of $4.8 million and lower legal and legal-related settlement expenses of $4.3 million. Selling and administration expenses as a percentage of sales were 7% for both 2015 and 2014.

Restructuring charges in 2015 and 2014 of $2.7 million and $15.7 million, respectively, were associated with permanently closing a portion of the Becancour, Canada chlor alkali facility and the relocation of our Winchester centerfire ammunition manufacturing operations from East Alton, IL to Oxford, MS which was completed during 2016. Restructuring charges in 2014 were also associated with exiting the use of mercury cell technology in the chlor alkali manufacturing process.

Acquisition-related costs for the years ended December 31, 2015 and 2014 were associated with the Acquisition. For the years ended December 31, 2015 and 2014 acquisition-related costs included $76.3 million and $4.2 million, respectively, for advisory, legal, accounting, integration and other professional fees. For the year ended December 31, 2015 acquisition-related costs also included $47.1 million of costs incurred as a result of the change in control, which created a mandatory acceleration of expenses under deferred compensation plans.

Other operating income in 2015 included insurance recoveries for property damage and business interruption of $42.3 million related to the portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014 and $3.7 million related to the McIntosh, AL chlor alkali facility. Other operating income in 2014 included a gain of $1.0 million for the resolution of a contract matter.

Interest expense increased by $53.2 million in 2015 due to acquisition financing expenses of $30.5 million primarily for the Bridge Financing associated with the Acquisition, a higher level of debt outstanding due to the financing of the Acquisition and higher interest rates. This increase was partially offset by $9.5 million related to the call premium and the write-off of unamortized deferred debt issuance costs associated with the redemption of our $150.0 million 8.875% senior notes (2019 Notes) that occurred in August 2014.

The effective tax rate from continuing operations for 2015 included $8.9 million of expense associated with certain transaction costs related to the Acquisition that are not deductible for U.S. tax purposes partially offset by $2.6 million of benefit associated with salt depletion deductions. After giving consideration to these items, the effective tax rate from continuing operations for 2015 of 26.9% was lower than the 35% U.S. federal statutory rate, primarily due to favorable permanent tax deduction items, such as the domestic manufacturing deduction and tax deductible dividends paid to the CEOP. The effective tax rate from continuing operations for 2014 included $1.2 million of benefit associated with the return to provision adjustment for the finalization of our 2013 U.S. federal and state income tax returns and $0.7 million of benefit associated with the expiration of the statutes of limitations in federal and state jurisdictions. These items were partially offset by $0.8 million of expense associated with increases in valuation allowances on certain state tax credit balances primarily associated with a change in state tax law and $0.6 million of expense related to the remeasurement of deferred taxes due to an increase in state effective tax rates. After giving consideration to these four items of $0.5 million, the effective tax rate from continuing operations for 2014 of 35.8% was slightly higher than the 35% U.S. federal statutory rate, primarily due to state income taxes net of utilization of certain state tax credits, partially offset by favorable permanent tax deduction items, such as the domestic manufacturing deduction and tax deductible dividends paid to the CEOP.

SEGMENT RESULTS

We define segment results as income (loss) from continuing operations before interest expense, interest income, other operating income, other income (expense) and income taxes, and include the results of non-consolidated affiliates. Consistent with the guidance in ASC 280 "Segment Reporting" (ASC 280), we have determined it is appropriate to include the operating results of non-consolidated affiliates in the relevant segment financial results. Beginning in the fourth quarter of 2015, we modified our reportable segments due to changes in our organization resulting from the Acquisition. We have three operating segments: Chlor Alkali Products and Vinyls, Epoxy and Winchester. For segment reporting purposes, the Acquired Business's Global Epoxy operating results comprise the Epoxy segment and the Acquired Chlor Alkali Business operating results combined with our former Chlor Alkali Products and Chemical Distribution segments comprise the Chlor Alkali Products and Vinyls segment. This reporting structure has been retrospectively applied to financial results for all periods presented. The three operating segments reflect the organization used by our management for purposes of allocating resources and assessing performance. Chlorine used in our Epoxy segment is transferred at cost from the Chlor Alkali Products and Vinyls segment. Sales and profits are recognized in the Chlor Alkali Products and Vinyls segment for all caustic soda generated and sold by Olin.

	Years ended December 31,		
	2016	***2015***	***2014***
Sales:		*($ in millions)*	
Chlor Alkali Products and Vinyls	$ 2,999.3	$ 1,713.4	$ 1,502.8
Epoxy	1,822.0	429.6	—
Winchester	729.3	711.4	738.4
Total sales	$ 5,550.6	$ 2,854.4	$ 2,241.2
Income (loss) from continuing operations before taxes:			
Chlor Alkali Products and Vinyls (1)	$ 224.9	$ 115.5	$ 130.1
Epoxy	15.4	(7.5)	—
Winchester	120.9	115.6	127.3
Corporate/Other:			
Pension income (2)	53.6	35.2	32.4
Environmental expense (3)	(9.2)	(15.7)	(8.2)
Other corporate and unallocated costs	(100.2)	(60.1)	(58.0)
Restructuring charges (4)	(112.9)	(2.7)	(15.7)
Acquisition-related costs (5)	(48.8)	(123.4)	(4.2)
Other operating income (6)	10.6	45.7	1.5
Interest expense (7)	(191.9)	(97.0)	(43.8)
Interest income	3.4	1.1	1.3
Income (loss) from continuing operations before taxes	$ (34.2)	$ 6.7	$ 162.7

(1) Earnings of non-consolidated affiliates are included in the Chlor Alkali Products and Vinyls segment results consistent with management's monitoring of the operating segment. The earnings from non-consolidated affiliates were $1.7 million for each of the years ended December 31, 2016, 2015 and 2014.

(2) The service cost and the amortization of prior service cost components of pension expense related to the employees of the operating segments are allocated to the operating segments based on their respective estimated census data. All other components of pension costs are included in corporate/other and include items such as the expected return on plan assets, interest cost and recognized actuarial gains and losses.

(3) Environmental expense for the year ended December 31, 2014 included $1.4 million of recoveries from third parties for costs incurred and expensed in prior periods. Environmental expense is included in cost of goods sold in the consolidated statements of operations.

(4) Restructuring charges for the year ended December 31, 2016 were associated with the closure of 433,000 tons of chlor alkali capacity across three separate locations, of which $76.6 million of these charges were non-cash asset impairment

charges for equipment and facilities, permanently closing a portion of the Becancour, Canada chlor alkali facility and the relocation of our Winchester centerfire ammunition manufacturing operations from East Alton, IL to Oxford, MS which was completed during 2016. Restructuring charges for the year ended December 31, 2015 were associated with permanently closing a portion of the Becancour, Canada chlor alkali facility and the relocation of our Winchester centerfire ammunition manufacturing operations from East Alton, IL to Oxford, MS. Restructuring charges for the year ended December 31, 2014 were associated with the relocation of our Winchester centerfire ammunition manufacturing operations from East Alton, IL to Oxford, MS and exiting the use of mercury cell technology in the chlor alkali manufacturing process.

(5) Acquisition-related costs for the years ended December 31, 2016, 2015 and 2014 were related to the Acquisition and consisted of advisory, legal, accounting, integration and other professional fees. For the year ended December 31, 2015 acquisition-related costs also included $47.1 million of costs incurred as a result of the change in control, which created a mandatory acceleration of expenses under deferred compensation plans.

(6) Other operating income for the year ended December 31, 2016 included an $11.0 million insurance recovery for property damage and business interruption related to a 2008 chlor alkali facility incident. Other operating income for the year ended December 31, 2015 included insurance recoveries for property damage and business interruption of $42.3 million related to the portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014 and $3.7 million related to the McIntosh, AL chlor alkali facility. Other operating income for the year ended December 31, 2014 included a gain of $1.0 million for the resolution of a contract matter.

(7) Interest expense for the year ended December 31, 2015 included acquisition financing expenses of $30.5 million primarily for the Bridge Financing associated with the Acquisition. Interest expense for the year ended December 31, 2014 included $9.5 million for the call premium and the write-off of unamortized deferred debt issuance costs and unamortized discount associated with the redemption of our 2019 Notes, which would have matured on August 15, 2019. Interest expense was reduced by capitalized interest of $1.9 million, $1.1 million and $0.2 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Chlor Alkali Products and Vinyls

2016 Compared to 2015

Chlor Alkali Products and Vinyls sales for 2016 were $2,999.3 million compared to $1,713.4 million for 2015, an increase of $1,285.9 million , or 75% . Sales of the Acquired Chlor Alkali Business were $1,715.7 million compared to $373.0 million for 2015, an increase of $1,342.7 million , which was primarily due to the inclusion of a full year of the Acquired Chlor Alkali Business. Chlor Alkali Products and Vinyls sales generated from legacy businesses decreased $56.8 million from 2015. The decrease was primarily due to lower product prices ($35.3 million) and lower volumes ($21.5 million). The lower product prices were primarily due to caustic soda, hydrochloric acid and potassium hydroxide prices, partially offset by increased chlorine prices. The lower volumes were primarily due to hydrochloric acid and potassium hydroxide volumes, partially offset by increased chlorine and caustic soda volumes.

Chlor Alkali Products and Vinyls generated segment income of $224.9 million for 2016 compared to $115.5 million for 2015, an increase of $109.4 million , or 95% . Chlor Alkali Products and Vinyls segment income was higher primarily due to the inclusion of a full year of the Acquired Chlor Alkali Business ($127.2 million) which included the fourth quarter of 2015 impact of additional costs of goods sold related to the fair value adjustment related to the purchase accounting for inventory ($6.7 million). Chlor Alkali Products and Vinyls segment income generated from legacy businesses decreased $17.8 million primarily due to lower product prices ($35.3 million), insurance recoveries recognized in 2015 ($11.4 million), and lower volumes ($0.3 million). The lower product prices were primarily due to caustic soda, hydrochloric acid and potassium hydroxide prices, partially offset by increased chlorine prices. The insurance recoveries represented reimbursement of costs incurred and expensed in prior periods, primarily related to the portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014. These decreases were partially offset by lower freight costs, primarily driven by the realization of synergies ($24.2 million) and lower operating and material costs ($5.0 million). Chlor Alkali Products and Vinyls segment income included depreciation and amortization expense of $418.1 million and $186.1 million in 2016 and 2015, respectively.

2015 Compared to 2014

Chlor Alkali Products and Vinyls sales for 2015 were $1,713.4 million compared to $1,502.8 million for 2014, an increase of $210.6 million , or 14% . The sales increase was primarily due to the inclusion of the Acquired Chlor Alkali Business ($373.0 million), partially offset by lower product prices ($39.3 million) and lower volumes of chlorine and caustic soda ($96.9 million), potassium hydroxide ($17.3 million) and hydrochloric acid ($9.4 million). The lower product prices were predominantly due to caustic soda and bleach prices, partially offset by increased chlorine prices.

Chlor Alkali Products and Vinyls generated segment income of $115.5 million for 2015 compared to $130.1 million for 2014, a decrease of $14.6 million , or 11%. Chlor Alkali Products and Vinyls segment income was lower primarily due to decreased volumes ($56.9 million) and lower product prices ($39.3 million). These decreases were partially offset by the contributions of the Acquired Chlor Alkali Business ($37.2 million), lower operating costs ($22.1 million), primarily due to lower energy costs, insurance recoveries ($11.4 million) and reduced costs associated with material purchased from other parties ($10.9 million). Segment income also included $6.7 million of additional costs of goods sold related to the fair value adjustment related to the purchase accounting for inventory. The decreased volumes were primarily due to chlorine and caustic soda, potassium hydroxide and hydrochloric acid. The lower product prices were predominantly due to lower caustic soda and bleach prices, partially offset by increased chlorine prices. The insurance recoveries represent reimbursement of costs incurred and expensed in prior periods primarily related to the portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014. Chlor Alkali Products and Vinyls segment income included depreciation and amortization expense of $186.1 million and $119.4 million in 2015 and 2014, respectively.

Epoxy

2016 Compared to 2015

Epoxy sales were $1,822.0 million for 2016 compared to $429.6 million for 2015, an increase of $1,392.4 million , or 324% . Epoxy sales were higher than the prior year primarily due to the inclusion of a full year of the Acquired Business.

Epoxy reported segment income of $15.4 million for 2016 compared to a segment loss of $7.5 million for 2015, an increase of $22.9 million . The fourth quarter of 2015 was impacted by the recognition of additional costs of goods sold related to the fair value adjustment related to the purchase accounting for inventory ($17.3 million). Additionally, Epoxy segment income was higher than the prior year due to the inclusion of a full year of the Acquired Business. Epoxy segment results included depreciation and amortization expense of $90.0 million and $20.9 million in 2016 and 2015, respectively.

Winchester

2016 Compared to 2015

Winchester sales were $729.3 million for 2016 compared to $711.4 million for 2015, an increase of $17.9 million , or 3% . The sales increase was primarily due to increased shipments of ammunition to commercial customers ($19.7 million) and law enforcement agencies ($1.3 million). These increases were partially offset by decreased shipments to military ($2.6 million) and industrial customers ($0.5 million).

Winchester reported segment income of $120.9 million for 2016 compared to $115.6 million for 2015, an increase of $5.3 million , or 5% . The increase in segment income in 2016 compared to 2015 reflected the impact of lower commodity and other material costs ($15.8 million) and increased volumes ($13.4 million). These increases were partially offset by the impact of lower selling prices ($13.8 million) and higher operating costs ($10.1 million). Winchester segment income included depreciation and amortization expense of $18.5 million and $17.4 million in 2016 and 2015, respectively.

2015 Compared to 2014

Winchester sales were $711.4 million for 2015 compared to $738.4 million for 2014, a decrease of $27.0 million , or 4% . The sales decrease was primarily due to lower shipments of ammunition to domestic and international commercial customers ($26.2 million), law enforcement agencies ($12.7 million) and industrial customers ($1.2 million). These decreases were partially offset by increased shipments to military customers ($13.1 million).

Winchester reported segment income of $115.6 million for 2015 compared to $127.3 million for 2014, a decrease of $11.7 million , or 9% . The decrease in segment income in 2015 compared to 2014 reflected the impact of decreased volumes and a less favorable product mix for pistol and shotshell ammunition ($16.3 million), lower selling prices ($7.7 million) and higher operating costs ($1.0 million), which include the impact of decreased costs associated with our new centerfire operation

in Oxford, MS ($10.9 million). These decreases were partially offset by lower commodity and other material costs ($13.3 million). Winchester segment income included depreciation and amortization expense of $17.4 million and $16.3 million in 2015 and 2014, respectively.

Corporate/Other

2016 Compared to 2015

For 2016, pension income included in corporate/other, was $53.6 million compared to $35.2 million for 2015, which excludes the impact of the change in control, which created a mandatory acceleration of expenses under deferred compensation plans associated with the Acquisition. On a total company basis, defined benefit pension income was $37.1 million compared to an expense of $18.7 million for 2015, which includes the impact of the change in control which created a mandatory acceleration of expenses under deferred compensation plans of $47.1 million associated with the Acquisition, and was included in acquisition-related costs. On a total company basis, defined benefit pension income without this charge, was $28.4 million for 2015. The increase in pension income from 2015 was primarily due to the change in approach used to measure service and interest costs for our defined benefit pension plans.

Charges to income for environmental investigatory and remedial activities were $9.2 million for 2016 compared to $15.7 million for 2015. These charges related primarily to expected future investigatory and remedial activities associated with past manufacturing operations and former waste disposal sites.

For 2016, other corporate and unallocated costs were $100.2 million compared to $60.1 million for 2015, an increase of $40.1 million , or 67% . The increase was primarily due to increased corporate infrastructure costs of $21.4 million, such as personnel, consulting and professional fees, that are necessary to support the Acquired Business, higher stock-based compensation expense of $6.9 million, which includes mark-to-market adjustments, increased legal and legal-related settlement expenses of $7.0 million and increased non-income tax expense of $4.3 million.

2015 Compared to 2014

For 2015, pension income included in corporate/other, excluding the impact of the change in control which created a mandatory acceleration of expenses under deferred compensation plans associated with the Acquisition, was $35.2 million compared to $32.4 million for 2014. On a total company basis, defined benefit pension expense was $18.7 million which includes the impact of the change in control which created a mandatory acceleration of expenses under deferred compensation plans of $47.1 million associated with the Acquisition, and was included in acquisition-related costs. On a total company basis, defined benefit pension income without this charge, was $28.4 million for 2015 compared to $25.0 million for 2014. For the years ended December 31, 2015 and 2014, pension income included a curtailment charge of $0.1 million and $0.2 million, respectively, associated with permanently closing a portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014. These charges were included in restructuring charges.

Charges to income for environmental investigatory and remedial activities were $15.7 million for 2015 compared to $8.2 million for 2014 which included $1.4 million of recoveries from third parties for costs incurred and expensed in prior periods. Without these recoveries, charges to income for environmental investigatory and remedial activities would have been $9.6 million for 2014. These charges related primarily to expected future investigatory and remedial activities associated with past manufacturing operations and former waste disposal sites.

For 2015, other corporate and unallocated costs were $60.1 million compared to $58.0 million for 2014, an increase of $2.1 million, or 4%. The increase was primarily due to increased stock-based compensation expense of $3.2 million, which includes mark-to-market adjustments, higher non-income tax expense of $2.2 million and increased audit fees of $2.2 million. These increases were partially offset by decreased legal and legal-related settlement expenses of $5.8 million.

Restructurings

On March 21, 2016, we announced that we had made the decision to close a combined total of 433,000 tons of chlor alkali capacity across three separate locations. Associated with this action, we have permanently closed our Henderson, NV chlor alkali plant with 153,000 tons of capacity and have reconfigured the site to manufacture bleach and distribute caustic soda and hydrochloric acid. Also, the capacity of our Niagara Falls, NY chlor alkali plant has been reduced from 300,000 tons to 240,000 tons and the chlor alkali capacity at our Freeport, TX facility was reduced by 220,000 tons. This 220,000 ton reduction was entirely from diaphragm cell capacity. For the year ended December 31, 2016 , we recorded pretax restructuring charges of $111.3 million for the write-off of equipment and facility costs, lease and other contract termination costs, employee severance and related benefit costs, employee relocation costs and facility exit costs related to these actions. We expect to incur additional restructuring charges through 2020 of approximately $33 million related to these capacity reductions. This estimate of additional restructuring charges does not include any additional charges related to a contract termination that is currently in dispute. The other party to the contract has filed a demand for arbitration alleging, among other things, that Olin breached the related agreement and claimed damages in excess of the amount Olin believes it is obligated for under the contract. Any additional losses related to this contract dispute are not currently estimable because of unresolved questions of fact and law but, if resolved unfavorably to Olin, they could have a material effect on our financial results.

On December 12, 2014 , we announced that we had made the decision to permanently close the portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014. This action reduced the facility’s chlor alkali capacity by 185,000 tons. Subsequent to the shut down, the plant predominantly focuses on bleach and hydrochloric acid, which are value-added products, as well as caustic soda. In the fourth quarter of 2014, we recorded pretax restructuring charges of $10.0 million for the write-off of equipment and facility costs, employee severance and related benefit costs and lease and other contract termination costs related to these actions. For the years ended December 31, 2016 and 2015, we recorded pretax restructuring charges of $0.8 million and $2.0 million , respectively, for the write-off of equipment and facility costs, lease and other contract termination costs and facility exit costs. We expect to incur additional restructuring charges through 2018 of approximately $7 million related to the shut down of this portion of the facility.

2017 OUTLOOK

Net income in 2017 is projected to be in the $0.70 to $1.15 per diluted share range, which includes pretax restructuring charges and pretax acquisition-related integration costs totaling approximately $50 million. Net loss in 2016 was $0.02 per diluted share, which included pretax acquisition-related costs of $48.8 million and pretax restructuring charges of $112.9 million.

We currently expect the first quarter 2017 to have the lowest earnings per diluted share amount during 2017 due to the timing of planned maintenance turnaround expenses.

Chlor Alkali Products and Vinyls 2017 segment income is expected to be higher compared to 2016 segment income of $224.9 million reflecting higher caustic soda and EDC prices and expected benefits due to lower purchased ethylene prices.

Epoxy 2017 segment income is expected to be higher than 2016 segment income of $15.4 million as improved volumes and lower operating costs are partially offset by higher raw material costs.

Winchester 2017 segment income is expected to be lower than the $120.9 million of segment income achieved during 2016 primarily driven by lower ammunition demand, driven by customer efforts to reduce inventory, and higher commodity and material costs. The Oxford, MS relocation project was completed during the second quarter of 2016. This relocation reduced Winchester's annual operating costs by approximately $40 million in 2016 and, in 2017, we expect the cost savings from the completed project to reach approximately $45 million.

Other Corporate and Unallocated costs in 2017 are expected to be higher than 2016 Other Corporate and Unallocated costs of $100.2 million driven by stock-based compensation, timing of legal and litigation costs and the full year effect of the increased corporate infrastructure costs to support the Acquisition.

During 2017, we are anticipating environmental expenses in the $15 million to $20 million range compared to $9.2 million in 2016. We do not believe that there will be recoveries of environmental costs incurred and expensed in prior periods in 2017. In connection with the Acquisition, TDCC has retained liabilities relating to litigation, releases of hazardous materials and violations of environmental law to the extent arising prior to the Closing Date.

We expect qualified defined benefit pension plan income in 2017 to be lower than the 2016 level by approximately $10 million. During 2016, we made a discretionary cash contribution to our domestic qualified defined benefit pension plan of $6.0 million. Based on our plan assumptions and estimates, we will not be required to make any cash contributions to our domestic qualified defined benefit pension plan in 2017. We do have several international qualified defined benefit pension plans to which we anticipate cash contributions of less than $5 million in 2017.

We have approximately 60% variable rate debt in our debt profile. As a result, we are estimating our 2017 interest rate will be approximately 5%. During 2017, a total of approximately $80 million of debt will mature that is expected to be repaid using available cash.

In 2017, we currently expect our capital spending to be in the $300 million to $350 million range, which includes approximately $30 million of synergy-related capital, which we believe is necessary to realize the anticipated synergies. In 2017, we also expect to make payments of $209.4 million associated with long-term supply contracts. We expect 2017 depreciation and amortization expense to be in the $530 range to $540 million range.

We currently believe the 2017 effective tax rate will be in the 25% to 30% range.

ENVIRONMENTAL MATTERS

	Years ended December 31,		
	2016	***2015***	***2014***
Cash outlays (receipts):		*($ in millions)*	
Remedial and investigatory spending (charged to reserve)	$ 10.3	$ 14.1	$ 14.9
Recoveries from third parties	—	—	(1.4)
Capital spending	3.5	2.0	2.7
Plant operations (charged to cost of goods sold)	192.6	71.9	24.2
Total cash outlays	$ 206.4	$ 88.0	$ 40.4

Cash outlays for remedial and investigatory activities associated with former waste sites and past operations were not charged to income but instead were charged to reserves established for such costs identified and expensed to income in prior years. Cash outlays for normal plant operations for the disposal of waste and the operation and maintenance of pollution control equipment and facilities to ensure compliance with mandated and voluntarily imposed environmental quality standards were charged to income.

Total environmental-related cash outlays in 2016 were higher than 2015 primarily due to environmental spending for plant operations related to the Acquired Business. In connection with the Acquisition, TDCC retained liabilities relating to releases of hazardous materials and violations of environmental law to the extent arising prior to the Closing Date. Total environmental-related cash outlays for 2017 are estimated to be approximately $210 million, of which approximately $17 million is expected to be spent on investigatory and remedial efforts, approximately $3 million on capital projects and approximately $190 million on normal plant operations. Remedial and investigatory spending is anticipated to be higher in 2017 than 2016 due to the timing of continuing remedial action plans and investigations. Historically, we have funded our environmental capital expenditures through cash flow from operations and expect to do so in the future.

Annual environmental-related cash outlays for site investigation and remediation, capital projects and normal plant operations are expected to range between $190 million to $210 million over the next several years, $15 million to $25 million of which is for investigatory and remedial efforts, which are expected to be charged against reserves recorded on our consolidated balance sheet. While we do not anticipate a material increase in the projected annual level of our environmental-related cash outlays for site investigation and remediation, there is always the possibility that such an increase may occur in the future in view of the uncertainties associated with environmental exposures.

Our liabilities for future environmental expenditures were as follows:

	December 31,		
	2016	2015	2014
	($ in millions)		
Beginning balance	$ 138.1	$ 138.3	$ 144.6
Charges to income	9.2	15.7	9.6
Remedial and investigatory spending	(10.3)	(14.1)	(14.9)
Currency translation adjustments	0.3	(1.8)	(1.0)
Ending balance	$ 137.3	$ 138.1	$ 138.3

As is common in our industry, we are subject to environmental laws and regulations related to the use, storage, handling, generation, transportation, emission, discharge, disposal and remediation of, and exposure to, hazardous and non-hazardous substances and wastes in all of the countries in which we do business.

The establishment and implementation of national, state or provincial and local standards to regulate air, water and land quality affect substantially all of our manufacturing locations around the world. Laws providing for regulation of the manufacture, transportation, use and disposal of hazardous and toxic substances, and remediation of contaminated sites, have imposed additional regulatory requirements on industry, particularly the chemicals industry. In addition, implementation of environmental laws has required and will continue to require new capital expenditures and will increase plant operating costs. We employ waste minimization and pollution prevention programs at our manufacturing sites.

We are party to various governmental and private environmental actions associated with past manufacturing facilities and former waste disposal sites. Associated costs of investigatory and remedial activities are provided for in accordance with generally accepted accounting principles governing probability and the ability to reasonably estimate future costs. Our ability to estimate future costs depends on whether our investigatory and remedial activities are in preliminary or advanced stages. With respect to unasserted claims, we accrue liabilities for costs that, in our experience, we expect to incur to protect our interests against those unasserted claims. Our accrued liabilities for unasserted claims amounted to $2.0 million at December 31, 2016 . With respect to asserted claims, we accrue liabilities based on remedial investigation, feasibility study, remedial action and operation, maintenance and monitoring (OM&M) expenses that, in our experience, we expect to incur in connection with the asserted claims. Required site OM&M expenses are estimated and accrued in their entirety for required periods not exceeding 30 years, which reasonably approximates the typical duration of long-term site OM&M.

Environmental provisions charged (credited) to income, which are included in cost of goods sold, were as follows:

	Years ended December 31,		
	2016	2015	2014
	($ in millions)		
Charges to income	$ 9.2	$ 15.7	$ 9.6
Recoveries from third parties of costs incurred and expensed in prior periods	—	—	(1.4)
Total environmental expense	$ 9.2	$ 15.7	$ 8.2

These charges relate primarily to remedial and investigatory activities associated with past manufacturing operations and former waste disposal sites and may be material to operating results in future years.

Our total estimated environmental liability at the end of 2016 was attributable to 64 sites, 16 of which were USEPA National Priority List (NPL) sites. Nine sites accounted for 79% of our environmental liability and, of the remaining 55 sites, no one site accounted for more than 3% of our environmental liability. At four of the nine sites, part of the site is subject to a remedial investigation and another part is in the long-term OM&M stage. At one of the nine sites, a remedial action plan is being developed for part of the site and at another part a remedial design is being developed. At one of the nine sites, part of the site is subject to a remedial investigation and another part a remedial design is being developed. At one of these nine sites, a remedial investigation is being performed. The two remaining sites are in long-term OM&M. All nine sites are either associated with past manufacturing operations or former waste disposal sites. None of the nine largest sites represents more than 23% of the liabilities reserved on our consolidated balance sheet at December 31, 2016 for future environmental expenditures.

Our consolidated balance sheets included liabilities for future environmental expenditures to investigate and remediate known sites amounting to $137.3 million at December 31, 2016 , and $138.1 million at December 31, 2015 , of which $120.3 million and $119.1 million , respectively, were classified as other noncurrent liabilities. Our environmental liability amounts do not take into account any discounting of future expenditures or any consideration of insurance recoveries or advances in technology. These liabilities are reassessed periodically to determine if environmental circumstances have changed and/or remediation efforts and our estimate of related costs have changed. As a result of these reassessments, future charges to income may be made for additional liabilities. Of the $137.3 million included on our consolidated balance sheet at December 31, 2016 for future environmental expenditures, we currently expect to utilize $77.8 million of the reserve for future environmental expenditures over the next 5 years, $16.1 million for expenditures 6 to 10 years in the future, and $43.4 million for expenditures beyond 10 years in the future. These estimates are subject to a number of risks and uncertainties, as described in "Environmental Costs" contained in Item 1A—"Risk Factors."

Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, changes in regulatory authorities, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other PRPs, our ability to obtain contributions from other parties and the lengthy time periods over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably to us, which could materially adversely affect our financial position or results of operations. At December 31, 2016 , we estimate it is reasonably possible that we may have additional contingent environmental liabilities of $60 million in addition to the amounts for which we have already recorded as a reserve.

LEGAL MATTERS AND CONTINGENCIES

We, and our subsidiaries, are defendants in various legal actions (including proceedings based on alleged exposures to asbestos) incidental to our past and current business activities. We describe some of these matters in Item 3—"Legal Proceedings." At December 31, 2016 and 2015 , our consolidated balance sheets included liabilities for these legal actions of $13.6 million and $21.2 million , respectively. These liabilities do not include costs associated with legal representation. Based on our analysis, and considering the inherent uncertainties associated with litigation, we do not believe that it is reasonably possible that these legal actions will materially adversely affect our financial position, cash flows or results of operations. In connection with the Acquisition, TDCC retained liabilities related to litigation to the extent arising prior to the Closing Date. In addition to the aforementioned legal actions, we are party to a dispute relating to a contract termination. The other party to the contract has filed a demand for arbitration alleging, among other things, that Olin breached the related agreement and claimed damages in excess of the amount Olin believes it is obligated for under the contract. Any additional losses related to this contract dispute are not currently estimable because of unresolved questions of fact and law but, if resolved unfavorably to Olin, they could have a material effect on our financial results.

During the ordinary course of our business, contingencies arise resulting from an existing condition, situation or set of circumstances involving an uncertainty as to the realization of a possible gain contingency. In certain instances such as environmental projects, we are responsible for managing the clean-up and remediation of an environmental site. There exists the possibility of recovering a portion of these costs from other parties. We account for gain contingencies in accordance with the provisions of ASC 450 "Contingencies" (ASC 450) and therefore do not record gain contingencies and recognize income until it is earned and realizable.

For the year ended December 31, 2016, we recognized an insurance recovery of $11.0 million in other operating income for property damage and business interruption related to a 2008 chlor alkali facility incident.

For the year ended December 31, 2015, we recognized insurance recoveries of $57.4 million for property damage and business interruption related to the portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014 and the McIntosh, AL chlor alkali facility. Cost of goods sold was reduced by $10.5 million and selling and administration was reduced by $0.9 million for the reimbursement of costs incurred and expensed in prior periods and other operating income included a gain of $46.0 million.

LIQUIDITY, INVESTMENT ACTIVITY AND OTHER FINANCIAL DATA

Cash Flow Data

	Years ended December 31,		
	2016	*2015*	*2014*
Provided by (used for)		*($ in millions)*	
Net operating activities	$ 603.2	$ 217.1	$ 159.2
Capital expenditures	(278.0)	(130.9)	(71.8)
Business acquired and related transactions, net of cash acquired	(69.5)	(408.1)	—
Payments under long-term supply contract	(175.7)	—	—
Proceeds from sale/leaseback of equipment	40.4	—	—
Proceeds from disposition of property, plant and equipment	0.5	26.2	5.6
Net investing activities	(473.5)	(504.0)	(61.7)
Long-term debt (repayments) borrowings, net	(205.3)	544.3	(12.4)
Earn out payment - SunBelt	—	—	(14.8)
Common stock repurchased and retired	—	—	(64.8)
Dividends paid	(132.1)	(79.5)	(63.0)
Debt and equity issuance costs	(1.0)	(45.2)	(1.2)
Net financing activities	(337.5)	422.2	(148.5)

Operating Activities

For 2016, cash provided by operating activities increased by $386.1 million from 2015, primarily due to an increase in our operating results. Our net loss for 2016 included $76.6 million of non-cash impairment charges for equipment and facilities and a $304.6 million increase in depreciation and amortization as compared to the prior year. For 2016, working capital decreased $80.9 million compared to a decrease of $25.1 million in 2015. Receivables decreased from December 31, 2015 by $38.5 million primarily as a result of receivables sold under the new accounts receivable factoring arrangements, which was partially offset by higher sales in the fourth quarter of 2016 compared with fourth quarter of 2015.

For 2015, cash provided by operating activities increased by $57.9 million from 2014, primarily due to a decrease in working capital in 2015. For 2015, working capital decreased $25.1 million compared to an increase of $62.4 million in 2014. The decrease in 2015 primarily reflects a change in accounts receivable and accounts payable for the Acquired Business principally representing converting transactions with TDCC to third party transactions after the Closing Date. The 2015 cash from operations was also impacted by a $43.7 million decrease in cash tax payments.

Capital Expenditures

Capital spending was $278.0 million , $130.9 million and $71.8 million in 2016 , 2015 and 2014 , respectively. The increased capital spending in 2016 and 2015 was primarily due to capital spending of the Acquired Business of $187.8 million and $26.6 million, respectively. Capital spending in 2016 included approximately $35 million of synergy-related capital we believe is necessary to realize the anticipated synergies. Capital spending was 64%, 66% and 58% of depreciation in 2016 , 2015 and 2014 , respectively.

In 2017 , we expect our capital spending to be in the $300 million to $350 million range, which includes approximately $30 million of synergy-related capital which we believe is necessary to realize the anticipated synergies. In 2017, we also expect to make payments of $209.4 million associated with long-term supply contracts.

Investing Activities

In 2016, payments of $69.5 million were made related to the Acquisition for certain acquisition-related liabilities including the final working capital adjustment. In 2015, as part of the Acquisition, we paid cash of $408.1 million , net of $25.4 million of cash acquired.

In 2016, payments of $175.7 million were made related to arrangements for the long-term supply of low cost electricity.

In 2016, we entered into sale/leaseback transactions for railcars that we acquired in connection with the Acquisition. We received proceeds from the sales of $40.4 million.

In 2015, proceeds from disposition of property, plant and equipment included $25.8 million of insurance recoveries for property damage related to the portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014 and our McIntosh, AL chlor alkali facility.

In both 2016 and 2015, we received $8.8 million from the October 2013 sale of a bleach joint venture.

Financing Activities

On December 20, 2016, we entered into a three year, $250.0 million Receivables Financing Agreement with PNC Bank, National Association, as administrative agent (Receivables Financing Agreement). Under the Receivables Financing Agreement our eligible trade receivables are used for collateralized borrowings and are continued to be serviced by us. As of December 31, 2016, $282.3 million of our trade receivables have been pledged as collateral. During 2016 we drew $230.0 million under the agreement and subsequently repaid $20.0 million. As of December 31, 2016, $210.0 million was drawn under the Receivables Financing Agreement. The net $210.0 million proceeds were used to repay a portion of the Sumitomo Credit Facility.

On the Closing Date, Spinco issued $720.0 million aggregate principal amount of 9.75% senior notes due October 15, 2023 (2023 Notes) and $500.0 million aggregate principal amount of 10.00% senior notes due October 15, 2025 (2025 Notes and, together with the 2023 Notes, the Notes) to TDCC. TDCC transferred the Notes to certain unaffiliated securityholders in satisfaction of existing debt obligations of TDCC held or acquired by those unaffiliated securityholders. On October 5, 2015, certain initial purchasers purchased the Notes from the unaffiliated securityholders. During 2016, the Notes were registered under the Securities Act of 1933, as amended. Interest on the Notes began accruing from October 1, 2015 and is paid semi-annually beginning on April 15, 2016. The Notes are not redeemable at any time prior to October 15, 2020. Neither Olin nor Spinco received any proceeds from the sale of the Notes. Upon the consummation of the Acquisition, Olin became guarantor of the Notes.

On June 23, 2015, Spinco entered into a new five-year delayed-draw term loan facility of up to $1,050.0 million . As of the Closing Date, Spinco drew $875.0 million to finance the cash portion of the distributions of cash and debt instruments of Spinco with an aggregate value of $2,095.0 million (Cash and Debt Distribution). Also on June 23, 2015, Olin and Spinco entered into a new five-year $1,850.0 million senior credit facility consisting of a $500.0 million senior revolving credit facility, which replaced Olin's $265.0 million senior revolving credit facility on the Closing Date, and a $1,350.0 million delayed-draw term loan facility. As of the Closing Date, we drew an additional $475.0 million under this term loan facility which was used to pay fees and expenses of the Acquisition, obtain additional funds for general corporate purposes and refinance Olin's existing senior term loan facility due in 2019 of $146.3 million. Subsequent to the Closing Date, these senior credit facilities were consolidated into a single $1,850.0 million senior credit facility. This new senior credit facility will expire in 2020. During 2016, we repaid $67.5 million under the required quarterly installments of this new senior credit facility.

On August 25, 2015, Olin entered into a Credit Agreement (the Credit Agreement) with a syndicate of lenders and Sumitomo Mitsui Banking Corporation, as administrative agent, in connection with the Acquisition. The Credit Agreement provides for a term credit facility (the Sumitomo Credit Facility) under which Olin obtained term loans in an aggregate amount of $600.0 million . On November 3, 2015, we entered into an amendment to the Sumitomo Credit Facility which increased the aggregate amount of term loans available by $200.0 million . On the Closing Date, $600.0 million of loans under the Credit Agreement were made available and borrowed upon and on November 5, 2015, $200.0 million of loans under the Credit Agreement were made available and borrowed upon. The term loans under the Sumitomo Credit Facility will mature on October 5, 2018 and have no scheduled amortization payments. The proceeds of the Sumitomo Credit Facility were used to refinance existing Spinco indebtedness at the Closing Date of $569.0 million, to pay fees and expenses in connection with the Acquisition and for general corporate purposes. During 2016, $210.0 million was repaid under the Sumitomo Credit Facility using proceeds from the Receivables Financing Agreement.

In December 2016 , 2015 and 2014 , we repaid $12.2 million due under the annual requirements of the SunBelt Notes. In June 2016, we also repaid $125.0 million of 2016 Notes, which became due.

In August 2014, we redeemed our $150.0 million 2019 Notes, which would have matured on August 15, 2019. We recognized interest expense of $9.5 million for the call premium ($6.7 million), the write-off of unamortized deferred debt issuance costs ($2.1 million) and unamortized discount ($0.7 million) related to this action during 2014. On June 24, 2014, we entered into a five-year $415.0 million senior credit facility consisting of a $265.0 million senior revolving credit facility,

which replaced our previous $265.0 million senior revolving credit facility, and a $150.0 million delayed-draw term loan facility. In August 2014, we drew the entire $150.0 million of the term loan and used the proceeds to redeem our 2019 Notes. In 2015 and 2014, we repaid $2.8 million and $0.9 million, respectively, under the required quarterly installments of the $150.0 million term loan facility and, on the Closing Date of the Acquisition, the remaining $146.3 term loan facility was refinanced using the proceeds of the new senior credit facility. We recognized interest expense of $0.5 million for the write-off of unamortized deferred debt issuance costs related to this action in conjunction with the Acquisition.

During 2014 , we paid $26.7 million for the earn out related to the 2013 SunBelt Chlor Alkali Partnership (SunBelt) performance. The earn out payment for the year ended December 31, 2014 included $14.8 million that was recognized as part of the original purchase price. The $14.8 million is included as a financing activity in the statement of cash flows.

We repurchased and retired 2.5 million shares in 2014 with a total value of $64.8 million .

In 2016 , 2015 and 2014 , we issued 0.3 million , 0.1 million and 0.5 million shares, respectively, with a total value of $4.1 million , $3.1 million and $12.1 million , respectively, representing stock options exercised.

In 2016, we paid debt issuance costs of $1.0 million for the registration of the Notes. In 2015, we paid debt issuance costs of $13.3 million relating to the Notes, the Sumitomo Credit Facility and the $1,850.0 million senior credit facility and we paid $1.9 million of equity issuance costs for the issuance of approximately 87.5 million shares. In 2014, we paid debt issuance costs of $1.2 million related to the five-year $415.0 million senior credit facility.

On March 26, 2015, we and certain financial institutions executed commitment letters pursuant to which the financial institutions agreed to provide $3,354.5 million of financing to Spinco to finance the amount of the Cash and Debt Distribution and to provide financing, if needed, to Olin to refinance certain of our existing debt (the Bridge Financing), in each case on the terms and conditions set forth in the commitment letters. The Bridge Financing was not drawn on to facilitate the Acquisition, and the commitments for the Bridge Financing were terminated as of the Closing Date. For the year ended December 31, 2015, we paid debt issuance costs of $30.0 million associated with the Bridge Financing, which are included in interest expense.

The percent of total debt to total capitalization of 61.4% was consistent at December 31, 2016 and 2015 as a result of a lower level of long-term debt at December 31, 2016 resulting from the repayments of maturing debt, offset by lower shareholders' equity primarily due to the payment of dividends. The percent of total debt to total capitalization increased to 61.4% as of December 31, 2015 from 39.7% at year-end 2014 . The 2015 increase from 2014 was primarily a result of a higher level of long-term debt which was issued to finance the Acquisition.

Dividends per common share were $0.80 in 2016 , 2015 and 2014 . Total dividends paid on common stock amounted to $132.1 million , $79.5 million and $63.0 million in 2016 , 2015 and 2014 , respectively. On January 26, 2017, our board of directors declared a dividend of $0.20 per share on our common stock, payable on March 10, 2017 to shareholders of record on February 10, 2017.

The payment of cash dividends is subject to the discretion of our board of directors and will be determined in light of then-current conditions, including our earnings, our operations, our financial condition, our capital requirements and other factors deemed relevant by our board of directors. In the future, our board of directors may change our dividend policy, including the frequency or amount of any dividend, in light of then-existing conditions.

LIQUIDITY AND OTHER FINANCING ARRANGEMENTS

Our principal sources of liquidity are from cash and cash equivalents, cash flow from operations and short-term borrowings under our senior revolving credit facility. Additionally, we believe that we have access to the debt and equity markets.

The aggregate purchase price of the Acquired Business was $5,136.7 million, after the final post-closing adjustments. The $5,136.7 million consisted of $2,095.0 million of cash and debt transferred to TDCC and approximately 87.5 million shares of Olin common stock valued at $1,527.4 million , plus the assumption of pension liabilities of $442.3 million and long-term debt of $569.0 million. During 2016, payments of $69.5 million were made related to certain acquisition related liabilities including the final working capital adjustment. The value of the common stock was based on the closing stock price on the last trading day prior to the Closing Date of $17.46.

Certain additional agreements were entered into, including, among others, an Employee Matters Agreement, a Tax Matters Agreement, site, transitional and other service agreements, supply and purchase agreements, real estate agreements,

technology licenses and intellectual property agreements. In addition, Olin and TDCC have agreed in connection with the Acquisition to enter into arrangements for the long-term supply of ethylene by TDCC to Olin, pursuant to which, among other things, Olin made upfront payments of $433.5 million in order to receive ethylene at producer economics and for certain reservation fees for the option to obtain additional future ethylene supply at producer economics. During 2016, one of the options to obtain additional future ethylene supply at producer economics was exercised by us and, accordingly, additional payments will be made to TDCC of $209.4 million in 2017. On February 27, 2017, we exercised the remaining option to obtain additional future ethylene supply and in connection with the exercise we also secured a long-term customer arrangement. Consequently, additional payments will be made to TDCC of between $425 million and $465 million on or about the fourth quarter of 2020.

Debt that was issued in the fourth quarter of 2015 relating to the Acquisition totaled $3,370.0 million, consisting of $1,350.0 million of term loans under senior credit facilities, an $800.0 million term loan under the Sumitomo Credit Facility and $1,220.0 million under the Notes. The new debt was used for the cash and debt transferred to TDCC, refinancing existing Spinco indebtedness at the Closing Date of the Acquisition, refinancing our existing senior term loan facility due in 2019, paying fees and expenses in connection with the Acquisition and for general corporate purposes.

During 2016, Olin entered into arrangements to increase our supply of low cost electricity. These arrangements improve manufacturing flexibility at our Freeport, TX and Plaquemine, LA facilities, reduce our overall electricity cost and accelerate the realization of cost synergies available from the Acquired Business. In conjunction with these arrangements, Olin made payments of $175.7 million during 2016.

The overall cash decrease of $207.5 million in 2016 primarily reflects capital spending, which includes capital spending of the Acquired Business, repayment of long-term debt, payments made under arrangements to increase our supply of low cost electricity and payments to TDCC related to certain acquisition related liabilities, including the final working capital adjustment. These decreases were partially offset by our operating results, proceeds under sale/leaseback transactions, proceeds of the Receivables Financing Agreement and receivables sold under the new accounts receivable factoring arrangements. We believe, based on current and projected levels of cash flow from our operations, together with our cash and cash equivalents on hand and the availability to borrow under our senior revolving credit facility, we have sufficient liquidity to meet our short-term and long-term needs to make required payments of interest on our debt, make amortization payments under the senior credit facilities, fund our operating needs, fund working capital and capital expenditure requirements and comply with the financial ratios in our debt agreements.

On December 20, 2016, we entered into a three year, $250.0 million Receivables Financing Agreement. Under the Receivables Financing Agreement, our eligible trade receivables are used for collateralized borrowings and are continued to be serviced by us. As of December 31, 2016, $282.3 million of our trade receivables have been pledged as collateral. During 2016 we drew $230.0 million under the agreement and subsequently repaid $20.0 million. As of December 31, 2016, $210.0 million was drawn under the Receivables Financing Agreement. In addition, the Receivables Financing Agreement incorporates the leverage and coverage covenants that are contained in the senior revolving credit facility. The net $210.0 million proceeds were used to repay a portion of the Sumitomo Credit Facility.

On June 29, 2016, we entered into a trade accounts receivable factoring arrangement which was amended on September 1, 2016 and, on December 22, 2016, we entered into a separate trade accounts receivable factoring arrangement (collectively the AR Facilities). Pursuant to the terms of the AR Facilities, certain of our subsidiaries may sell their accounts receivable up to a maximum of $242.0 million. We will continue to service such accounts. These receivables qualify for sales treatment under ASC 860 “Transfers and Servicing” (ASC 860) and, accordingly, the proceeds are included in net cash provided by operating activities in the consolidated statements of cash flows. The gross amount of receivables sold for the year ended December 31, 2016 totaled $533.6 million. The factoring discount paid under the AR Facilities is recorded as interest expense on the consolidated statements of operations. The agreements are without recourse and therefore no recourse liability has been recorded as of December 31, 2016. As of December 31, 2016, $126.1 million of receivables qualifying for sale treatment were outstanding and will continue to be serviced by us.

On the Closing Date, Spinco issued $720.0 million aggregate principal amount of the 2023 Notes and $500.0 million aggregate principal amount of the 2025 Notes to TDCC. TDCC transferred the Notes to certain unaffiliated securityholders in satisfaction of existing debt obligations of TDCC held or acquired by those unaffiliated securityholders. On October 5, 2015, certain initial purchasers purchased the Notes from the unaffiliated securityholders. During 2016, the Notes were registered under the Securities Act of 1933, as amended. Interest on the Notes began accruing from October 1, 2015 and are paid semi-annually beginning on April 15, 2016. The Notes are not redeemable at any time prior to October 15, 2020. Neither Olin nor Spinco received any proceeds from the sale of the Notes. Upon the consummation of the Acquisition, Olin became guarantor of the Notes.

On June 23, 2015, Spinco entered into a new five-year delayed-draw term loan facility of up to $1,050.0 million. As of the Closing Date, Spinco drew $875.0 million to finance the cash portion of the Cash and Debt Distribution. Also on June 23, 2015, Olin and Spinco entered into a new five-year $1,850.0 million senior credit facility consisting of a $500.0 million senior revolving credit facility, which replaced Olin's $265.0 million senior revolving credit facility at the Closing Date, and a $1,350.0 million delayed-draw term loan facility. As of the Closing Date, an additional $475.0 million was drawn by Olin under this term loan facility which was used to pay fees and expenses of the Acquisition, obtain additional funds for general corporate purposes and refinance Olin's existing senior term loan facility due in 2019. As of the Closing Date, total borrowings under the term loan facilities were $1,350.0 million. Subsequent to the Closing Date, these senior credit facilities were consolidated into a single $1,850.0 million senior credit facility. This new senior credit facility will expire in 2020. The $500.0 million senior revolving credit facility includes a $100.0 million letter of credit subfacility. At December 31, 2016 , we had $483.4 million available under our $500.0 million senior revolving credit facility because we had issued $16.6 million of letters of credit under the $100.0 million subfacility. The term loan facility includes amortization payable in equal quarterly installments at a rate of 5.0% per annum for the first two years, increasing to 7.5% per annum for the following year and to 10.0% per annum for the last two years. During 2016, we repaid $67.5 million under the required quarterly installments of this new senior credit facility.

Under the new senior credit facility, we may select various floating rate borrowing options. The actual interest rate paid on borrowings under the senior credit facility is based on a pricing grid which is dependent upon the leverage ratio as calculated under the terms of the applicable facility for the prior fiscal quarter. The facility includes various customary restrictive covenants, including restrictions related to the ratio of debt to earnings before interest expense, taxes, depreciation and amortization (leverage ratio) and the ratio of earnings before interest expense, taxes, depreciation and amortization to interest expense (coverage ratio). Compliance with these covenants is determined quarterly based on the operating cash flows. We were in compliance with all covenants and restrictions under all our outstanding credit agreements as of December 31, 2016 and 2015, and no event of default had occurred that would permit the lenders under our outstanding credit agreements to accelerate the debt if not cured. As of December 31, 2016, there were no covenants or restrictions that limited our ability to borrow. In the future, our ability to generate sufficient operating cash flows, among other factors, will determine the amounts available to be borrowed under these facilities.

On August 25, 2015, Olin entered into a Credit Agreement with a syndicate of lenders and Sumitomo Mitsui Banking Corporation, as administrative agent, in connection with the Acquisition. Olin obtained term loans in an aggregate amount of $600.0 million under the Sumitomo Credit Facility. On November 3, 2015, we entered into an amendment to the Sumitomo Credit Facility which increased the aggregate amount of term loans available by $200.0 million . On the Closing Date, $600.0 million of loans under the Credit Agreement were made available and borrowed upon and on November 5, 2015, $200.0 million of loans under the Credit Agreement were made available and borrowed upon. The term loans under the Sumitomo Credit Facility will mature on October 5, 2018 and will have no scheduled amortization payments. The proceeds of the Sumitomo Credit Facility were used to refinance existing Spinco indebtedness at the Closing Date, to pay fees and expenses in connection with the Acquisition and for general corporate purposes. The Credit Agreement contains customary representations, warranties and affirmative and negative covenants which are substantially similar to those included in the new $1,850.0 million senior credit facility. During 2016, $210.0 million was repaid under the Sumitomo Credit Facility using proceeds from the Receivables Financing Agreement.

Cash flow from operations is variable as a result of both the seasonal and the cyclical nature of our operating results, which have been affected by seasonal and economic cycles in many of the industries we serve, such as the vinyls, urethanes, bleach, ammunition and pulp and paper. The Acquired Business has significantly diversified our product and geographic base, which should enable us to be less cyclical. Cash flow from operations is affected by changes in chlorine, caustic soda and EDC selling prices caused by the changes in the supply/demand balance of these products, resulting in the Chlor Alkali Products and Vinyls segment having significant leverage on our earnings and cash flow. For example, assuming all other costs remain constant, internal consumption remains approximately the same and we are operating at full capacity, a $10 selling price change per ton of chlorine equates to an approximate $10 million annual change in our revenues and pretax profit, a $10 selling price change per ton of caustic soda equates to an approximate $30 million annual change in our revenues and pretax profit, and a $0.01 selling price change per pound of EDC equates to an approximate $20 million annual change in our revenues and pretax profit.

For 2016, cash provided by operating activities increased by $386.1 million from 2015, primarily due to an increase in our operating results. Our net loss for 2016 included $76.6 million of non-cash impairment charges for equipment and facilities and a $304.6 million increase in depreciation and amortization as compared to the prior year. For 2016, working capital decreased $80.9 million compared to a decrease of $25.1 million in 2015. Receivables decreased from December 31, 2015 by $38.5 million primarily as a result of receivables sold under the new AR Facilities, which was partially offset by higher sales in the fourth quarter of 2016 compared with fourth quarter of 2015.

Capital spending was $278.0 million , $130.9 million and $71.8 million in 2016 , 2015 and 2014 , respectively. The increased capital spending in 2016 and 2015 was primarily due to capital spending of the Acquired Business of $187.8 million and $26.6 million, respectively. Capital spending in 2016 included approximately $35 million of synergy-related capital we believe is necessary to realize the anticipated synergies. Capital spending was 64%, 66% and 58% of depreciation in 2016 , 2015 and 2014 , respectively.

In 2017 , we expect our capital spending to be in the $300 million to $350 million range, which includes approximately $30 million of synergy-related capital which we believe is necessary to realize the anticipated synergies. In 2017, we also expect to make payments of $209.4 million associated with long-term supply contracts.

On April 24, 2014, our board of directors authorized a new share repurchase program for up to 8 million shares of common stock that will terminate on April 24, 2017 for any remaining shares not yet repurchased. No shares were purchased and retired in 2016 or 2015. We repurchased and retired 2.5 million shares in 2014 at a cost of $64.8 million . As of December 31, 2016 , we had repurchased a total of 1.9 million shares under the April 2014 program, and 6.1 million shares remained authorized to be purchased. The repurchases will be effected from time to time on the open market, or in privately negotiated transactions. Under the Merger Agreement relating to the Acquisition, we were restricted from repurchasing shares of our common stock prior to the consummation of the Acquisition. For a period of two years subsequent to the Closing Date, we will continue to be subject to certain restrictions on our ability to conduct share repurchases.

In August 2014, we redeemed our $150.0 million 2019 Notes, which would have matured on August 15, 2019. We recognized interest expense of $9.5 million for the call premium ($6.7 million), the write-off of unamortized deferred debt issuance costs ($2.1 million) and unamortized discount ($0.7 million) related to this action during 2014. On June 24, 2014, we entered into a five-year $415.0 million senior credit facility consisting of a $265.0 million senior revolving credit facility, which replaced our previous $265.0 million senior revolving credit facility, and a $150.0 million delayed-draw term loan facility. In August 2014, we drew the entire $150.0 million of the term loan and used the proceeds to redeem our 2019 Notes. In 2015 and 2014, we repaid $2.8 million and $0.9 million, respectively, under the required quarterly installments of the $150.0 million term loan facility and, on the Closing Date of the Acquisition, the remaining $146.3 million was refinanced using the proceeds of the new senior credit facility. We recognized interest expense of $0.5 million for the write-off of unamortized deferred debt issuance costs related to this action in conjunction with the Acquisition.

Pursuant to a note purchase agreement dated December 22, 1997, SunBelt sold $97.5 million of Guaranteed Senior Secured Notes due 2017, Series O, and $97.5 million of Guaranteed Senior Secured Notes due 2017, Series G. We refer to these notes as the SunBelt Notes. The SunBelt Notes bear interest at a rate of 7.23% per annum, payable semi-annually in arrears on each June 22 and December 22. Beginning on December 22, 2002 and each year through 2017, SunBelt is required to repay $12.2 million of the SunBelt Notes, of which $6.1 million is attributable to the Series O Notes and of which $6.1 million is attributable to the Series G Notes. In December 2016 , 2015 and 2014 , $12.2 million was repaid on these SunBelt Notes.

We have guaranteed the Series O Notes, and PolyOne Corporation (PolyOne), our former SunBelt partner, has guaranteed the Series G Notes, in both cases pursuant to customary guaranty agreements. We have agreed to indemnify PolyOne for any payments or other costs under the guarantee in favor of the purchasers of the Series G Notes, to the extent any payments or other costs arise from a default or other breach under the SunBelt Notes. If SunBelt does not make timely payments on the SunBelt Notes, whether as a result of a failure to pay on a guarantee or otherwise, the holders of the SunBelt Notes may proceed against the assets of SunBelt for repayment.

In June 2016, we repaid $125.0 million of 2016 Notes, which became due.

At December 31, 2016 , we had total letters of credit of $73.3 million outstanding, of which $16.6 million were issued under our $500.0 million senior revolving credit facility. The letters of credit were used to support certain long-term debt, certain workers compensation insurance policies, certain plant closure and post-closure obligations and certain international pension funding requirements.

Our current debt structure is used to fund our business operations. As of December 31, 2016 , we had long-term borrowings, including the current installment and capital lease obligations, of $3,617.6 million , of which $2,238.4 million was at variable rates. Annual maturities of long-term debt, including capital lease obligations, are $80.3 million in 2017 , $691.9 million in 2018 , $345.7 million in 2019 , $980.3 million in 2020 , $0.2 million in 2021 and a total of $1,576.1 million thereafter. Commitments from banks under our senior revolving credit facility are an additional source of liquidity. Included within the $3,617.6 million of long-term borrowings on the consolidated balance sheet as of December 31, 2016 were deferred debt issuance costs, deferred gains and losses on fair value interest rate swaps and unamortized fair value premium of $56.9 million.

In April 2016, we entered into three tranches of forward starting interest rate swaps whereby we agreed to pay fixed rates to the counterparties who, in turn, pay us floating rates on $1,100.0 million , $900.0 million , and $400.0 million of our underlying floating-rate debt obligations. Each tranche's term length is for twelve months beginning on December 31, 2016, December 31, 2017, and December 31, 2018, respectively. The counterparties to the agreements are SMBC Capital Markets, Inc., Wells Fargo Bank, N.A. (Wells Fargo), PNC Bank, National Association, and Toronto-Dominion Bank. These counterparties are large financial institutions; however, the risk of loss to us in the event of nonperformance by a counterparty could be significant to our financial position or results of operations. We have designated the swaps as cash flow hedges of the risk of changes in interest payments associated with our variable rate borrowings. Accordingly, the swap agreements have been recorded at their fair market value of $9.6 million and are included in other current assets and other assets on the accompanying consolidated balance sheet, with the corresponding gain deferred as a component of other comprehensive loss. No gain or loss has been recorded in earnings as a result of ineffectiveness.

In April 2016, we entered into interest rate swaps on $250.0 million of our underlying fixed-rate debt obligations, whereby we agreed to pay variable rates to the counterparties who, in turn, pay us fixed rates. The counterparties to these agreements are Toronto-Dominion Bank and SMBC Capital Markets, Inc., both of which are major financial institutions.

In October 2016, we entered into interest rate swaps on an additional $250.0 million of our underlying fixed-rate debt obligations, whereby we agreed to pay variable rates to the counterparties who, in turn, pay us fixed rates. The counterparties to these agreements are PNC Bank, National Association and Wells Fargo, both of which are major financial institutions.

We have designated the April 2016 and October 2016 interest rate swap agreements as fair value hedges of the risk of changes in the value of fixed rate debt due to changes in interest rates for a portion of our fixed rate borrowings. Accordingly, the swap agreements have been recorded at their fair market value of $28.5 million and are included in other long-term liabilities on the accompanying consolidated balance sheet, with a corresponding decrease in the carrying amount of the related debt. For the year ended December 31, 2016, $2.6 million of income has been recorded to interest expense on the accompanying consolidated statement of operations related to these swap agreements. No gain or loss has been recorded in earnings as a result of ineffectiveness.

In June 2012, we terminated $73.1 million of interest rate swaps with Wells Fargo that had been entered into on the SunBelt Notes in May 2011. The result was a gain of $2.2 million which will be recognized through 2017. As of December 31, 2016 , $0.1 million of this gain was included in current installments of long-term debt.

We have registered an undetermined amount of securities with the SEC, so that, from time-to-time, we may issue debt securities, preferred stock and/or common stock and associated warrants in the public market under that registration statement.

OFF-BALANCE SHEET ARRANGEMENTS

Our operating lease commitments are primarily for railroad cars but also include distribution, warehousing and office space and data processing and office equipment. Virtually none of our lease agreements contain escalation clauses or step rent provisions.

Our long-term contractual commitments, including the on and off-balance sheet arrangements, consisted of the following:

	Payments Due by Period				
Contractual Obligations	***Total***	***Less than 1 Year***	***1-3 Years***	***3-5 Years***	***More than 5 Years***
			($ in millions)		
Debt obligations, including capital lease obligations [(a)]	$ 3,674.5	$ 80.3	$ 1,037.6	$ 980.5	$ 1,576.1
Interest payments under debt obligations and interest rate swap agreements [(b)]	1,139.5	186.1	332.3	287.6	333.5
Contingent tax liability	41.3	12.3	6.1	4.0	18.9
Qualified pension plan contributions [(c)]	5.0	5.0	—	—	—
Non-qualified pension plan payments	5.5	0.6	1.1	0.9	2.9
Postretirement benefit payments	52.2	5.2	9.1	7.2	30.7
Off-Balance Sheet Commitments:					
Non-cancelable operating leases	339.6	78.8	117.8	65.4	77.6
Long-term supply contracts	674.4	209.4	—	465.0	—
Purchasing commitments:					
Raw materials	5,588.2	596.9	1,011.4	987.7	2,992.2
Capital expenditures	5.7	5.7	—	—	—
Utilities	1.9	0.5	0.9	0.5	—
Total	$ 11,527.8	$ 1,180.8	$ 2,516.3	$ 2,798.8	$ 5,031.9

(a) Excludes debt issuance costs, deferred gains and losses on fair value interest rate swaps and unamortized fair value premium of $56.9 million.

(b) For the purposes of this table, we have assumed for all periods presented that there are no changes in the rates from those in effect at December 31, 2016 which ranged from 0.25% to 10.00%.

(c) These amounts are only estimated payments assuming for our domestic qualified pension plan an annual expected rate of return on pension plan assets of 7.75% , and a discount rate on pension plan obligations of 4.1% and for our foreign qualified pension plans a weighted average annual expected rate of return on pension plan assets of 6.0% , and a discount rate on pension plan obligations of 2.3% . These estimated payments are subject to significant variation and the actual payments may be more than the amounts estimated. Given the inherent uncertainty as to actual minimum funding requirements for qualified defined benefit pension plans, no amounts are included in this table for any period beyond one year. During 2016, we made a discretionary cash contribution to our domestic qualified defined benefit pension plan of $6.0 million. Based on the current funding requirements, we will not be required to make any cash contributions to the domestic qualified defined benefit pension plan at least through 2017 . In connection with international qualified defined benefit pension plans we made cash contributions of $1.3 million and $0.9 million in 2016 and 2015 , respectively, and we anticipate less than $5 million of cash contributions to international qualified defined benefit pension plans in 2017 . See discussion on MAP-21 and HATFA 2014 in "Pension Plans" in the notes to consolidated financial statements contained in Item 8.

Non-cancelable operating leases and purchasing commitments are utilized in our normal course of business for our projected needs. In connection with the Acquisition, certain additional agreements have been entered into with TDCC, including long-term purchase agreements for raw materials. These agreements are maintained through long-term cost based contracts that provide us with a reliable supply of key raw materials. Key raw materials received from TDCC include ethylene, electricity, propylene and benzene. For losses that we believe are probable and which are estimable, we have accrued for such amounts in our consolidated balance sheets. In addition to the table above, we have various commitments and contingencies including: defined benefit and postretirement healthcare plans (as described below), environmental matters (see discussion above under "Environmental Matters") and litigation claims (see Item 3—"Legal Proceedings").

We have several defined benefit and defined contribution pension plans, as described in the "Pension Plans" note in the notes to consolidated financial statements contained in Item 8. We fund the defined benefit pension plans based on the minimum amounts required by law plus such amounts we deem appropriate. We have postretirement healthcare plans that

provide health and life insurance benefits to certain retired employees and their beneficiaries, as described in the "Postretirement Benefits" note in the notes to consolidated financial statements contained in Item 8. These other postretirement plans are not pre-funded and expenses are paid by us as incurred.

We also have standby letters of credit of $73.3 million of which $16.6 million have been issued through our senior revolving credit facility. At December 31, 2016 , we had $483.4 million available under our senior revolving credit facility.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, sales and expenses, and related disclosure of contingent assets and liabilities. Significant estimates in our consolidated financial statements include goodwill recoverability, environmental, restructuring and other unusual items, litigation, income tax reserves including deferred tax asset valuation allowances, pension, postretirement and other benefits and allowance for doubtful accounts. We base our estimates on prior experience, current facts and circumstances and other assumptions. Actual results may differ from these estimates.

We believe the following critical accounting policies affect the more significant judgments and estimates used in the preparation of the consolidated financial statements.

Goodwill

Goodwill is not amortized, but is reviewed for impairment annually in the fourth quarter and/or when circumstances or other events indicate that impairment may have occurred. ASC 350 "Intangibles—Goodwill and Other" permits entities to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. Circumstances that are considered as part of the qualitative assessment and could trigger the two-step impairment test include, but are not limited to: a significant adverse change in the business climate; a significant adverse legal judgment; adverse cash flow trends; an adverse action or assessment by a government agency; unanticipated competition; decline in our stock price; and a significant restructuring charge within a reporting unit. We define reporting units at the business segment level or one level below the business segment level. For purposes of testing goodwill for impairment, goodwill has been allocated to our reporting units to the extent it relates to each reporting unit.

It is our practice, at a minimum, to perform a quantitative goodwill impairment test in the fourth quarter every three years. In the fourth quarter of 2016, we performed a quantitative goodwill impairment test for our reporting units. We use a discounted cash flow approach to develop the estimated fair value of a reporting unit when a quantitative review is performed. Management judgment is required in developing the assumptions for the discounted cash flow model. We also corroborate our discounted cash flow analysis by evaluating a market-based approach that considers earnings before interest, taxes, depreciation and amortization (EBITDA) multiples from a representative sample of comparable public companies. As a further indicator that each reporting unit has been valued appropriately using a discounted cash flow model, the aggregate fair value of all reporting units is reconciled to the total market value of Olin. An impairment would be recorded if the carrying amount of a reporting unit exceeded the estimated fair value. Based on the aforementioned analysis, the estimated fair value of our reporting units substantially exceeded the carrying value of the reporting units. No impairment charges were recorded for 2016, 2015 or 2014.

The discount rate, profitability assumptions and terminal growth rate of our reporting units and the cyclical nature of the chlor alkali industry were the material assumptions utilized in the discounted cash flow model used to estimate the fair value of each reporting unit. The discount rate reflects a weighted-average cost of capital, which is calculated based on observable market data. Some of this data (such as the risk free or treasury rate and the pretax cost of debt) are based on the market data at a point in time. Other data (such as the equity risk premium) are based upon market data over time for a peer group of companies in the chemical manufacturing or distribution industries with a market capitalization premium added, as applicable.

The discounted cash flow analysis requires estimates, assumptions and judgments about future events. Our analysis uses our internally generated long-range plan. Our discounted cash flow analysis uses the assumptions in our long-range plan about terminal growth rates, forecasted capital expenditures and changes in future working capital requirements to determine the implied fair value of each reporting unit. The long-range plan reflects management judgment, supplemented by independent chemical industry analyses which provide multi-year chlor alkali industry operating and pricing forecasts.

We believe the assumptions used in our goodwill impairment analysis are appropriate and result in reasonable estimates of the implied fair value of each reporting unit. However, given the economic environment and the uncertainties regarding the impact on our business, there can be no assurance that our estimates and assumptions, made for purposes of our goodwill impairment testing, will prove to be an accurate prediction of the future. In order to evaluate the sensitivity of the fair value calculation on the goodwill impairment test, we applied a hypothetical 10% decrease to the fair value of each reporting unit. We also applied a hypothetical decrease of 100-basis points in our terminal growth rate or an increase of 100-basis points in our weighted-average cost of capital to test the fair value calculation. In all cases, the estimated fair value of our reporting units derived in these sensitivity calculations exceeded the carrying value in excess of 10%. If our assumptions regarding future performance are not achieved, we may be required to record goodwill impairment charges in future periods. It is not possible at this time to determine if any such future impairment charge would result or, if it does, whether such charge would be material.

Environmental

Accruals (charges to income) for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based upon current law and existing technologies. These amounts, which are not discounted and are exclusive of claims against third parties, are adjusted periodically as assessments and remediation efforts progress or additional technical or legal information becomes available. Environmental costs are capitalized if the costs increase the value of the property and/or mitigate or prevent contamination from future operations. Environmental costs and recoveries are included in costs of goods sold.

Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, changes in regulatory authorities, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other PRPs and our ability to obtain contributions from other parties and the lengthy time periods over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably to us, which could materially adversely affect our financial position, cash flows or results of operations.

Pension and Postretirement Plans

We account for our defined benefit pension plans and non-pension postretirement benefit plans using actuarial models required by ASC 715. These models use an attribution approach that generally spreads the financial impact of changes to the plan and actuarial assumptions over the average remaining service lives of the employees in the plan. Changes in liability due to changes in actuarial assumptions such as discount rate, rate of compensation increases and mortality, as well as annual deviations between what was assumed and what was experienced by the plan are treated as actuarial gains or losses. The principle underlying the required attribution approach is that employees render service over their average remaining service lives on a relatively smooth basis and, therefore, the accounting for benefits earned under the pension or non-pension postretirement benefits plans should follow the same relatively smooth pattern. Substantially all domestic defined benefit pension plan participants are no longer accruing benefits; therefore, actuarial gains and losses are amortized based upon the remaining life expectancy of the inactive plan participants. For both the years ended December 31, 2016 and 2015 , the average remaining life expectancy of the inactive participants in the domestic defined benefit pension plan was 19 years.

One of the key assumptions for the net periodic pension calculation is the expected long-term rate of return on plan assets, used to determine the “market-related value of assets.” The “market-related value of assets” recognizes differences between the plan’s actual return and expected return over a five year period. The required use of an expected long-term rate of return on the market-related value of plan assets may result in recognized pension income that is greater or less than the actual returns of those plan assets in any given year. Over time, however, the expected long-term returns are designed to approximate the actual long-term returns and, therefore, result in a pattern of income and expense recognition that more closely matches the pattern of the services provided by the employees. As differences between actual and expected returns are recognized over five years, they subsequently generate gains and losses that are subject to amortization over the average remaining life expectancy of the inactive plan participants, as described in the preceding paragraph.

We use long-term historical actual return information, the mix of investments that comprise plan assets, and future estimates of long-term investment returns and inflation by reference to external sources to develop the expected long-term rate of return on plan assets as of December 31.

The discount rate assumptions used for pension and non-pension postretirement benefit plan accounting reflect the rates available on high-quality fixed-income debt instruments on December 31 of each year. The rate of compensation increase is

based upon our long-term plans for such increases. For retiree medical plan accounting, we review external data and our own historical trends for healthcare costs to determine the healthcare cost trend rates.

Effective as of the Closing Date, we changed the approach used to measure service and interest costs for our defined benefit pension plans and on December 31, 2015 changed this approach for our other postretirement benefits. Prior to the Closing Date, we measured service and interest costs utilizing a single weighted-average discount rate derived from the yield curve used to measure the plan obligations. Subsequent to the Closing Date for our defined benefit pension plans and beginning in 2016 for our other postretirement benefits, we elected to measure service and interest costs by applying the specific spot rates along the yield curve to the plans' estimated cash flows. We believe the new approach provides a more precise measurement of service and interest costs by aligning the timing of the plans' liability cash flows to the corresponding spot rates on the yield curve. This change does not affect the measurement of our plan obligations. We have accounted for this change as a change in accounting estimate and, accordingly, have accounted for it on a prospective basis.

Changes in pension costs may occur in the future due to changes in these assumptions resulting from economic events. For example, holding all other assumptions constant, a 100-basis point decrease or increase in the assumed long-term rate of return on plan assets for our domestic qualified defined benefit pension plan would have decreased or increased, respectively, the 2016 defined benefit pension plan income by approximately $19.8 million. Holding all other assumptions constant for our domestic qualified defined benefit pension plan, a 50-basis point decrease in the discount rate used to calculate pension income for 2016 and the projected benefit obligation as of December 31, 2016 would have decreased pension income by $0.7 million and increased the projected benefit obligation by $147.0 million. A 50-basis point increase in the discount rate used to calculate pension income for 2016 and the projected benefit obligation as of December 31, 2016 for our domestic qualified defined benefit pension plan would have increased pension income by $0.8 million and decreased the projected benefit obligation by $133.0 million. For additional information on long-term rates of return, discount rates and projected healthcare costs projections, see "Pension Plans" and "Postretirement Benefits" in the notes to the consolidated financial statements contained in Item 8.

NEW ACCOUNTING PRONOUNCEMENTS

In January 2017, the Financial Accounting Standards Board (FASB) issued ASU 2017-04, "Simplifying the Test for Goodwill Impairment" which amends ASC 350 "Intangibles—Goodwill and Other." This update will simplify the measurement of goodwill impairment by eliminating Step 2 from the goodwill impairment test. This update will require an entity to perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carry amount exceeds the reporting unit's fair value. The update does not modify the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. This standard is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The guidance in this update is applied on a prospective basis with earlier application permitted. We are currently evaluating the effect of this update on our consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments." which amends ASC 230 "Statement of Cash Flows." This update will make eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. The update is effective for fiscal years beginning after December 15, 2017. The new standard will require adoption on a retrospective basis unless it is impracticable to apply, in which case it would be required to apply the amendments prospectively as of the earliest date practicable. We are currently evaluating the effect of this update on our consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09 "Improvements to Employee Share-Based Payment Accounting," which amends ASC 718 "Compensation—Stock Compensation." This update will simplify the income tax consequences, accounting for forfeitures and classification on the statements of cash flows of share-based payment arrangements. This standard is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years, with earlier application permitted. We will adopt this update in the first quarter of 2017.

In February 2016, the FASB issued ASU 2016-02 "Leases," which supersedes ASC 840 "Leases" and creates a new topic, ASC 842 "Leases." This update requires lessees to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than 12 months on its balance sheet. The update also expands the required quantitative and qualitative disclosures surrounding leases. This update is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years, with earlier application permitted. This update will be applied using a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. We are currently evaluating the effect of this update on our consolidated financial statements.

In November 2015, the FASB issued ASU 2015-17 “Balance Sheet Classification of Deferred Taxes” (ASU 2015-17), which amends ASC 740 “Income Taxes” (ASC 740). This update requires deferred income tax liabilities and assets, and any related valuation allowance, to be classified as noncurrent on the balance sheet. This update simplifies the current guidance requiring the deferred taxes for each jurisdiction to be presented as a net current asset or liability and net noncurrent asset or liability. This update is effective for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years. The guidance may be applied either prospectively or retrospectively, with earlier application permitted. We adopted the provisions of ASU 2015-17 on December 31, 2015, which was applied prospectively, and, therefore, all prior periods have not been retrospectively adjusted.

In September 2015, the FASB issued ASU 2015-16 “Simplifying the Accounting for Measurement—Period Adjustments” (ASU 2015-16), which amends ASC 805 “Business Combinations.” This update requires that an acquirer in a business combination recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustments are determined. We adopted ASU 2015-16 on January 1, 2016. This update is applied prospectively to adjustments of provisional amounts that occur after the effective date with earlier application permitted. This update did not have a material effect on our consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11 “Simplifying the Measurement of Inventory,” which amends ASC 330 “Inventory.” This update requires entities to measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonable predictable costs of completion, disposal and transportation. This update simplifies the current guidance under which an entity must measure inventory at the lower of cost or market. This update does not impact inventory measured using LIFO. This update is effective for fiscal years beginning after December 15, 2016. We are currently evaluating the effect of this update on our consolidated financial statements.

In May 2015, the FASB issued ASU 2015-07 “Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)” (ASU 2015-07) which amends ASC 820 “Fair Value Measurement.” This update removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendments removed the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. This update is effective for fiscal years beginning after December 15, 2015 and interim periods within those fiscal years and impacts the disclosure requirements surrounding certain assets held by our pension plans. The new guidance will be applied on a retrospective basis. We adopted ASU 2015-07 on January 1, 2016 which was applied retrospectively, and, therefore, all prior periods have been retrospectively adjusted.

In April 2015, the FASB issued ASU 2015-03 “Simplifying the Presentation of Debt Issuance Costs” and, in August 2015, the FASB issued ASU 2015-15 “Interest—Imputation of Interest,” which both amend ASC 835-30 “Interest—Imputation of Interest.” These updates require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability while debt issuance costs related to line-of-credit arrangements will continue to be presented as an asset. We adopted ASU 2015-03 and ASU 2015-15 on January 1, 2016 which required retrospective application. As of December 31, 2015, debt issuance costs of $31.4 million were reclassified within our consolidated balance sheet from other assets to long-term debt and $1.5 million were reclassified within our consolidated balance sheet from other assets to current installments of long-term debt.

In May 2014, the FASB issued ASU 2014-09 “Revenue from Contracts with Customers” (ASU 2014-09), which amends ASC 605 “Revenue Recognition” and creates a new topic, ASC 606 “Revenue from Contracts with Customers” (ASC 606). Subsequent to the issuance of ASU 2014-09, ASC 606 was amended by various updates that amend and clarify the impact and implementation of the aforementioned standard. These updates provide guidance on how an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Upon initial application, the provisions of these updates are required to be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this update recognized at the date of initial application. These updates also expand the disclosure requirements surrounding revenue recorded from contracts with customers. These updates are effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. We continue to evaluate the impact these updates will have on our consolidated financial statements. Based on the analysis conducted to date, we believe the most significant impact the updates will have will be on our accounting policies and disclosures on revenue recognition. Preliminarily, we do not expect that these updates will materially impact our consolidated financial statements and we have not yet determined the method of application we will use.

DERIVATIVE FINANCIAL INSTRUMENTS

ASC 815 “Derivatives and Hedging” (ASC 815) required an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. We use hedge accounting treatment for substantially all of our business transactions whose risks are covered using derivative instruments. The accounting treatment of changes in fair value is dependent upon whether or not a derivative instrument is designated as a hedge and, if so, the type of hedge. For derivatives designated as a fair value hedge, the changes in the fair value of both the derivative and the hedged item are recognized in earnings. For derivatives designated as a cash flow hedge, the change in fair value of the derivative is recognized in other comprehensive (loss) income until the hedged item is recognized in earnings. Ineffective portions are recognized currently in earnings. Unrealized gains and losses on derivatives not qualifying for hedge accounting are recognized currently in earnings. All derivatives recognized in earnings impact the expense line item on our consolidated statement of operations that is consistent with the nature of the underlying hedged item.

The company actively manages currency exposures that are associated with net monetary asset positions, currency purchases and sales commitments denominated in foreign currencies and foreign currency denominated assets and liabilities created in the normal course of business. We enter into forward sales and purchase contracts to manage currency to offset our net exposures, by currency, related to the foreign currency denominated monetary assets and liabilities of our operations. At December 31, 2016 we had outstanding forward contracts to buy foreign currency with a notional value of $73.2 million and to sell foreign currency with a notional value of $100.8 million . All of the currency derivatives expire within one year and are for USD equivalents. The counterparties to the forward contracts were large financial institutions; however, the risk of loss to us in the event of nonperformance by a counterparty could be significant to our financial position or results of operations. At December 31, 2015 , we had outstanding forward contracts to buy foreign currency with a notional value of $21.7 million and to sell foreign currency with a notional value of $10.1 million .

We use cash flow hedges for certain raw material and energy costs such as copper, zinc, lead, electricity and natural gas to provide a measure of stability in managing our exposure to price fluctuations associated with forecasted purchases of raw materials and energy costs used in our manufacturing process. For derivative instruments that are designated and qualify as a cash flow hedge, the change in fair value of the derivative is recognized as a component of other comprehensive (loss) income until the hedged item is recognized into earnings. Gains and losses on the derivatives representing hedge ineffectiveness are recognized currently in earnings. Losses on settled derivative contracts were $5.8 million ($3.6 million, net of taxes), $9.7 million ($5.9 million, net of taxes) and $1.8 million ($1.1 million, net of taxes) in 2016 , 2015 and 2014 , respectively, which were included in cost of goods sold. At December 31, 2016 , we had open positions in futures contracts through 2021 totaling $101.6 million (2015 — $63.6 million). If all open futures contracts had been settled on December 31, 2016 , we would have recognized a pretax gain of $11.1 million .

At December 31, 2016 , accumulated other comprehensive loss included a gain, net of taxes, in fair value on commodity derivative contracts of $6.8 million. If commodity prices were to remain at the levels they were at December 31, 2016 , approximately $6.2 million of deferred gains, net of tax, would be reclassified into earnings during the next twelve months. The actual effect on earnings will be dependent on commodity prices when the forecasted transactions occur. At December 31, 2015 , accumulated other comprehensive loss included a loss, net of taxes, in fair value on commodity forward contracts of $6.9 million .

We use interest rate swaps as a means of managing interest expense and floating interest rate exposure to optimal levels. The accounting for gains and losses associated with changes in fair value of the derivative and the effect on the consolidated financial statements will depend on the hedge designation and whether the hedge is effective in offsetting changes in fair value of cash flows of the asset or liability being hedged. For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in current earnings. We include the gain or loss on the hedged items (fixed-rate borrowings) in the same line item, interest expense, as the offsetting loss or gain on the related interest rate swaps. As of December 31, 2016 and 2015 , the total notional amounts of our interest rate swaps designated as fair value hedges were $500.0 million and zero , respectively.

We also use interest rate swaps as a means of minimizing significant unanticipated earnings fluctuations that may arise from volatility in interest rates of our variable-rate borrowings. For derivative instruments that are designated and qualify as a cash flow hedge, the change in fair value of the derivative is recognized as a component of other comprehensive (loss) income until the hedged item is recognized into earnings. Gains and losses on the derivatives representing hedge ineffectiveness are recognized currently in earnings. At December 31, 2016 , we had open interest rate swaps designated as cash flow hedges with maximum terms through 2019. If all open futures contracts had been settled on December 31, 2016 , we would have recognized a pretax gain of $9.6 million . If interest rates were to remain at December 31, 2016 levels, $1.1 million of deferred gains

would be reclassified into earnings during the next twelve months. The actual effect on earnings will be dependent on actual interest rates when the forecasted transactions occur.

The fair value of our derivative asset and liability balances were:

	December 31,	
	2016	2015
	($ in millions)	
Other current assets	$ 13.5	$ 1.2
Other assets	7.7	—
Total derivative asset	$ 21.2	$ 1.2
Current installments of long-term debt	$ 0.1	$ 1.2
Accrued liabilities	1.2	11.6
Long-term debt	—	0.4
Other liabilities	28.5	—
Total derivative liability	$ 29.8	$ 13.2

The ineffective portion of changes in fair value resulted in zero charged or credited to earnings for the years ended December 31, 2016 , 2015 and 2014 .

Our foreign currency forward contracts and certain commodity derivatives did not meet the criteria to qualify for hedge accounting. The effect on operating results of items not qualifying for hedge accounting was a charge of $11.5 million, $2.1 million and $1.4 million in 2016 , 2015 and 2014 , respectively.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the normal course of our business operations due to our purchases of certain commodities, our ongoing investing and financing activities and our operations that use foreign currencies. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies and procedures governing our management of market risks and the use of financial instruments to manage exposure to such risks.

Energy costs, including electricity and natural gas, and certain raw materials used in our production processes are subject to price volatility. Depending on market conditions, we may enter into futures contracts, forward contracts, commodity swaps and put and call option contracts in order to reduce the impact of commodity price fluctuations. As of December 31, 2016 , we maintained open positions on commodity contracts with a notional value totaling $101.6 million ($63.6 million at December 31, 2015). Assuming a hypothetical 10% increase in commodity prices, which are currently hedged, as of December 31, 2016 , we would experience a $10.2 million ($6.4 million at December 31, 2015) increase in our cost of inventory purchased, which would be substantially offset by a corresponding increase in the value of related hedging instruments.

We transact business in various foreign currencies other than the USD which exposes us to movements in exchange rates which may impact revenue and expenses, assets and liabilities and cash flows. Our significant foreign currency exposure is denominated with European currencies, primarily the Euro, although exposures also exist in other currencies of Asia Pacific, Latin America, Middle East and Africa. For all derivative positions, we evaluated the effects of a 10% shift in exchange rates between those currencies and the USD, holding all other assumptions constant. Unfavorable currency movements of 10% would negatively affect the fair values of the derivatives held to hedge currency exposures by $16.1 million. These unfavorable changes would generally have been offset by favorable changes in the values of the underlying exposures.

We are exposed to changes in interest rates primarily as a result of our investing and financing activities. Our current debt structure is used to fund business operations, and commitments from banks under our senior revolving credit facility are a source of liquidity. As of December 31, 2016 , we had long-term borrowings, including current installments and capital lease obligations, of $3,617.6 million ($3,848.8 million at December 31, 2015) of which $2,238.4 million ($2,305.9 million at December 31, 2015) was issued at variable rates.

In April 2016, we entered into three tranches of forward starting interest rate swaps whereby we agreed to pay fixed rates to the counterparties who, in turn, pay us floating rates on $1,100.0 million , $900.0 million and $400.0 million of our underlying floating-rate debt obligations. Each tranche's term length is for twelve months beginning on December 31, 2016, December 31, 2017 and December 31, 2018, respectively. The counterparties to the agreements are SMBC Capital Markets, Inc., Wells Fargo, PNC Bank, National Association, and Toronto-Dominion Bank. These counterparties are large financial institutions; however, the risk of loss to us in the event of nonperformance by a counterparty could be significant to our financial position or results of operations.

In April 2016, we entered into interest rate swaps on $250.0 million of our underlying fixed-rate debt obligations, whereby we agreed to pay variable rates to the counterparties, who, in turn, pay us fixed rates. The counterparties to these agreements are Toronto-Dominion Bank and SMBC Capital Markets, Inc., both of which are major financial institutions.

In October 2016, we also entered into interest rate swaps on an additional $250.0 million of our underlying fixed-rate debt obligations, whereby we agreed to pay variable rates to the counterparties who, in turn, pay us fixed rates. The counterparties to these agreements are PNC Bank, National Association and Wells Fargo, both of which are major financial institutions.

In June 2012, we terminated $73.1 million of interest rate swaps with Wells Fargo that had been entered into on the SunBelt Notes in May 2011. The result was a gain of $2.2 million which will be recognized through 2017. As of December 31, 2016 , $0.1 million of this gain was included in current installments of long-term debt.

Assuming no changes in the $2,238.4 million of variable-rate debt levels from December 31, 2016 , we estimate that a hypothetical change of 100-basis points in the LIBOR interest rates from 2016 would impact annual interest expense by $22.4 million. A portion of this hypothetical change would be offset by our interest rate swaps.

Our interest rate swaps reduced interest expense by $3.7 million , $2.8 million and $2.9 million in 2016 , 2015 and 2014 , respectively.

If the actual changes in commodities, foreign currency, or interest pricing is substantially different than expected, the net impact of commodity risk, foreign currency risk, or interest rate risk on our cash flow may be materially different than that disclosed above.

We do not enter into any derivative financial instruments for speculative purposes.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS:

This report includes forward-looking statements. These statements relate to analyses and other information that are based on management's beliefs, certain assumptions made by management, forecasts of future results and current expectations, estimates and projections about the markets and economy in which we and our various segments operate. The statements contained in this report that are not statements of historical fact may include forward-looking statements that involve a number of risks and uncertainties.

We have used the words "anticipate," "intend," "may," "expect," "believe," "should," "plan," "estimate," "project," "forecast," "optimistic" and variations of such words and similar expressions in this report to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict and many of which are beyond our control. Therefore, actual outcomes and results may differ materially from those matters expressed or implied in such forward-looking statements. We undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise.

The risks, uncertainties, and assumptions involved in our forward-looking statements include those discussed under Item 1A—"Risk Factors." You should consider all of our forward-looking statements in light of these factors. In addition, other risks and uncertainties not presently known to us or that we consider immaterial could affect the accuracy of our forward-looking statements.

Item 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Olin Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. Olin's internal control system was designed to provide reasonable assurance to the company's management and board of directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation, and may not prevent or detect all misstatements.

The management of Olin Corporation has assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2016 . In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework (2013)* to guide our analysis and assessment. Based on our assessment as of December 31, 2016 , the company's internal control over financial reporting was effective based on those criteria.

Our independent registered public accountants, KPMG LLP, have audited and issued a report on our internal control over financial reporting, which appears in this Form 10-K.

/s/ John E. Fischer
President and Chief Executive Officer

/s/ Todd A. Slater
Vice President and Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Olin Corporation:

We have audited the accompanying consolidated balance sheets of Olin Corporation and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2016. We also have audited Olin Corporation's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Olin Corporation's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management Report on Internal Control Over Financial Reporting.* Our responsibility is to express an opinion on these consolidated financial statements and an opinion on Olin Corporation's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Olin Corporation and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also in our opinion, Olin Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

/s/ KPMG LLP

St. Louis, Missouri
February 27, 2017

CONSOLIDATED BALANCE SHEETS
December 31
(In millions, except per share data)

Assets		***2016***		***2015***
Current assets:				
Cash and cash equivalents	$	184.5	$	392.0
Receivables, net		675.0		783.4
Income taxes receivable		25.5		32.9
Inventories		630.4		685.2
Other current assets		30.8		39.9
Total current assets		1,546.2		1,933.4
Property, plant and equipment, net		3,704.9		3,953.4
Deferred income taxes		119.5		95.9
Other assets		644.4		454.6
Intangible assets, net		629.6		677.5
Goodwill		2,118.0		2,174.1
Total assets	$	8,762.6	$	9,288.9
Liabilities and Shareholders' Equity				
Current liabilities:				
Current installments of long-term debt	$	80.5	$	205.0
Accounts payable		570.8		608.2
Income taxes payable		7.5		4.9
Accrued liabilities		263.8		328.1
Total current liabilities		922.6		1,146.2
Long-term debt		3,537.1		3,643.8
Accrued pension liability		638.1		648.9
Deferred income taxes		1,032.5		1,095.2
Other liabilities		359.3		336.0
Total liabilities		6,489.6		6,870.1
Commitments and contingencies				
Shareholders' equity:				
Common stock, par value $1 per share:				
Authorized, 240.0 shares;				
Issued and outstanding, 165.4 shares (165.1 in 2015)		165.4		165.1
Additional paid-in capital		2,243.8		2,236.4
Accumulated other comprehensive loss		(510.0)		(492.5)
Retained earnings		373.8		509.8
Total shareholders' equity		2,273.0		2,418.8
Total liabilities and shareholders' equity	$	8,762.6	$	9,288.9

The accompanying notes to consolidated financial statements are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31
(In millions, except per share data)

	2016	***2015***	***2014***
Sales	$ 5,550.6	$ 2,854.4	$ 2,241.2
Operating expenses:			
Cost of goods sold	4,923.7	2,486.8	1,853.2
Selling and administration	323.2	186.3	166.1
Restructuring charges	112.9	2.7	15.7
Acquisition-related costs	48.8	123.4	4.2
Other operating income	10.6	45.7	1.5
Operating income	152.6	100.9	203.5
Earnings of non-consolidated affiliates	1.7	1.7	1.7
Interest expense	191.9	97.0	43.8
Interest income	3.4	1.1	1.3
Income (loss) from continuing operations before taxes	(34.2)	6.7	162.7
Income tax (benefit) provision	(30.3)	8.1	57.7
Income (loss) from continuing operations	(3.9)	(1.4)	105.0
Income from discontinued operations, net	—	—	0.7
Net (loss) income	$ (3.9)	$ (1.4)	$ 105.7
Net (loss) income per common share:			
Basic (loss) income per common share:			
Income (loss) from continuing operations	$ (0.02)	$ (0.01)	$ 1.33
Income from discontinued operations, net	—	—	0.01
Net (loss) income	$ (0.02)	$ (0.01)	$ 1.34
Diluted (loss) income per common share:			
Income (loss) from continuing operations	$ (0.02)	$ (0.01)	$ 1.32
Income from discontinued operations, net	—	—	0.01
Net (loss) income	$ (0.02)	$ (0.01)	$ 1.33
Average common shares outstanding:			
Basic	165.2	103.4	78.6
Diluted	165.2	103.4	79.7

The accompanying notes to consolidated financial statements are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Years ended December 31
(In millions)

	2016	2015	2014
Net (loss) income	$ (3.9)	$ (1.4)	$ 105.7
Other comprehensive loss, net of tax:			
Foreign currency translation adjustments, net	(12.0)	(9.8)	(1.8)
Unrealized gains (losses) on derivative contracts, net	19.7	(2.7)	(5.1)
Pension and postretirement liability adjustments, net	(37.5)	(78.8)	(86.6)
Amortization of prior service costs and actuarial losses, net	12.3	41.9	15.5
Total other comprehensive loss, net of tax	(17.5)	(49.4)	(78.0)
Comprehensive (loss) income	$ (21.4)	$ (50.8)	$ 27.7

The accompanying notes to consolidated financial statements are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In millions, except per share data)

	Common Stock						
	Shares Issued	***Par Value***	***Additional Paid-In Capital***	***Accumulated Other Comprehensive Loss***	***Retained Earnings***	***Total Shareholders' Equity***
Balance at January 1, 2014	79.4	$ 79.4	$ 838.8	$ (365.1)	$ 548.0	$ 1,101.1
Net income	—	—	—	—	105.7	105.7
Other comprehensive loss	—	—	—	(78.0)	—	(78.0)
Dividends paid:						
Common stock ($0.80 per share)	—	—	—	—	(63.0)	(63.0)
Common stock repurchased and retired	(2.5)	(2.5)	(62.3)	—	—	(64.8)
Common stock issued for:						
Stock options exercised	0.5	0.5	11.6	—	—	12.1
Other transactions	—	—	(1.4)	—	—	(1.4)
Stock-based compensation	—	—	1.6	—	—	1.6
Balance at December 31, 2014	77.4	77.4	788.3	(443.1)	590.7	1,013.3
Net loss	—	—	—	—	(1.4)	(1.4)
Other comprehensive loss	—	—	—	(49.4)	—	(49.4)
Dividends paid:						
Common stock ($0.80 per share)	—	—	—	—	(79.5)	(79.5)
Common stock issued for:						
Stock options exercised	0.1	0.1	3.0	—	—	3.1
Other transactions	0.1	0.1	2.2	—	—	2.3
Business acquired in purchase transaction, net of issuance costs	87.5	87.5	1,438.0	—	—	1,525.5
Stock-based compensation	—	—	4.9	—	—	4.9
Balance at December 31, 2015	165.1	165.1	2,236.4	(492.5)	509.8	2,418.8
Net loss	—	—	—	—	(3.9)	(3.9)
Other comprehensive loss	—	—	—	(17.5)	—	(17.5)
Dividends paid:						
Common stock ($0.80 per share)	—	—	—	—	(132.1)	(132.1)
Common stock issued for:						
Stock options exercised	0.3	0.3	3.8	—	—	4.1
Other transactions	—	—	(0.8)	—	—	(0.8)
Stock-based compensation	—	—	4.4	—	—	4.4
Balance at December 31, 2016	165.4	$ 165.4	$ 2,243.8	$ (510.0)	$ 373.8	$ 2,273.0

The accompanying notes to consolidated financial statements are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31
(In millions)

	2016	2015	2014
Operating Activities			
Net (loss) income	$ (3.9)	$ (1.4)	$ 105.7
Adjustments to reconcile net (loss) income to net cash and cash equivalents provided by (used for) operating activities:			
Earnings of non-consolidated affiliates	(1.7)	(1.7)	(1.7)
Losses (gains) on disposition of property, plant and equipment	0.7	(25.2)	(1.1)
Stock-based compensation	7.5	7.6	5.1
Depreciation and amortization	533.5	228.9	139.1
Deferred income taxes	(32.7)	5.6	31.0
Write-off of equipment and facility included in restructuring charges	76.6	0.5	3.3
Qualified pension plan contributions	(7.3)	(0.9)	(0.8)
Qualified pension plan income	(37.5)	(32.0)	(28.5)
Change in assets and liabilities:			
Receivables	38.5	(115.1)	25.8
Income taxes receivable/payable	10.7	(12.6)	(27.8)
Inventories	23.9	(1.7)	(23.6)
Other current assets	20.9	(30.6)	1.7
Accounts payable and accrued liabilities	(13.1)	185.1	(38.5)
Other assets	(4.3)	37.6	5.2
Other noncurrent liabilities	(12.1)	(32.5)	(33.2)
Other operating activities	3.5	5.5	(2.5)
Net operating activities	603.2	217.1	159.2
Investing Activities			
Capital expenditures	(278.0)	(130.9)	(71.8)
Business acquired and related transactions, net of cash acquired	(69.5)	(408.1)	—
Payments under long-term supply contract	(175.7)	—	—
Proceeds from sale/leaseback of equipment	40.4	—	—
Proceeds from disposition of property, plant and equipment	0.5	26.2	5.6
Proceeds from disposition of investments in non-consolidated equity affiliate	8.8	8.8	—
Restricted cash activity, net	—	—	4.2
Other investing activities	—	—	0.3
Net investing activities	(473.5)	(504.0)	(61.7)
Financing Activities			
Long-term debt:			
Borrowings	230.0	1,275.0	150.0
Repayments	(435.3)	(730.7)	(162.4)
Earn out payment - SunBelt	—	—	(14.8)
Common stock repurchased and retired	—	—	(64.8)
Stock options exercised	0.5	2.2	6.6
Excess tax benefits from stock-based compensation	0.4	0.4	1.1
Dividends paid	(132.1)	(79.5)	(63.0)
Debt and equity issuance costs	(1.0)	(45.2)	(1.2)
Net financing activities	(337.5)	422.2	(148.5)
Effect of exchange rate changes on cash and cash equivalents	0.3	(0.1)	—
Net (decrease) increase in cash and cash equivalents	(207.5)	135.2	(51.0)
Cash and cash equivalents, beginning of year	392.0	256.8	307.8
Cash and cash equivalents, end of year	$ 184.5	$ 392.0	$ 256.8
Cash paid for interest and income taxes:			
Interest	$ 200.8	$ 32.3	$ 36.8

Income taxes, net of refunds	$ (2.6)	$ 5.3	$ 49.0

The accompanying notes to consolidated financial statements are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION OF BUSINESS

Olin Corporation (Olin) is a Virginia corporation, incorporated in 1892, having its principal executive offices in Clayton, MO. We are a manufacturer concentrated in three business segments: Chlor Alkali Products and Vinyls, Epoxy and Winchester. The Chlor Alkali Products and Vinyls segment manufactures and sells chlorine and caustic soda, ethylene dichloride and vinyl chloride monomer, methyl chloride, methylene chloride, chloroform, carbon tetrachloride, perchloroethylene, trichloroethylene and vinylidene chloride, hydrochloric acid, hydrogen, bleach products and potassium hydroxide. The Epoxy segment produces and sells a full range of epoxy materials, including allyl chloride, epichlorohydrin, liquid epoxy resins and downstream products such as converted epoxy resins and additives. The Winchester segment produces and sells sporting ammunition, reloading components, small caliber military ammunition and components, and industrial cartridges.

On October 5, 2015 (the Closing Date), we acquired from The Dow Chemical Company (TDCC) its U.S. Chlor Alkali and Vinyl, Global Chlorinated Organics and Global Epoxy businesses (collectively, the Acquired Business), whose operating results are included in the accompanying financial statements since the Closing Date. For segment reporting purposes, a portion of the Acquired Business's operating results comprise the Epoxy segment with the remaining operating results combined with Olin's Chlor Alkali Products and Chemical Distribution segments to comprise the Chlor Alkali Products and Vinyls segment.

ACCOUNTING POLICIES

The preparation of the consolidated financial statements requires estimates and assumptions that affect amounts reported and disclosed in the financial statements and related notes. Actual results could differ from those estimates.

Basis of Presentation

The consolidated financial statements include the accounts of Olin and all majority-owned subsidiaries. Investment in our affiliates are accounted for on the equity method. Accordingly, we include only our share of earnings or losses of these affiliates in consolidated net (loss) income. Certain reclassifications were made to prior year amounts to conform to the 2016 presentation.

Revenue Recognition

Revenues are recognized on sales of product at the time the goods are shipped and the risks of ownership have passed to the customer. Shipping and handling fees billed to customers are included in sales. Allowances for estimated returns, discounts and rebates are recognized when sales are recorded and are based on various market data, historical trends and information from customers. Actual returns, discounts and rebates have not been materially different from estimates.

Cost of Goods Sold and Selling and Administration Expenses

Cost of goods sold includes the costs of inventory sold, related purchasing, distribution and warehousing costs, costs incurred for shipping and handling, depreciation and amortization expense related to these activities and environmental remediation costs and recoveries. Selling and administration expenses include personnel costs associated with sales, marketing and administration, research and development, legal and legal-related costs, consulting and professional services fees, advertising expenses, depreciation expense related to these activities, foreign currency translation and other similar costs.

Acquisition-related Costs

Acquisition-related costs include advisory, legal, accounting and other professional fees incurred in connection with the purchase and integration of our acquisitions. Acquisition-related costs also may include costs which arise as a result of acquisitions, including contractual change in control provisions, contract termination costs, compensation payments related to the acquisition or pension and other postretirement benefit plan settlements. Acquisition-related costs for the years ended December 31, 2016, 2015 and 2014 of $48.8 million , $123.4 million and $4.2 million , respectively, were associated with the Acquisition.

Other Operating Income

Other operating income consists of miscellaneous operating income items, which are related to our business activities, and gains (losses) on disposition of property, plant and equipment.

Included in other operating income were the following:

	Years Ended December 31,		
	2016	**2015**	**2014**
	($ in millions)		
Gains (losses) on disposition of property, plant and equipment, net	$ (0.7)	$ (0.6)	$ 0.2
Gains on insurance recoveries	11.0	46.0	—
Gain on resolution of a contract matter	—	—	1.0
Other	0.3	0.3	0.3
Other operating income	$ 10.6	$ 45.7	$ 1.5

The gains on insurance recoveries in 2016 included insurance recoveries for property damage and business interruption related to a 2008 Henderson, NV chlor alkali facility incident. The gains on insurance recoveries in 2015 included insurance recoveries for property damage and business interruption of $42.3 million related to the portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014 and $3.7 million related to the McIntosh, AL chlor alkali facility.

Other Income (Expense)

Other income consists of non-operating income items which are not related to our primary business activities.

Foreign Currency Translation

Our worldwide operations utilize the U.S. dollar (USD) or local currency as the functional currency, where applicable. For foreign entities where the USD is the functional currency, gains and losses resulting from balance sheet translations are included in selling and administration. For foreign entities where the local currency is the functional currency, assets and liabilities denominated in local currencies are translated into USD at end-of-period exchange rates and the resultant translation adjustments are included in accumulated other comprehensive loss. Assets and liabilities denominated in other than the local currency are remeasured into the local currency prior to translation into USD and the resultant exchange gains or losses are included in income in the period in which they occur. Income and expenses are translated into USD using an approximation of the average rate prevailing during the period. We change the functional currency of our separate and distinct foreign entities only when significant changes in economic facts and circumstances indicate clearly that the functional currency has changed.

Cash and Cash Equivalents

All highly liquid investments, with a maturity of three months or less at the date of purchase, are considered to be cash equivalents.

Short-Term Investments

We classify our marketable securities as available-for-sale, which are reported at fair market value with unrealized gains and losses included in accumulated other comprehensive loss, net of applicable taxes. The fair value of marketable securities is determined by quoted market prices. Realized gains and losses on sales of investments, as determined on the specific identification method, and declines in value of securities judged to be other-than-temporary are included in other income (expense) in the consolidated statements of operations. Interest and dividends on all securities are included in interest income and other income (expense), respectively. As of December 31, 2016 and 2015, we had no short-term investments recorded on our consolidated balance sheets.

Allowance for Doubtful Accounts Receivable

We evaluate the collectibility of accounts receivable based on a combination of factors. We estimate an allowance for doubtful accounts as a percentage of net sales based on historical bad debt experience. This estimate is periodically adjusted when we become aware of a specific customer's inability to meet its financial obligations (e.g., bankruptcy filing) or as a result of changes in the overall aging of accounts receivable. While we have a large number of customers that operate in diverse businesses and are geographically dispersed, a general economic downturn in any of the industry segments in which we operate could result in higher than expected defaults, and, therefore, the need to revise estimates for the provision for doubtful accounts could occur.

Inventories

Inventories are valued at the lower of cost or market. For U.S. inventories, inventory costs are determined principally by the dollar value last-in, first-out (LIFO) method of inventory accounting while for international inventories, inventory costs are determined principally by the first-in, first-out (FIFO) method of inventory accounting. Cost for other inventories has been determined principally by the average-cost method (primarily operating supplies, spare parts and maintenance parts). Elements of costs in inventories include raw materials, direct labor and manufacturing overhead.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets. Interest costs incurred to finance expenditures for major long-term construction projects are capitalized as part of the historical cost and included in property, plant and equipment and are depreciated over the useful lives of the related assets. Leasehold improvements are amortized over the term of the lease or the estimated useful life of the improvement, whichever is shorter. Start-up costs are expensed as incurred. Expenditures for maintenance and repairs are charged to expense when incurred while the costs of significant improvements, which extend the useful life of the underlying asset, are capitalized.

Property, plant and equipment are reviewed for impairment when conditions indicate that the carrying values of the assets may not be recoverable. Such impairment conditions include an extended period of idleness or a plan of disposal. If such impairment indicators are present or other factors exist that indicate that the carrying amount of an asset may not be recoverable, we determine whether impairment has occurred through the use of an undiscounted cash flow analysis at the lowest level for which identifiable cash flows exist. For our Chlor Alkali Products and Vinyls, Epoxy and Winchester segments, the lowest level for which identifiable cash flows exist is the operating facility level or an appropriate grouping of operating facilities level. The amount of impairment loss, if any, is measured by the difference between the net book value of the assets and the estimated fair value of the related assets.

Restricted Cash

Restricted cash, which is restricted as to withdrawal or usage, is classified on our consolidated balance sheet as a noncurrent asset separately from cash and cash equivalents.

Asset Retirement Obligations

We record the fair value of an asset retirement obligation associated with the retirement of a tangible long-lived asset as a liability in the period incurred. The liability is measured at discounted fair value and is adjusted to its present value in subsequent periods as accretion expense is recorded. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's useful life. Asset retirement obligations are reviewed annually in the fourth quarter and/or when circumstances or other events indicate that changes underlying retirement assumptions may have occurred.

The activity of our asset retirement obligation was as follows:

	December 31,	
	2016	2015
	($ in millions)	
Beginning balance	$ 53.5	$ 54.4
Accretion	3.1	3.6
Spending	(8.8)	(8.2)
Currency translation adjustments	0.2	(1.1)
Acquisition activity	—	1.7
Adjustments	7.4	3.1
Ending balance	$ 55.4	$ 53.5

At December 31, 2016 and 2015 , our consolidated balance sheets included an asset retirement obligation of $42.8 million and $46.2 million , respectively, which were classified as other noncurrent liabilities.

In 2016 , we had net adjustments that increased the asset retirement obligation by $7.4 million , which were primarily comprised of increases in estimated costs for certain assets. In 2015 , we had net adjustments that increased the asset retirement obligation by $3.1 million , which were primarily due to changes in the estimated timing of payments for certain assets.

Comprehensive Income (Loss)

Accumulated other comprehensive loss consists of foreign currency translation adjustments, pension and postretirement liability adjustments, pension and postretirement amortization of prior service costs and actuarial losses and net unrealized (losses) gains on derivative contracts.

Goodwill

Goodwill is not amortized, but is reviewed for impairment annually in the fourth quarter and/or when circumstances or other events indicate that impairment may have occurred. Accounting Standards Codification (ASC) 350 "Intangibles—Goodwill and Other" permits entities to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. Circumstances that are considered as part of the qualitative assessment and could trigger the two-step impairment test include, but are not limited to: a significant adverse change in the business climate; a significant adverse legal judgment; adverse cash flow trends; an adverse action or assessment by a government agency; unanticipated competition; decline in our stock price; and a significant restructuring charge within a reporting unit. We define reporting units at the business segment level or one level below the business segment level. For purposes of testing goodwill for impairment, goodwill has been allocated to our reporting units to the extent it relates to each reporting unit.

It is our practice, at a minimum, to perform a quantitative goodwill impairment test in the fourth quarter every three years. In the fourth quarter of 2016, we performed a quantitative goodwill impairment test for our reporting units. We use a discounted cash flow approach to develop the estimated fair value of a reporting unit when a quantitative test is performed. Management judgment is required in developing the assumptions for the discounted cash flow model. We also corroborate our discounted cash flow analysis by evaluating a market-based approach that considers earnings before interest, taxes, depreciation and amortization (EBITDA) multiples from a representative sample of comparable public companies. As a further indicator that each reporting unit has been valued appropriately using a discounted cash flow model, the aggregate fair value of all reporting units is reconciled to the total market value of Olin. An impairment would be recorded if the carrying amount exceeded the estimated fair value. Based on the aforementioned analysis, the estimated fair value of our reporting units substantially exceeded the carrying value of the reporting units. No impairment charges were recorded for 2016, 2015 or 2014.

The discount rate, profitability assumptions and terminal growth rate of our reporting units and the cyclical nature of the chlor alkali industry were the material assumptions utilized in the discounted cash flow model used to estimate the fair value of each reporting unit. The discount rate reflects a weighted-average cost of capital, which is calculated based on observable market data. Some of this data (such as the risk free or treasury rate and the pretax cost of debt) are based on the market data at a point in time. Other data (such as the equity risk premium) are based upon market data over time for a peer group of companies in the chemical manufacturing or distribution industries with a market capitalization premium added, as applicable.

The discounted cash flow analysis requires estimates, assumptions and judgments about future events. Our analysis uses our internally generated long-range plan. Our discounted cash flow analysis uses the assumptions in our long-range plan about terminal growth rates, forecasted capital expenditures and changes in future working capital requirements to determine the implied fair value of each reporting unit. The long-range plan reflects management judgment, supplemented by independent chemical industry analyses which provide multi-year industry operating and pricing forecasts.

We believe the assumptions used in our goodwill impairment analysis are appropriate and result in reasonable estimates of the implied fair value of each reporting unit. However, given the economic environment and the uncertainties regarding the impact on our business, there can be no assurance that our estimates and assumptions, made for purposes of our goodwill impairment testing will prove to be an accurate prediction of the future. In order to evaluate the sensitivity of the fair value calculation on the goodwill impairment test, we applied a hypothetical 10% decrease to the fair value of each reporting unit. We also applied a hypothetical decrease of 100-basis points in our terminal growth rate or an increase of 100-basis points in our weighted-average cost of capital to test the fair value calculation. In all cases, the estimated fair value of our reporting units derived in these sensitivity calculations exceeded the carrying value in excess of 10%. If our assumptions regarding future performance are not achieved, we may be required to record goodwill impairment charges in future periods. It is not possible at this time to determine if any such future impairment charge would result or, if it does, whether such charge would be material.

Intangible Assets

In conjunction with our acquisitions, we have obtained access to the customer contracts and relationships, trade names, acquired technology and other intellectual property of the acquired companies. These relationships are expected to provide economic benefit for future periods. Amortization expense is recognized on a straight-line basis over the estimated lives of the related assets. The amortization period of customer contracts and relationships, trade names, acquired technology and other intellectual property represents our best estimate of the expected usage or consumption of the economic benefits of the acquired assets, which is based on the company's historical experience.

Intangible assets with finite lives are reviewed for impairment when conditions indicate that the carrying values of the assets may not be recoverable. Circumstances that are considered as part of the qualitative assessment and could trigger a quantitative impairment test include, but are not limited to: a significant adverse change in the business climate; a significant adverse legal judgment including asset specific factors; adverse cash flow trends; an adverse action or assessment by a government agency; unanticipated competition; decline in our stock price; and a significant restructuring charge within a reporting unit. Based upon our qualitative assessment, it is more likely than not that the fair value of our intangible assets are greater than the carrying amount as of December 31, 2016 . No impairment of our intangible assets were recorded in 2016 , 2015 or 2014 .

Environmental Liabilities and Expenditures

Accruals (charges to income) for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based upon current law and existing technologies. These amounts, which are not discounted and are exclusive of claims against third parties, are adjusted periodically as assessment and remediation efforts progress or additional technical or legal information becomes available. Environmental costs are capitalized if the costs increase the value of the property and/or mitigate or prevent contamination from future operations.

Discontinued Operations

We present the results of operations, financial position and cash flows that have either been sold or that meet the criteria for "held for sale" accounting as discontinued operations. At the time an operation qualifies for held for sale accounting, the operation is evaluated to determine whether or not the carrying value exceeds its fair value less cost to sell. Any loss as a result of carrying value in excess of fair value less cost to sell is recorded in the period the operation meets held for sale accounting. Management judgment is required to assess the criteria required to meet held for sale accounting, and estimate fair value. Changes to the operation could cause it to no longer qualify for held for sale accounting and changes to fair value or adjustments to amounts previously reported as discontinued operations could result in an increase or decrease to previously recognized losses.

Income Taxes

Deferred taxes are provided for differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is provided to

offset deferred tax assets if, based on the available evidence, it is more likely than not that some or all of the value of the deferred tax assets will not be realized.

Derivative Financial Instruments

We are exposed to market risk in the normal course of our business operations due to our purchases of certain commodities, our ongoing investing and financing activities and our operations that use foreign currencies. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies and procedures governing our management of market risks and the use of financial instruments to manage exposure to such risks. We use hedge accounting treatment for substantially all of our business transactions whose risks are covered using derivative instruments. The hedge accounting treatment provides for the deferral of gains or losses on derivative instruments until such time as the related transactions occur.

Concentration of Credit Risk

Accounts receivable is the principal financial instrument which subjects us to a concentration of credit risk. Credit is extended based upon the evaluation of a customer's financial condition and, generally, collateral is not required. Concentrations of credit risk with respect to receivables are somewhat limited due to our large number of customers, the diversity of these customers' businesses and the geographic dispersion of such customers. Our accounts receivable are predominantly derived from sales denominated in USD or the Euro. We maintain an allowance for doubtful accounts based upon the expected collectibility of all trade receivables.

Fair Value

Fair value is defined as the price at which an asset could be exchanged in a current transaction between knowledgeable, willing parties or the amount that would be paid to transfer a liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market and the instruments' complexity.

Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by ASC 820 "Fair Value Measurement" (ASC 820), and directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

Level 1 — Inputs were unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 — Inputs (other than quoted prices included in Level 1) were either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 — Inputs reflected management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration was given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

Retirement-Related Benefits

We account for our defined benefit pension plans and non-pension postretirement benefit plans using actuarial models required by ASC 715 "Compensation-Retirement Benefits" (ASC 715). These models use an attribution approach that generally spreads the financial impact of changes to the plan and actuarial assumptions over the average remaining service lives of the employees in the plan. Changes in liability due to changes in actuarial assumptions such as discount rate, rate of compensation increases and mortality, as well as annual deviations between what was assumed and what was experienced by the plan are treated as actuarial gains or losses. The principle underlying the required attribution approach is that employees render service over their average remaining service lives on a relatively smooth basis and, therefore, the accounting for benefits earned under the pension or non-pension postretirement benefits plans should follow the same relatively smooth pattern. Substantially all domestic defined benefit pension plan participants are no longer accruing benefits; therefore, actuarial gains and losses are amortized based upon the remaining life expectancy of the inactive plan participants. For both the years

ended December 31, 2016 and 2015 , the average remaining life expectancy of the inactive participants in the domestic defined benefit pension plan was 19 years.

One of the key assumptions for the net periodic pension calculation is the expected long-term rate of return on plan assets, used to determine the "market-related value of assets." The "market-related value of assets" recognizes differences between the plan's actual return and expected return over a five year period. The required use of an expected long-term rate of return on the market-related value of plan assets may result in a recognized pension income that is greater or less than the actual returns of those plan assets in any given year. Over time, however, the expected long-term returns are designed to approximate the actual long-term returns and, therefore, result in a pattern of income and expense recognition that more closely matches the pattern of the services provided by the employees. As differences between actual and expected returns are recognized over five years, they subsequently generate gains and losses that are subject to amortization over the average remaining life expectancy of the inactive plan participants, as described in the preceding paragraph.

We use long-term historical actual return information, the mix of investments that comprise plan assets, and future estimates of long-term investment returns and inflation by reference to external sources to develop the expected long-term rate of return on plan assets as of December 31.

The discount rate assumptions used for pension and non-pension postretirement benefit plan accounting reflect the rates available on high-quality fixed-income debt instruments on December 31 of each year. The rate of compensation increase is based upon our long-term plans for such increases. For retiree medical plan accounting, we review external data and our own historical trends for healthcare costs to determine the healthcare cost trend rates.

Stock-Based Compensation

We measure the cost of employee services received in exchange for an award of equity instruments, such as stock options, performance shares and restricted stock, based on the grant-date fair value of the award. This cost is recognized over the period during which an employee is required to provide service in exchange for the award, the requisite service period (usually the vesting period). An initial measurement is made of the cost of employee services received in exchange for an award of liability instruments based on its current fair value and the value of that award is subsequently remeasured at each reporting date through the settlement date. Changes in fair value of liability awards during the requisite service period are recognized as compensation cost over that period.

The fair value of each option granted, which typically vests ratably over three years, but not less than one year, was estimated on the date of grant, using the Black-Scholes option-pricing model with the following assumptions:

	2016	***2015***	***2014***
Dividend yield	6.09%	2.92%	3.13%
Risk-free interest rate	1.35%	1.69%	2.13%
Expected volatility	32%	34%	42%
Expected life (years)	6.0	6.0	7.0
Weighted-average grant fair value (per option)	$ 1.90	$ 6.80	$ 8.34
Weighted-average exercise price	$ 13.14	$ 27.40	$ 25.69
Shares granted	1,670,400	776,750	624,200

Dividend yield was based on a historical average. Risk-free interest rate was based on zero coupon U.S. Treasury securities rates for the expected life of the options. Expected volatility was based on our historical stock price movements, as we believe that historical experience is the best available indicator of the expected volatility. Expected life of the option grant was based on historical exercise and cancellation patterns, as we believe that historical experience is the best estimate for future exercise patterns.

RECENT ACCOUNTING PRONOUNCEMENTS

In January 2017, the Financial Accounting Standards Board (FASB) issued ASU 2017-04, "Simplifying the Test for Goodwill Impairment" which amends ASC 350 "Intangibles—Goodwill and Other." This update will simplify the measurement of goodwill impairment by eliminating Step 2 from the goodwill impairment test. This update will require an entity to perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carry amount exceeds the reporting unit's fair value. The update does not modify the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. This standard is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The guidance in this update is applied on a prospective basis with earlier application permitted. We are currently evaluating the effect of this update on our consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments" which amends ASC 230 "Statement of Cash Flows." This update will make eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. The update is effective for fiscal years beginning after December 15, 2017. The new standard will require adoption on a retrospective basis unless it is impracticable to apply, in which case it would be required to apply the amendments prospectively as of the earliest date practicable. We are currently evaluating the effect of this update on our consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09 "Improvements to Employee Share-Based Payment Accounting," which amends ASC 718 "Compensation—Stock Compensation." This update will simplify the income tax consequences, accounting for forfeitures and classification on the statements of cash flows of share-based payment arrangements. This standard is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years, with earlier application permitted. We will adopt this update in the first quarter of 2017.

In February 2016, the FASB issued ASU 2016-02 "Leases," which supersedes ASC 840 "Leases" and creates a new topic, ASC 842 "Leases." This update requires lessees to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than 12 months on its balance sheet. The update also expands the required quantitative and qualitative disclosures surrounding leases. This update is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years, with earlier application permitted. This update will be applied using a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. We are currently evaluating the effect of this update on our consolidated financial statements.

In November 2015, the FASB issued ASU 2015-17 "Balance Sheet Classification of Deferred Taxes" (ASU 2015-17), which amends ASC 740 "Income Taxes" (ASC 740). This update requires deferred income tax liabilities and assets, and any related valuation allowance, to be classified as noncurrent on the balance sheet. This update simplifies the current guidance requiring the deferred taxes for each jurisdiction to be presented as a net current asset or liability and net noncurrent asset or liability. This update is effective for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years. The guidance may be applied either prospectively or retrospectively, with earlier application permitted. We adopted the provisions of ASU 2015-17 on December 31, 2015, which was applied prospectively, and, therefore, all prior periods have not been retrospectively adjusted.

In September 2015, the FASB issued ASU 2015-16 "Simplifying the Accounting for Measurement—Period Adjustments" (ASU 2015-16), which amends ASC 805 "Business Combinations." This update requires that an acquirer in a business combination recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustments are determined. We adopted ASU 2015-16 on January 1, 2016. This update is applied prospectively to adjustments of provisional amounts that occur after the effective date with earlier application permitted. This update did not have a material effect on our consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11 "Simplifying the Measurement of Inventory," which amends ASC 330 "Inventory." This update requires entities to measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonable predictable costs of completion, disposal and transportation. This update simplifies the current guidance under which an entity must measure inventory at the lower of cost or market. This update does not impact inventory measured using LIFO. This update is effective for fiscal years beginning after December 15, 2016. We are currently evaluating the effect of this update on our consolidated financial statements.

In May 2015, the FASB issued ASU 2015-07 “Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)” (ASU 2015-07) which amends ASC 820 “Fair Value Measurement.” This update removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendments removed the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. This update is effective for fiscal years beginning after December 15, 2015 and interim periods within those fiscal years and impacts the disclosure requirements surrounding certain assets held by our pension plans. The new guidance will be applied on a retrospective basis. We adopted ASU 2015-07 on January 1, 2016 which was applied retrospectively, and, therefore, all prior periods have been retrospectively adjusted.

In April 2015, the FASB issued ASU 2015-03 “Simplifying the Presentation of Debt Issuance Costs” and, in August 2015, the FASB issued ASU 2015-15 “Interest—Imputation of Interest,” which both amend ASC 835-30 “Interest—Imputation of Interest.” These updates require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability while debt issuance costs related to line-of-credit arrangements will continue to be presented as an asset. We adopted ASU 2015-03 and ASU 2015-15 on January 1, 2016 which required retrospective application. As of December 31, 2015, debt issuance costs of $31.4 million were reclassified within our consolidated balance sheet from other assets to long-term debt and $1.5 million were reclassified within our consolidated balance sheet from other assets to current installments of long-term debt.

In May 2014, the FASB issued ASU 2014-09 “Revenue from Contracts with Customers” (ASU 2014-09), which amends ASC 605 “Revenue Recognition” and creates a new topic, ASC 606 “Revenue from Contracts with Customers” (ASC 606). Subsequent to the issuance of ASU 2014-09, ASC 606 was amended by various updates that amend and clarify the impact and implementation of the aforementioned standard. These updates provide guidance on how an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Upon initial application, the provisions of these updates are required to be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this update recognized at the date of initial application. These updates also expand the disclosure requirements surrounding revenue recorded from contracts with customers. These updates are effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. We continue to evaluate the impact these updates will have on our consolidated financial statements. Based on the analysis conducted to date, we believe the most significant impact the updates will have will be on our accounting policies and disclosures on revenue recognition. Preliminarily, we do not expect that these updates will materially impact our consolidated financial statements and we have not yet determined the method of application we will use.

ACQUISITION

On the Closing Date, Olin consummated the previously announced merger (the Merger), using a Reverse Morris Trust structure, of our wholly owned subsidiary, Blue Cube Acquisition Corp. (Merger Sub), with and into Blue Cube Spinco Inc. (Spinco), with Spinco as the surviving corporation and a wholly owned subsidiary of Olin, as contemplated by the Agreement and Plan of Merger (the Merger Agreement) dated March 26, 2015, among Olin, TDCC, Merger Sub and Spinco (collectively, the Acquisition). Pursuant to the Merger Agreement and a Separation Agreement dated March 26, 2015 between TDCC and Spinco (the Separation Agreement), prior to the Merger, (1) TDCC transferred the Acquired Business to Spinco and (2) TDCC distributed Spinco’s stock to TDCC’s shareholders by way of a split-off (the Distribution). Upon consummation of the transactions contemplated by the Merger Agreement and the Separation Agreement (the Transactions), the shares of Spinco common stock then outstanding were automatically converted into the right to receive approximately 87.5 million shares of Olin common stock, which were issued by Olin on the Closing Date, and represented approximately 53% of the then outstanding shares of Olin common stock, together with cash in lieu of fractional shares. Olin’s pre-Merger shareholders continued to hold the remaining approximately 47% of the then outstanding shares of Olin common stock. On the Closing Date, Spinco became a wholly owned subsidiary of Olin.

The following table summarizes the aggregate purchase price for the Acquired Business and related transactions, after the final post-closing adjustments:

		October 5, 2015
		(In millions, except per share data)
Shares		87.5
Value of common stock on October 2, 2015		17.46
Equity consideration by exchange of shares	$	1,527.4
Cash and debt instruments received by TDCC		2,095.0
Payment for certain liabilities including the final working capital adjustment		69.5
Up-front payments under the ethylene agreements		433.5
Total cash, debt and equity consideration	$	4,125.4
Long-term debt assumed		569.0
Pension liabilities assumed		442.3
Aggregate purchase price	$	5,136.7

The value of the common stock was based on the closing stock price on the last trading day prior to the Closing Date. The aggregate purchase price was adjusted for the final working capital adjustment and the final valuation for the pension liabilities assumed from TDCC which resulted in a payment of $69.5 million for the year ended December 31, 2016.

In connection with the Acquisition, TDCC retained liabilities relating to the Acquired Business for litigation, releases of hazardous materials and violations of environmental law to the extent arising prior to the Closing Date.

For the years ended December 31, 2016, 2015 and 2014, we incurred costs in connection with the Merger and related transactions, including $48.8 million , $76.3 million and $4.2 million , respectively, of advisory, legal, accounting, integration and other professional fees. For the year ended December 31, 2015, we also incurred $30.5 million of financing-related fees and $47.1 million as a result of the change in control which created a mandatory acceleration of expenses under deferred compensation plans as a result of the Transactions.

For segment reporting purposes, the Acquired Business's Global Epoxy operating results comprise the Epoxy segment and U.S. Chlor Alkali and Vinyl and Global Chlorinated Organics (Acquired Chlor Alkali Business) operating results combined with our former Chlor Alkali Products and Chemical Distribution segments to comprise the Chlor Alkali Products and Vinyls segment. The Acquired Business's results of operations have been included in our consolidated results for the period subsequent to the Closing Date. Our results for the years ended December 31, 2016 and 2015 include Epoxy sales of $1,822.0 million and $429.6 million , respectively, and segment income (loss) of $15.4 million and $(7.5) million , respectively. For the years ended December 31, 2016 and 2015, Chlor Alkali Products and Vinyls include sales of the Acquired Chlor Alkali Business of $1,715.7 million and $373.0 million , respectively, and segment income of $164.5 million and $37.2 million , respectively.

The Transactions have been accounted for using the acquisition method of accounting which requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. We finalized our purchase price allocation during the third quarter of 2016. The following table summarizes the final allocation of the purchase price to the Acquired Business's assets and liabilities on the Closing Date:

	Initial Valuation	Measurement Period Adjustments	Final Valuation
		($ in millions)	
Total current assets	$ 921.7	$ (38.0)	$ 883.7
Property, plant and equipment	3,090.8	(11.7)	3,079.1
Deferred tax assets	76.8	8.2	85.0
Intangible assets	582.3	30.3	612.6
Other assets	426.5	12.4	438.9
Total assets acquired	5,098.1	1.2	5,099.3
Total current liabilities	357.6	2.3	359.9
Long-term debt	517.9	—	517.9
Accrued pension liability	447.1	(4.8)	442.3
Deferred tax liabilities	1,054.9	(37.2)	1,017.7
Other liabilities	2.0	6.6	8.6
Total liabilities assumed	2,379.5	(33.1)	2,346.4
Net identifiable assets acquired	2,718.6	34.3	2,752.9
Goodwill	1,427.5	(55.0)	1,372.5
Fair value of net assets acquired	$ 4,146.1	$ (20.7)	$ 4,125.4

Measurement period adjustments to the initial valuation primarily consisted of the final working capital adjustment, the final valuation for the pension liabilities assumed from TDCC, changes in the estimated fair value of acquired intangible assets and property, plant and equipment, and the finalization of deferred tax assets and liabilities. Included in total current assets are cash and cash equivalents of $25.4 million , inventories of $456.4 million and receivables of $401.6 million with a contracted value of $403.8 million . Included in total current liabilities are current installments of long-term debt of $51.1 million .

Based on final valuations, purchase price was allocated to intangible assets as follows:

	October 5, 2015	
	Weighted-Average Amortization Period (Years)	Gross Amount
		($ in millions)
Customers, customer contracts and relationships	15 Years	$ 520.5
Acquired technology	7 Years	85.1
Trade name	5 Years	7.0
Total acquired intangible assets		$ 612.6

Based on final valuations, $1,372.5 million was assigned to goodwill, none of which is deductible for tax purposes. The primary reasons for the Acquisition and the principal factors that contributed to the Acquired Business purchase price that resulted in the recognition of goodwill are due to the providing of increased production capacity and diversification of Olin's product portfolio, cost-saving opportunities and enhanced size and geographic presence. The cost-saving opportunities include improved operating efficiencies and asset optimization.

Goodwill recorded in the Acquisition is not amortized but will be reviewed for impairment annually in the fourth quarter and/or when circumstances or other events indicate that impairment may have occurred.

Transaction financing

Prior to the Distribution, TDCC received from Spinco distributions of cash and debt instruments of Spinco with an aggregate value of $2,095.0 million (collectively, the Cash and Debt Distribution). On the Closing Date, Spinco issued $720.0 million aggregate principal amount of 9.75% senior notes due October 15, 2023 (2023 Notes) and $500.0 million aggregate principal amount of 10.0% senior notes due October 15, 2025 (2025 Notes and, together with the 2023 Notes, the Notes) to TDCC. TDCC transferred the Notes to certain unaffiliated securityholders in satisfaction of existing debt obligations of TDCC held or acquired by those unaffiliated securityholders. On October 5, 2015, certain initial purchasers purchased the Notes from the unaffiliated securityholders. During 2016, the Notes were registered under the Securities Act of 1933, as amended. Interest on the Notes began accruing from October 1, 2015 and are paid semi-annually beginning on April 15, 2016. The Notes are not redeemable at any time prior to October 15, 2020. Neither Olin nor Spinco received any proceeds from the sale of the Notes. Upon the consummation of the Transactions, Olin became guarantor of the Notes.

On June 23, 2015, Spinco entered into a new five-year delayed-draw term loan facility of up to $1,050.0 million . As of the Closing Date, Spinco drew $875.0 million to finance the cash portion of the Cash and Debt Distribution. Also on June 23, 2015, Olin and Spinco entered into a new five-year $1,850.0 million senior credit facility consisting of a $500.0 million senior revolving credit facility, which replaced Olin's $265.0 million senior revolving credit facility at the closing of the Merger, and a $1,350.0 million (subject to reduction by the aggregate amount of the term loans funded to Spinco under the Spinco term loan facility) delayed-draw term loan facility. As of the Closing Date, an additional $475.0 million was drawn by Olin under this term loan facility which was used to pay fees and expenses of the Transactions, obtain additional funds for general corporate purposes and refinance Olin's existing senior term loan facility due in 2019. Subsequent to the Closing Date, these senior credit facilities were consolidated into a single $1,850.0 million senior credit facility, which includes a $1,350.0 million term loan facility. This new senior credit facility will expire in 2020. The $500.0 million senior revolving credit facility includes a $100.0 million letter of credit subfacility. The term loan facility includes amortization payable in equal quarterly installments at a rate of 5.0% per annum for the first two years, increasing to 7.5% per annum for the following year and to 10.0% per annum for the last two years. Under the new senior credit facility, we may select various floating rate borrowing options. The actual interest rate paid on borrowings under the senior credit facility is based on a pricing grid which is dependent upon the leverage ratio as calculated under the terms of the facility for the prior fiscal quarter. The facility includes various customary restrictive covenants, including restrictions related to the ratio of debt to earnings before interest expense, taxes, depreciation and amortization (leverage ratio) and the ratio of earnings before interest expense, taxes, depreciation and amortization to interest expense (coverage ratio). Compliance with these covenants is determined quarterly based on the operating cash flows.

On August 25, 2015, Olin entered into a Credit Agreement (the Credit Agreement) with a syndicate of lenders and Sumitomo Mitsui Banking Corporation (Sumitomo), as administrative agent, in connection with the Transactions. The Credit Agreement provides for a term credit facility (the Sumitomo Credit Facility) under which Olin obtained term loans in an aggregate amount of $600.0 million . On November 3, 2015, we entered into an amendment to the Sumitomo Credit Facility which increased the aggregate amount of term loans available by $200.0 million . On the Closing Date, $600.0 million of loans under the Credit Agreement were made available and borrowed upon and on November 5, 2015, $200.0 million of loans under the Credit Agreement were made available and borrowed upon. The term loans under the Sumitomo Credit Facility will mature on October 5, 2018 and will have no scheduled amortization payments. The proceeds of the Sumitomo Credit Facility were used to refinance existing Spinco indebtedness at the Closing Date, to pay fees and expenses in connection with the Transactions and for general corporate purposes. The Credit Agreement contains customary representations, warranties and affirmative and negative covenants which are substantially similar to those included in the new $1,850.0 million senior credit facility.

On March 26, 2015, we and certain financial institutions executed commitment letters pursuant to which the financial institutions agreed to provide $3,354.5 million of financing to Spinco to finance the amount of the Cash and Debt Distribution and to provide financing, if needed, to Olin to refinance certain of our existing debt (the Bridge Financing), in each case on the terms and conditions set forth in the commitment letters. The Bridge Financing was not drawn on to facilitate the Transactions, and the commitments for the Bridge Financing were terminated as of the Closing Date. For the year ended December 31, 2015, we paid debt issuance costs of $30.0 million associated with the Bridge Financing, which were included in interest expense.

Other acquisition-related transactions

In connection with the Transactions, certain additional agreements have been entered into, including, among others, an Employee Matters Agreement, a Tax Matters Agreement, site, transitional and other services agreements, supply and purchase agreements, real estate agreements, technology licenses and intellectual property agreements.

In addition, Olin and TDCC have agreed to enter into arrangements for the long-term supply of ethylene by TDCC to Olin, pursuant to which, among other things, Olin has made upfront payments of $433.5 million upon the closing of the Merger in order to receive ethylene at producer economics and for certain reservation fees for the option to obtain additional future ethylene supply at producer economics. The fair value of the long-term supply contracts recorded as of the Closing Date was a long-term asset of $416.1 million which will be amortized over the life of the contracts as ethylene is received. During 2016, one of the options to obtain additional future ethylene supply at producer economics was exercised by us and, accordingly, additional payments will be made to TDCC of $209.4 million in 2017, which will increase the carrying value of the long-term asset. On February 27, 2017, we exercised the remaining option to obtain additional future ethylene supply and in connection with the exercise we also secured a long-term customer arrangement. Consequently, additional payments will be made to TDCC of between $425.0 million and $465.0 million on or about the fourth quarter of 2020, which will increase the value of the long-term asset.

In connection with the Transactions and effective October 1, 2015, we filed a Certificate of Amendment to our Articles of Incorporation to increase the number of authorized shares of Olin common stock from 120.0 million shares to 240.0 million shares.

Pro forma financial information

The following pro forma summary reflects consolidated results of operation as if the Acquisition had occurred on January 1, 2014 (unaudited).

	Years Ended December 31,	
	2015	2014
	($ in millions, except per share data)	
Sales	$ 5,681.8	$ 6,948.2
Net (loss) income	(36.6)	0.8
Net (loss) income per common share:		
Basic	$ (0.22)	$ —
Diluted	$ (0.22)	$ —

The pro forma financial information was prepared based on historical financial information and have been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the Transactions, (ii) factually supportable and (iii) expected to have a continuing impact on the combined results. The pro forma statements of income use estimates and assumptions based on information available at the time. Management believes the estimates and assumptions to be reasonable; however, actual results may differ significantly from this pro forma financial information. The pro forma results presented do not include any anticipated synergies or other expected benefits that may be realized from the Transactions. The pro forma information is not intended to reflect the actual results that would have occurred had the companies actually been combined during the periods presented.

The pro forma results for the years ended December 31, 2015 and 2014 primarily include recurring adjustments for re-pricing of sales, raw materials and services to/from TDCC relating to arrangements for long-term supply agreements for the sale of raw materials, including ethylene and benzene, and services pursuant to the Separation Agreement, adjustments to eliminate historical sales between the Acquired Business and Olin, additional amortization expense related to the fair value of acquired identifiable intangible assets, additional depreciation expense related to the fair value adjustment to property, plant and equipment, interest expense related to the incremental debt issued in conjunction with the Acquisition and an adjustment to tax-effect the aforementioned pro forma adjustments using an estimated aggregate statutory income tax rate of the jurisdictions to which the above adjustments relate.

In addition to the above recurring adjustments, the pro forma results for the years ended December 31, 2015 and 2014 included non-recurring adjustments of $47.0 million and $4.2 million , respectively, relating to the elimination of transaction costs incurred that are directly related to the Transactions, and do not have a continuing impact on our combined operating results. The pro forma results for the year ended December 31, 2015 also included non-recurring adjustments of $47.1 million relating to the impact of costs incurred as a result of the change in control which created a mandatory acceleration of expenses under deferred compensation plans and $24.0 million related to additional costs of goods sold related to the increase of inventory to fair value at the acquisition date related to the purchase accounting for inventory.

RESTRUCTURING CHARGES

On March 21, 2016, we announced that we had made the decision to close a combined total of 433,000 tons of chlor alkali capacity across three separate locations. Associated with this action, we have permanently closed our Henderson, NV chlor alkali plant with 153,000 tons of capacity and have reconfigured the site to manufacture bleach and distribute caustic soda and hydrochloric acid. Also, the capacity of our Niagara Falls, NY chlor alkali plant has been reduced from 300,000 tons to 240,000 tons and the chlor alkali capacity at our Freeport, TX facility was reduced by 220,000 tons. This 220,000 ton reduction was entirely from diaphragm cell capacity. For the year ended December 31, 2016 , we recorded pretax restructuring charges of $111.3 million for the write-off of equipment and facility costs, lease and other contract termination costs, employee severance and related benefit costs, employee relocation costs and facility exit costs related to these actions. We expect to incur additional restructuring charges through 2020 of approximately $33 million related to these capacity reductions. This estimate of additional restructuring charges does not include any additional charges related to a contract termination that is currently in dispute. The other party to the contract has filed a demand for arbitration alleging, among other things, that Olin breached the related agreement and claimed damages in excess of the amount Olin believes it is obligated for under the contract. Any additional losses related to this contract dispute are not currently estimable because of unresolved questions of fact and law but, if resolved unfavorably to Olin, they could have a material effect on our financial results.

On December 12, 2014 , we announced that we had made the decision to permanently close the portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014. This action reduced the facility's chlor alkali capacity by 185,000 tons. Subsequent to the shut down, the plant predominantly focuses on bleach and hydrochloric acid, which are value-added products, as well as caustic soda. In the fourth quarter of 2014, we recorded pretax restructuring charges of $10.0 million for the write-off of equipment and facility costs, employee severance and related benefit costs and lease and other contract termination costs related to these actions. For the years ended December 31, 2016 and 2015, we recorded pretax restructuring charges of $0.8 million and $2.0 million , respectively, for the write-off of equipment and facility costs, lease and other contract termination costs and facility exit costs. We expect to incur additional restructuring charges through 2018 of approximately $7 million related to the shut down of this portion of the facility.

On December 9, 2010 , our board of directors approved a plan to eliminate our use of mercury in the manufacture of chlor alkali products. Under the plan, the 260,000 tons of mercury cell capacity at our Charleston, TN facility was converted to 200,000 tons of membrane capacity capable of producing both potassium hydroxide and caustic soda. The board of directors also approved plans to reconfigure our Augusta, GA facility to manufacture bleach and distribute caustic soda, while discontinuing chlor alkali manufacturing at this site. The completion of these projects eliminated our chlor alkali production using mercury cell technology. For the year ended December 31, 2014 , we recorded pretax restructuring charges of $3.8 million for employee severance and related benefit costs, employee relocation costs, facility exit costs, write-off of equipment and facility costs and lease and other contract termination costs related to these actions.

On November 3, 2010 , we announced that we made the decision to relocate the Winchester centerfire pistol and rifle ammunition manufacturing operations from East Alton, IL to Oxford, MS. Consistent with this decision in 2010, we initiated an estimated $110 million five-year project, which includes approximately $80 million of capital spending. The capital spending was partially financed by $31 million of grants provided by the State of Mississippi and local governments. During 2016, the final rifle ammunition production equipment relocation was completed. For the years ended December 31, 2016 , 2015 and 2014 , we recorded pretax restructuring charges of $0.8 million , $0.7 million and $1.9 million , respectively, for employee severance and related benefit costs, employee relocation costs and facility exit costs related to these actions.

The following table summarizes the 2016 , 2015 and 2014 activities by major component of these restructuring actions and the remaining balances of accrued restructuring costs as of December 31, 2016 :

	Employee severance and job related benefits	*Lease and other contract termination costs*	*Employee relocation costs*	*Facility exit costs*	*Write-off of equipment and facility*	*Total*
	($ in millions)					
Balance January 1, 2014	$ 10.2	$ —	$ —	$ —	$ —	$ 10.2
2014 restructuring charges	4.5	4.5	0.5	2.9	3.3	15.7
Amounts utilized	(3.5)	—	(0.5)	(2.9)	(3.3)	(10.2)
Balance at December 31, 2014	11.2	4.5	—	—	—	15.7
2015 restructuring charges	—	0.7	0.6	0.9	0.5	2.7
Amounts utilized	(6.0)	(2.9)	(0.6)	(0.9)	(0.5)	(10.9)
Currency translation adjustments	(0.6)	(0.2)	—	—	—	(0.8)
Balance at December 31, 2015	4.6	2.1	—	—	—	6.7
2016 restructuring charges	5.1	13.6	2.1	15.5	76.6	112.9
Amounts utilized	(6.3)	(8.2)	(2.1)	(13.7)	(76.6)	(106.9)
Balance at December 31, 2016	$ 3.4	$ 7.5	$ —	$ 1.8	$ —	$ 12.7

The following table summarizes the cumulative restructuring charges of these 2016, 2014 and 2010 restructuring actions by major component through December 31, 2016 :

	Chlor Alkali Products and Vinyls				
	Becancour	*Capacity Reductions*	*Mercury*	*Winchester*	*Total*
	($ in millions)				
Write-off of equipment and facility	$ 3.5	$ 76.6	$ 17.8	$ —	$ 97.9
Employee severance and job related benefits	2.7	5.1	5.6	13.1	26.5
Facility exit costs	1.3	14.7	15.6	2.3	33.9
Pension and other postretirement benefits curtailment	—	—	—	4.1	4.1
Employee relocation costs	—	1.4	0.9	6.0	8.3
Lease and other contract termination costs	5.3	13.5	0.7	—	19.5
Total cumulative restructuring charges	$ 12.8	$ 111.3	$ 40.6	$ 25.5	$ 190.2

As of December 31, 2016 , we have incurred cash expenditures of $67.6 million and non-cash charges of $109.1 million related to these restructuring actions. The remaining balance of $12.7 million is expected to be paid out through 2020.

DISCONTINUED OPERATIONS

In 2007 we sold our Metals business, which was a reportable segment, and accordingly it was reported as a discontinued operation. Metals produced and distributed copper and copper alloy sheet, strip, foil, rod, welded tube, fabricated parts, and stainless steel and aluminum strip. In conjunction with the sale of the Metals business, we retained certain assets and liabilities.

During 2014, we made a payment of $5.5 million to resolve certain indemnity obligations related to the sale. As a result of the favorable resolution, we recognized a pretax gain of $4.6 million included in income from discontinued operations. The tax provision from discontinued operations included expense of $2.2 million for changes in tax contingencies related to the Metals sale. Income from discontinued operations, net consisted of the following:

	Years Ended December 31,		
	2016	***2015***	***2014***
		($ in millions)	
Income from discontinued operations	$ —	$ —	$ 4.6
Tax provision	—	—	3.9
Income from discontinued operations, net	$ —	$ —	$ 0.7

EARNINGS PER SHARE

Basic and diluted (loss) income per share are computed by dividing net (loss) income by the weighted-average number of common shares outstanding. Diluted net income per share reflects the dilutive effect of stock-based compensation.

	Years ended December 31,		
	2016	***2015***	***2014***
Computation of Income (loss) per Share		*(In millions, except per share data)*	
Income (loss) from continuing operations, net	$ (3.9)	$ (1.4)	$ 105.0
Income from discontinued operations, net	—	—	0.7
Net (loss) income	$ (3.9)	$ (1.4)	$ 105.7
Basic shares	165.2	103.4	78.6
Basic (loss) income per share:			
Income (loss) from continuing operations	$ (0.02)	$ (0.01)	$ 1.33
Income from discontinued operations, net	—	—	0.01
Net (loss) income	$ (0.02)	$ (0.01)	$ 1.34
Diluted shares:			
Basic shares	165.2	103.4	78.6
Stock-based compensation	—	—	1.1
Diluted shares	165.2	103.4	79.7
Diluted (loss) income per share:			
Income (loss) from continuing operations	$ (0.02)	$ (0.01)	$ 1.32
Income from discontinued operations, net	—	—	0.01
Net (loss) income	$ (0.02)	$ (0.01)	$ 1.33

The computation of dilutive shares from stock-based compensation does not include 6.5 million , 5.2 million and 0.6 million shares in 2016 , 2015 and 2014 , respectively, as their effect would have been anti-dilutive.

ACCOUNTS RECEIVABLES

On December 20, 2016, we entered into a three year, $250.0 million Receivables Financing Agreement with PNC Bank, National Association, as administrative agent (Receivables Financing Agreement). Under the Receivables Financing Agreement, our eligible trade receivables are used for collateralized borrowings and are continued to be serviced by us. As of December 31, 2016, $282.3 million of our trade receivables have been pledged as collateral and we had $210.0 million drawn

under the agreement. In addition, the Receivables Financing Agreement incorporates the leverage and coverage covenants that are contained in the senior revolving credit facility.

On June 29, 2016, we entered into a trade accounts receivable factoring arrangement which was amended on September 1, 2016 and, on December 22, 2016, we entered into a separate trade accounts receivable factoring arrangement (collectively the AR Facilities). Pursuant to the terms of the AR Facilities, certain of our subsidiaries may sell their accounts receivable up to a maximum of $242.0 million . We will continue to service such accounts. These receivables qualify for sales treatment under ASC 860 “Transfers and Servicing” (ASC 860) and, accordingly, the proceeds are included in net cash provided by operating activities in the consolidated statements of cash flows. The gross amount of receivables sold for the year ended December 31, 2016 totaled $533.6 million . The factoring discount paid under the AR Facilities is recorded as interest expense on the consolidated statements of operations. The agreements are without recourse and therefore no recourse liability has been recorded as of December 31, 2016. As of December 31, 2016, $126.1 million of receivables qualifying for sale treatment were outstanding and will continue to be serviced by us.

In conjunction with the Acquisition, we obtained receivables with a fair value of $401.6 million as of October 5, 2015. At December 31, 2016 and 2015 , our consolidated balance sheets included other receivables of $95.6 million and $94.8 million , respectively, which were classified as receivables, net.

ALLOWANCE FOR DOUBTFUL ACCOUNTS RECEIVABLES

Allowance for doubtful accounts receivable consisted of the following:

	December 31,	
	2016	***2015***
	($ in millions)	
Beginning balance	$ 6.4	$ 3.0
Provisions charged	4.5	5.2
Write-offs, net of recoveries	(0.8)	(1.8)
Ending balance	$ 10.1	$ 6.4

INVENTORIES

	December 31,	
	2016	***2015***
	($ in millions)	
Supplies	$ 58.1	$ 86.5
Raw materials	72.6	91.5
Work in process	110.7	105.8
Finished goods	435.1	445.3
	676.5	729.1
LIFO reserves	(46.1)	(43.9)
Inventories, net	$ 630.4	$ 685.2

In conjunction with the Acquisition, we obtained inventories with a fair value of $456.4 million as of October 5, 2015. Inventories valued using the LIFO method comprised 54% and 49% of the total inventories at December 31, 2016 and 2015 , respectively. The replacement cost of our inventories would have been approximately $46.1 million and $43.9 million higher than that reported at December 31, 2016 and 2015 , respectively. During 2014 the reduction in LIFO inventory quantities resulted in LIFO inventory liquidation losses of $1.5 million .

OTHER ASSETS

Included in other assets were the following:

	December 31,	
	2016	2015
	($ in millions)	
Investments in non-consolidated affiliates	$ 26.7	$ 25.0
Deferred debt issuance costs	2.6	3.3
Tax-related receivables	17.5	1.5
Interest rate swaps	7.7	—
Supply contracts	566.7	406.5
Other	23.2	18.3
Other assets	$ 644.4	$ 454.6

In connection with the Acquisition, Olin and TDCC have agreed to enter into arrangements for the long-term supply of ethylene by TDCC to Olin, pursuant to which, among other things, Olin has made upfront payments of $433.5 million upon the Closing Date in order to receive ethylene at producer economics and for certain reservation fees for the option to obtain additional future ethylene supply at producer economics. The fair value of the long-term supply contracts recorded as of the Closing Date was a long-term asset of $416.1 million which will be amortized over the life of the contracts as ethylene is received. During 2016, one of the options to obtain additional future ethylene supply at producer economics was exercised by us and, accordingly, additional payments will be made to TDCC of $209.4 million in 2017, which will increase the value of the long-term asset. On February 27, 2017, we exercised the remaining option to obtain additional future ethylene supply and in connection with the exercise we also secured a long-term customer arrangement. Consequently, additional payments will be made to TDCC of between $425.0 million and $465.0 million on or about the fourth quarter of 2020, which will increase the value of the long-term asset.

During 2016, Olin entered into arrangements to increase our supply of low cost electricity. In conjunction with these arrangements, Olin made payments of $175.7 million in 2016. The payments made under these arrangements will be amortized over the life of the contracts as electrical power is received.

The weighted-average useful life of long-term supply contracts at December 31, 2016 was 21 years. For the years ended December 31, 2016 and 2015, amortization expense of $21.5 million and $4.3 million , respectively, was recognized within cost of goods sold related to these supply contracts and is reflected in depreciation and amortization on the consolidated statements of cash flows. We estimate that amortization expense will be approximately $25.0 million in 2017, 2018, 2019, 2020 and 2021 related to these long-term supply contracts. The long-term supply contracts are monitored for impairment each reporting period.

PROPERTY, PLANT AND EQUIPMENT

		December 31,	
	Useful Lives	2016	2015
		($ in millions)	
Land and improvements to land	10-20 Years	$ 281.2	$ 280.4
Buildings and building equipment	10-30 Years	375.0	380.4
Machinery and equipment	3-15 Years	4,765.9	4,665.8
Leasehold improvements		3.4	2.7
Construction in progress		171.0	123.5
Property, plant and equipment		5,596.5	5,452.8
Accumulated depreciation		(1,891.6)	(1,499.4)
Property, plant and equipment, net		$ 3,704.9	$ 3,953.4

In conjunction with the Acquisition, we obtained property, plant and equipment with a fair value of $3,079.1 million as of October 5, 2015.

The weighted-average useful life of machinery and equipment at December 31, 2016 was 12 years. Depreciation expense was $435.7 million , $198.1 million and $124.5 million for 2016 , 2015 and 2014 , respectively. Interest capitalized was $1.9 million , $1.1 million and $0.2 million for 2016 , 2015 and 2014 , respectively. Maintenance and repairs charged to operations amounted to $236.4 million , $158.5 million and $125.0 million in 2016 , 2015 and 2014 , respectively.

The consolidated statements of cash flows for the years ended December 31, 2016 , 2015 and 2014 , included decreases of $29.9 million , $7.4 million and $0.5 million , respectively, to capital expenditures, with the corresponding change to accounts payable and accrued liabilities, related to purchases of property, plant and equipment included in accounts payable at December 31, 2016 , 2015 and 2014 .

During 2016, we entered into sale/leaseback transactions for railcars that we acquired in connection with the Acquisition. We received proceeds from the sales of $40.4 million for the year ended December 31, 2016.

During 2015, assets of $1.4 million were acquired under capital leases and are included in machinery and equipment as of December 31, 2015.

INVESTMENTS—AFFILIATED COMPANIES

During 2013, we sold our equity interest in a bleach joint venture which resulted in a gain of $6.5 million . During both 2016 and 2015, we received $8.8 million as a result of the sale. As of December 31, 2016, all amounts have been collected under the sale arrangement.

On February 11, 2011, we acquired PolyOne's 50% interest in SunBelt. With this acquisition, we agreed to a three-year earn out, which had no guaranteed minimum or maximum, based on the performance of SunBelt Chlor Alkali Partnership (SunBelt). For the year ended December 31, 2014, we paid the final payment of $26.7 million for the earn out related to the 2013 SunBelt performance. The earn out payment for 2014 included $14.8 million that was recognized as part of the original purchase price. The $14.8 million is included as a financing activity in the statement of cash flows.

We hold a 9.1% limited partnership interest in Bay Gas Storage Company, Ltd. (Bay Gas), an Alabama limited partnership, in which EnergySouth, Inc. (EnergySouth) is the general partner with interest of 90.9% . Bay Gas owns, leases and operates underground gas storage and related pipeline facilities, which are used to provide storage in the McIntosh, AL area and delivery of natural gas to EnergySouth customers.

The following table summarizes our investment in our non-consolidated equity affiliate:

	December 31,	
	2016	***2015***
	($ in millions)	
Bay Gas	$ 26.7	$ 25.0

The following table summarizes our equity earnings of our non-consolidated affiliate:

	Years Ended December 31,		
	2016	***2015***	***2014***
		($ in millions)	
Bay Gas	$ 1.7	$ 1.7	$ 1.7

We did not receive any distributions from our non-consolidated affiliates in 2016 , 2015 and 2014 .

GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying value of goodwill were as follows:

	Chlor Alkali Products and Vinyls	Epoxy	Total
	($ in millions)		
Balance at January 1, 2015	$ 747.1	$ —	$ 747.1
Acquisition activity	1,130.8	296.7	1,427.5
Foreign currency translation adjustment	(0.4)	(0.1)	(0.5)
Balance at December 31, 2015	1,877.5	296.6	2,174.1
Acquisition activity	(45.3)	(9.7)	(55.0)
Foreign currency translation adjustment	(0.9)	(0.2)	(1.1)
Balance at December 31, 2016	$ 1,831.3	$ 286.7	$ 2,118.0

The decrease in goodwill during 2016 was a result of measurement period adjustments from the preliminary valuation of the Acquisition and the effects of foreign currency translation adjustments. We finalized our purchase price allocation of the Acquisition during the third quarter of 2016. The increase in goodwill during 2015 was a result of the Acquisition and was based upon the preliminary valuation partially offset by the effects of foreign currency translation adjustments.

Intangible assets consisted of the following:

		December 31,					
		2016			*2015*		
	Useful Lives	*Gross Amount*	*Accumulated Amortization*	*Net*	*Gross Amount*	*Accumulated Amortization*	*Net*
		($ in millions)					
Customers, customer contracts and relationships	(10-15 years)	$ 667.8	$ (112.9)	$ 554.9	$ 641.0	$ (64.0)	$ 577.0
Trade name	(5 years)	17.8	(12.7)	5.1	17.9	—	17.9
Acquired technology	(7 years)	84.2	(15.0)	69.2	84.7	(2.7)	82.0
Other	(4-10 years)	2.3	(1.9)	0.4	2.3	(1.7)	0.6
Total intangible assets		$ 772.1	$ (142.5)	$ 629.6	$ 745.9	$ (68.4)	$ 677.5

In conjunction with the Acquisition, we obtained intangible assets with a fair value of $612.6 million as of October 5, 2015. In connection with the integration of the Acquired Business, in the first quarter of 2016, the K.A. Steel Chemicals Inc. (KA Steel) trade name was changed from an indefinite life intangible asset to an intangible asset with a finite useful life of one year. Amortization expense of $10.9 million was recognized within cost of goods sold for the year ended December 31, 2016 related to the change in useful life.

Amortization expense relating to intangible assets was $73.8 million , $25.8 million and $14.6 million in 2016 , 2015 and 2014 , respectively. We estimate that amortization expense will be approximately $62.8 million in 2017, 2018 and 2019, approximately $62.3 million in 2020 and approximately $61.4 million in 2021. Intangible assets with finite lives are reviewed for impairment when circumstances or other events indicate that impairment may have occurred.

DEBT

Long-Term Debt

	December 31,	
	2016	**2015**
Notes payable:	($ in millions)	
Variable-rate Senior Term Loan facility, due 2020 (2.77% and 2.17% at December 31, 2016 and 2015, respectively)	$ 1,282.5	$ 1,350.0
Variable-rate Sumitomo credit facility, due 2018 (2.27% and 1.77% at December 31, 2016 and 2015, respectively)	590.0	800.0
Variable-rate Recovery Zone bonds, due 2024-2035 (2.47% and 1.40% at December 31, 2016 and 2015, respectively)	103.0	103.0
Variable-rate Go Zone bonds, due 2024 (2.47% and 1.40% at December 31, 2016 and 2015, respectively)	50.0	50.0
Variable-rate Industrial development and environmental improvement obligations, due 2025 (0.25% and 0.27% at December 31, 2016 and 2015, respectively)	2.9	2.9
9.75%, due 2023	720.0	720.0
10.00%, due 2025	500.0	500.0
5.50%, due 2022	200.0	200.0
6.75%, due 2016	—	125.0
7.23%, SunBelt Notes due 2013-2017	12.2	24.4
Receivables financing agreement	210.0	—
Capital lease obligations	3.9	4.6
Total notes payable	3,674.5	3,879.9
Deferred debt issuance costs and unamortized fair value premium	(28.5)	(32.7)
Interest rate swaps	(28.4)	1.6
Total debt	3,617.6	3,848.8
Amounts due within one year	80.5	205.0
Total long-term debt	$ 3,537.1	$ 3,643.8

On December 20, 2016, we entered into a three year, $250.0 million Receivables Financing Agreement. Under the Receivables Financing Agreement, our eligible trade receivables are used for collateralized borrowings and are continued to be serviced by us. As of December 31, 2016, $282.3 million of our trade receivables have been pledged as collateral. During 2016 we drew $230.0 million under the agreement and subsequently repaid $20.0 million . As of December 31, 2016, $210.0 million was drawn under the Receivables Financing Agreement. In addition, the Receivables Financing Agreement incorporates the leverage and coverage covenants that are contained in the senior revolving credit facility. The net $210.0 million proceeds were used to repay a portion of the Sumitomo Credit Facility.

On the Closing Date, Spinco issued $720.0 million aggregate principal 2023 Notes and $500.0 million aggregate principal 2025 Notes to TDCC. TDCC transferred the Notes to certain unaffiliated securityholders in satisfaction of existing debt obligations of TDCC held or acquired by those unaffiliated securityholders. On October 5, 2015, certain initial purchasers purchased the Notes from the unaffiliated securityholders. During 2016, the Notes were registered under the Securities Act of 1933, as amended. Interest on the Notes began accruing from October 1, 2015 and are paid semi-annually beginning on April 15, 2016. The Notes are not redeemable at any time prior to October 15, 2020. Neither Olin nor Spinco received any proceeds from the sale of the Notes. Upon the consummation of the Transactions, Olin became guarantor of the Notes.

On June 23, 2015, Spinco entered into a new five-year delayed-draw term loan facility of up to $1,050.0 million . As of the Closing Date, Spinco drew $875.0 million to finance the cash portion of the Cash and Debt Distribution. Also on June 23, 2015, Olin and Spinco entered into a new five-year $1,850.0 million senior credit facility consisting of a $500.0 million senior revolving credit facility, which replaced Olin's $265.0 million senior revolving credit facility at the closing of the Merger, and a $1,350.0 million delayed-draw term loan facility. As of the Closing Date, an additional $475.0 million was drawn by Olin under this term loan facility which was used to pay fees and expenses of the Transactions, obtain additional funds for general corporate purposes and refinance Olin's existing senior term loan facility due in 2019. Subsequent to the Closing Date, these

senior credit facilities were consolidated into a single senior credit facility. This new senior credit facility will expire in 2020. The $500.0 million senior revolving credit facility includes a $100.0 million letter of credit subfacility. At December 31, 2016 , we had $483.4 million available under our $500.0 million senior revolving credit facility because we had issued $16.6 million of letters of credit under the $100.0 million subfacility. The term loan facility includes amortization payable in equal quarterly installments at a rate of 5.0% per annum for the first two years, increasing to 7.5% per annum for the following year and to 10.0% per annum for the last two years. During 2016, we repaid $67.5 million under the required quarterly installments of this new senior credit facility.

Under the new senior credit facility, we may select various floating rate borrowing options. The actual interest rate paid on borrowings under the senior credit facility is based on a pricing grid which is dependent upon the leverage ratio as calculated under the terms of the applicable facility for the prior fiscal quarter. The facility includes various customary restrictive covenants, including restrictions related to the ratio of debt to earnings before interest expense, taxes, depreciation and amortization (leverage ratio) and the ratio of earnings before interest expense, taxes, depreciation and amortization to interest expense (coverage ratio). Compliance with these covenants is determined quarterly based on the operating cash flows. We were in compliance with all covenants and restrictions under all our outstanding credit agreements as of December 31, 2016 and 2015, and no event of default had occurred that would permit the lenders under our outstanding credit agreements to accelerate the debt if not cured. In the future, our ability to generate sufficient operating cash flows, among other factors, will determine the amounts available to be borrowed under these facilities. As of December 31, 2016, there were no covenants or other restrictions that limited our ability to borrow.

On August 25, 2015, Olin entered into a Credit Agreement with a syndicate of lenders and Sumitomo Mitsui Banking Corporation, as administrative agent, in connection with the Transactions. Olin obtained term loans in an aggregate amount of $600.0 million under the Sumitomo Credit Facility. On November 3, 2015, we entered into an amendment to the Sumitomo Credit Facility which increased the aggregate amount of term loans available by $200.0 million . On the Closing Date, $600.0 million of loans under the Credit Agreement were made available and borrowed upon and on November 5, 2015, $200.0 million of loans under the Credit Agreement were made available and borrowed upon. The term loans under the Sumitomo Credit Facility will mature on October 5, 2018 and will have no scheduled amortization payments. The proceeds of the Sumitomo Credit Facility were used to refinance existing Spinco indebtedness at the Closing Date of $569.0 million , to pay fees and expenses in connection with the Transactions and for general corporate purposes. The Credit Agreement contains customary representations, warranties and affirmative and negative covenants which are substantially similar to those included in the new $1,850.0 million senior credit facility. During 2016, $210.0 million was repaid under the Sumitomo Credit Facility using proceeds from the Receivables Financing Agreement.

In June 2016, we repaid $125.0 million of 6.75% senior notes due 2016 (2016 Notes), which became due.

In 2016, we paid debt issuance costs of $1.0 million for the registration of the Notes. In 2015, we paid debt issuance costs of $13.3 million relating to the Notes, the Sumitomo Credit Facility and the new $1,850.0 million senior credit facility.

On March 26, 2015, we and certain financial institutions executed commitment letters pursuant to which the financial institutions agreed to provide $3,354.5 million of Bridge Financing, in each case on the terms and conditions set forth in the commitment letters. The Bridge Financing was not drawn on to facilitate the Acquisition and the commitments for the Bridge Financing have been terminated as of the Closing Date. For the year ended December 31, 2015, we paid debt issuance costs of $30.0 million associated with the Bridge Financing, which are included in interest expense.

In August 2014, we redeemed our $150.0 million 2019 Notes, which would have matured on August 15, 2019. We recognized interest expense of $9.5 million for the call premium ($6.7 million), the write-off of unamortized deferred debt issuance costs ($2.1 million) and unamortized discount ($0.7 million) related to this action during 2014. On June 24, 2014, we entered into a five-year $415.0 million senior credit facility consisting of a $265.0 million senior revolving credit facility, which replaced our previous $265.0 million senior revolving credit facility, and a $150.0 million delayed-draw term loan facility. In August 2014, we drew the entire $150.0 million of the term loan and used the proceeds to redeem our 2019 Notes. In 2015 and 2014, we repaid $2.8 million and $0.9 million , respectively, under the required quarterly installments of the $150.0 million term loan facility and, on the Closing Date of the Acquisition, the remaining $146.3 million was refinanced using the proceeds of the new senior credit facility. We recognized interest expense of $0.5 million for the write-off of unamortized deferred debt issuance costs related to this action.

Pursuant to a note purchase agreement dated December 22, 1997, SunBelt sold $97.5 million of Guaranteed Senior Secured Notes due 2017, Series O, and $97.5 million of Guaranteed Senior Secured Notes due 2017, Series G. We refer to these notes as the SunBelt Notes. The SunBelt Notes bear interest at a rate of 7.23% per annum, payable semi-annually in arrears on each June 22 and December 22. Beginning on December 22, 2002 and each year through 2017, SunBelt is required to repay $12.2 million of the SunBelt Notes, of which $6.1 million is attributable to the Series O Notes and of which $6.1 million is attributable to the Series G Notes. In December 2016 , 2015 and 2014 , $12.2 million was repaid on these SunBelt Notes.

We have guaranteed the Series O Notes, and PolyOne, our former SunBelt partner, has guaranteed the Series G Notes, in both cases pursuant to customary guaranty agreements. We have agreed to indemnify PolyOne for any payments or other costs under the guarantee in favor of the purchasers of the Series G Notes, to the extent any payments or other costs arise from a default or other breach under the SunBelt Notes. If SunBelt does not make timely payments on the SunBelt Notes, whether as a result of a failure to pay on a guarantee or otherwise, the holders of the SunBelt Notes may proceed against the assets of SunBelt for repayment.

During 2015, assets of $1.4 million were acquired under capital leases with terms between 6 years and 7 years.

At December 31, 2016 , we had total letters of credit of $73.3 million outstanding, of which $16.6 million were issued under our $500.0 million senior revolving credit facility. The letters of credit are used to support certain long-term debt, certain workers compensation insurance policies, certain plant closure and post-closure obligations and certain international pension funding requirements.

Annual maturities of long-term debt, including capital lease obligations, are $80.3 million in 2017 , $691.9 million in 2018 , $345.7 million in 2019 , $980.3 million in 2020 , $0.2 million in 2021 and a total of $1,576.1 million thereafter.

In April 2016, we entered into three tranches of forward starting interest rate swaps whereby we agreed to pay fixed rates to the counterparties who, in turn, pay us floating rates on $1,100.0 million , $900.0 million , and $400.0 million of our underlying floating-rate debt obligations. Each tranche’s term length is for twelve months beginning on December 31, 2016, December 31, 2017, and December 31, 2018, respectively. The counterparties to the agreements are SMBC Capital Markets, Inc., Wells Fargo Bank, N.A. (Wells Fargo), PNC Bank, National Association, and Toronto-Dominion Bank. These counterparties are large financial institutions. We have designated the swaps as cash flow hedges of the risk of changes in interest payments associated with our variable rate borrowings. Accordingly, the swap agreements have been recorded at their fair market value of $9.6 million and are included in other current assets and other assets on the accompanying consolidated balance sheet, with the corresponding gain deferred as a component of other comprehensive loss. No gain or loss has been recorded in earnings as a result of ineffectiveness.

In April 2016, we entered into interest rate swaps on $250.0 million of our underlying fixed-rate debt obligations, whereby we agreed to pay variable rates to the counterparties who, in turn, pay us fixed rates. The counterparties to these agreements are Toronto-Dominion Bank and SMBC Capital Markets, Inc., both of which are major financial institutions.

In October 2016, we entered into interest rate swaps on an additional $250.0 million of our underlying fixed-rate debt obligations, whereby we agreed to pay variable rates to the counterparties who, in turn, pay us fixed rates. The counterparties to these agreements are PNC Bank, National Association and Wells Fargo, both of which are major financial institutions.

We have designated the April 2016 and October 2016 interest rate swap agreements as fair value hedges of the risk of changes in the value of fixed rate debt due to changes in interest rates for a portion of our fixed rate borrowings. Accordingly, the swap agreements have been recorded at their fair market value of $28.5 million and are included in other long-term liabilities on the accompanying consolidated balance sheet, with a corresponding decrease in the carrying amount of the related debt. For the year ended December 31, 2016, $2.6 million of income has been recorded to interest expense on the accompanying consolidated statement of operations related to these swap agreements. No gain or loss has been recorded in earnings as a result of ineffectiveness.

In June 2012, we terminated $73.1 million of interest rate swaps with Wells Fargo that had been entered into on the SunBelt Notes in May 2011. The result was a gain of $2.2 million which will be recognized through 2017. As of December 31, 2016 , $0.1 million of this gain was included in current installments of long-term debt.

Our loss in the event of nonperformance by these counterparties could be significant to our financial position and results of operations. These interest rate swaps reduced interest expense by $3.7 million , $2.8 million and 2.9 million in 2016, 2015

and 2014, respectively. The difference between interest paid and interest received is included as an adjustment to interest expense.

PENSION PLANS

We sponsor domestic and foreign defined benefit pension plans for eligible employees and retirees. Most of our domestic employees participate in defined contribution plans. However, a portion of our bargaining hourly employees continue to participate in our domestic defined benefit pension plans under a flat-benefit formula. Our funding policy for the defined benefit pension plans is consistent with the requirements of federal laws and regulations. Our foreign subsidiaries maintain pension and other benefit plans, which are consistent with statutory practices.

Our domestic defined benefit pension plan provides that if, within three years following a change of control of Olin, any corporate action is taken or filing made in contemplation of, among other things, a plan termination or merger or other transfer of assets or liabilities of the plan, and such termination, merger or transfer thereafter takes place, plan benefits would automatically be increased for affected participants (and retired participants) to absorb any plan surplus (subject to applicable collective bargaining requirements).

Effective as of the Closing Date, we changed the approach used to measure service and interest costs for our defined benefit pension plans. Prior to the Closing Date, we measured service and interest costs utilizing a single weighted-average discount rate derived from the yield curve used to measure the plan obligations. Subsequent to the Closing Date, we elected to measure service and interest costs by applying the specific spot rates along the yield curve to the plans' estimated cash flows. We believe the new approach provides a more precise measurement of service and interest costs by aligning the timing of the plans' liability cash flows to the corresponding spot rates on the yield curve. This change does not affect the measurement of our plan obligations. We have accounted for this change as a change in accounting estimate and, accordingly, have accounted for it on a prospective basis.

During the fourth quarter of 2014, the Society of Actuaries (SOA) issued the final report of its mortality tables and mortality improvement scales. The updated mortality data reflected increasing life expectancies in the U.S. During the third quarter of 2012, the "Moving Ahead for Progress in the 21st Century Act" (MAP-21) became law. The law changed the mechanism for determining interest rates to be used for calculating minimum defined benefit pension plan funding requirements. Interest rates are determined using an average of rates for a 25-year period, which can have the effect of increasing the annual discount rate, reducing the defined benefit pension plan obligation, and potentially reducing or eliminating the minimum annual funding requirement. The law also increased premiums paid to the PBGC. During the third quarter of 2014, the "Highway and Transportation Funding Act" (HATFA 2014) became law, which includes an extension of MAP-21's defined benefit plan funding stabilization relief.

During 2016, we made a discretionary cash contribution to our domestic qualified defined benefit pension plan of $6.0 million. Based on our plan assumptions and estimates, we will not be required to make any cash contributions to the domestic qualified defined benefit pension plan at least through 2017 .

We have international qualified defined benefit pension plans to which we made cash contributions of $1.3 million and $0.9 million in 2016 and 2015 , respectively, and we anticipate less than $5 million of cash contributions to international qualified defined benefit pension plans in 2017 .

As of the Closing Date and as part of the Acquisition, our domestic qualified defined benefit pension plan assumed certain domestic qualified defined benefit pension obligations and assets related to active employees and certain terminated, vested retirees of the Acquired Business with a net liability of $281.7 million . In connection therewith, pension assets were transferred from TDCC's domestic qualified defined benefit pension plans to our domestic qualified defined benefit pension plan. Immediately prior to the Acquisition, the Acquired Business's participant accounts assumed in the Acquisition were closed to new participants and were no longer accruing additional benefits.

Also as of the Closing Date, we assumed certain accrued defined benefit pension liabilities relating to employees of TDCC in Germany, Switzerland and other international locations who transferred to Olin in connection with the Acquisition. The net liability assumed as of the Closing Date was $160.6 million .

Pension Obligations and Funded Status

Changes in the benefit obligation and plan assets were as follows:

	December 31, 2016 ($ in millions)			December 31, 2015 ($ in millions)		
Change in Benefit Obligation	***U.S.***	***Foreign***	***Total***	***U.S.***	***Foreign***	***Total***
Benefit obligation at beginning of year	$ 2,458.5	$ 227.4	$ 2,685.9	$ 2,116.5	$ 66.3	$ 2,182.8
Service cost	1.3	7.6	8.9	2.1	2.2	4.3
Interest cost	82.4	5.3	87.7	80.2	3.1	83.3
Actuarial (gain) loss	88.7	20.4	109.1	(45.8)	1.8	(44.0)
Benefits paid	(132.2)	(3.4)	(135.6)	(205.6)	(2.8)	(208.4)
Curtailments/settlements	—	—	—	12.6	0.1	12.7
Plan participant’s contributions	—	0.9	0.9	—	—	—
Plan amendments	—	(1.2)	(1.2)	—	—	—
Business combination	(32.5)	—	(32.5)	498.5	171.4	669.9
Currency translation adjustments	—	(6.0)	(6.0)	—	(14.7)	(14.7)
Benefit obligation at end of year	$ 2,466.2	$ 251.0	$ 2,717.2	$ 2,458.5	$ 227.4	$ 2,685.9

	December 31, 2016 ($ in millions)			December 31, 2015 ($ in millions)		
Change in Plan Assets	***U.S.***	***Foreign***	***Total***	***U.S.***	***Foreign***	***Total***
Fair value of plans’ assets at beginning of year	$ 1,974.0	$ 62.5	$ 2,036.5	$ 1,915.4	$ 63.3	$ 1,978.7
Actual return on plans’ assets	191.5	3.5	195.0	(25.4)	0.4	(25.0)
Employer contributions	6.4	2.0	8.4	77.6	1.0	78.6
Benefits paid	(132.2)	(3.4)	(135.6)	(205.6)	(2.8)	(208.4)
Business combination	(27.7)	—	(27.7)	212.0	10.8	222.8
Currency translation adjustments	—	1.9	1.9	—	(10.2)	(10.2)
Fair value of plans’ assets at end of year	$ 2,012.0	$ 66.5	$ 2,078.5	$ 1,974.0	$ 62.5	$ 2,036.5

	December 31, 2016 ($ in millions)			December 31, 2015 ($ in millions)		
Funded Status	***U.S.***	***Foreign***	***Total***	***U.S.***	***Foreign***	***Total***
Qualified plans	$ (450.6)	$ (182.6)	$ (633.2)	$ (480.8)	$ (163.5)	$ (644.3)
Non-qualified plans	(3.6)	(1.9)	(5.5)	(3.7)	(1.4)	(5.1)
Total funded status	$ (454.2)	$ (184.5)	$ (638.7)	$ (484.5)	$ (164.9)	$ (649.4)

Under ASC 715 we recorded a $40.7 million after-tax charge ($66.1 million pretax) to shareholders’ equity as of December 31, 2016 for our pension plans. This charge reflected a 30 -basis point decrease in the domestic pension plans’ discount rate, partially offset by favorable performance on plan assets during 2016 . In 2015 , we recorded a $78.8 million after-tax charge ($125.4 million pretax) to shareholders’ equity as of December 31, 2015 for our pension plans. This charge reflected unfavorable performance on plan assets during 2015 partially offset by a 50 -basis point decrease in the domestic pension plans’ discount rate.

The $109.1 million actuarial loss for 2016 was primarily due to a 30 -basis point decrease in the domestic pension plans’ discount rate. The $44.0 million actuarial gain for 2015 was primarily due to a 50 -basis point increase in the plans’ discount

rate. The $12.7 million curtailments/settlements for 2015 was primarily due to the change in control which created a mandatory acceleration of payments under the domestic non-qualified pension plan as a result of the Acquisition.

Amounts recognized in the consolidated balance sheets consisted of:

	December 31, 2016			December 31, 2015		
	($ in millions)			($ in millions)		
	U.S.	Foreign	Total	U.S.	Foreign	Total
Accrued benefit in current liabilities	$ (0.4)	$ (0.2)	$ (0.6)	$ (0.4)	$ (0.1)	$ (0.5)
Accrued benefit in noncurrent liabilities	(453.8)	(184.3)	(638.1)	(484.1)	(164.8)	(648.9)
Accumulated other comprehensive loss	743.1	43.5	786.6	714.2	26.6	740.8
Net balance sheet impact	$ 288.9	$ (141.0)	$ 147.9	$ 229.7	$ (138.3)	$ 91.4

At December 31, 2016 and 2015 , the benefit obligation of non-qualified pension plans was $5.5 million and $5.1 million , respectively, and was included in the above pension benefit obligation. There were no plan assets for these non-qualified pension plans. Benefit payments for the non-qualified pension plans are expected to be as follows: 2017 — $0.6 million ; 2018 — $0.5 million ; 2019 — $0.6 million ; 2020 — $0.6 million ; and 2021 — $0.3 million . Benefit payments for the qualified plans are projected to be as follows: 2017 — $135.5 million ; 2018 — $136.8 million ; 2019 — $136.9 million ; 2020 — $137.7 million ; and 2021 — $136.5 million .

	December 31,	
	2016	2015
	($ in millions)	
Projected benefit obligation	$ 2,717.2	$ 2,685.9
Accumulated benefit obligation	2,685.7	2,655.0
Fair value of plan assets	2,078.5	2,036.5

	Years Ended December 31,		
	2016	2015	2014
Components of Net Periodic Benefit Costs (Income)	($ in millions)		
Service cost	$ 12.3	$ 7.8	$ 5.3
Interest cost	87.7	83.3	86.5
Expected return on plans' assets	(157.8)	(147.4)	(139.5)
Amortization of prior service cost	—	1.6	2.2
Recognized actuarial loss	20.7	26.2	20.3
Curtailments/settlements	—	47.2	0.2
Net periodic benefit costs (income)	$ (37.1)	$ 18.7	$ (25.0)
Included in Other Comprehensive Loss (Pretax)			
Liability adjustment	$ 66.1	$ 125.4	$ 138.9
Amortization of prior service costs and actuarial losses	(20.7)	(62.4)	(22.7)

The $47.2 million curtailments/settlements for 2015 were due to a settlement of $47.1 million of costs incurred as a result of the change in control which created a mandatory acceleration of payments under the domestic non-qualified pension plan as a result of the Acquisition. These charges were included in acquisition-related costs. Also, for the years ended December 31, 2015 and 2014, we recorded a curtailment charge of $0.1 million and $0.2 million , respectively, associated with permanently closing a portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014. These charges were included in restructuring charges.

The defined benefit pension plans' actuarial loss that will be recognized from accumulated other comprehensive loss into net periodic benefit income in 2017 will be approximately $27 million .

The service cost and the amortization of prior service cost components of pension expense related to the employees of the operating segments are allocated to the operating segments based on their respective estimated census data.

Pension Plan Assumptions

Certain actuarial assumptions, such as discount rate and long-term rate of return on plan assets, have a significant effect on the amounts reported for net periodic benefit cost and accrued benefit obligation amounts. We use a measurement date of December 31 for our pension plans.

	U.S. Pension Benefits			***Foreign Pension Benefits***		
Weighted-Average Assumptions	***2016***	***2015***	***2014***	***2016***	***2015***	***2014***
Discount rate—periodic benefit cost	4.4%(1)	3.9%	4.5%	2.7%	2.8%	4.8%
Expected return on assets	7.75%	7.75%	7.75%	6.0%	6.0%	7.50%
Rate of compensation increase	3.0%	3.0%	3.0%	3.0%	3.0%	3.5%
Discount rate—benefit obligation	4.1%	4.4%	3.9%	2.3%	2.7%	3.9%

(1) The discount rate—periodic benefit cost for our domestic qualified pension plan is comprised of the discount rate used to determine interest costs of 3.5% and the discount rate used to determine service costs of 4.6% .

The discount rate is based on a hypothetical yield curve represented by a series of annualized individual zero-coupon bond spot rates for maturities ranging from one-half to thirty years. The bonds used in the yield curve must have a rating of AA or better per Standard & Poor's, be non-callable, and have at least $250 million par outstanding. The yield curve is then applied to the projected benefit payments from the plan. Based on these bonds and the projected benefit payment streams, the single rate that produces the same yield as the matching bond portfolio is used as the discount rate.

The long-term expected rate of return on plan assets represents an estimate of the long-term rate of returns on the investment portfolio consisting of equities, fixed income and alternative investments. We use long-term historical actual return information, the allocation mix of investments that comprise plan assets, and forecast estimates of long-term investment returns, including inflation rates, by reference to external sources. The historic rates of return on plan assets have been 7.0% for the last 5 years, 9.1% for the last 10 years and 9.0% for the last 15 years. The following rates of return by asset class were considered in setting the long-term rate of return assumption:

U.S. equities	9%	to	13%
Non-U.S. equities	10%	to	14%
Fixed income/cash	5%	to	9%
Alternative investments	5%	to	15%
Absolute return strategies	8%	to	12%

Plan Assets

Our pension plan asset allocation at December 31, 2016 and 2015 by asset class was as follows:

	Percentage of Plan Assets	
Asset Class	***2016***	***2015***
U.S. equities	19%	4%
Non-U.S. equities	15%	6%
Fixed income/cash	35%	47%
Acquisition plan receivable	—%	10%
Alternative investments	20%	19%
Absolute return strategies	11%	14%
Total	100%	100%

The Alternative Investments asset class includes hedge funds, real estate and private equity investments. The Alternative Investments class is intended to help diversify risk and increase returns by utilizing a broader group of assets.

Absolute Return Strategies further diversify the plan's assets through the use of asset allocations that seek to provide a targeted rate of return over inflation. The investment managers allocate funds within asset classes that they consider to be undervalued in an effort to preserve gains in overvalued asset classes and to find opportunities in undervalued asset classes.

A master trust was established by our pension plan to accumulate funds required to meet benefit payments of our plan and is administered solely in the interest of our plan's participants and their beneficiaries. The master trust's investment horizon is long term. Its assets are managed by professional investment managers or invested in professionally managed investment vehicles.

Our pension plan maintains a portfolio of assets designed to achieve an appropriate risk adjusted return. The portfolio of assets is also structured to manage risk by diversifying assets across asset classes whose return patterns are not highly correlated, investing in passively and actively managed strategies and in value and growth styles, and by periodic rebalancing of asset classes, strategies and investment styles to objectively set targets.

As of December 31, 2016 , the following target allocation and ranges have been set for each asset class:

Asset Class	***Target Allocation***	***Target Range***
U.S. equities	27%	19-35
Non-U.S. equities	18%	4-35
Fixed income/cash	29%	20-80
Alternative investments	6%	0-32
Absolute return strategies	20%	10-30

Determining which hierarchical level an asset or liability falls within requires significant judgment. The following table summarizes our domestic and foreign defined benefit pension plan assets measured at fair value as of December 31, 2016 :

Asset Class	***Investments Measured at NAV [(1)]***	***Quoted Prices In Active Markets for Identical Assets (Level 1)***	***Significant Other Observable Inputs (Level 2)***	***Significant Unobservable Inputs (Level 3)***	***Total***
			($ in millions)		
Equity securities					
U.S. equities	$ 241.4	$ 143.2	$ —	$ —	$ 384.6
Non-U.S. equities	248.6	38.6	29.9	—	317.1
Fixed income/cash					
Cash	—	259.6	—	—	259.6
Government treasuries	18.2	—	169.4	—	187.6
Corporate debt instruments	51.8	0.2	129.6	—	181.6
Asset-backed securities	61.4	—	36.4	—	97.8
Alternative investments					
Hedge fund of funds	380.6	—	—	—	380.6
Real estate funds	22.5	—	—	—	22.5
Private equity funds	16.4	—	—	—	16.4
Absolute return strategies	230.7	—	—	—	230.7
Total assets	$ 1,271.6	$ 441.6	$ 365.3	$ —	$ 2,078.5

The following table summarizes our domestic and foreign defined benefit pension plan assets measured at fair value as of December 31, 2015 :

Asset Class	***Investments Measured at NAV [(1)]***	***Quoted Prices In Active Markets for Identical Assets (Level 1)***	***Significant Other Observable Inputs (Level 2)***	***Significant Unobservable Inputs (Level 3)***	***Total***
			($ in millions)		
Equity securities					
U.S. equities	$ 43.2	$ 36.4	$ —	$ —	$ 79.6
Non-U.S. equities	118.2	0.8	3.7	—	122.7
Acquisition plan receivable	—	—	—	212.0	212.0
Fixed income/cash					
Cash	—	60.1	—	—	60.1
Government treasuries	41.7	—	385.9	—	427.6
Corporate debt instruments	52.8	0.3	261.1	—	314.2
Asset-backed securities	118.6	—	37.0	—	155.6
Alternative investments					
Hedge fund of funds	335.6	—	—	—	335.6
Real estate funds	27.4	—	—	—	27.4
Private equity funds	18.4	—	—	—	18.4
Absolute return strategies	283.3	—	—	—	283.3
Total assets	$ 1,039.2	$ 97.6	$ 687.7	$ 212.0	$ 2,036.5

(1) Investments measured at net asset value (NAV) as a practical expedient reflect the adoption of ASU 2015-07, which was applied retrospectively, and, therefore, all prior periods have been retrospectively adjusted.

U.S. equities —This class included actively and passively managed equity investments in common stock and commingled funds comprised primarily of large-capitalization stocks with value, core and growth strategies.

Non-U.S. equities —This class included actively managed equity investments in commingled funds comprised primarily of international large-capitalization stocks from both developed and emerging markets.

Acquisition plan receivable —This class included pension assets which will be transferred from TDCC's U.S. qualified defined benefit pension plan trustee to our qualified defined benefit pension plan trustee in the form of cash related to the Acquisition. As of December 31, 2015, this amount was subject to certain post-closing adjustments. During 2016, assets of $184.3 million were transferred from TDCC's U.S. qualified defined benefit pension plan trustee to our qualified defined benefit pension plan trustee, resulting in the settlement of the acquisition plan receivable.

Fixed income and cash— This class included commingled funds comprised of debt instruments issued by the U.S. and Canadian Treasuries, U.S. Agencies, corporate debt instruments, asset- and mortgage-backed securities and cash.

Hedge fund of funds— This class included a hedge fund which invests in the following types of hedge funds:

> *Event driven hedge funds*— This class included hedge funds that invest in securities to capture excess returns that are driven by market or specific company events including activist investment philosophies and the arbitrage of equity and private and public debt securities.
>
> *Market neutral hedge funds* —This class included investments in U.S. and international equities and fixed income securities while maintaining a market neutral position in those markets.
>
> *Other hedge funds* —This class primarily included long-short equity strategies and a global macro fund which invested in fixed income, equity, currency, commodity and related derivative markets.

Real estate funds —This class included several funds that invest primarily in U.S. commercial real estate.

Private equity funds —This class included several private equity funds that invest primarily in infrastructure and U.S. power generation and transmission assets.

Absolute return strategies —This class included multiple strategies which use asset allocations that seek to provide a targeted rate of return over inflation. The investment managers allocate funds within asset classes that they consider to be undervalued in an effort to preserve gains in overvalued asset classes and to find opportunities in undervalued asset classes.

U.S. equities and non-U.S. equities are primarily valued at the net asset value provided by the independent administrator or custodian of the commingled fund. The net asset value is based on the value of the underlying equities, which are traded on an active market. U.S. equities are also valued at the closing price reported in an active market on which the individual securities are traded. A portion of our fixed income investments are valued at the net asset value provided by the independent administrator or custodian of the fund. The net asset value is based on the underlying assets, which are valued using inputs such as the closing price reported, if traded on an active market, values derived from comparable securities of issuers with similar credit ratings, or under a discounted cash flow approach that utilizes observable inputs, such as current yields of similar instruments, but includes adjustments for risks that may not be observable such as certain credit and liquidity risks. Alternative investments are valued at the net asset value as determined by the independent administrator or custodian of the fund. The net asset value is based on the underlying investments, which are valued using inputs such as quoted market prices of identical instruments, discounted future cash flows, independent appraisals and market-based comparable data. Absolute return strategies are commingled funds which reflect the fair value of our ownership interest in these funds. The investments in these commingled funds include some or all of the above asset classes and are primarily valued at net asset values based on the underlying investments, which are valued consistent with the methodologies described above for each asset class.

The following table summarizes the activity for our defined benefit pension plans level 3 assets for the year ended December 31, 2016 :

	December 31, 2015	***Realized Gain/(Loss)***	***Unrealized Gain/(Loss) Relating to Assets Held at Period End***	***Purchases, Sales, Settlements, and Other***	***Transfers In/(Out)***	***December 31, 2016***
	($ in millions)					
Acquisition plan receivable	$ 212.0	$ —	$ —	$ (212.0)	$ —	$ —

The following table summarizes the activity for our defined benefit pension plans level 3 assets for the year ended December 31, 2015 :

	December 31, 2014	***Realized Gain/(Loss)***	***Unrealized Gain/(Loss) Relating to Assets Held at Period End***	***Purchases, Sales, Settlements, and Other***	***Transfers In/(Out)***	***December 31, 2015***
	($ in millions)					
Acquisition plan receivable	$ —	$ —	$ —	$ 212.0	$ —	$ 212.0

POSTRETIREMENT BENEFITS

We provide certain postretirement healthcare (medical) and life insurance benefits for eligible active and retired domestic employees. The healthcare plans are contributory with participants' contributions adjusted annually based on medical rates of inflation and plan experience. We use a measurement date of December 31 for our postretirement plans.

Effective as of December 31, 2015, we changed the approach used to measure service and interest costs for our other postretirement benefits. For the year ended December 31, 2015, we measured service and interest costs utilizing a single weighted-average discount rate derived from the yield curve used to measure the plan obligations. Beginning in 2016 for our other postretirement benefits, we elected to measure service and interest costs by applying the specific spot rates along the yield curve to the plans' estimated cash flows. We believe the new approach provides a more precise measurement of service and interest costs by aligning the timing of the plans' liability cash flows to the corresponding spot rates on the yield curve. This change does not affect the measurement of our plan obligations. We have accounted for this change as a change in accounting estimate and, accordingly, have accounted for it on a prospective basis.

Other Postretirement Benefits Obligations and Funded Status

Changes in the benefit obligation were as follows:

	December 31, 2016 ($ in millions)			December 31, 2015 ($ in millions)		
Change in Benefit Obligation	***U.S.***	***Foreign***	***Total***	***U.S.***	***Foreign***	***Total***
Benefit obligation at beginning of year	$ 53.9	$ 8.1	$ 62.0	$ 58.5	$ 8.7	$ 67.2
Service cost	0.8	0.4	1.2	1.1	0.1	1.2
Interest cost	1.2	0.4	1.6	2.0	0.3	2.3
Actuarial loss (gain)	(5.1)	—	(5.1)	(0.7)	0.7	—
Benefits paid	(7.2)	(0.4)	(7.6)	(7.0)	(0.3)	(7.3)
Currency translation adjustments	—	0.1	0.1	—	(1.5)	(1.5)
Curtailment	—	—	—	—	0.1	0.1
Benefit obligation at end of year	$ 43.6	$ 8.6	$ 52.2	$ 53.9	$ 8.1	$ 62.0

	December 31, 2016 ($ in millions)			December 31, 2015 ($ in millions)		
	U.S.	***Foreign***	***Total***	***U.S.***	***Foreign***	***Total***
Funded status	$ (43.6)	$ (8.6)	$ (52.2)	$ (53.9)	$ (8.1)	$ (62.0)

Under ASC 715 we recorded a $3.2 million after-tax benefit ($5.1 million pretax) to shareholders' equity as of December 31, 2016 for our other postretirement plans. In 2015 , we recorded an after-tax benefit of less than $0.1 million ($0.1 million pretax) to shareholders' equity as of December 31, 2015 for our other postretirement plans.

Amounts recognized in the consolidated balance sheets consisted of:

	December 31, 2016 ($ in millions)			December 31, 2015 ($ in millions)		
	U.S.	***Foreign***	***Total***	***U.S.***	***Foreign***	***Total***
Accrued benefit in current liabilities	$ (4.8)	$ (0.3)	$ (5.1)	$ (5.3)	$ (0.3)	$ (5.6)
Accrued benefit in noncurrent liabilities	(38.8)	(8.3)	(47.1)	(48.6)	(7.8)	(56.4)
Accumulated other comprehensive loss	24.8	0.3	25.1	29.7	0.2	29.9
Net balance sheet impact	$ (18.8)	$ (8.3)	$ (27.1)	$ (24.2)	$ (7.9)	$ (32.1)

	Years Ended December 31,		
	2016	***2015***	***2014***
Components of Net Periodic Benefit Cost	($ in millions)		
Service cost	$ 1.2	$ 1.2	$ 1.1
Interest cost	1.6	2.3	2.7
Amortization of prior service cost	(2.6)	—	(0.1)
Recognized actuarial loss	2.3	3.1	2.9
Curtailment	—	0.1	—
Net periodic benefit cost	$ 2.5	$ 6.7	$ 6.6
Included in Other Comprehensive Loss (Pretax)			
Liability adjustment	$ (5.1)	$ (0.1)	$ 3.1
Amortization of prior service costs and actuarial losses	0.3	(3.2)	(2.8)

For the year ended December 31, 2015, we recorded a curtailment charge of $0.1 million associated with permanently closing a portion of the Becancour, Canada chlor alkali facility that has been shut down since late June 2014. This charge was included in restructuring charges.

The other postretirement plans' actuarial loss that will be recognized from accumulated other comprehensive loss into net periodic benefit cost in 2017 will be approximately $3 million .

The service cost and amortization of prior service cost components of postretirement benefit expense related to the employees of the operating segments are allocated to the operating segments based on their respective estimated census data.

Other Postretirement Benefits Plan Assumptions

Certain actuarial assumptions, such as discount rate, have a significant effect on the amounts reported for net periodic benefit cost and accrued benefit obligation amounts.

	December 31,		
Weighted-Average Assumptions	***2016***	***2015***	***2014***
Discount rate—periodic benefit cost	4.1%	3.7%	4.3%
Discount rate—benefit obligation	3.8%	4.1%	3.7%

The discount rate is based on a hypothetical yield curve represented by a series of annualized individual zero-coupon bond spot rates for maturities ranging from one-half to thirty years. The bonds used in the yield curve must have a rating of AA or better per Standard & Poor's, be non-callable, and have at least $250 million par outstanding. The yield curve is then applied to the projected benefit payments from the plan. Based on these bonds and the projected benefit payment streams, the single rate that produces the same yield as the matching bond portfolio is used as the discount rate.

We review external data and our own internal trends for healthcare costs to determine the healthcare cost for the post retirement benefit obligation. The assumed healthcare cost trend rates for pre-65 retirees were as follows:

	December 31,	
	2016	***2015***
Healthcare cost trend rate assumed for next year	8.0%	8.5%
Rate that the cost trend rate gradually declines to	5.0%	5.0%
Year that the rate reaches the ultimate rate	2022	2022

For post-65 retirees, we provide a fixed dollar benefit, which is not subject to escalation.

Assumed healthcare cost trend rates have an effect on the amounts reported for the healthcare plans. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects:

	One-Percentage Point Increase	***One-Percentage Point Decrease***
	($ in millions)	
Effect on total of service and interest costs	$ 0.6	$ (0.4)
Effect on postretirement benefit obligation	2.1	(1.8)

We expect to make payments of approximately $5 million for each of the next five years under the provisions of our other postretirement benefit plans.

INCOME TAXES

	Years ended December 31,		
	2016	2015	2014
Components of Income (Loss) from Continuing Operations Before Taxes	($ in millions)		
Domestic	$ (23.3)	$ (66.9)	$ 164.4
Foreign	(10.9)	73.6	(1.7)
Income (loss) from continuing operations before taxes	$ (34.2)	$ 6.7	$ 162.7
Components of Income Tax (Benefit) Provision			
Current expense (benefit):			
Federal	$ (11.6)	$ (16.6)	$ 25.9
State	0.9	1.2	1.3
Foreign	15.7	14.4	5.3
	5.0	(1.0)	32.5
Deferred (benefit) expense:			
Federal	$ (10.1)	$ 8.9	$ 26.9
State	(5.1)	(2.4)	3.0
Foreign	(20.1)	2.6	(4.7)
	(35.3)	9.1	25.2
Income tax (benefit) provision	$ (30.3)	$ 8.1	$ 57.7

The following table accounts for the difference between the actual tax provision and the amounts obtained by applying the statutory U.S. federal income tax rate of 35% to the income (loss) from continuing operations before taxes.

	Years ended December 31,		
Effective Tax Rate Reconciliation (Percent)	2016	2015	2014
Statutory federal tax rate	35.0 %	35.0 %	35.0 %
State income taxes, net	8.0	(38.2)	2.4
Foreign rate differential	(25.1)	(129.8)	0.4
U.S. tax on foreign earnings	24.4	128.6	(0.6)
Domestic manufacturing/export tax incentive	—	—	(1.8)
Salt depletion	45.4	(38.8)	(0.5)
Non-deductible transaction costs	—	133.1	—
Change in valuation allowance	(0.7)	27.9	1.1
Remeasurement of deferred taxes	9.4	7.6	0.4
Change in tax contingencies	(9.7)	5.0	(0.3)
Dividends paid to CEOP	2.8	(11.1)	(0.5)
Return to provision	5.3	(4.2)	(0.7)
Research tax credit	0.6	(3.1)	—
Other, net	(6.8)	8.9	0.6
Effective tax rate	88.6 %	120.9 %	35.5 %

The effective tax rate from continuing operations for 2016 included a benefit of $4.8 million associated with return to provision adjustments for the finalization of our prior years' U.S. federal and state income tax returns. The return to provision adjustment for 2016 included $14.9 million of benefit primarily associated with a change in estimate related to the calculation of salt depletion and $9.7 million of expense associated with the correction of an immaterial error related to non-deductible acquisition costs. The effective tax rate from continuing operations for 2016 also included an expense of $4.1 million related to changes in uncertain tax positions for prior tax years and a benefit of $3.2 million related to the remeasurement of deferred taxes due to a decrease in our state effective tax rates. The effective tax rate from continuing operations for 2015 included $8.9 million of expense associated with certain transaction costs related to the Acquisition that are not deductible for U.S. tax purposes partially offset by $2.6 million of benefit associated with salt depletion deductions. The effective tax rate from continuing operations for 2014 included $1.2 million of benefit associated with return to provision adjustments for the

finalization of our 2013 U.S. federal and state income tax returns and $0.7 million of benefit associated with the expiration of the statutes of limitations in federal and state jurisdictions. These items were partially offset by $0.8 million of expense associated with increases in valuation allowances on certain state tax credit balances, primarily due to a change in state tax law, and $0.6 million of expense related to the remeasurement of deferred taxes due to an increase in state effective tax rates.

Components of Deferred Tax Assets and Liabilities	***December 31,***	
	2016	***2015***
	($ in millions)	
Deferred tax assets:		
Pension and postretirement benefits	$ 226.1	$ 235.2
Environmental reserves	54.5	55.3
Asset retirement obligations	22.0	21.0
Accrued liabilities	53.0	53.7
Tax credits	13.2	23.3
Net operating losses	105.3	40.1
Capital loss carryforward	2.8	4.7
Other miscellaneous items	—	18.5
Total deferred tax assets	476.9	451.8
Valuation allowance	(29.0)	(29.3)
Net deferred tax assets	447.9	422.5
Deferred tax liabilities:		
Property, plant and equipment	875.5	875.6
Intangible amortization	137.3	138.4
Inventory and prepaids	13.6	11.6
Partnerships	106.3	101.4
Taxes on unremitted earnings	223.6	294.8
Other miscellaneous items	4.6	—
Total deferred tax liabilities	1,360.9	1,421.8
Net deferred tax liability	$ (913.0)	$ (999.3)

Realization of the net deferred tax assets, irrespective of indefinite-lived deferred tax liabilities, is dependent on future reversals of existing taxable temporary differences and adequate future taxable income, exclusive of reversing temporary differences and carryforwards. Although realization is not assured, we believe that it is more likely than not that the net deferred tax assets will be realized.

At December 31, 2016 , we had a U.S. net operating loss carryforward (NOL) of approximately $198.0 million (representing $69.3 million of deferred tax assets) that will expire in years 2017 through 2036, if not utilized. The utilization of $2.5 million of the deferred tax assets are limited under Section 382 of the U.S. Internal Revenue Code to $1.0 million in 2017 and $0.5 million in 2018 through 2020.

At December 31, 2016 , we had deferred state tax benefits of $13.2 million relating to state NOLs, which are available to offset future state taxable income through 2036.

At December 31, 2016 , we had deferred state tax benefits of $12.9 million relating to state tax credits, which are available to offset future state tax liabilities through 2031.

At December 31, 2016 , we had a capital loss carryforward of $7.3 million (representing $2.8 million of deferred tax assets) which are available to offset future consolidated capital gains that will expire in years 2018 through 2021, if not utilized.

At December 31, 2016 , we had a NOL of approximately $89.0 million (representing $22.8 million of deferred tax assets) in various foreign jurisdictions. Of these, $21.6 million (representing $5.4 million of deferred tax assets) expire in various years from 2020 to 2026. The remaining $67.4 million (representing $17.4 million of deferred tax assets) do not expire.

The activity of our deferred income tax valuation allowance was as follows:

	December 31,	
	2016	2015
	($ in millions)	
Beginning balance	$ 29.3	$ 16.6
Charged to income tax provision	8.4	1.8
Acquisition activity	(4.3)	12.3
Deductions from reserves - credited to income tax provision	(4.4)	(1.4)
Ending balance	$ 29.0	$ 29.3

As of December 31, 2016 , we had $38.4 million of gross unrecognized tax benefits, which would have a net $36.7 million impact on the effective tax rate from continuing operations, if recognized. As of December 31, 2015 , we had $35.1 million of gross unrecognized tax benefits, which would have a net $33.5 million impact on the effective tax rate from continuing operations, if recognized. The change for 2016 primarily relates to additional gross unrecognized benefits for prior year tax positions, as well as the settlement of ongoing audits. The change for 2015 primarily relates to additional gross unrecognized benefits for prior year tax positions, as well as the settlement of ongoing audits. The amounts of unrecognized tax benefits were as follows:

	December 31,	
	2016	2015
	($ in millions)	
Beginning balance	$ 35.1	$ 36.1
Increase for current year tax positions	1.7	—
Increase for prior year tax positions	5.8	0.2
Reductions due to statute of limitations	(0.3)	—
Decrease for prior year tax positions	(1.8)	—
Decrease due to tax settlements	(2.1)	(1.2)
Ending balance	$ 38.4	$ 35.1

Income from discontinued operations, net for the year ended December 31, 2014 included $2.2 million of tax expense related to changes in tax contingencies.

We recognize interest and penalty expense related to unrecognized tax positions as a component of the income tax provision. As of December 31, 2016 and 2015 , interest and penalties accrued were $3.0 million and $3.4 million , respectively. For 2016 , 2015 and 2014 , we recorded (benefit) expense related to interest and penalties of $(0.4) million , $0.2 million and $0.4 million , respectively.

As of December 31, 2016 , we believe it is reasonably possible that our total amount of unrecognized tax benefits will decrease by approximately $12.3 million over the next twelve months. The anticipated reduction primarily relates to settlements with tax authorities and the expiration of federal, state and foreign statutes of limitation.

We operate globally and file income tax returns in numerous jurisdictions. Our tax returns are subject to examination by various federal, state and local tax authorities. Our U.S. federal income tax returns are under examination by the Internal Revenue Service (IRS) for tax years 2008 and 2010 to 2012. In connection with the Acquisition, TDCC retained liabilities relating to taxes to the extent arising prior to the Closing Date. We believe we have adequately provided for all tax positions; however, amounts asserted by taxing authorities could be greater than our accrued position. For our primary tax jurisdictions, the tax years that remain subject to examination are as follows:

	Tax Years
U.S. federal income tax	2008; 2010 - 2015
U.S. state income tax	2006 - 2015
Canadian federal income tax	2012 - 2015
Brazil	2014 - 2015
Germany	2015
China	2014 - 2015
The Netherlands	2014 - 2015
South Korea	2014 - 2015

ACCRUED LIABILITIES

Included in accrued liabilities were the following:

	December 31,	
	2016	***2015***
	($ in millions)	
Acquisition-related accruals	$ —	$ 90.2
Accrued compensation and payroll taxes	77.8	53.4
Tax-related accruals	40.9	29.5
Accrued interest	30.7	35.0
Legal and professional costs	21.2	32.0
Accrued employee benefits	21.2	24.4
Environmental (current portion only)	17.0	19.0
Asset retirement obligation (current portion only)	12.6	7.3
Other	42.4	37.3
Accrued liabilities	$ 263.8	$ 328.1

CONTRIBUTING EMPLOYEE OWNERSHIP PLAN

The Contributing Employee Ownership Plan (CEOP) is a defined contribution plan available to essentially all domestic employees. We provide a contribution to an individual retirement contribution account maintained with the CEOP equal to an amount of between 5% and 10% of the employee's eligible compensation. The defined contribution plan expense was $28.2 million , $18.1 million and $16.1 million for 2016 , 2015 and 2014 , respectively. The increase in defined contribution plan expense was due to the additional employees added in conjunction with the Acquired Business.

Company matching contributions are invested in the same investment allocation as the employee's contribution. Our matching contributions for eligible employees amounted to $11.2 million , $6.9 million and $5.7 million in 2016 , 2015 and 2014 , respectively.

Employees generally become vested in the value of the contributions we make to the CEOP according to a schedule based on service. After two years of service, participants are 25% vested. They vest in increments of 25% for each additional year and after five years of service, they are 100% vested in the value of the contributions that we have made to their accounts.

Employees may transfer any or all of the value of the investments, including Olin common stock, to any one or combination of investments available in the CEOP. Employees may transfer balances daily and may elect to transfer any percentage of the balance in the fund from which the transfer is made. However, when transferring out of a fund, employees are prohibited from trading out of the fund to which the transfer was made for seven calendar days. This limitation does not apply to trades into the money market fund or the Olin Common Stock Fund.

STOCK-BASED COMPENSATION

Stock-based compensation expense was allocated to the operating segments for the portion related to employees whose compensation would be included in cost of goods sold with the remainder recognized in corporate/other. There were no significant capitalized stock-based compensation costs. Stock-based compensation granted includes stock options, performance stock awards, restricted stock awards and deferred directors' compensation. Stock-based compensation expense was as follows:

	Years ended December 31,		
	2016	***2015***	***2014***
		($ in millions)	
Stock-based compensation	$ 11.2	$ 11.5	$ 9.2
Mark-to-market adjustments	3.0	(3.0)	(3.6)
Total expense	$ 14.2	$ 8.5	$ 5.6

Stock Plans

Under the stock option and long-term incentive plans, options may be granted to purchase shares of our common stock at an exercise price not less than fair market value at the date of grant, and are exercisable for a period not exceeding ten years from that date. Stock options, restricted stock and performance shares typically vest over three years. We issue shares to settle stock options, restricted stock and share-based performance awards. In 2016 , 2015 and 2014 long-term incentive awards included stock options, performance share awards and restricted stock. The stock option exercise price was set at the fair market value of common stock on the date of the grant, and the options have a ten -year term.

Stock option transactions were as follows:

				Exercisable	
	Shares	***Option Price***	***Weighted-Average Option Price***	***Options***	***Weighted-Average Exercise Price***
Outstanding at January 1, 2016	4,720,105	$14.28-27.65	$ 21.29	3,371,449	$ 19.28
Granted	1,670,400	13.14	13.14		
Exercised	(267,082)	14.28-23.28	16.48		
Canceled	(388,683)	13.14-25.57	19.77		
Outstanding at December 31, 2016	5,734,740	$13.14-27.65	$ 19.25	3,407,300	$ 20.56

At December 31, 2016 , the average exercise period for all outstanding and exercisable options was 75 months and 54 months, respectively. At December 31, 2016 , the aggregate intrinsic value (the difference between the exercise price and market value) for outstanding options was $39.1 million and exercisable options was $18.4 million . The total intrinsic value of options exercised during the years ended December 31, 2016 , 2015 and 2014 was $2.1 million , $1.3 million and $3.9 million , respectively.

The total unrecognized compensation cost related to unvested stock options at December 31, 2016 was $4.1 million and was expected to be recognized over a weighted-average period of 1.3 years.

The following table provides certain information with respect to stock options exercisable at December 31, 2016 :

Range of Exercise Prices	*Options Exercisable*	*Weighted-Average Exercise Price*	*Options Outstanding*	*Weighted-Average Exercise Price*
Under $16.00	897,129	$ 15.06	2,518,379	$ 13.82
$16.00 – $22.00	1,286,916	20.25	1,286,916	20.25
Over $22.00	1,223,255	24.92	1,929,445	25.66
	3,407,300		5,734,740	

At December 31, 2016 , common shares reserved for issuance and available for grant or purchase under the following plans consisted of:

	Number of Shares	
Stock Option Plans	*Reserved for Issuance*	*Available for Grant or Purchase (1)*
2000 long term incentive plan	245,486	97,444
2003 long term incentive plan	365,005	235,305
2006 long term incentive plan	1,360,312	87,116
2009 long term incentive plan	2,660,662	122,710
2014 long term incentive plan	3,000,000	244,975
2016 long term incentive plan	6,000,000	6,000,000
Total under stock option plans	13,631,465	6,787,550

	Number of Shares	
Stock Purchase Plans	*Reserved for Issuance*	*Available for Grant or Purchase*
1997 stock plan for non-employee directors	553,402	460,663
Employee deferral plan	45,627	45,623
Total under stock purchase plans	599,029	506,286

(1) All available to be issued as stock options, but includes a sub-limit for all types of stock awards of 3,287,550 shares.

Under the stock purchase plans, our non-employee directors may defer certain elements of their compensation into shares of our common stock based on fair market value of the shares at the time of deferral. Non-employee directors annually receive stock grants as a portion of their director compensation. Of the shares reserved under the stock purchase plans at December 31, 2016 , 92,739 shares were committed.

Performance share awards are denominated in shares of our stock and are paid half in cash and half in stock. Payouts are based on Olin's average annual return on capital over a three -year performance cycle in relation to the average annual return on capital over the same period among a portfolio of public companies which are selected in concert with outside compensation consultants. The expense associated with performance shares is recorded based on our estimate of our performance relative to the respective target. If an employee leaves the company before the end of the performance cycle, the performance shares may be prorated based on the number of months of the performance cycle worked and are settled in cash instead of half in cash and half in stock when the three-year performance cycle is completed. Performance share transactions were as follows:

	To Settle in Cash		*To Settle in Shares*	
	Shares	*Weighted-Average Fair Value per Share*	*Shares*	*Weighted-Average Fair Value per Share*
Outstanding at January 1, 2016	311,528	$ 17.48	302,000	$ 25.59
Granted	339,619	15.28	340,925	15.39
Paid/Issued	(103,417)	17.48	(96,500)	23.28
Converted from shares to cash	2,474	13.14	(2,474)	13.14
Canceled	(7,376)	13.14	(7,376)	13.14
Outstanding at December 31, 2016	542,828	$ 25.84	536,575	$ 16.18
Total vested at December 31, 2016	241,299	$ 25.84	235,046	$ 18.62

The summary of the status of our unvested performance shares to be settled in cash were as follows:

	Shares	*Weighted-Average Fair Value per Share*
Unvested at January 1, 2016	110,000	$ 17.48
Granted	408,431	13.63
Vested	(209,526)	25.84
Canceled	(7,376)	13.14
Unvested at December 31, 2016	301,529	$ 25.84

At December 31, 2016 , the liability recorded for performance shares to be settled in cash totaled $6.2 million . The total unrecognized compensation cost related to unvested performance shares at December 31, 2016 was $12.1 million and was expected to be recognized over a weighted-average period of 1.1 years.

SHAREHOLDERS' EQUITY

On April 24, 2014, our board of directors authorized a new share repurchase program for up to 8 million shares of common stock that will terminate on April 24, 2017 for any of the remaining shares not yet repurchased. For the years ended December 31, 2016 and 2015, no shares were purchased and retired. We repurchased and retired 2.5 million shares in 2014 at a cost of $64.8 million . As of December 31, 2016 , we had repurchased a total of 1.9 million shares under the April 2014 program, and 6.1 million shares remained authorized to be purchased. Under the Merger Agreement relating to the Acquisition, we were restricted from repurchasing shares of our common stock prior to the consummation of the Merger. For a period of two years subsequent to the Closing Date of the Merger, we will continue to be subject to certain restrictions on our ability to conduct share repurchases.

During 2016 , 2015 and 2014 , we issued 0.3 million , 0.1 million and 0.5 million shares, respectively, with a total value of $4.1 million , $3.1 million and $12.1 million , respectively, representing stock options exercised.

We have registered an undetermined amount of securities with the SEC, so that, from time-to-time, we may issue debt securities, preferred stock and/or common stock and associated warrants in the public market under that registration statement.

The following table represents the activity included in accumulated other comprehensive loss:

	Foreign Currency Translation Adjustment (net of taxes)	Unrealized Gains (Losses) on Derivative Contracts (net of taxes)	Pension and Postretirement Benefits (net of taxes)	Accumulated Other Comprehensive Loss
	($ in millions)			
Balance at January 1, 2014	$ (0.5)	$ 0.9	$ (365.5)	$ (365.1)
Unrealized losses	(1.8)	(10.2)	(142.0)	(154.0)
Reclassification adjustments into income	—	1.8	25.5	27.3
Tax benefit	—	3.3	45.4	48.7
Net change	(1.8)	(5.1)	(71.1)	(78.0)
Balance at December 31, 2014	(2.3)	(4.2)	(436.6)	(443.1)
Unrealized losses	(15.7)	(13.9)	(125.3)	(154.9)
Reclassification adjustments into income	—	9.7	65.6	75.3
Tax benefit	5.9	1.5	22.8	30.2
Net change	(9.8)	(2.7)	(36.9)	(49.4)
Balance at December 31, 2015	(12.1)	(6.9)	(473.5)	(492.5)
Unrealized (losses) gains	(22.4)	26.3	(61.0)	(57.1)
Reclassification adjustments into income	—	5.8	20.4	26.2
Tax benefit (provision)	10.4	(12.4)	15.4	13.4
Net change	(12.0)	19.7	(25.2)	(17.5)
Balance at December 31, 2016	$ (24.1)	$ 12.8	$ (498.7)	$ (510.0)

Net (loss) income and cost of goods sold included reclassification adjustments for realized gains and losses on derivative contracts from accumulated other comprehensive loss.

Net (loss) income, cost of goods sold and selling and administration expenses included the amortization of prior service costs and actuarial losses from accumulated other comprehensive loss. This amortization is recognized equally in cost of goods sold and selling and administration expenses.

SEGMENT INFORMATION

We define segment results as income (loss) from continuing operations before interest expense, interest income, other operating income, other income (expense) and income taxes, and include the results of non-consolidated affiliates. Consistent with the guidance in ASC 280 “Segment Reporting” (ASC 280), we have determined it is appropriate to include the operating results of non-consolidated affiliates in the relevant segment financial results. Beginning in the fourth quarter of 2015, we modified our reportable segments due to changes in our organization resulting from the Acquisition. We have three operating segments: Chlor Alkali Products and Vinyls, Epoxy and Winchester. For segment reporting purposes, the Acquired Business’s Global Epoxy operating results comprise the Epoxy segment and the Acquired Chlor Alkali Business operating results combined with our former Chlor Alkali Products and Chemical Distribution segments comprise the Chlor Alkali Products and Vinyls segment. This reporting structure has been retrospectively applied to financial results for all periods presented. The three operating segments reflect the organization used by our management for purposes of allocating resources and assessing performance. Chlorine used in our Epoxy segment is transferred at cost from the Chlor Alkali Products and Vinyls segment. Sales and profits are recognized in the Chlor Alkali Products and Vinyls segment for all caustic soda generated and sold by Olin.

	Years ended December 31,		
	2016	2015	2014
Sales:	($ in millions)		
Chlor Alkali Products and Vinyls	$ 2,999.3	$ 1,713.4	$ 1,502.8
Epoxy	1,822.0	429.6	—
Winchester	729.3	711.4	738.4
Total sales	$ 5,550.6	$ 2,854.4	$ 2,241.2
Income (loss) from continuing operations before taxes:			
Chlor Alkali Products and Vinyls	$ 224.9	$ 115.5	$ 130.1
Epoxy	15.4	(7.5)	—
Winchester	120.9	115.6	127.3
Corporate/Other	(55.8)	(40.6)	(33.8)
Restructuring charges	(112.9)	(2.7)	(15.7)
Acquisition-related costs	(48.8)	(123.4)	(4.2)
Other operating income	10.6	45.7	1.5
Interest expense	(191.9)	(97.0)	(43.8)
Interest income	3.4	1.1	1.3
Income (loss) from continuing operations before taxes	$ (34.2)	$ 6.7	$ 162.7
Earnings of non-consolidated affiliates:			
Chlor Alkali Products and Vinyls	$ 1.7	$ 1.7	$ 1.7
Depreciation and amortization expense:			
Chlor Alkali Products and Vinyls	$ 418.1	$ 186.1	$ 119.4
Epoxy	90.0	20.9	—
Winchester	18.5	17.4	16.3
Corporate/Other	6.9	4.5	3.4
Total depreciation and amortization expense	$ 533.5	$ 228.9	$ 139.1
Capital spending:			
Chlor Alkali Products and Vinyls	$ 195.1	$ 94.5	$ 49.6
Epoxy	45.4	7.7	—
Winchester	19.5	25.6	21.4
Corporate/Other	18.0	3.1	0.8
Total capital spending	$ 278.0	$ 130.9	$ 71.8

	December 31,	
	2016	2015
Assets:	($ in millions)	
Chlor Alkali Products and Vinyls	$ 6,521.4	$ 6,690.7
Epoxy	1,514.3	1,591.2
Winchester	424.0	411.9
Corporate/Other	302.9	595.1
Total assets	$ 8,762.6	$ 9,288.9
Investments—affiliated companies (at equity):		
Chlor Alkali Products and Vinyls	$ 26.7	$ 25.0

Segment assets include only those assets which are directly identifiable to an operating segment. Assets of the corporate/other segment include primarily such items as cash and cash equivalents, deferred taxes, restricted cash and other assets.

	Years ended December 31,		
Geographic Data	***2016***	***2015***	***2014***
Sales:		*($ in millions)*	
United States	$ 3,356.8	$ 2,208.5	$ 2,051.4
Foreign	2,193.8	645.9	189.8
Total sales	$ 5,550.6	$ 2,854.4	$ 2,241.2

	December 31,	
	2016	***2015***
Long-lived assets:	*($ in millions)*	
United States	$ 3,352.2	$ 3,561.7
Foreign	352.7	391.7
Total long-lived assets	$ 3,704.9	$ 3,953.4

Sales are attributed to geographic areas based on customer location and long-lived assets are attributed to geographic areas based on asset location.

ENVIRONMENTAL

As is common in our industry, we are subject to environmental laws and regulations related to the use, storage, handling, generation, transportation, emission, discharge, disposal and remediation of, and exposure to, hazardous and non-hazardous substances and wastes in all of the countries in which we do business.

The establishment and implementation of national, state or provincial and local standards to regulate air, water and land quality affect substantially all of our manufacturing locations around the world. Laws providing for regulation of the manufacture, transportation, use and disposal of hazardous and toxic substances, and remediation of contaminated sites, have imposed additional regulatory requirements on industry, particularly the chemicals industry. In addition, implementation of environmental laws has required and will continue to require new capital expenditures and will increase plant operating costs. We employ waste minimization and pollution prevention programs at our manufacturing sites.

In connection with the Acquisition, TDCC retained liabilities relating to releases of hazardous materials and violations of environmental law to the extent arising prior to the Closing Date.

We are party to various governmental and private environmental actions associated with past manufacturing facilities and former waste disposal sites. Associated costs of investigatory and remedial activities are provided for in accordance with generally accepted accounting principles governing probability and the ability to reasonably estimate future costs. Our ability to estimate future costs depends on whether our investigatory and remedial activities are in preliminary or advanced stages. With respect to unasserted claims, we accrue liabilities for costs that, in our experience, we expect to incur to protect our interests against those unasserted claims. Our accrued liabilities for unasserted claims amounted to $2.0 million at December 31, 2016 . With respect to asserted claims, we accrue liabilities based on remedial investigation, feasibility study, remedial action and operation, maintenance and monitoring (OM&M) expenses that, in our experience, we expect to incur in connection with the asserted claims. Required site OM&M expenses are estimated and accrued in their entirety for required periods not exceeding 30 years, which reasonably approximates the typical duration of long-term site OM&M.

Our liabilities for future environmental expenditures were as follows:

	December 31,	
	2016	2015
	($ in millions)	
Beginning balance	$ 138.1	$ 138.3
Charges to income	9.2	15.7
Remedial and investigatory spending	(10.3)	(14.1)
Currency translation adjustments	0.3	(1.8)
Ending balance	$ 137.3	$ 138.1

At December 31, 2016 and 2015 , our consolidated balance sheets included environmental liabilities of $120.3 million and $119.1 million , respectively, which were classified as other noncurrent liabilities. Our environmental liability amounts do not take into account any discounting of future expenditures or any consideration of insurance recoveries or advances in technology. These liabilities are reassessed periodically to determine if environmental circumstances have changed and/or remediation efforts and our estimate of related costs have changed. As a result of these reassessments, future charges to income may be made for additional liabilities. Of the $137.3 million included on our consolidated balance sheet at December 31, 2016 for future environmental expenditures, we currently expect to utilize $77.8 million of the reserve for future environmental expenditures over the next 5 years, $16.1 million for expenditures 6 to 10 years in the future, and $43.4 million for expenditures beyond 10 years in the future.

Our total estimated environmental liability at December 31, 2016 was attributable to 64 sites, 16 of which were USEPA NPL sites. Nine sites accounted for 79% of our environmental liability and, of the remaining 55 sites, no one site accounted for more than 3% of our environmental liability. At four of the nine sites, part of the site is subject to a remedial investigation and another part is in the long-term OM&M stage. At one of the nine sites, a remedial action plan is being developed for part of the site and another part a remedial design is being developed. At one of the nine sites, part of the site is subject to a remedial investigation and another part a remedial design is being developed. At one of these nine sites, a remedial investigation is being performed. The two remaining sites are in long-term OM&M. All nine sites are either associated with past manufacturing operations or former waste disposal sites. None of the nine largest sites represents more than 23% of the liabilities reserved on our consolidated balance sheet at December 31, 2016 for future environmental expenditures.

Environmental provisions charged (credited) to income, which are included in cost of goods sold, were as follows:

	Years ended December 31,		
	2016	2015	2014
	($ in millions)		
Charges to income	$ 9.2	$ 15.7	$ 9.6
Recoveries from third parties of costs incurred and expensed in prior periods	—	—	(1.4)
Total environmental expense	$ 9.2	$ 15.7	$ 8.2

These charges relate primarily to remedial and investigatory activities associated with past manufacturing operations and former waste disposal sites and may be material to operating results in future years.

Annual environmental-related cash outlays for site investigation and remediation are expected to range between approximately $15 million to $25 million over the next several years, which are expected to be charged against reserves recorded on our consolidated balance sheet. While we do not anticipate a material increase in the projected annual level of our environmental-related cash outlays for site investigation and remediation, there is always the possibility that such an increase may occur in the future in view of the uncertainties associated with environmental exposures. Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, changes in regulatory authorities, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other PRPs, our ability to obtain contributions from other parties and the lengthy time periods over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably to us, which could materially adversely affect our financial position or results of

operations. At December 31, 2016 , we estimate that it is reasonably possible that we may have additional contingent environmental liabilities of $60 million in addition to the amounts for which we have already recorded as a reserve.

COMMITMENTS AND CONTINGENCIES

The following table summarizes our contractual commitments under non-cancelable operating leases and purchase contracts as of December 31, 2016 :

	Operating Leases	***Purchase Commitments***
	($ in millions)	
2017	$ 78.8	$ 603.1
2018	65.9	514.8
2019	51.9	497.5
2020	38.5	494.4
2021	26.9	493.8
Thereafter	77.6	2,992.2
Total commitments	$ 339.6	$ 5,595.8

Our operating lease commitments are primarily for railroad cars but also include distribution, warehousing and office space and data processing and office equipment. Virtually none of our lease agreements contain escalation clauses or step rent provisions. Total rent expense charged to operations amounted to $95.5 million , $75.1 million and $66.8 million in 2016 , 2015 and 2014 , respectively (sublease income is not significant). The above purchase commitments include raw material, capital expenditure and utility purchasing commitments utilized in our normal course of business for our projected needs. In connection with the Acquisition, certain additional agreements have been entered into with TDCC, including, long-term purchase agreements for raw materials. These agreements are maintained through long-term cost based contracts that provide us with a reliable supply of key raw materials. Key raw materials received from TDCC include ethylene, electricity, propylene and benzene. Additionally, during 2016, one of the options to obtain additional future ethylene supply at producer economics was exercised by us and, accordingly, additional payments will be made to TDCC of $209.4 million in 2017. On February 27, 2017, we exercised the remaining option to obtain additional future ethylene supply and in connection with the exercise we also secured a long-term customer arrangement. Consequently, additional payments will be made to TDCC of between $425.0 million and $465.0 million on or about the fourth quarter of 2020.

We, and our subsidiaries, are defendants in various legal actions (including proceedings based on alleged exposures to asbestos) incidental to our past and current business activities. At December 31, 2016 and 2015 , our consolidated balance sheets included liabilities for these legal actions of $13.6 million and $21.2 million , respectively. These liabilities do not include costs associated with legal representation. Based on our analysis, and considering the inherent uncertainties associated with litigation, we do not believe that it is reasonably possible that these legal actions will materially adversely affect our financial position, cash flows or results of operations. In connection with the Acquisition, TDCC retained liabilities related to litigation to the extent arising prior to the Closing Date. In addition to the aforementioned legal actions, we are party to a dispute relating to a contract termination. The other party to the contract has filed a demand for arbitration alleging, among other things, that Olin breached the related agreement and claimed damages in excess of the amount Olin believes it is obligated for under the contract. Any additional losses related to this contract dispute are not currently estimable because of unresolved questions of fact and law but, if resolved unfavorably to Olin, they could have a material effect on our financial results.

During the ordinary course of our business, contingencies arise resulting from an existing condition, situation or set of circumstances involving an uncertainty as to the realization of a possible gain contingency. In certain instances such as environmental projects, we are responsible for managing the cleanup and remediation of an environmental site. There exists the possibility of recovering a portion of these costs from other parties. We account for gain contingencies in accordance with the provisions of ASC 450 “Contingencies” (ASC 450) and therefore do not record gain contingencies and recognize income until it is earned and realizable.

For the year ended December 31, 2016, we recognized an insurance recovery of $11.0 million in other operating income for property damage and business interruption related to a 2008 chlor alkali facility incident.

For the year ended December 31, 2015 we recognized insurance recoveries of $57.4 million for property damage and business interruption related to the Becancour, Canada and McIntosh, AL chlor alkali facilities. Cost of goods sold was reduced by $10.5 million and selling and administration was reduced by $0.9 million for the reimbursement of costs incurred and expensed in prior periods and other operating income included a gain of $46.0 million . The consolidated statement of cash flows for the year ended December 31, 2015 included $25.8 million for the property damage portion of the insurance recoveries within proceeds from disposition of property, plant and equipment and gains on disposition of property, plant and equipment.

DERIVATIVE FINANCIAL INSTRUMENTS

We are exposed to market risk in the normal course of our business operations due to our purchases of certain commodities, our ongoing investing and financing activities and our operations that use foreign currencies. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies and procedures governing our management of market risks and the use of financial instruments to manage exposure to such risks. ASC 815 “Derivatives and Hedging” (ASC 815) required an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. We use hedge accounting treatment for substantially all of our business transactions whose risks are covered using derivative instruments. In accordance with ASC 815, we designate derivative contracts as cash flow hedges of forecasted purchases of commodities and forecasted interest payments related to variable-rate borrowings and designate certain interest rate swaps as fair value hedges of fixed-rate borrowings. We do not enter into any derivative instruments for trading or speculative purposes.

Energy costs, including electricity and natural gas, and certain raw materials used in our production processes are subject to price volatility. Depending on market conditions, we may enter into futures contracts, forward contracts, commodity swaps and put and call option contracts in order to reduce the impact of commodity price fluctuations. The majority of our commodity derivatives expire within one year. Those commodity contracts that extend beyond one year correspond with raw material purchases for long-term fixed-price sales contracts.

The company actively manages currency exposures that are associated with net monetary asset positions, currency purchases and sales commitments denominated in foreign currencies and foreign currency denominated assets and liabilities created in the normal course of business. We enter into forward sales and purchase contracts to manage currency to offset our net exposures, by currency, related to the foreign currency denominated monetary assets and liabilities of our operations. At December 31, 2016 , we had outstanding forward contracts to buy foreign currency with a notional value of $73.2 million and to sell foreign currency with a notional value of $100.8 million . All of the currency derivatives expire within one year and are for USD equivalents. The counterparties to the forward contracts were large financial institutions; however, the risk of loss to us in the event of nonperformance by a counterparty could be significant to our financial position or results of operations. At December 31, 2015 , we had outstanding forward contracts to buy foreign currency with a notional value of $21.7 million and to sell foreign currency with a notional value of $10.1 million .

Cash Flow Hedges

ASC 815 requires that all derivative instruments be recorded on the balance sheet at their fair value. For derivative instruments that are designated and qualify as a cash flow hedge, the change in fair value of the derivative is recognized as a component of other comprehensive income (loss) until the hedged item is recognized into earnings. Gains and losses on the derivatives representing hedge ineffectiveness are recognized currently in earnings.

We had the following notional amount of outstanding commodity contracts that were entered into to hedge forecasted purchases:

	December 31,	
	2016	***2015***
	($ in millions)	
Copper	$ 35.8	$ 43.6
Zinc	8.0	8.7
Lead	3.4	9.3
Natural gas	54.4	2.0

As of December 31, 2016 , the counterparties to these commodity contracts were Wells Fargo ($41.7 million), Citibank ($22.0 million), Merrill Lynch Commodities, Inc. ($19.8 million) and JPMorgan Chase Bank, National Association ($18.1 million), all of which are major financial institutions.

We use cash flow hedges for certain raw material and energy costs such as copper, zinc, lead, electricity and natural gas to provide a measure of stability in managing our exposure to price fluctuations associated with forecasted purchases of raw materials and energy used in our manufacturing process. At December 31, 2016 , we had open positions in futures contracts through 2021. If all open futures contracts had been settled on December 31, 2016 , we would have recognized a pretax gain of $11.1 million .

If commodity prices were to remain at December 31, 2016 levels, approximately $6.2 million of deferred gains would be reclassified into earnings during the next twelve months. The actual effect on earnings will be dependent on actual commodity prices when the forecasted transactions occur.

In April 2016, we entered into three tranches of forward starting interest rate swaps whereby we agreed to pay fixed rates to the counterparties who, in turn, pay us floating rates on $1,100.0 million , $900.0 million and $400.0 million of our underlying floating-rate debt obligations. Each tranche's term length is for twelve months beginning on December 31, 2016, December 31, 2017 and December 31, 2018, respectively. The counterparties to the agreements are SMBC Capital Markets, Inc., Wells Fargo, PNC Bank, National Association, and Toronto-Dominion Bank. These counterparties are large financial institutions; however, the risk of loss to us in the event of nonperformance by a counterparty could be significant to our financial position or results of operations. We have designated the swaps as cash flow hedges of the risk of changes in interest payments associated with our variable rate borrowings. Accordingly, the swap agreements have been recorded at their fair market value of $9.6 million and are included in other current assets and other assets on the accompanying consolidated balance sheet, with the corresponding gain deferred as a component of other comprehensive loss. No gain or loss has been recorded in earnings as a result of ineffectiveness.

We use interest rate swaps as a means of minimizing significant unanticipated earnings fluctuations that may arise from volatility in interest rates of our variable-rate borrowings. These interest rate swaps are treated as cash flow hedges. At December 31, 2016 , we had open interest rate swaps designated as cash flow hedges with maximum terms through 2019. If all open futures contracts had been settled on December 31, 2016 , we would have recognized a pretax gain of $9.6 million .

If interest rates were to remain at December 31, 2016 levels, $1.1 million of deferred gains would be reclassified into earnings during the next twelve months. The actual effect on earnings will be dependent on actual interest rates when the forecasted transactions occur.

Fair Value Hedges

For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in current earnings. We include the gain or loss on the hedged items (fixed-rate borrowings) in the same line item, interest expense, as the offsetting loss or gain on the related interest rate swaps. As of December 31, 2016 and 2015 , the total notional amounts of our interest rate swaps designated as fair value hedges were $500.0 million and zero , respectively.

In April 2016, we entered into interest rate swaps on $250.0 million of our underlying fixed-rate debt obligations, whereby we agreed to pay variable rates to the counterparties who, in turn, pay us fixed rates. The counterparties to these agreements are Toronto-Dominion Bank and SMBC Capital Markets, Inc., both of which are major financial institutions.

In October 2016, we entered into interest rate swaps on an additional $250.0 million of our underlying fixed-rate debt obligations, whereby we agreed to pay variable rates to the counterparties who, in turn, pay us fixed rates. The counterparties to these agreements are PNC Bank, National Association and Wells Fargo, both of which are major financial institutions.

We have designated the April 2016 and October 2016 interest rate swap agreements as fair value hedges of the risk of changes in the value of fixed rate debt due to changes in interest rates for a portion of our fixed rate borrowings. Accordingly, the swap agreements have been recorded at their fair market value of $28.5 million and are included in other long-term liabilities on the accompanying consolidated balance sheet, with a corresponding decrease in the carrying amount of the related debt. For the year ended December 31, 2016, $2.6 million of income has been recorded to interest expense on the accompanying consolidated statement of operations related to these swap agreements. No gain or loss has been recorded in earnings as a result of ineffectiveness.

In June 2012, we terminated $73.1 million of interest rate swaps with Wells Fargo that had been entered into on the SunBelt Notes in May 2011. The result was a gain of $2.2 million which will be recognized through 2017. As of December 31, 2016 , $0.1 million of this gain was included in current installments of long-term debt.

We use interest rate swaps as a means of managing interest expense and floating interest rate exposure to optimal levels. These interest rate swaps are treated as fair value hedges. The accounting for gains and losses associated with changes in fair value of the derivative and the effect on the consolidated financial statements will depend on the hedge designation and whether the hedge is effective in offsetting changes in fair value of cash flows of the asset or liability being hedged.

Financial Statement Impacts

We present our derivative assets and liabilities in our consolidated balance sheets on a net basis whenever we have a legally enforceable master netting agreement with the counterparty to our derivative contracts. We use these agreements to manage and substantially reduce our potential counterparty credit risk.

The following table summarizes the location and fair value of the derivative instruments on our consolidated balance sheets. The table disaggregates our net derivative assets and liabilities into gross components on a contract-by-contract basis before giving effect to master netting arrangements:

	Asset Derivatives			***Liability Derivatives***		
		Fair Value December 31,			***Fair Value December 31,***	
Derivatives Designated as Hedging Instruments	***Balance Sheet Location***	***2016***	***2015***	***Balance Sheet Location***	***2016***	***2015***
		($ in millions)			*($ in millions)*	
Interest rate contracts	Other current assets	$ 1.9	$ —	Current installments of long-term debt	$ 0.1	$ 1.2
Interest rate contracts	Other assets	7.7	—	Long-term debt	—	0.4
Interest rate contracts	Other assets	—	—	Other liabilities	28.5	—
Commodity contracts – gains	Other current assets	13.2	—	Accrued liabilities	—	(0.1)
Commodity contracts – losses	Other current assets	(1.7)	—	Accrued liabilities	—	11.5
		$ 21.1	$ —		$ 28.6	$ 13.0
Derivatives Not Designated as Hedging Instruments						
Interest rate contracts – gains	Other current assets	$ —	$ 1.2	Accrued liabilities	$ —	$ —
Interest rate contracts – losses	Other current assets	—	(0.1)	Accrued liabilities	—	—
Commodity contracts – losses	Other current assets	—	—	Accrued liabilities	—	0.2
Foreign exchange contracts – losses	Other current assets	(0.5)	—	Accrued liabilities	1.7	—
Foreign exchange contracts – gains	Other current assets	0.6	0.1	Accrued liabilities	(0.5)	—
		$ 0.1	$ 1.2		$ 1.2	$ 0.2
Total derivatives (1)		$ 21.2	$ 1.2		$ 29.8	$ 13.2

(1) Does not include the impact of cash collateral received from or provided to counterparties.

The following table summarizes the effects of derivative instruments on our consolidated statements of operations:

	Location of Gain (Loss)	Amount of Gain (Loss)		
		Years Ended December 31,		
		2016	2015	2014
Derivatives – Cash Flow Hedges		($ in millions)		
Recognized in other comprehensive loss (effective portion):				
Commodity contracts	———	$ 16.7	$ (13.9)	$ (10.2)
Interest rate contracts	———	9.6	—	—
		$ 26.3	$ (13.9)	$ (10.2)
Reclassified from accumulated other comprehensive loss into income (effective portion):				
Commodity contracts	Cost of goods sold	$ (5.8)	$ (9.7)	$ (1.8)
Derivatives – Fair Value Hedges				
Interest rate contracts	Interest expense	$ 3.7	$ 2.8	$ 2.9
Derivatives Not Designated as Hedging Instruments				
Commodity contracts	Cost of goods sold	$ (0.4)	$ (2.2)	$ 1.4
Foreign exchange contracts	Selling and administration	(11.1)	0.1	—
		$ (11.5)	$ (2.1)	$ 1.4

The ineffective portion of changes in fair value resulted in zero charged or credited to earnings for the years ended December 31, 2016 , 2015 and 2014 .

Credit Risk and Collateral

By using derivative instruments, we are exposed to credit and market risk. If a counterparty fails to fulfill its performance obligations under a derivative contract, our credit risk will equal the fair-value gain in a derivative. Generally, when the fair value of a derivative contract is positive, this indicates that the counterparty owes us, thus creating a repayment risk for us. When the fair value of a derivative contract is negative, we owe the counterparty and, therefore, assume no repayment risk. We minimize the credit (or repayment) risk in derivative instruments by entering into transactions with high-quality counterparties. We monitor our positions and the credit ratings of our counterparties, and we do not anticipate non-performance by the counterparties.

Based on the agreements with our various counterparties, cash collateral is required to be provided when the net fair value of the derivatives, with the counterparty, exceeds a specific threshold. If the threshold is exceeded, cash is either provided by the counterparty to us if the value of the derivatives is our asset, or cash is provided by us to the counterparty if the value of the derivatives is our liability. As of December 31, 2016 , this threshold was not exceeded. As of December 31, 2015 , the amount recognized in accrued liabilities for cash collateral provided by us to counterparties was $5.6 million . In all instances where we are party to a master netting agreement, we offset the receivable or payable recognized upon payment of cash collateral against the fair value amounts recognized for derivative instruments that have also been offset under such master netting agreements.

FAIR VALUE MEASUREMENTS

Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels are directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities. We are required to separately disclose assets and liabilities measured at fair value on a recurring basis, from those measured at fair value on a nonrecurring basis. Nonfinancial assets measured at fair value on a nonrecurring basis are intangible assets and goodwill, which are reviewed for impairment annually in the fourth quarter and/or when circumstances or other events indicate that impairment may have occurred. Determining which hierarchical level an asset or liability falls within requires significant judgment. The following table summarizes the assets and liabilities measured at fair value in the consolidated balance sheets:

Balance at December 31, 2016	***Quoted Prices in Active Markets for Identical Assets (Level 1)***	***Significant Other Observable Inputs (Level 2)***	***Significant Unobservable Inputs (Level 3)***	***Total***
Assets		*($ in millions)*		
Interest rate swaps	$ —	$ 9.6	$ —	$ 9.6
Commodity contracts	—	11.5	—	11.5
Foreign exchange contracts	—	0.1	—	0.1
Liabilities				
Interest rate swaps	—	28.6	—	28.6
Foreign exchange contracts	—	1.2	—	1.2
Balance at December 31, 2015				
Assets				
Interest rate swaps	$ —	$ 1.1	$ —	$ 1.1
Foreign exchange contracts	—	0.1	—	0.1
Liabilities				
Interest rate swaps	—	1.6	—	1.6
Commodity contracts	—	11.6	—	11.6

For the years ended December 31, 2016 and 2015, there were no transfers into or out of Level 1, Level 2 and Level 3.

Interest Rate Swaps

Interest rate swap financial instruments were valued using the “income approach” valuation technique. This method used valuation techniques to convert future amounts to a single present amount. The measurement was based on the value indicated by current market expectations about those future amounts. We use interest rate swaps as a means of managing interest expense and floating interest rate exposure to optimal levels.

Commodity Forward Contracts

Commodity contract financial instruments were valued primarily based on prices and other relevant information observable in market transactions involving identical or comparable assets or liabilities including both forward and spot prices for commodities. We use commodity derivative contracts for certain raw materials and energy costs such as copper, zinc, lead, electricity and natural gas to provide a measure of stability in managing our exposure to price fluctuations.

Foreign Currency Contracts

Foreign currency contract financial instruments were valued primarily based on relevant information observable in market transactions involving identical or comparable assets or liabilities including both forward and spot prices for currencies. We enter into forward sales and purchase contracts to manage currency risk resulting from purchase and sale commitments denominated in foreign currencies.

Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximated fair values due to the short-term maturities of these instruments. The fair value of our long-term debt was determined based on current market rates for debt of similar risk and maturities. The following table summarizes the fair value measurements of debt and the actual debt recorded on our balance sheets:

	Fair Value Measurements				
	Level 1	***Level 2***	***Level 3***	***Total***	***Amount recorded on balance sheets***
			($ in millions)		
Balance at December 31, 2016	$ —	$ 3,703.7	$ 153.0	$ 3,856.7	$ 3,617.6
Balance at December 31, 2015	—	3,826.9	153.0	3,979.9	3,848.8

Nonrecurring Fair Value Measurements

In addition to assets and liabilities that are recorded at fair value on a recurring basis, we record assets and liabilities at fair value on a nonrecurring basis as required by ASC 820. There were no assets measured at fair value on a nonrecurring basis as of December 31, 2016 and 2015 .

SUPPLEMENTAL GUARANTOR FINANCIAL INFORMATION

In October 2015, Spinco (the Issuer) issued $720.0 million aggregate principal amount of the 2023 Notes and $500.0 million aggregate principal amount of the 2025 Notes. During 2016, the Notes were registered under the Securities Act of 1933, as amended. The Issuer was formed on March 13, 2015 as a wholly owned subsidiary of TDCC and upon closing of the Acquisition became a 100% owned subsidiary of Olin (the Parent Guarantor). The Exchange Notes are fully and unconditionally guaranteed by the Parent Guarantor.

The following condensed consolidating financial information presents the condensed consolidating balance sheets as of December 31, 2016 and 2015, and the related condensed consolidating statements of operations, comprehensive income (loss) and cash flows for each of the years in the three-year period ended December 31, 2016 of (a) the Parent Guarantor, (b) the Issuer, (c) the non-guarantor subsidiaries, (d) elimination entries necessary to consolidate the Parent Guarantor with the Issuer and the non-guarantor subsidiaries and (e) Olin on a consolidated basis. Investments in consolidated subsidiaries are presented under the equity method of accounting.

CONDENSED CONSOLIDATING BALANCE SHEETS

December 31, 2016

(In millions)

	Parent Guarantor	*Issuer*	*Subsidiary Non-Guarantor*	*Eliminations*	*Total*
Assets					
Current assets:					
Cash and cash equivalents	$ 25.2	—	$ 159.3	—	$ 184.5
Receivables, net	88.3	—	586.7	—	675.0
Intercompany receivables	—	—	1,912.3	(1,912.3)	—
Income taxes receivable	19.0	—	7.3	(0.8)	25.5
Inventories	167.7	—	462.7	—	630.4
Other current assets	164.7	3.4	1.2	(138.5)	30.8
Total current assets	464.9	3.4	3,129.5	(2,051.6)	1,546.2
Property, plant and equipment, net	510.1	—	3,194.8	—	3,704.9
Investment in subsidiaries	6,035.2	3,734.7	—	(9,769.9)	—
Deferred income taxes	133.5	—	103.5	(117.5)	119.5
Other assets	48.1	—	596.3	—	644.4
Long-term receivables—affiliates	—	2,194.2	—	(2,194.2)	—
Intangible assets, net	0.4	5.7	623.5	—	629.6
Goodwill	—	966.3	1,151.7	—	2,118.0
Total assets	$ 7,192.2	$ 6,904.3	$ 8,799.3	$ (14,133.2)	$ 8,762.6
Liabilities and Shareholders' Equity					
Current liabilities:					
Current installments of long-term debt	$ 0.6	$ 67.5	$ 12.4	—	$ 80.5
Accounts payable	45.3	—	527.4	(1.9)	570.8
Intercompany payables	1,882.8	29.5	—	(1,912.3)	—
Income taxes payable	—	—	8.3	(0.8)	7.5
Accrued liabilities	124.9	—	277.5	(138.6)	263.8
Total current liabilities	2,053.6	97.0	825.6	(2,053.6)	922.6
Long-term debt	913.9	2,413.3	209.9	—	3,537.1
Accrued pension liability	453.7	—	184.4	—	638.1
Deferred income taxes	—	223.6	926.4	(117.5)	1,032.5
Long-term payables—affiliates	1,209.1	—	985.1	(2,194.2)	—
Other liabilities	288.9	6.6	63.8	—	359.3
Total liabilities	4,919.2	2,740.5	3,195.2	(4,365.3)	6,489.6
Commitments and contingencies					
Shareholders' equity:					
Common stock	165.4	—	14.6	(14.6)	165.4
Additional paid-in capital	2,243.8	4,125.7	4,808.2	(8,933.9)	2,243.8
Accumulated other comprehensive loss	(510.0)	—	(7.0)	7.0	(510.0)
Retained earnings	373.8	38.1	788.3	(826.4)	373.8
Total shareholders' equity	2,273.0	4,163.8	5,604.1	(9,767.9)	2,273.0
Total liabilities and shareholders' equity	$ 7,192.2	$ 6,904.3	$ 8,799.3	$ (14,133.2)	$ 8,762.6

CONDENSED CONSOLIDATING BALANCE SHEETS

December 31, 2015

(In millions)

	Parent Guarantor	*Issuer*	*Subsidiary Non-Guarantor*	*Eliminations*	*Total*
Assets					
Current assets:					
Cash and cash equivalents	$ 119.4	—	$ 272.6	—	$ 392.0
Receivables, net	107.7	—	679.4	(3.7)	783.4
Intercompany receivables	—	76.1	1,093.1	(1,169.2)	—
Income taxes receivable	27.3	—	5.7	(0.1)	32.9
Inventories	166.0	—	519.2	—	685.2
Current deferred income taxes	—	—	2.7	(2.7)	—
Other current assets	152.1	5.0	4.6	(121.8)	39.9
Total current assets	572.5	81.1	2,577.3	(1,297.5)	1,933.4
Property, plant and equipment, net	508.7	—	3,444.7	—	3,953.4
Investment in subsidiaries	5,905.0	3,636.3	—	(9,541.3)	—
Deferred income taxes	155.6	—	84.9	(144.6)	95.9
Other assets	43.5	—	411.1	—	454.6
Long-term receivables—affiliates	—	2,562.6	—	(2,562.6)	—
Intangible assets, net	0.5	—	677.0	—	677.5
Goodwill	—	990.2	1,183.9	—	2,174.1
Total assets	$ 7,185.8	$ 7,270.2	$ 8,378.9	$ (13,546.0)	$ 9,288.9
Liabilities and Shareholders' Equity					
Current liabilities:					
Current installments of long-term debt	$ 192.8	—	$ 12.2	—	$ 205.0
Accounts payable	37.3	—	576.6	(5.7)	608.2
Intercompany payables	1,169.2	—	—	(1,169.2)	—
Income taxes payable	1.5	—	6.1	(2.7)	4.9
Accrued liabilities	227.8	—	221.3	(121.0)	328.1
Total current liabilities	1,628.6	—	816.2	(1,298.6)	1,146.2
Long-term debt	1,084.0	2,547.4	12.4	—	3,643.8
Accrued pension liability	484.3	—	164.6	—	648.9
Deferred income taxes	—	294.8	945.1	(144.7)	1,095.2
Long-term payables—affiliates	1,296.4	286.5	979.7	(2,562.6)	—
Other liabilities	273.7	—	61.1	1.2	336.0
Total liabilities	4,767.0	3,128.7	2,979.1	(4,004.7)	6,870.1
Commitments and contingencies					
Shareholders' equity:					
Common stock	165.1	—	14.6	(14.6)	165.1
Additional paid-in capital	2,236.4	4,146.1	4,789.6	(8,935.7)	2,236.4
Accumulated other comprehensive loss	(492.5)	—	(31.7)	31.7	(492.5)
Retained earnings	509.8	(4.6)	627.3	(622.7)	509.8
Total shareholders' equity	2,418.8	4,141.5	5,399.8	(9,541.3)	2,418.8
Total liabilities and shareholders' equity	$ 7,185.8	$ 7,270.2	$ 8,378.9	$ (13,546.0)	$ 9,288.9

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

Year Ended December 31, 2016

(In millions)

	Parent Guarantor	Issuer	Subsidiary Non-Guarantor	Eliminations	Total
Sales	$ 1,321.3	—	$ 4,720.2	$ (490.9)	$ 5,550.6
Operating expenses:					
Cost of goods sold	1,128.7	—	4,285.9	(490.9)	4,923.7
Selling and administration	138.1	—	185.1	—	323.2
Restructuring charges	0.8	—	112.1	—	112.9
Acquisition-related costs	47.4	—	1.4	—	48.8
Other operating (loss) income	(2.2)	—	12.8	—	10.6
Operating income	4.1	—	148.5	—	152.6
Earnings of non-consolidated affiliates	1.7	—	—	—	1.7
Equity income (loss) in subsidiaries	16.2	139.0	—	(155.2)	—
Interest expense	38.8	153.9	4.7	(5.5)	191.9
Interest income	4.7	—	4.2	(5.5)	3.4
Income (loss) before taxes	(12.1)	(14.9)	148.0	(155.2)	(34.2)
Income tax (benefit) provision	(8.2)	(57.6)	35.5	—	(30.3)
Net (loss) income	$ (3.9)	$ 42.7	$ 112.5	$ (155.2)	$ (3.9)

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

Year Ended December 31, 2015

(In millions)

	Parent Guarantor	Issuer	Subsidiary Non-Guarantor	Eliminations	Total
Sales	$ 1,215.4	—	$ 2,002.5	$ (363.5)	$ 2,854.4
Operating expenses:					
Cost of goods sold	1,057.8	—	1,792.5	(363.5)	2,486.8
Selling and administration	110.0	—	76.3	—	186.3
Restructuring charges	0.7	—	2.0	—	2.7
Acquisition-related costs	117.9	—	5.5	—	123.4
Other operating (loss) income	(4.0)	—	49.7	—	45.7
Operating (loss) income	(75.0)	—	175.9	—	100.9
Earnings of non-consolidated affiliates	1.7	—	—	—	1.7
Equity income (loss) in subsidiaries	90.2	19.7	—	(109.9)	—
Interest expense	60.9	37.0	4.5	(5.4)	97.0
Interest income	3.1	—	3.4	(5.4)	1.1
Income (loss) before taxes	(40.9)	(17.3)	174.8	(109.9)	6.7
Income tax (benefit) provision	(39.5)	(12.7)	60.3	—	8.1
Net (loss) income	$ (1.4)	$ (4.6)	$ 114.5	$ (109.9)	$ (1.4)

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

Year Ended December 31, 2014

(In millions)

	Parent Guarantor	Issuer	Subsidiary Non-Guarantor	Eliminations	Total
Sales	$ 1,373.2	—	1,285.5	$ (417.5)	$ 2,241.2
Operating expenses:			—		
Cost of goods sold	1,148.1	—	1,122.6	(417.5)	1,853.2
Selling and administration	90.7	—	75.4	—	166.1
Restructuring charges	4.8	—	10.9	—	15.7
Acquisition-related costs	4.2	—	—	—	4.2
Other operating income	0.9	—	0.6	—	1.5
Operating income	126.3	—	77.2	—	203.5
Earnings of non-consolidated affiliates	1.7	—	—	—	1.7
Equity income (loss) in subsidiaries	48.8	—	—	(48.8)	—
Interest expense	47.0	—	1.3	(4.5)	43.8
Interest income	2.5	—	3.3	(4.5)	1.3
Income (loss) from continuing operations before taxes	132.3	—	79.2	(48.8)	162.7
Income tax provision	27.3	—	30.4	—	57.7
Income (loss) from continuing operations	105.0	—	48.8	(48.8)	105.0
Income from discontinued operations, net	$ 0.7	—	$ —	$ —	$ 0.7
Net income (loss)	$ 105.7	—	$ 48.8	$ (48.8)	$ 105.7

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Year Ended December 31, 2016

(In millions)

	Parent Guarantor	Issuer	Subsidiary Non-Guarantor	Eliminations	Total
Net (loss) income	$ (3.9)	$ 42.7	$ 112.5	$ (155.2)	$ (3.9)
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments, net	—	—	(12.0)	—	(12.0)
Unrealized gains on derivative contracts, net	19.7	—	—	—	19.7
Pension and postretirement liability adjustments, net	(25.3)	—	(12.2)	—	(37.5)
Amortization of prior service costs and actuarial losses, net	10.9	—	1.4	—	12.3
Total other comprehensive income (loss), net of tax	5.3	—	(22.8)	—	(17.5)
Comprehensive income (loss)	$ 1.4	$ 42.7	$ 89.7	$ (155.2)	$ (21.4)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Year Ended December 31, 2015

(In millions)

	Parent Guarantor	*Issuer*	*Subsidiary Non-Guarantor*	*Eliminations*	*Total*
Net (loss) income	$ (1.4)	(4.6)	$ 114.5	$ (109.9)	$ (1.4)
Other comprehensive (loss) income, net of tax:					
Foreign currency translation adjustments, net	—	—	(9.8)	—	(9.8)
Unrealized losses on derivative contracts, net	(2.7)	—	—	—	(2.7)
Pension and postretirement liability adjustments, net	(73.7)	—	(5.1)	—	(78.8)
Amortization of prior service costs and actuarial losses, net	39.6	—	2.3	—	41.9
Total other comprehensive (loss) income, net of tax	(36.8)	—	(12.6)	—	(49.4)
Comprehensive (loss) income	$ (38.2)	$ (4.6)	$ 101.9	$ (109.9)	$ (50.8)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Year Ended December 31, 2014

(In millions)

	Parent Guarantor	*Issuer*	*Subsidiary Non-Guarantor*	*Eliminations*	*Total*
Net income (loss)	105.7	—	48.8	(48.8)	105.7
Other comprehensive (loss) income, net of tax:					
Foreign currency translation adjustments, net	—	—	(1.8)	—	(1.8)
Unrealized losses on derivative contracts, net	(5.1)	—	—	—	(5.1)
Pension and postretirement liability adjustments, net	(83.4)	—	(3.2)	—	(86.6)
Amortization of prior service costs and actuarial losses, net	14.1	—	1.4	—	15.5
Total other comprehensive (loss) income, net of tax	(74.4)	—	(3.6)	—	(78.0)
Comprehensive income (loss)	$ 31.3	$ —	$ 45.2	$ (48.8)	$ 27.7

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

Year Ended December 31, 2016

(In millions)

	Parent Guarantor	*Issuer*	*Subsidiary Non-Guarantor*	*Eliminations*	*Total*
Net operating activities	$ 702.6	—	$ (99.4)	—	$ 603.2
Investing Activities					
Capital expenditures	(65.7)	—	(212.3)	—	(278.0)
Business acquired and related transactions, net of cash acquired	(69.5)	—	—	—	(69.5)
Payments under long-term supply contract	—	—	(175.7)	—	(175.7)
Proceeds from sale/leaseback of equipment	—	—	40.4	—	40.4
Proceeds from disposition of property, plant and equipment	0.2	—	0.3	—	0.5
Proceeds from disposition of investments in non-consolidated equity affiliate	8.8	—	—	—	8.8
Net investing activities	(126.2)	—	(347.3)	—	(473.5)
Financing Activities					
Long-term debt:					
Borrowings	—	—	230.0	—	230.0
Repayments	(335.6)	(67.5)	(32.2)	—	(435.3)
Stock options exercised	0.5	—	—	—	0.5
Excess tax benefits from stock-based compensation	0.4	—	—	—	0.4
Dividends paid	(132.1)	—	—	—	(132.1)
Debt and equity issuance costs	—	(1.0)	—	—	(1.0)
Intercompany financing activities	(203.8)	68.5	135.3	—	—
Net financing activities	(670.6)	—	333.1	—	(337.5)
Effect of exchange rate changes on cash and cash equivalents	—	—	0.3	—	0.3
Net decrease in cash and cash equivalents	(94.2)	—	(113.3)	—	(207.5)
Cash and cash equivalents, beginning of year	119.4	—	272.6	—	392.0
Cash and cash equivalents, end of year	$ 25.2	—	$ 159.3	—	$ 184.5

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

Year Ended December 31, 2015

(In millions)

	Parent Guarantor	*Issuer*	*Subsidiary Non-Guarantor*	*Eliminations*	*Total*
Net operating activities	$ (70.6)	—	$ 287.7	—	$ 217.1
Investing Activities					
Capital expenditures	(74.0)	—	(56.9)	—	(130.9)
Business acquired and related transactions, net of cash acquired	(408.1)	—	—	—	(408.1)
Proceeds from disposition of property, plant and equipment	1.7	—	24.5	—	26.2
Proceeds from disposition of investments in non-consolidated equity affiliate	8.8	—	—	—	8.8
Net investing activities	(471.6)	—	(32.4)	—	(504.0)
Financing Activities					
Long-term debt:					
Borrowings	1,275.0	—	—	—	1,275.0
Repayments	(149.5)	—	(581.2)	—	(730.7)
Stock options exercised	2.2	—	—	—	2.2
Excess tax benefits from stock-based compensation	0.4	—	—	—	0.4
Dividends paid	(79.5)	—	—	—	(79.5)
Debt and equity issuance costs	(35.2)	(10.0)	—	—	(45.2)
Intercompany financing activities	(591.2)	10.0	581.2		—
Net financing activities	422.2	—	—	—	422.2
Effect of exchange rate changes on cash and cash equivalents	—	—	(0.1)	—	(0.1)
Net (decrease) increase in cash and cash equivalents	(120.0)	—	255.2	—	135.2
Cash and cash equivalents, beginning of year	239.4	—	17.4	—	256.8
Cash and cash equivalents, end of year	$ 119.4	—	$ 272.6	—	$ 392.0

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

Year Ended December 31, 2014

(In millions)

	Parent Guarantor	*Issuer*	*Subsidiary Non-Guarantor*	*Eliminations*	*Total*
Net operating activities	$ 134.7	—	$ 24.5	—	$ 159.2
Investing Activities					
Capital expenditures	(51.3)	—	(20.5)	—	(71.8)
Proceeds from disposition of property, plant and equipment	3.5	—	2.1	—	5.6
Restricted cash activity, net	4.2	—	—	—	4.2
Other investing activities	—	—	0.3	—	0.3
Net investing activities	(43.6)	—	(18.1)	—	(61.7)
Financing Activities					
Long-term debt:					
Borrowings	150.0	—	—	—	150.0
Repayments	(150.2)	—	(12.2)	—	(162.4)
Earn out payment - SunBelt	—	—	(14.8)	—	(14.8)
Common stock repurchased and retired	(64.8)	—	—	—	(64.8)
Stock options exercised	6.6	—	—	—	6.6
Excess tax benefits from stock-based compensation	1.1	—	—	—	1.1
Dividends paid	(63.0)	—	—	—	(63.0)
Debt and equity issuance costs	(1.2)	—	—	—	(1.2)
Intercompany financing activities	(27.0)		27.0		—
Net financing activities	(148.5)	—	—	—	(148.5)
Net (decrease) increase in cash and cash equivalents	(57.4)	—	6.4	—	(51.0)
Cash and cash equivalents, beginning of year	296.8	—	11.0	—	307.8
Cash and cash equivalents, end of year	$ 239.4	—	$ 17.4	—	$ 256.8

OTHER FINANCIAL DATA

Quarterly Data (Unaudited)

($ in millions, except per share data)

2016	*First Quarter*	*Second Quarter*	*Third Quarter*	*Fourth Quarter*	*Year*
Sales	$ 1,348.2	$ 1,364.0	$ 1,452.7	$ 1,385.7	$ 5,550.6
Cost of goods sold	1,175.4	1,236.9	1,284.4	1,227.0	4,923.7
Net (loss) income	(37.9)	(1.0)	17.5	17.5	(3.9)
Net (loss) income per common share:					
Basic	(0.23)	(0.01)	0.11	0.11	(0.02)
Diluted	(0.23)	(0.01)	0.11	0.10	(0.02)
Common dividends per share	0.20	0.20	0.20	0.20	0.80
Market price of common stock [1]					
High	17.75	24.99	26.46	26.93	26.93
Low	12.29	16.55	18.24	19.62	12.29

2015	*First Quarter*	*Second Quarter*	*Third Quarter*	*Fourth Quarter*	*Year*
Sales	$ 518.0	$ 535.4	$ 533.6	$ 1,267.4	$ 2,854.4
Cost of goods sold	433.2	445.5	460.0	1,148.1	2,486.8
Net income (loss)	13.1	42.3	5.9	(62.7)	(1.4)
Net income (loss) per common share:					
Basic	0.17	0.55	0.08	(0.39)	(0.01)
Diluted	0.17	0.54	0.08	(0.39)	(0.01)
Common dividends per share	0.20	0.20	0.20	0.20	0.80
Market price of common stock [1]					
High	34.34	32.56	27.18	22.13	34.34
Low	22.00	26.77	15.73	16.60	15.73

(1) NYSE composite transactions.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

Item 9A. CONTROLS AND PROCEDURES

Our chief executive officer and our chief financial officer evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2016 . Based on that evaluation, our chief executive officer and chief financial officer have concluded that, as of such date, our disclosure controls and procedures were effective to ensure that information Olin is required to disclose in the reports that it files or submits with the SEC under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and to ensure that information required to be disclosed in such reports is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

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

Management's report on internal control over financial reporting and the related report of Olin's independent registered public accounting firm, KPMG LLP, are included in Item 8—"Consolidated Financial Statements and Supplementary Data."

Item 9B. OTHER INFORMATION

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

We incorporate the biographical information relating to our Directors under the heading ITEM 1—"PROPOSAL FOR THE ELECTION OF DIRECTORS" in our Proxy Statement relating to our 2017 Annual Meeting of Shareholders (the "Proxy Statement") by reference in this Report. We incorporate the biographical information regarding executive officers under the heading "EXECUTIVE OFFICERS" in our Proxy Statement by reference in this report. We incorporate the information regarding compliance with Section 16 of the Securities Exchange Act of 1934, as amended, under the heading entitled "SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE" in our Proxy Statement by reference in this Report.

The information with respect to our audit committee, including the audit committee financial expert, is incorporated by reference in this Report to the information contained in the paragraph entitled "CORPORATE GOVERNANCE MATTERS—What Are The Committees Of The Board?" in our Proxy Statement. We incorporate by reference in this Report information regarding procedures for shareholders to nominate a director for election, in the Proxy Statement under the headings "MISCELLANEOUS—How can I directly nominate a director for election to the board at the 2018 annual meeting?" and "CORPORATE GOVERNANCE MATTERS—What Is Olin's Director Nomination Process?".

We have adopted a code of business conduct and ethics for directors, officers and employees, known as the Code of Conduct. The Code of Conduct is available in the About Olin, Ethics section of our website at www.olin.com . Olin intends to satisfy disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, any provision of the Code of Conduct with respect to its executive officers or directors by posting such amendment or waiver on its website.

Item 11. EXECUTIVE COMPENSATION

The information in the Proxy Statement under the heading "CORPORATE GOVERNANCE MATTERS—Compensation Committee Interlocks and Insider Participation," and the information under the heading "COMPENSATION DISCUSSION AND ANALYISIS" through the information under the heading "COMPENSATION COMMITTEE REPORT," are incorporated by reference in this Report.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

We incorporate the information concerning holdings of our common stock by certain beneficial owners contained under the heading "CERTAIN BENEFICIAL OWNERS" in our Proxy Statement, and the information concerning beneficial ownership of our common stock by our directors and officers under the heading "SECURITY OWNERSHIP OF DIRECTORS AND OFFICERS" in our Proxy Statement by reference in this Report.

Equity Compensation Plan Information

Plan Category	*(a)* *Number of securities to be issued upon exercise of outstanding options, warrants and rights* [(1)]	*(b)* *Weighted-average exercise price of outstanding options, warrants and rights*	*(c)* *Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a)* [(1)]
Equity compensation plans approved by security holders [(2)]	6,936,654 [(3)]	$ 19.25 [(3)]	7,248,213
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	6,936,654	$ 19.25 [(3)]	7,248,213

(1) Number of shares is subject to adjustment for changes in capitalization for stock splits and stock dividends and similar events.
(2) Consists of the 2000 Long Term Incentive Plan, the 2003 Long Term Incentive Plan, the 2006 Long Term Incentive Plan, the 2009 Long Term Incentive Plan, the 2014 Long Term Incentive Plan, the 2016 Long Term Incentive Plan and the 1997 Stock Plan for Non-employee Directors.
(3) Includes:
- 5,734,740 shares issuable upon exercise of options with a weighted average exercise price of $19.25, and a weighted average remaining term of 6.2 years,
- 177,000 shares issuable under restricted stock unit grants, with a weighted average remaining term of 1.7 years,
- 932,175 shares issuable in connection with outstanding performance share awards, with a weighted average term of 2.3 years remaining in the performance measurement period, and
- 92,739 shares under the 1997 Stock Plan for Non-employee Directors which represent stock grants for retainers, other board and committee fees, and dividends on deferred stock under the plan.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

We incorporate the information under the headings “CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS” and “CORPORATE GOVERNANCE MATTERS—Which Board Members Are Independent?” in our Proxy Statement by reference in this Report.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

We incorporate the information concerning the accounting fees and services of our independent registered public accounting firm, KPMG LLP, under the heading ITEM 4—“PROPOSAL TO RATIFY APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM” in our Proxy Statement by reference in this Report.

PART IV

Item 15. EXHIBITS; CONSOLIDATED FINANCIAL STATEMENT SCHEDULES

(a) 1. **Consolidated Financial Statements**

Consolidated financial statements of the registrant are included in Item 8 above.

2. **Financial Statement Schedules**

Schedules not included herein are omitted because they are inapplicable or not required or because the required information is given in the consolidated financial statements and notes thereto.

Separate consolidated financial statements of our 50% or less owned subsidiaries accounted for by the equity method are not summarized herein and have been omitted because, in the aggregate, they would not constitute a significant subsidiary.

3. **Exhibits**

See the Exhibit Index immediately prior to the exhibits which is hereby incorporated by reference. The following exhibits, listed on the Exhibit Index, are filed with this Annual Report on Form 10-K:

Exhibit No.	Description
4(x)	Receivables Financing Arrangement dated December 20, 2016 by and among Olin Finance Company, LLC, PNC Bank, National Association, Olin Corporation, PNC Capital Markets LLC and the Lender parties thereto.
11	Computation of Per Share Earnings (included in the Note—"Earnings Per Share" to Notes to Consolidated Financial Statements in Item 8)
12	Computation of Ratio of Earnings to Fixed Charges (Unaudited)
21	List of Subsidiaries
23	Consent of KPMG LLP
31.1	Section 302 Certification Statement of Chief Executive Officer
31.2	Section 302 Certification Statement of Chief Financial Officer
32	Section 906 Certification Statement of Chief Executive Officer and Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Any exhibit is available from Olin by writing to the Secretary, Olin Corporation, 190 Carondelet Plaza, Suite 1530, Clayton, MO 63105 USA.

Shareholders may obtain information from Wells Fargo Shareowner Services, our registrar and transfer agent, who also manages our Dividend Reinvestment Plan by writing to: Wells Fargo Shareowner Services, 1110 Centre Pointe Curve, Suite 101, MAC N9173-010, Mendota Heights, MN 55120 USA, by telephone from the United States at (800) 468-9716 or outside the United States at (651) 450-4064 or via the Internet at www.shareowneronline.com , click on "contact us".

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 27, 2017

OLIN CORPORATION
By: /s/ John E. Fischer
John E. Fischer
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	***Title***	***Date***
/s/ JOHN E. FISCHER John E. Fischer	President and Chief Executive Officer and Director (Principal Executive Officer)	February 27, 2017
/s/ JOSEPH D. RUPP Joseph D. Rupp	Chairman and Director	February 27, 2017
/s/ GRAY G. BENOIST Gray G. Benoist	Director	February 27, 2017
/s/ DONALD W. BOGUS Donald W. Bogus	Director	February 27, 2017
/s/ C. ROBERT BUNCH C. Robert Bunch	Director	February 27, 2017
/s/ RANDALL W. LARRIMORE Randall W. Larrimore	Director	February 27, 2017
/s/ JOHN M. B. O’CONNOR John M. B. O’Connor	Director	February 27, 2017
/s/ RICHARD M. ROMPALA Richard M. Rompala	Director	February 27, 2017
/s/ PHILIP J. SCHULZ Philip J. Schulz	Director	February 27, 2017
/s/ VINCENT J. SMITH Vincent J. Smith	Director	February 27, 2017

/s/ WILLIAM H. WEIDEMAN William H. Weideman	Director	February 27, 2017
/s/ CAROL A. WILLIAMS Carol A. Williams	Director	February 27, 2017
/s/ TODD A. SLATER Todd A. Slater	Vice President and Chief Financial Officer (Principal Financial Officer)	February 27, 2017
/s/ RANDEE N. SUMNER Randee N. Sumner	Vice President and Controller (Principal Accounting Officer)	February 27, 2017

EXHIBIT INDEX

Management contracts and compensatory plans and arrangements are listed as Exhibits 10(a) through 10(ee) below.

2 (a) Merger Agreement dated as of March 26, 2015, among The Dow Chemical Company, Blue Cube Spinco Inc., Olin Corporation and Blue Cube Acquisition Corp.—Exhibit 2.1 to Olin's Form 8-K dated March 27, 2015.*

3 (a) Amended and Restated Articles of Incorporation of Olin Corporation as amended effective October 1, 2015—Exhibit 3.1 to Olin's Form 10-Q for the quarter ended September 30, 2015.*

(b) Bylaws of Olin Corporation as amended effective February 26, 2016—Exhibit 3.1 to Olin's Form 8-K dated February 29, 2016.*

(c) Articles of Amendment of the Amended and Restated Articles of Incorporation of Olin Corporation, effective on October 1, 2015—Exhibit 3.1 to Olin's Form 8-K dated October 5, 2015.*

4 (a) Trust Indenture effective October 1, 2010 between The Industrial Development Authority of Washington County and U. S. Bank National Association, as trustee—Exhibit 4.1 to Olin's Form 8-K dated October 20, 2010.*

(b) Loan Agreement effective October 1, 2010 between The Industrial Development Authority of Washington County and Olin Corporation—Exhibit 4.2 to Olin's Form 8-K dated October 20, 2010.*

(c) Bond Purchase Agreement dated October 14, 2010 between The Industrial Development Authority of Washington County, Olin Corporation and PNC Bank National Association, as administrative agent—Exhibit 4.3 to Olin's Form 8-K dated October 20, 2010.*

(d) Trust Indenture effective December 1, 2010 between Mississippi Business Finance Corporation and U. S. Bank National Association—Exhibit 4.1 to Olin's Form 8-K dated December 10, 2010.*

(e) Loan Agreement effective December 1, 2010 between Mississippi Business Finance Corporation and Olin Corporation—Exhibit 4.2 to Olin's Form 8-K dated December 10, 2010.*

(f) Bond Purchase Agreement dated December 9, 2010 between Mississippi Business Finance Corporation, Olin Corporation and PNC Bank, National Association, as administrative agent—Exhibit 4.3 to Olin's Form 8-K dated December 10, 2010.*

(g) Amended and Restated Credit and Funding Agreement dated December 9, 2010 between Olin Corporation, as borrower; PNC Bank, National Association, as administrative agent; PNC Capital Markets LLC, as lead arranger; and the Lenders party thereto—Exhibit 4.4 to Olin's Form 8-K dated December 10, 2010.*

(h) First Amendment dated December 27, 2010 to the Amended and Restated Credit and Funding Agreement dated December 9, 2010 between Olin Corporation, as borrower; PNC Bank, National Association, as administrative agent; PNC Capital Markets LLC, as lead arranger; and the Lenders party thereto—Exhibit 4.4 to Olin's Form 8-K dated December 30, 2010.*

(i) Forward Purchase Agreement dated April 27, 2012 by and among Olin Corporation, the Lenders (as defined therein), and PNC Bank, National Association, as administrative agent for the Lenders under the Funding Agreement—Exhibit 4.1 to Olin's Form 8-K dated May 3, 2012.*

(j) Second Amendment to Amended and Restated Credit and Funding Agreement dated April 27, 2012 among Olin Corporation, the Lenders, and PNC Bank, National Association, as administrative agent for the Lenders—Exhibit 4.2 to Olin's Form 8-K dated May 3, 2012.*

(k) Second Supplemental Indenture dated as of August 9, 2012 between Olin Corporation, The Bank of New York Mellon Trust Company, N.A. and U. S. Bank National Association—Exhibit 4.1 to Olin's Form 8-K dated August 9, 2012.*

(l) Third Supplemental Indenture dated as of August 22, 2012 between Olin Corporation and U. S. Bank National Association—Exhibit 4.1 to Olin's Form 8-K dated August 22, 2012.*

(m) Form of 5.50% Senior Notes due 2022—Exhibit 4.2 to Olin's Form 8-K dated August 22, 2012.*

(n) Amended and Restated Forward Purchase Agreement dated June 23, 2014 by and among Olin Corporation, the Lenders (as defined therein), and PNC Bank, National Association, as administrative agent for the Lenders under the Funding Agreement—Exhibit 4.1 to Olin's Form 8-K dated June 25, 2014.*

(o) Third Amendment to Amended and Restated Credit and Funding Agreement dated June 23, 2014 among Olin Corporation, the Lenders, and PNC Bank, National Association, as administrative agent for the Lenders—Exhibit 4.2 to Olin's Form 8-K dated June 25, 2014.*

(p) Amendment No. 4 dated as of June 23, 2015 to the Amended and Restated Credit and Funding Agreement dated December 9, 2010 among Olin Corporation, the Lenders, and PNC Bank, National Association, as administrative agent—Exhibit 10.3 to Olin's Form 8-K dated June 29, 2015.*

(q) Senior Notes Indenture dated October 5, 2015 between Blue Cube Spinco Inc., as issuer, and U. S. Bank National Association, as trustee, governing the 9.75% Senior Notes due 2023—Exhibit 4.1 to Olin's Form 8-K dated October 5, 2015.*

(r) Senior Notes Indenture dated October 5, 2015 between Blue Cube Spinco Inc., as issuer, and U. S. Bank National Association, as trustee, governing the 10.00% Senior Notes due 2025—Exhibit 4.2 to Olin's Form 8-K dated October 5, 2015.*

(s) First Supplemental Indenture dated October 5, 2015 between Blue Cube Spinco Inc., as issuer, and Olin Corporation, as guarantor, and U. S. Bank National Association, as trustee, governing the 9.75% Senior Notes due 2023—Exhibit 4.3 to Olin's Form 8-K dated October 5, 2015.*

(t) First Supplemental Indenture dated October 5, 2015 between Blue Cube Spinco Inc., as issuer, and Olin Corporation, as guarantor, and U. S. Bank National Association, as trustee, governing the 10.00% Senior Notes due 2025—Exhibit 4.4 to Olin's Form 8-K dated October 5, 2015.*

(u) Form of 9.75% Senior Notes due 2023—Exhibit 4.5 (included in Exhibit 4.1) to Olin's Form 8-K dated October 5, 2015.*

(v) Form of 10.00% Senior Notes due 2025—Exhibit 4.6 (included in Exhibit 4.2) to Olin's Form 8-K dated October 5, 2015.*

(w) Registration Rights Agreement dated October 5, 2015 relating to the 9.75% Senior Notes due 2023 and 10.00% Senior Notes due 2025 by and among Blue Cube Spinco Inc., Olin Corporation, J.P. Morgan Securities LLC and Wells Fargo Securities LLC for themselves and as representatives of other initial purchasers—Exhibit 4.7 to Olin's Form 8-K dated October 5, 2015.*

(x) Receivables Financing Arrangement dated December 20, 2016 by and among Olin Finance Company, LLC, PNC Bank, National Association, Olin Corporation, PNC Capital Markets LLC and the Lender parties thereto.

We are party to a number of other instruments defining the rights of holders of long-term debt. No such instrument authorizes an amount of securities in excess of 10% of the total assets of Olin and its subsidiaries on a consolidated basis. Olin agrees to furnish a copy of each instrument to the Commission upon request.

10 (a) Employee Deferral Plan as amended and restated effective as of January 30, 2003 and as amended effective January 1, 2005—Exhibit 10(b) to Olin's Form 10-K for 2002 and Exhibit 10(b)(1) to Olin's Form 10-K for 2005, respectively.*

(b) Senior Executive Pension Plan amended and restated effective October 24, 2008—Exhibit 10.1 to Olin's Form 10-Q for the quarter ended September 30, 2008.*

(c) Supplemental Contributing Employee Ownership Plan as amended and restated effective September 29, 2015—Exhibit 99.1 to Olin's Form 8-K dated October 2, 2015.*

(d) Olin Corporation Key Executive Life Insurance Program—Exhibit 10(e) to Olin's Form 10-K for 2002.*

(e) Form of amendment to executive agreement between Olin Corporation and Messrs. Curley and Fischer dated November 9, 2007—Exhibit 10(g) to Olin's Form 10-K for 2007.*

(f) Form of executive agreement between Olin Corporation and Messrs. Rupp, McIntosh and Pain dated November 1, 2007—Exhibit 10.1 to Olin's Form 10-Q for the quarter ended September 30, 2007.*

(g) Form of amendment to executive agreement between Olin Corporation and Messrs. Curley, Fischer, McIntosh, Pain and Rupp dated October 25, 2010—Exhibit 10.1 to Olin's Form 10-K for 2010.*

(h) Form of amendment to executive agreement between Olin Corporation and Messrs. Curley, Fischer, McIntosh, Pain and Rupp dated October 19, 2015—Exhibit 10(i) to Olin's Form 10-K for 2015.*

(i) Form of executive retention agreement between Olin Corporation and Messrs. Dawson, Sampson and Varilek dated July 1, 2015—Exhibit 10(j) to Olin's Form 10-K for 2015.*

(j) Form of executive change in control agreement between Olin Corporation and Ms. Ennico and Messrs. O'Keefe and Slater dated January 29, 2014—Exhibit 10(l) to Olin's Form 10-K for 2013.*

(k) Form of executive change in control agreement between Olin Corporation and Messrs. Curley, Fischer, McIntosh, Pain and Rupp dated January 29, 2014—Exhibit 10.1 to Olin's Form 8-K dated January 30, 2014.*

(l) Form of amendment to executive change in control agreement between Olin Corporation and Ms. Ennico and Messrs. Curley, Fischer, McIntosh, O'Keefe, Pain, Rupp and Slater dated October 19, 2015—Exhibit 10(m) to Olin's Form 10-K for 2015.*

(m) Form of executive change in control agreement between Olin Corporation and Messrs. Dawson, Sampson and Varilek dated February 15, 2016—Exhibit 10(n) to Olin's Form 10-K for 2015.*

(n) Form of executive change in control agreement between Olin Corporation and Ms. Sumner dated February 15, 2016—Exhibit 10(o) to Olin's Form 10-K for 2015.*

(o) Amended and Restated 1997 Stock Plan for Non-employee Directors codified to reflect amendments adopted through February 26, 2016—Exhibit 10(p) to Olin’s Form 10-K for 2015.*

(p) Amended and Restated Senior Management Incentive Compensation Plan, as amended and restated effective April 23, 2015—Appendix A to Olin’s Proxy Statement dated March 11, 2015.*

(q) Description of Restricted Stock Unit Awards granted under the 2000, 2003, 2006, 2009, 2014 or 2016 Long Term Incentive Plans—Exhibit 10(p) to Olin’s Form 10-K for 2008.*

(r) Supplementary and Deferral Benefit Pension Plan as amended and restated effective October 24, 2008—Exhibit 10.2 to Olin’s Form 10-Q for the quarter ended September 30, 2008.*

(s) Amended and Restated Olin Corporation 2000 Long Term Incentive Plan codified as of January 24, 2014—Exhibit 10(r) to Olin’s Form 10-K for 2013.*

(t) Amended and Restated Olin Corporation 2003 Long Term Incentive Plan codified as of January 24, 2014—Exhibit 10(s) to Olin’s Form 10-K for 2013.*

(u) Amended and Restated Olin Corporation 2006 Long Term Incentive Plan codified as of January 24, 2014—Exhibit 10(t) to Olin’s Form 10-K for 2013.*

(v) Amended and Restated Olin Corporation 2009 Long Term Incentive Plan codified as of January 24, 2014—Exhibit 10(u) to Olin’s Form 10-K for 2013.*

(w) Olin Corporation 2014 Long Term Incentive Plan effective January 24, 2014—Exhibit 10.1 to Olin’s Form 8-K filed April 25, 2014.*

(x) Olin Corporation 2016 Long Term Incentive Plan effective April 28, 2016—Appendix A to Olin’s Proxy Statement dated March 11, 2016.*

(y) Performance Share Program codified to reflect amendments through January 26, 2017—Exhibit 99.1 to Olin’s Form 8-K dated January 31, 2017.*

(z) Form of Non-Qualified Stock Option Award Certificate—Exhibit 10(bb) to Olin’s Form 10-K for 2007.*

(aa) Form of Restricted Stock Unit Award Certificate—Exhibit 10(cc) to Form 10-K for 2007.*

(bb) Form of Restricted Stock Unit Award Certificate—Exhibit 10.7 to Olin’s Form 10-Q for the quarter ended September 30, 2015.*

(cc) Form of Performance Award and Senior Performance Award Certificates—Exhibit 10(dd) to Olin’s Form 10-K for 2007.*

(dd) Summary of Stock Option Continuation Policy—Exhibit 10.2 to Olin’s Form 10-Q for the quarter ended March 31, 2009.*

(ee) Olin Corporation Contributing Employee Ownership Plan Amended and Restated effective as of October 24, 2008, and as amended effective September 29, 2015—Exhibit 99.1 to Olin’s Form S-8 filed February 16, 2016.*

(ff) Distribution Agreement between Olin Corporation and Arch Chemicals, Inc., dated as of February 1, 1999—Exhibit 2.1 to Olin’s Form 8-K filed February 23, 1999.*

(gg) Purchase Agreement dated as of February 28, 2011, by and among PolyOne Corporation, 1997 Chloralkali Venture, LLC, Olin Corporation and Olin SunBelt II, Inc.—Exhibit 2.1 to Olin’s Form 8-K dated March 3, 2011.*

(hh) Note Purchase Agreement dated December 22, 1997 between the SunBelt Chlor Alkali Partnership and the Purchasers named therein—Exhibit 99.5 to Olin’s Form 8-K dated December 3, 2001.*

(ii) Guarantee Agreement dated December 22, 1997 between Olin Corporation and the Purchasers named therein—Exhibit 99.6 to Olin’s Form 8-K dated December 3, 2001.*

(jj) Subordination Agreement dated December 22, 1997 between Olin Corporation and the Subordinated Parties named therein—Exhibit 99.7 to Olin’s Form 8-K dated December 3, 2001.*

(kk) Credit Agreement dated as of April 27, 2012 among Olin Corporation, Olin Canada ULC and the banks named therein—Exhibit 10.1 to Olin’s Form 8-K dated May 3, 2012.*

(ll) Stock Purchase Agreement dated as of July 17, 2012, by and among K. A. Steel Chemicals Inc., the stockholders of K. A. Steel Chemicals Inc. and Robert F. Steel, as the sellers’ representative—Exhibit 2.1 to Olin’s Form 8-K dated July 18, 2012.*

(mm) Credit Agreement dated June 23, 2015 among Olin Corporation, Olin Canada ULC, the Lenders named therein and Wells Fargo Bank, National Association, as administrative agent—Exhibit 10.1 to Olin’s Form 8-K dated June 29, 2015.*

(nn) Credit Agreement dated June 23, 2015 among Blue Cube Spinco Inc., the Lenders named therein and Wells Fargo Bank, National Association, as administrative agent—Exhibit 10.2 to Olin’s Form 8-K dated June 29, 2015.*

(oo)	Amendment Agreement dated June 23, 2015 among Olin, Olin Canada ULC, Blue Cube Spinco Inc., the Lenders named therein and Wells Fargo Bank, National Association, as administrative agent—Exhibit 10.5 to Olin’s Form 8-K dated October 5, 2015.*
(pp)	Separation Agreement dated March 26, 2015 between The Dow Chemical Company and Blue Cube Spinco Inc.—Exhibit 10.1 to Olin’s Form 8-K dated March 27, 2015.*
(qq)	Credit Agreement dated August 25, 2015 among Olin Corporation, Olin subsidiaries, the Lenders (as defined therein) and Sumitomo Mitsui Banking Corporation, as administrative agent—Exhibit 10.1 to Olin’s Form 8-K dated August 26, 2015.*
(rr)	Guaranty Agreement dated October 5, 2015 among Blue Cube Spinco Inc., Olin Corporation and Wells Fargo Bank, National Association, as administrative agent—Exhibit 10.2 to Olin’s Form 8-K dated October 5, 2015.*
(ss)	Borrowing Subsidiary Agreement dated October 5, 2015 among Olin Corporation, Blue Cube Spinco Inc. and Wells Fargo Bank, National Association, as administrative agent—Exhibit 10.3 to Olin’s Form 8-K dated October 5, 2015.*
(tt)	Guaranty Joinder dated October 5, 2015 among Olin subsidiaries, Blue Cube Spinco Inc. and Sumitomo Mitsui Banking Corporation, as administrative agent—Exhibit 10.4 to Olin’s Form 8-K dated October 5, 2015.*
(uu)	Incremental Term Loan Agreement dated November 3, 2015 among Olin Corporation, Blue Cube Spinco Inc., the Lenders (as defined therein) and Sumitomo Mitsui Banking Corporation, as administrative agent—Exhibit 10.1 to Olin’s Form 8-K dated November 9, 2015.*
11	Computation of Per Share Earnings (included in the Note—“Earnings Per Share” to Notes to Consolidated Financial Statements in Item 8).
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21	List of Subsidiaries.
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101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

*Previously filed as indicated and incorporated herein by reference. Exhibits incorporated by reference are located in SEC file No. 1-1070 unless otherwise indicated.

Exhibit 4(x)

RECEIVABLES FINANCING AGREEMENT

Dated as of December 20, 2016

by and among

OLIN FINANCE COMPANY, LLC ,
as Borrower,

THE PERSONS FROM TIME TO TIME PARTY HERETO ,
as Lenders and as Group Agents,

PNC BANK, NATIONAL ASSOCIATION ,
as Administrative Agent,

OLIN CORPORATION ,
as initial Servicer,
and

PNC CAPITAL MARKETS LLC ,
as Structuring Agent

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This RECEIVABLES FINANCING AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this " Agreement ") is entered into as of December 20, 2016 by and among the following parties:

(i) OLIN FINANCE COMPANY, LLC, a Delaware limited liability company, as Borrower (together with its successors and assigns, the " Borrower ");

(ii) the Persons from time to time party hereto as Lenders and as Group Agents;

(iii) PNC BANK, NATIONAL ASSOCIATION (" PNC "), as Administrative Agent;

(iv) OLIN CORPORATION, a Virginia corporation, in its individual capacity (" Olin ") and as initial servicer (in such capacity, together with its successors and assigns in such capacity, the " Servicer "); and

(v) PNC CAPITAL MARKETS LLC, a Pennsylvania limited liability company, as Structuring Agent.

PRELIMINARY STATEMENTS

The Borrower has acquired, and will acquire from time to time, Receivables from the Originator(s) pursuant to the Purchase and Sale Agreement. The Borrower has requested that the Lenders make Loans from time to time to the Borrower, on the terms, and subject to the conditions set forth herein, secured by, among other things, the Receivables.

In consideration of the mutual agreements, provisions and covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Certain Defined Terms . As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

" Account Control Agreement " means each agreement, in form and substance satisfactory to the Administrative Agent, among the Borrower, the Servicer (if applicable), the Administrative Agent and a Collection Account Bank, governing the terms of the related Collection Accounts that (i) provides the Administrative Agent with control within the meaning of the UCC over the deposit accounts subject to such agreement and (ii) by its terms, may not be terminated or canceled by the related Collection Account Bank without the written consent of the Administrative Agent or upon no less than sixty (60) days' prior written notice to the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

" Adjusted LIBOR " means with respect to any Tranche Period, the interest rate per annum determined by the applicable Group Agent by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (i) the rate of interest determined by such Group Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the rate per annum for deposits in Dollars as reported on the Reuters Screen LIBOR01 Page or any other page that may replace such page from time to time for the purpose of displaying offered rates of leading banks for London interbank deposits in United States dollars for such Tranche Period (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by such Group Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at or about 11:00 a.m. (London time) on the Business Day which is two (2) Business Days prior to the first day of such Tranche Period for an amount comparable to the Portion of Capital to be funded at Adjusted LIBOR during such Tranche Period, by (ii) a number equal to 1.00 minus the Euro-Rate Reserve Percentage; provided , however , that with respect to the initial Tranche Period for a Loan that is not advanced on a Monthly Settlement Date, Adjusted LIBOR shall be the interest rate per annum equal to LMIR for each day during such initial Tranche Period from the date that such Loan is made pursuant to Section 2.02 until the next-occurring Monthly Settlement Date. The calculation of Adjusted LIBOR may also be expressed by the following formula:

Composite of London interbank offered rates shown on
Reuters Screen LIBOR01 Page
or appropriate successor

Adjusted LIBOR = ____________

1.00 - Euro-Rate Reserve Percentage

Adjusted LIBOR shall be adjusted on the effective date of any change in the Euro-Rate Reserve Percentage as of such effective date. The applicable Group Agent shall give prompt notice to the Borrower of Adjusted LIBOR as determined or adjusted in accordance herewith (which determination shall be conclusive absent manifest error). Notwithstanding the foregoing, if Adjusted LIBOR as determined herein would be less than zero (0.00), such rate shall be deemed to be zero percent (0.00%) for purposes of this Agreement.

" Administrative Agent " means PNC, in its capacity as contractual representative for the Credit Parties, and any successor thereto in such capacity appointed pursuant to Article X or Section 13.03(g) .

" Adverse Claim " means any ownership interest or claim, mortgage, deed of trust, pledge, lien, security interest, hypothecation, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including, any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing); it being understood that any of the foregoing in favor of, or assigned to, the Administrative Agent (for the benefit of the Secured Parties) shall not constitute an Adverse Claim; it being further understood

that any of the foregoing related to the filed financing statements set forth in Schedule VI (such filings, the " Affected Filings ") shall be deemed to not be an Adverse Claim to the extent the requirements set forth in Section 7.01(y) are satisfied.

" Affected Person " means each Credit Party, each Program Support Provider and each Liquidity Agent.

" Affiliate " means, as to any Person: any Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person, except that, in the case of each Conduit Lender, Affiliate shall mean the holder(s) of its Capital Stock or membership interests, as the case may be. For purposes of this definition, control of a Person shall mean the power, direct or indirect, whether or not exercised, to direct or cause the direction of the management and policies of such Person, in either case whether by ownership of securities, contract, proxy or otherwise.

" Aggregate Capital " means, at any time of determination, the aggregate outstanding Capital of all Lenders at such time.

" Aggregate Interest " means, at any time of determination, the aggregate accrued and unpaid Interest on the Loans of all Lenders at such time.

" Agreement " has the meaning set forth in the preamble to this Agreement.

" Anti-Corruption Laws " means all laws, rules and regulations of any jurisdiction applicable to the Servicer, Borrower, Parent or its Subsidiaries from time to time concerning or relating to bribery or corruption.

" Applicable Law " means, with respect to any Person, (x) all provisions of law, statute, treaty, constitution, ordinance, rule, regulation, ordinance, requirement, restriction, permit, executive order, certificate, decision, directive or order of any Governmental Authority applicable to such Person or any of its property and (y) all judgments, injunctions, orders, writs, decrees and awards of all courts and arbitrators in proceedings or actions in which such Person is a party or by which any of its property is bound. For the avoidance of doubt, FATCA shall constitute an "Applicable Law" for all purposes of this Agreement.

" Assignment and Acceptance Agreement " means an assignment and acceptance agreement entered into by a Committed Lender, an Eligible Assignee, such Committed Lender's Group Agent and the Administrative Agent, and, if required, the Borrower, pursuant to which such Eligible Assignee may become a party to this Agreement, in substantially the form of Exhibit C hereto.

" Assumption Agreement " has the meaning set forth in Section 13.03(i) .

" Attorney Costs " means and includes all reasonable and documented fees, costs, expenses and disbursements of any law firm or other external counsel.

" Bankruptcy Code " means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.), as amended from time to time.

“ Base Rate ” means, for any day and any Lender, a fluctuating interest rate per annum as shall be in effect from time to time, which rate shall be at all times equal to the greater of:

(a) the rate of interest in effect for such day as publicly announced from time to time by the applicable Group Agent or its Affiliate as its “reference rate” or “prime rate”, as applicable. Such “reference rate” or “prime rate” is set by the applicable Group Agent or its Affiliate based upon various factors, including such Person’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate, and is not necessarily the lowest rate charged to any customer; and

(b) a half percent (0.50%) per annum above the latest Federal Funds Rate.

“ Borrower ” has the meaning specified in the preamble to this Agreement.

“ Borrower Indemnified Amounts ” has the meaning set forth in Section 12.01(a) .

“ Borrower Indemnified Party ” has the meaning set forth in Section 12.01(a) .

“ Borrower Obligations ” means all present and future indebtedness, reimbursement obligations, and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Borrower to any Credit Party, Borrower Indemnified Party and/or any Affected Person, arising under or in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, and shall include, without limitation, all Capital and Interest on the Loans, all Fees and all other amounts due or to become due under the Transaction Documents (whether in respect of fees, costs, expenses, indemnifications or otherwise), including, without limitation, interest, fees and other obligations that accrue after the commencement of any Insolvency Proceeding with respect to the Borrower (in each case whether or not allowed as a claim in such proceeding).

“ Borrower’s Net Worth ” means, at any time of determination, an amount equal to (i) the Outstanding Balance of all Pool Receivables at such time, minus (ii) the sum of (A) the Aggregate Capital at such time, plus (B) the Aggregate Interest at such time, plus (C) the aggregate accrued and unpaid Fees at such time, plus (D) the aggregate outstanding principal balance of all Subordinated Notes at such time, plus (E) the aggregate accrued and unpaid interest on all Subordinated Notes at such time, plus (F) without duplication, the aggregate accrued and unpaid other Borrower Obligations at such time.

“ Borrowing Base ” means, at any time of determination, the amount equal to the lesser of (a) the Facility Limit and (b) the amount equal to (i) the Net Receivables Pool Balance at such time, minus (ii) the sum of (x) the Total Reserves, plus (y) the Contractual Dilution Accrual, in each case, at such time.

“ Borrowing Base Deficit ” means, at any time of determination, the amount, if any, by which (a) the Aggregate Capital at such time, exceeds (b) the Borrowing Base at such time, or, in each case, if such day is not a Business Day, then the immediately preceding Business Day.

" Breakage Fee " means (i) for any Interest Period for which Interest is computed by reference to the CP Rate, LMIR, or Adjusted LIBOR and a reduction of Capital is made for any reason on any day other than a Settlement Date or (ii) to the extent that the Borrower shall for any reason, fail to borrow on the date specified by the Borrower in connection with any request for funding pursuant to Article II of this Agreement, the amount, if any, by which (A) the additional Interest (calculated without taking into account any Breakage Fee or any shortened duration of such Interest Period pursuant to the definition thereof) which would have accrued during such Interest Period (or, in the case of clause (i) above, until the maturity of the underlying Note) on the reductions of Capital relating to such Interest Period had such reductions not been made (or, in the case of clause (ii) above, the amounts so failed to be borrowed or accepted in connection with any such request for funding by the Borrower), exceeds (B) the income, if any, received by the applicable Lender from the investment of the proceeds of such reductions of Capital (or such amounts failed to be borrowed by the Borrower). A certificate as to the amount of any Breakage Fee (including the computation of such amount) shall be submitted by the affected Lender (or applicable Group Agent on its behalf) to the Borrower and shall be conclusive and binding for all purposes, absent manifest error.

" Business Day " means any day (other than a Saturday or Sunday) on which: (a) banks are not authorized or required to close in Pittsburgh, Pennsylvania or New York City, New York and (b) if this definition of "Business Day" is utilized in connection with Adjusted LIBOR or LMIR, dealings are carried out in the London interbank market.

" Capital " means, with respect to any Lender, without duplication, the aggregate amounts paid to, or on behalf of, the Borrower in connection with all Loans made by such Lender pursuant to Article II , as reduced from time to time by Collections distributed and applied on account of such Capital pursuant to Section 3.01 ; provided , that if such Capital shall have been reduced by any distribution and thereafter all or a portion of such distribution is rescinded or must otherwise be returned for any reason, such Capital shall be increased by the amount of such rescinded or returned distribution as though it had not been made.

" Capital Stock " means, with respect to any Person, any and all common shares, preferred shares, interests, participations, rights in or other equivalents (however designated) of such Person's capital stock, partnership interests, limited liability company interests, membership interests or other equivalent interests and any rights (other than debt securities convertible into or exchangeable for capital stock), warrants or options exchangeable for or convertible into such capital stock or other equity interests.

" Change in Control " means the occurrence of any of the following:

(a) Olin ceases to own, directly, 100% of the issued and outstanding Capital Stock and all other equity interests of the Borrower; or

(b) (i) any "person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act) shall acquire "beneficial ownership" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than thirty-three and one third percent (33 1/3%) of the voting power of the then outstanding Capital Stock of Olin entitled to vote

generally in the election of the directors of Olin (excluding Capital Stock having such power only by reason of a contingency) or (ii) the members of the board of directors of Olin (the " Board ") at the commencement of any period of seven hundred thirty (730) consecutive days (together with any other directors whose appointment or election by the Board or whose nomination for election by stockholders of Olin was approved by a vote of at least a majority of the directors then in office who either were directors at the beginning of such period or whose appointment or election or nomination for election was previously so approved) shall cease to constitute a majority of the Board at the end of such period; provided , however , that a Change in Control shall not be deemed to have occurred under clause (i) hereof if (x) Olin shall have merged or disposed of a portion of its assets in compliance with the requirements of Section 7.02(n) within ten (10) days after the acquisition of such beneficial ownership shall have occurred and (y) no person or group shall have beneficial ownership of more than thirty-three and one third percent (33 1/3%) of the voting power of the then outstanding Capital Stock of Olin entitled to vote generally in the election of the directors of Olin (excluding Capital Stock having such power only by reason of a contingency) after such merger or disposition.

" Change in Law " means the occurrence, after the Closing Date (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (w) the final rule titled *Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Regulatory Capital; Impact of Modifications to Generally Accepted Accounting Principles; Consolidation of Asset-Backed Commercial Paper Programs; and Other Related Issues* , adopted by the United States bank regulatory agencies on December 15, 2009, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to the agreements reached by the Basel Committee on Banking Supervision in "Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems" (as amended, supplemented or otherwise modified or replaced from time to time), shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

" Closing Date " means December 21, 2016.

" Code " means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

" Collateral " has the meaning set forth in Section 4.05(a) .

" Collection Account " means each account listed on Schedule II to this Agreement (as such schedule may be modified from time to time in connection with the closing or opening of any

Collection Account in accordance with the terms hereof), in each case, in the name of the Borrower and maintained at a bank or other financial institution acting as a Collection Account Bank pursuant to an Account Control Agreement for the purpose of receiving Collections.

" Collection Account Bank " means any of the banks or other financial institutions holding one or more Collection Accounts.

" Collections " means, with respect to any Pool Receivable: (a) all funds that are received by any Originator, the Borrower, the Servicer or any other Person on their behalf in payment of any amounts owed in respect of such Pool Receivable (including purchase price, finance charges, interest and all other charges), or applied to amounts owed in respect of such Pool Receivable (including insurance payments and net proceeds of the sale or other disposition of repossessed goods or other collateral or property of the related Obligor or any other Person directly or indirectly liable for the payment of such Pool Receivable and available to be applied thereon), (b) all Deemed Collections, (c) all proceeds of all Related Security with respect to such Pool Receivable and (d) all other proceeds of such Pool Receivable.

" Commitment " means, with respect to any Committed Lender (including a Related Committed Lender), the maximum aggregate amount which such Person is obligated to lend or pay hereunder on account of all Loans, on a combined basis, as set forth on Schedule I or in the Assumption Agreement or other agreement pursuant to which it became a Lender, as such amount may be modified in connection with any subsequent assignment pursuant to Section 13.03 or in connection with a reduction in the Facility Limit pursuant to Section 2.02(e) . If the context so requires, "Commitment" also refers to a Committed Lender's obligation to make Loans hereunder in accordance with this Agreement.

" Committed Lenders " means PNC and each other Person that is or becomes a party to this Agreement in the capacity of a "Committed Lender".

" Concentration Percentage " means (i) for any Group A Obligor, fifteen percent (15.0%), (ii) for any Group B Obligor, twelve and a half percent (12.5%), (iii) for any Group C Obligor, ten percent (10%) and (iv) for any Group D Obligor, seven and a half percent (7.5%).

" Concentration Reserve Percentage " means, at any time of determination, the largest of: (a) the sum of the four (4) largest Obligor Percentages of the Group D Obligors, (b) the sum of the two (2) largest Obligor Percentages of the Group C Obligors and (c) the largest Obligor Percentage of the Group B Obligors.

" Conduit Lender " means each commercial paper conduit that is or becomes a party to this Agreement in the capacity of a "Conduit Lender".

" Confidential Information " has the meaning set forth in Section 13.06(b) .

" Contract " means, with respect to any Receivable, any and all contracts, instruments, agreements, leases, invoices, notes or other writings pursuant to which such Receivable arises or

that evidence such Receivable or under which an Obligor becomes or is obligated to make payment in respect of such Receivable.

" Contractual Dilution Accrual " means, at any time of determination, the aggregate amount of dilution or similar adjustments arising out of volume rebates, terms discounts, indirect rebates, direct rebates (net of any direct rebate recovery) and key promotional programs which are customary for the Originators and specified in the related Contract or applicable marketing program related to the applicable Receivable and Obligor thereof that are expected by the Servicer to be made or otherwise incurred with respect to the then outstanding Pool Receivables as such expected dilution and similar adjustments are reflected on the books and records of each Originator and reserved for by each Originator, as determined in consultation with the external accountants of Olin and in accordance with the customary procedures established by the Originators and such accountants.

" Controlled Group " means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control which, together with Parent or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

" Covered Entity " means (a) each of Borrower, the Servicer, each Originator, the Parent and each of Parent's Subsidiaries and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the direct or indirect power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

" CP Rate " means, for any Conduit Lender and for any Interest Period for any Portion of Capital (a) the per annum rate equivalent to the weighted average cost (as determined by the applicable Group Agent and which shall include commissions of placement agents and dealers, incremental carrying costs incurred with respect to Notes of such Person maturing on dates other than those on which corresponding funds are received by such Conduit Lender, other borrowings by such Conduit Lender (other than under any Program Support Agreement) and any other costs associated with the issuance of Notes) of or related to the issuance of Notes that are allocated, in whole or in part, by the applicable Conduit Lender to fund or maintain such Portion of Capital (and which may be also allocated in part to the funding of other assets of such Conduit Lender); provided , however , that if any component of such rate is a discount rate, in calculating the " CP Rate " for such Portion of Capital for such Interest Period, the applicable Group Agent shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum ; provided , further , that notwithstanding anything in this Agreement or the other Transaction Documents to the contrary, the Borrower agrees that any amounts payable to Conduit Lenders in respect of Interest for any Interest Period with respect to any Portion of Capital funded by such Conduit Lenders at the CP Rate shall include an amount equal to the portion of the face amount of the outstanding Notes issued to fund or maintain such Portion of Capital that corresponds to the portion of the proceeds of such Notes that was used to pay the interest component of maturing Notes issued to fund or maintain such Portion of Capital, to the extent that such Conduit Lenders had not received payments of interest in respect of such interest component prior to the maturity date of such maturing Notes (for purposes of the foregoing, the "interest component" of Notes equals the

excess of the face amount thereof over the net proceeds received by such Conduit Lender from the issuance of Notes, except that if such Notes are issued on an interest-bearing basis its "interest component" will equal the amount of interest accruing on such Notes through maturity) or (b) any other rate designated as the "CP Rate" for such Conduit Lender in the Assumption Agreement or other document pursuant to which such Person becomes a party as a Conduit Lender to this Agreement, or any other writing or agreement provided by such Conduit Lender to the Borrower, the Servicer and the applicable Agent from time to time. The "CP Rate" for any Conduit Lender for any day while an Event of Default has occurred and is continuing shall be an interest rate equal to the greater of (i) two percent (2.00%) per annum above the Base Rate and (ii) two percent (2.00%) per annum above the "CP Rate" calculated without giving effect to such Event of Default.

" Credit and Collection Policy " means, as the context may require, those receivables credit and collection policies and practices of the Originators and/or Servicer in effect on the Closing Date and described in Exhibit E , as modified in compliance with this Agreement.

" Credit Extension " means the making of any Loan.

" Credit Party " means each Lender, the Administrative Agent and each Group Agent.

" Days' Sales Outstanding " means, for any Fiscal Month, an amount computed as of the last day of such Fiscal Month equal to: (a) the average of the Outstanding Balance of all Pool Receivables as of the last day of each of the three (3) most recent Fiscal Months ended on the last day of such Fiscal Month, divided by (b) (i) the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the three (3) most recent Fiscal Months ended on the last day of such Fiscal Month, divided by (ii) ninety (90).

" Debt " means, as to any Person at any time of determination, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (i) borrowed money, (ii) amounts raised under or liabilities in respect of any bonds, debentures, notes, note purchase, acceptance or credit facility, or other similar instruments or facilities, (iii) reimbursement obligations (contingent or otherwise) under any letter of credit, (iv) any other transaction (including production payments (excluding royalties), installment purchase agreements, forward sale or purchase agreements, capitalized leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements (but not including accounts payable incurred in the ordinary course of such Person's business payable on terms customary in the trade), (v) all net obligations of such Person in respect of interest rate on currency hedges or (vi) any Guaranty of any such Debt.

" Deemed Collections " has the meaning set forth in Section 3.01(d) .

" Defaulting Lender " means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans or (ii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified

and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans under this Agreement, provided , that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of an Insolvency Proceeding.

" Default Ratio " means the ratio (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each Fiscal Month by dividing : (a) the aggregate Outstanding Balance of all Pool Receivables that became Defaulted Receivables during such Fiscal Month, by (b) the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the month that is four (4) Fiscal Months before such Fiscal Month.

" Defaulted Receivable " means a Receivable:

(a) as to which any payment, or part thereof, remains unpaid for ninety one (91) days or more from the original due date for such payment;

(b) without duplication, which, consistent with the Credit and Collection Policy, is or should be written off the applicable Originator's or the Borrower's books as uncollectible; or

(c) without duplication, as to which an Insolvency Proceeding shall have occurred with respect to the Obligor thereof or any other Person obligated thereon or owning any Related Security with respect thereto;

provided , however , that in each case above such amount shall be calculated without giving effect to any netting of credits that have not been matched to a particular Receivable for the purposes of aged trial balance reporting.

" Delinquency Ratio " means the ratio (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each Fiscal Month by dividing : (a) the sum of (I) the aggregate Outstanding Balance of all Pool Receivables that were Delinquent Receivables on such day, plus (II) the aggregate amount of Deemed Collections as of such date with respect to such Delinquent Receivables, by (b) the aggregate Outstanding Balance of all Pool Receivables on such day.

"Delinquent Receivable" means a Receivable as to which any payment, or part thereof, remains unpaid for sixty-one (61) days or more from the original due date for such payment; provided, however, that such amount shall be calculated without giving effect to any netting of credits that have not been matched to a particular Receivable for the purposes of aged trial balance reporting.

"Dilution Horizon Ratio" means, for any Fiscal Month, the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of such Fiscal Month by dividing: (a) the sum of (i) the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during such Fiscal Month, plus (ii) 100.00% of the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the preceding Fiscal Month, by (b) the Net Receivables Pool Balance as of the last day of such Fiscal Month. Within thirty (30) days of the completion and the receipt by the Administrative Agent of the results of any annual audit or field exam of the Receivables and the servicing and origination practices of the Servicer and the Originators, the numerator of the Dilution Horizon Ratio may be adjusted by the Administrative Agent upon not less than five (5) Business Days' notice to the Borrower to reflect such number of Fiscal Months as the Administrative Agent reasonably believes best reflects the business practices of the Servicer and the Originators and the actual amount of dilution and Deemed Collections that occur with respect to Pool Receivables based on the weighted average dilution lag calculation completed as part of such audit or field exam.

"Dilution Ratio" means the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward), computed as of the last day of each Fiscal Month by dividing: (a) the aggregate amount of Deemed Collections during such Fiscal Month (other than amounts that relate to amounts covered by the Contractual Dilution Accrual), by (b) the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the prior Fiscal Month.

"Dilution Reserve Percentage" means, on any day, the product of (a) the Dilution Horizon Ratio multiplied by (b) the sum of (i) 2.00 times the average of the Dilution Ratios for the twelve (12) most recent Fiscal Months and (ii) the Dilution Volatility Component.

"Dilution Volatility Component" means, for any Fiscal Month, the product (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) of (a) the positive difference, if any, between: (i) the highest Dilution Ratio for any Fiscal Month during the twelve (12) most recent Fiscal Months and (ii) the arithmetic average of the Dilution Ratios for such twelve (12) Fiscal Months times (b) the quotient of (i) the highest Dilution Ratio for any Fiscal Month during the twelve (12) most recent consecutive Fiscal Months divided by (ii) the arithmetic average of the Dilution Ratios for such twelve (12) consecutive Fiscal Months.

"Dollars" and "$" each mean the lawful currency of the United States of America.

"Eligible Assignee" means (i) any Committed Lender or any of its Affiliates, (ii) any Person managed by a Committed Lender or any of its Affiliates and (iii) any other financial or other institution.

“ Eligible Foreign Obligor ” an Obligor that is a corporation or other business organization that is organized in and that has a head office (domicile), registered office, and chief executive office located in a country other than (x) the United States or (y) a Sanctioned Country.

“ Eligible In-Transit Receivable ” means, at any time, any In-Transit Receivable if (i) the related goods have been shipped not more than thirty (30) days prior to such date, (ii) the related Originator has not pledged inventory as collateral for any Debt and (y) no inventory of such Originator is encumbered in any way.

“ Eligible Receivable ” means, at any time of determination, a Pool Receivable:

(a) the Obligor of which is: (i) either a U.S. Obligor or an Eligible Foreign Obligor; (ii) not a Sanctioned Person; (iii) not subject to any Insolvency Proceeding; (iv) not an Affiliate of the Borrower, the Servicer, the Parent or any Originator; (v) not the Obligor with respect to Delinquent Receivables with an aggregate Outstanding Balance exceeding fifty percent (50%) of the aggregate Outstanding Balance of all such Obligor’s Pool Receivables; (vi) not a natural person; and (vii) not a material supplier to any Originator or an Affiliate of a material supplier;

(b) for which an Insolvency Proceeding shall not have occurred with respect to the Obligor thereof or any other Person obligated thereon or owning any Related Security with respect thereto;

(c) that is denominated and payable only in Dollars in the United States of America, and the Obligor with respect to which has been instructed to remit Collections in respect thereof directly to a Lock-Box or Collection Account in the United States of America;

(d) that does not have a due date which is more than two hundred ten (210) days after the original invoice date of such Receivable;

(e) that arises under a Contract for the sale of goods or services on an arm’s-length basis in the ordinary course of the applicable Originator’s business;

(f) that arises under a duly authorized Contract that is in full force and effect and that is a legal, valid and binding obligation of the related Obligor, enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors’ rights generally and by general principles of equity regardless of whether enforceability is considered in a proceeding in equity or at law;

(g) that, together with the Contract related thereto, conforms in all material respects with all Applicable Laws (including any Applicable Laws relating to usury, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy);

(h) with respect to which all consents, licenses, approvals or authorizations of, or registrations or declarations with or notices to, any Governmental Authority or other Person required to be obtained, effected or given by an Originator in connection with the creation of such Receivable, the execution, delivery and performance by such Originator of the related Contract or the sale and assignment thereof under the Purchase and Sale Agreement have been duly obtained, effected or given and are in full force and effect;

(i) that is not subject to any existing dispute, litigation, right of rescission, set-off (including, customer deposits, advance payments (including payments related to unearned revenues), etc.), counterclaim, hold back defense, any other defense against the applicable Originator (or any assignee of such Originator) or Adverse Claim, and the Obligor of which holds no right as against the applicable Originator to cause such Originator to repurchase the goods or merchandise, the sale of which shall have given rise to such Receivable;

(j) that, (i) satisfies all applicable requirements of the Credit and Collection Policy and (ii) together with the Contract related thereto, has not been modified, waived or restructured since its creation, except as permitted pursuant to Section 8.02(a) of this Agreement;

(k) in which the Borrower owns good and valid title, free and clear of any Adverse Claims, and that is freely assignable (including without any consent of the related Obligor or any Governmental Authority);

(l) for which the Administrative Agent (on behalf of the Secured Parties) shall have a valid and enforceable first priority perfected security interest therein and in the Related Security and Collections with respect thereto, in each case free and clear of any Adverse Claim;

(m) that (x) constitutes an “account” or “payment intangible” (as defined in the UCC), (y) is not evidenced by instruments or chattel paper and (z) does not constitute, or arise from the sale of, as extracted collateral (as defined in the UCC);

(n) that is neither a Defaulted Receivable nor a Delinquent Receivable;

(o) for which no Originator, the Borrower, the Parent or the Servicer has established any offset or netting arrangements with the related Obligor in connection with the ordinary course of payment of such Receivable;

(p) that, other than for Eligible In-Transit Receivables, represents amounts earned and payable by the Obligor and the related goods or merchandise shall have been shipped and/or services performed;

(q) which (i) does not arise from a sale of accounts made as part of a sale of a business or constitute an assignment for the purpose of collection only, (ii) is not a transfer of a single account made in whole or partial satisfaction of a preexisting indebtedness or an

assignment of a right to payment under a contract to an assignee that is also obligated to perform under the contract and (iii) is not a transfer of an interest in or an assignment of a claim under a policy of insurance;

(r) which does not relate to the sale of any consigned goods or finished goods which have incorporated any consigned goods into such finished goods;

(s) that, if such Receivable is an In-Transit Receivable, is an Eligible In-Transit Receivable; and

(t) represents amounts that have been recognized as revenue by the applicable Originator on its financial books and records under GAAP.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

" ERISA Affiliate " means, with respect to any Person, any corporation, trade or business which together with the Person is a member of a controlled group of corporations or a controlled group of trades or businesses and would be deemed a "single employer" within the meaning of Sections 414(b), (c), (m) of the Code or Section 4001(b) of ERISA.

" Euro-Rate Reserve Percentage " means, the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including without limitation, supplemental, marginal, and emergency reserve requirements) with respect to eurocurrency funding.

" Event of Default " has the meaning specified in Section 9.01 . For the avoidance of doubt, any Event of Default that occurs shall be deemed to be continuing at all times thereafter unless and until waived in accordance with Section 13.01 .

" Excess Concentration " means the sum of the following amounts, without duplication:

(a) the sum of the amounts calculated for each of the Obligors equal to the excess (if any) of (i) aggregate Outstanding Balance of the Eligible Receivables of such Obligor, over (ii) the product of (x) such Obligor's Concentration Percentage, multiplied by (y) the aggregate Outstanding Balance of all Eligible Receivables; plus

(b) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible Receivables, the Obligors of which are Governmental Authorities, net of any other Excess Concentration amounts, over (ii) the product of (x) seven and one half percent (7.5%), multiplied by (y) the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool; plus

(c) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible Receivables, the Obligors of which are Eligible Foreign Obligors, net of any other Excess Concentration amounts, over (ii) the product of (x) five percent (5.0%), multiplied by (y)

the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool; plus

(d) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible In-Transit Receivables, over (ii) the product of (x) if a Ratings Event has occurred and is continuing, zero percent (0.0%), otherwise, five percent (5.0%), multiplied by (y) the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool.

" Exchange Act " means the Securities Exchange Act of 1934, as amended or otherwise modified from time to time.

" Excluded Obligor " means each Obligor listed on Schedule IV , which schedule may be amended, modified, restated, supplemented or replaced by Olin from time to time upon forty five (45) days' prior written notice to the Administrative Agent and each Group Agent and satisfaction of the conditions set forth in Section 4.5 of the Purchase and Sale Agreement.

" Excluded Receivable " means any Receivable, the Obligor of which is an Excluded Obligor.

" Excluded Taxes " means any of the following Taxes imposed on or with respect to an Affected Person or required to be withheld or deducted from a payment to an Affected Person: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of such Affected Person being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in such Loan or its Commitment (other than pursuant to an assignment request by the Borrower pursuant to Section 2.06(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 4.03 , amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in such Loan or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Affected Person's failure to comply with Section 4.03(f) or Section 4.03(g) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

" Facility Limit " means $250,000,000 as reduced or increased from time to time pursuant to Section 2.02(e) or 2.02(g) , as applicable. References to the unused portion of the Facility Limit shall mean, at any time of determination, an amount equal to (x) the Facility Limit at such time, minus (y) the Aggregate Capital.

" FATCA " means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection thereof.

“ Federal Funds Rate ” means, for any day, the per annum rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (including any such successor, “H.15(519)”) for such day opposite the caption “Federal Funds (Effective).” If on any relevant day such rate is not yet published in H. 15(519), the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotations for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the “Composite 3:30 p.m. Quotations”) for such day under the caption “Federal Funds Effective Rate.” If on any relevant day the appropriate rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the Administrative Agent of the rates for the last transaction in overnight Federal funds arranged before 9:00 a.m. (New York time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Administrative Agent.

“ Federal Reserve Board ” means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

“ Fee Letter ” has the meaning specified in Section 2.03(a) .

“ Fees ” has the meaning specified in Section 2.03(a) .

“ Final Maturity Date ” means the date that (i) is thirty (30) days following the Scheduled Termination Date or (ii) such earlier date on which the Loans become due and payable pursuant to Section 9.01 .

“ Final Payout Date ” means the date on or after the Termination Date when (i) the Aggregate Capital and Aggregate Interest have been paid in full, (ii) all Borrower Obligations shall have been paid in full, (iii) all other amounts owing to the Credit Parties and any other Borrower Indemnified Party or Affected Person hereunder and under the other Transaction Documents have been paid in full and (iv) all accrued Servicing Fees have been paid in full.

“ Financial Covenant(s) ” shall have the meaning set forth in Schedule V , which schedule may be amended, modified, restated, supplemented or replaced by Olin from time to time upon the written consent of the Administrative Agent and each Group Agent.

“ Financial Officer ” of any Person means, the chief executive officer, the chief financial officer, the chief accounting officer, the principal accounting officer, the controller, the treasurer or the assistant treasurer of such Person.

“ Fiscal Month ” means each calendar month.

“ Fitch ” means Fitch, Inc. and any successor thereto that is a nationally recognized statistical rating organization.

“ GAAP ” means generally accepted accounting principles in the United States of America, consistently applied.

“ Governmental Authority ” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“ Group ” means, (i) for any Conduit Lender, such Conduit Lender, together with such Conduit Lender’s Related Committed Lenders and related Group Agent, (ii) for PNC, PNC as a Committed Lender and as a Group Agent, (iii) for any other Lender that does not have a Related Conduit Lender, such Lender, together with such Lender’s related Group Agent and each other Lender for which such Group Agent acts as a Group Agent hereunder.

“ Group A Obligor ” means any Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) with a short-term rating of at least: (a) “A-1” by S&P, or if such Obligor does not have a short-term rating from S&P, a rating of “A+” or better by S&P on such Obligor’s, its parent’s, or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities, and (b) “P 1” by Moody’s, or if such Obligor does not have a short-term rating from Moody’s, “Al” or better by Moody’s on such Obligor’s, its parent’s or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities; provided , that if an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) receives a split rating from S&P and Moody’s, then such Obligor (or its parent or majority owner, as applicable) shall be deemed to have the higher rating, and such deemed rating shall be used for the purposes of whether such rating satisfies clauses (a) and (b) above. Notwithstanding the foregoing, any Obligor that is a Subsidiary of an Obligor that satisfies the definition of “Group A Obligor” shall be deemed to be a Group A Obligor and shall be aggregated with the Obligor that satisfies such definition for the purposes of determining the “Concentration Reserve Percentage”, the “Concentration Reserve” and clause (i) of the definition of “Excess Concentration” for such Obligors, unless such deemed Obligor separately satisfies the definition of “Group A Obligor”, “Group B Obligor”, or “Group C Obligor”, in which case such Obligor shall be separately treated as a Group A Obligor, a Group B Obligor or a Group C Obligor, as the case may be, and shall be aggregated and combined for such purposes with any of its Subsidiaries that are Obligors.

“ Group Agent ” means each Person acting as agent on behalf of a Group and designated as the Group Agent for such Group on the signature pages to this Agreement or any other Person who becomes a party to this Agreement as a Group Agent for any Group pursuant to an Assumption Agreement, an Assignment and Acceptance Agreement or otherwise in accordance with this Agreement.

“ Group Agent’s Account ” means, with respect to any Group, the account(s) from time to time designated in writing by the applicable Group Agent to the Borrower and the Servicer for purposes of receiving payments to or for the account of the members of such Group hereunder.

“ Group B Obligor ” means an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) that is not a Group A Obligor, with a short-term rating of at least: (a) “A-2” by S&P, or if such Obligor does not have a short-term rating from S&P, a rating of “BBB+” to “A” by S&P on such Obligor’s, its parent’s or its majority owner’s (as applicable) long-term senior

unsecured and uncredit-enhanced debt securities, and (b) "P 2" by Moody's, or if such Obligor does not have a short-term rating from Moody's, "Baal" to "A2" by Moody's on such Obligor's, its parent's or its majority owner's (as applicable) long-term senior unsecured and uncredit-enhanced debt securities; provided , that if an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) receives a split rating from S&P and Moody's, then such Obligor (or its parent or majority owner, as applicable) shall be deemed to have the higher rating, and such deemed rating shall be used for the purposes of whether such rating satisfies clauses (a) and (b) above. Notwithstanding the foregoing, any Obligor that is a Subsidiary of an Obligor that satisfies the definition of "Group B Obligor" shall be deemed to be a Group B Obligor and shall be aggregated with the Obligor that satisfies such definition for the purposes of determining the "Concentration Reserve Percentage", the "Concentration Reserve" and clause (i) of the definition of "Excess Concentration" for such Obligors, unless such deemed Obligor separately satisfies the definition of "Group A Obligor", "Group B Obligor", or "Group C Obligor", in which case such Obligor shall be separately treated as a Group A Obligor, a Group B Obligor or a Group C Obligor, as the case may be, and shall be aggregated and combined for such purposes with any of its Subsidiaries that are Obligors.

" Group C Obligor " means an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) that is not a Group A Obligor or a Group B Obligor, with a short-term rating of at least: (a) "A-3" by S&P, or if such Obligor does not have a short-term rating from S&P, a rating of "BBB-" to "BBB" by S&P on such Obligor's, its parent's or its majority owner's (as applicable) long-term senior unsecured and uncredit-enhanced debt securities, and (b) "P 3" by Moody's, or if such Obligor does not have a short-term rating from Moody's, "Baa3" to "Baa2" by Moody's on such Obligor's, its parent's or its majority owner's (as applicable) long-term senior unsecured and uncredit-enhanced debt securities; provided , that if an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) receives a split rating from S&P and Moody's, then such Obligor (or its parent or majority owner, as applicable) shall be deemed to have the higher rating, and such deemed rating shall be used for the purposes of whether such rating satisfies clauses (a) and (b) above. Notwithstanding the foregoing, any Obligor that is a Subsidiary of an Obligor that satisfies the definition of "Group C Obligor" shall be deemed to be a Group C Obligor and shall be aggregated with the Obligor that satisfies such definition for the purposes of determining the "Concentration Reserve Percentage", the "Concentration Reserve" and clause (i) of the definition of "Excess Concentration" for such Obligors, unless such deemed Obligor separately satisfies the definition of "Group A Obligor", "Group B Obligor", or "Group C Obligor", in which case such Obligor shall be separately treated as a Group A Obligor, a Group B Obligor or a Group C Obligor, as the case may be, and shall be aggregated and combined for such purposes with any of its Subsidiaries that are Obligors.

" Group Commitment " means, with respect to any Group, at any time of determination, the aggregate Commitments of all Committed Lenders within such Group.

" Group D Obligor " means any Obligor that is not a Group A Obligor, Group B Obligor or Group C Obligor; provided , that any Obligor (or its parent or majority owner, as applicable, if such Obligor is unrated) that is not rated by both Moody's and S&P shall be a Group D Obligor.

" Guaranty " of any Person means any obligation of such Person guarantying or in effect guarantying any Debt, liability or obligation of any other Person in any manner, whether directly or indirectly, including any such liability arising by virtue of partnership agreements, including any agreement to indemnify or hold harmless any other Person, any performance bond or other surety ship arrangement and any other form of assurance against loss, except endorsement of negotiable or other instruments for deposit or collection in the ordinary course of business.

" Indemnified Taxes " means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower or any of its Affiliates under any Transaction Document and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

" Independent Director " has the meaning set forth in Section 7.03(c) .

" Information Package " means a report, in substantially the form of Exhibit F .

" Insolvency Proceeding " means (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors or (b) any general assignment for the benefit of creditors of a Person, composition, marshaling of assets for creditors of a Person, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in each of clauses (a) and (b) undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code.

" Intended Tax Treatment " has the meaning set forth in Section 13.14 .

" Interest " means, for each Loan for any day during any Interest Period (or portion thereof), the amount of interest accrued on the Capital of such Loan during such Interest Period (or portion thereof) in accordance with Section 2.03(b) .

" Interest Period " means, with respect to each Loan, (a) before the Termination Date: (i) initially, the period commencing on the date such Loan is made pursuant to Section 2.02 (or in the case of any fees payable hereunder, commencing on the Closing Date) and ending on (but not including) the next Monthly Settlement Date and (ii) thereafter, each period commencing on such Monthly Settlement Date and ending on (but not including) the next Monthly Settlement Date and (b) on and after the Termination Date, such period (including a period of one day) as shall be selected from time to time by the Administrative Agent (with the consent or at the direction of the Majority Group Agents) or, in the absence of any such selection, each period of thirty (30) days from the last day of the preceding Interest Period.

" Interest Rate " means, for any day in any Interest Period for any Loan (or any portion of Capital thereof):

(a) if such Loan (or such portion of Capital thereof) is being funded by a Conduit Lender on such day through the issuance of Notes, the applicable CP Rate; or

(b) if such Loan (or such portion of Capital thereof) is being funded by any Lender on such day other than through the issuance of Notes (including, without limitation, if a Conduit Lender is then funding such Loan (or such portion of Capital thereof) under a Program Support Agreement, or if a Committed Lender is then funding such Loan (or such portion of Capital thereof)), then LMIR or Adjusted LIBOR, as determined pursuant to Section 2.05 , provided , however , that the Interest Rate applicable to any LIBOR Loan that is not advanced on a Monthly Settlement Date shall be LMIR for each day during the initial Interest Period applicable to such Loan from the date such Loan is made pursuant to Section 2.02 until the next occurring Monthly Settlement Date.

provided , however , that the "Interest Rate" for each Loan and any day while an Event of Default has occurred and is continuing shall be an interest rate per annum equal the sum of two percent (2.00)% per annum plus the greater of (i) the interest rate per annum determined for such Loan and such day pursuant to clause (a) or (b) above, as applicable, and (ii) the Base Rate in effect on such day; provided , further , that no provision of this Agreement shall require the payment or permit the collection of Interest in excess of the maximum permitted by Applicable Law; provided , further , however , that Interest for any Loan shall not be considered paid by any distribution to the extent that at any time all or a portion of such distribution is rescinded or must otherwise be returned for any reason.

" Interim Report " means a report, in substantially the form of Exhibit I .

" In-Transit Receivable " means, at any time, any Receivable arising in connection with the sale of any goods or merchandise that as of such time, have been shipped but not delivered to the related Obligor.

" Investment Company Act " means the Investment Company Act of 1940, as amended or otherwise modified from time to time.

" Lenders " means the Conduit Lenders and the Committed Lenders.

" LIBOR Loan " means a Loan accruing Interest at Adjusted LIBOR.

" Liquidity Agent " means any bank or other financial institution acting as agent for the various Liquidity Providers under each Liquidity Agreement.

" Liquidity Agreement " means any agreement entered into in connection with this Agreement pursuant to which a Liquidity Provider agrees to make purchases or advances to, or purchase assets from, any Conduit Lender in order to provide liquidity for such Conduit Lender's Loans.

" Liquidity Provider " means each bank or other financial institution that provides liquidity support to any Conduit Lender pursuant to the terms of a Liquidity Agreement.

" LMIR " means for any day during any Interest Period, the interest rate per annum determined by the applicable Group Agent (which determination shall be conclusive absent manifest error) by dividing (i) the one-month Eurodollar rate for Dollar deposits as reported on the Reuters Screen

LIBOR01 Page or any other page that may replace such page from time to time for the purpose of displaying offered rates of leading banks for London interbank deposits in Dollars, as of 11:00 a.m. (London time) on such day, or if such day is not a Business Day, then the immediately preceding Business Day (or if not so reported, then as determined by the Administrative Agent from another recognized source for interbank quotation), in each case, changing when and as such rate changes , by (ii) a number equal to 1.00 minus the Euro-Rate Reserve Percentage on such day. The calculation of LMIR may also be expressed by the following formula:

$$\text{LMIR} = \frac{\text{One-month Eurodollar rate for Dollars shown on Reuters Screen LIBOR01 Page}}{\text{1.00 - Euro-Rate Reserve Percentage}}$$

LMIR shall be adjusted on the effective date of any change in the Euro-Rate Reserve Percentage as of such effective date. Notwithstanding the foregoing, if LMIR as determined herein would be less than zero (0.00), such rate shall be deemed to be zero percent (0.00%) for purposes of this Agreement.

" Loan " means any loan made by a Lender pursuant to Section 2.02 .

" Loan Request " means a letter in substantially the form of Exhibit A hereto executed and delivered by the Borrower to the Administrative Agent and the Group Agents pursuant to Section 2.02(a) .

" Lock-Box " means each locked postal box with respect to which a Collection Account Bank has executed an Account Control Agreement pursuant to which it has been granted exclusive access for the purpose of retrieving and processing payments made on the Receivables and which is listed on Schedule II (as such schedule may be modified from time to time in connection with the addition or removal of any Lock-Box in accordance with the terms hereof).

" Loss Horizon Ratio " means, for any Fiscal Month, the ratio (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) computed, as of the last day of such Fiscal Month, by dividing : (a) the sum of (i) the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the four (4) most recent Fiscal Months, plus (ii) (A) if the weighted average payment terms is less than sixty (60) days, the product of (x) the Loss Horizon Terms Component, and (y) the aggregate initial Outstanding Balance of all Pool Receivables originated by the Originators during the fifth (5th) most recent Fiscal Month, or (B) if the weighted average payment terms is greater than or equal to sixty (60) days, the sum of (x) the aggregate initial Outstanding Balance of all Pool Receivables originated by the Originators during the fifth (5th) most recent Fiscal Month, plus (y) the product of (1) the Loss Horizon Terms Component, and (2) the aggregate initial Outstanding Balance of all Pool Receivables originated by the Originators during the sixth (6th) most recent Fiscal Month; by (b) the Net Receivables Pool Balance as of such date.

" Loss Horizon Terms Component " means (i) if the weighted average payment terms is less than or equal to thirty (30) days, zero (0), (ii) if the weighted average payment terms is greater than

thirty (30) days but less than sixty (60) days, (A) the weighted average payment terms minus thirty (30) divided by (B) thirty (30), or (iii) if the weighted average payment terms is greater than or equal to sixty (60) days, (A) the weighted average payment terms minus sixty (60), divided by (B) thirty (30).

" Loss Reserve Percentage " means, at any time of determination, the product of (a) 2.00, times (b) the highest average of the Default Ratios for any three consecutive Fiscal Months during the twelve (12) most recent Fiscal Months, times (c) the Loss Horizon Ratio.

" Majority Group Agents " means one or more Group Agents which in its Group, or their combined Groups, as the case may be, have Committed Lenders representing more than fifty percent (50%) of the aggregate Commitments of all Committed Lenders in all Groups (or, if the Commitments have been terminated, have Lenders representing more than fifty percent (50%) of the aggregate outstanding Capital held by all the Lenders in all Groups); provided , however , that in no event shall the Majority Group Agents include fewer than two (2) Group Agents at any time when there are two (2) or more Groups.

" Material Adverse Effect " means relative to any Person (provided that if no particular Person is specified, "Material Adverse Effect" shall be deemed to be relative to the Borrower, the Servicer and the Originators, taken as a whole) with respect to any event or circumstance, a material adverse effect on any of the following:

(a) the assets, operations, business or financial condition (i) if such Person is the Borrower, of the Borrower, (ii) if such Person is an Originator, of such Originator, or (iii) if such Person is the Servicer or the Performance Guarantor, of the Servicer, the Performance Guarantor and the Originators, taken as a whole;

(b) the ability of the Borrower, the Servicer, the Performance Guarantor or any Originator to perform its obligations under this Agreement or any other Transaction Document to which it is a party;

(c) the validity or enforceability of this Agreement or any other Transaction Document, or the validity, enforceability, value or collectibility of any material portion of the Pool Receivables;

(d) the status, perfection, enforceability or priority of the Administrative Agent's security interest in the Collateral; or

(e) the rights and remedies of any Credit Party under the Transaction Documents or associated with its respective interest in the Collateral.

" Minimum Dilution Reserve Percentage " means, on any day, the product (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) of (a) the average of the Dilution Ratios for the twelve (12) most recent Fiscal Months, multiplied by (b) the Dilution Horizon Ratio.

" Minimum Funding Threshold " means an amount equal to or greater than the lesser of (a) fifty percent (50%) of the Facility Limit and (b) the Borrowing Base.

" Monthly Settlement Date " means the twenty fifty (25th) day of each calendar month (or if such day is not a Business Day, the next occurring Business Day).

" Moody's " means Moody's Investors Service, Inc. and any successor thereto that is a nationally recognized statistical rating organization.

" Multiemployer Plan " means a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which the Borrower, the Servicer, any Originator, the Parent or any of their respective ERISA Affiliates (other than one considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code) is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

" Net Receivables Pool Balance " means, at any time of determination: (a) the aggregate Outstanding Balance of Eligible Receivables then in the Receivables Pool, minus (b) the Excess Concentration.

" Non-Consenting Lender " means any Lender, or any member of any Group represented by a Group Agent, that does not approve any consent, waiver, amendment or other modification that (i) requires the approval of all Lenders or Group Agents or all affected Lenders or Group Agents in accordance with the terms of Section 13.01 and (ii) has been approved by the Majority Group Agents.

" Notes " means short-term promissory notes issued, or to be issued, by any Conduit Lender to fund its investments in accounts receivable or other financial assets.

" Obligor " means, with respect to any Receivable, the Person obligated to make payments pursuant to the Contract relating to such Receivable.

" Obligor Percentage " means, at any time of determination, for each Obligor, a fraction, expressed as a percentage, (a) the numerator of which is the aggregate Outstanding Balance of the Eligible Receivables of such Obligor less the amount (if any) then included in the calculation of the Excess Concentration with respect to such Obligor and (b) the denominator of which is the aggregate Outstanding Balance of all Eligible Receivables at such time.

" Olin " has the meaning set forth in the preamble to this Agreement.

" OFAC " means the U.S. Department of Treasury's Office of Foreign Assets Control.

" Originator " and " Originators " have the meaning set forth in the Purchase and Sale Agreement, as the same may be modified from time to time by adding new Originators or removing Originators, in each case with the prior written consent of the Administrative Agent.

" Other Connection Taxes " means, with respect to any Affected Person, Taxes imposed as a result of a present or former connection between such Affected Person and the jurisdiction imposing

such Tax (other than connections arising from such Affected Person having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Transaction Document, or sold or assigned an interest in any Loan or Transaction Document).

" Other Taxes " means any and all present or future stamp or documentary Taxes or any other excise or property Taxes, charges or similar levies or fees arising from any payment made hereunder or from the execution, delivery, filing, recording or enforcement of, or otherwise in respect of, this Agreement, the other Transaction Documents and the other documents or agreements to be delivered hereunder or thereunder.

" Outstanding Balance " means, at any time of determination, with respect to any Receivable, the then outstanding principal balance thereof.

" Parent " means Olin.

" Participant " has the meaning set forth in Section 13.03(e) .

" Participant Register " has the meaning set forth in Section 13.03(f) .

" PATRIOT Act " has the meaning set forth in Section 13.15 .

" PBGC " means the Pension Benefit Guaranty Corporation, or any successor thereto.

" Pension Plan " means a pension plan as defined in Section 3(2) of ERISA that is subject to Title IV of ERISA with respect to which any Originator, the Borrower or any other member of the Controlled Group may have any liability, contingent or otherwise.

" Percentage " means, at any time of determination, with respect to any Committed Lender, a fraction (expressed as a percentage), (a) the numerator of which is (i) prior to the termination of all Commitments hereunder, its Commitment at such time or (ii) if all Commitments hereunder have been terminated, the aggregate outstanding Capital of all Loans being funded by the Lenders in such Committed Lender's Group at such time and (b) the denominator of which is (i) prior to the termination of all Commitments hereunder, the aggregate Commitments of all Committed Lenders at such time or (ii) if all Commitments hereunder have been terminated, the aggregate outstanding Capital of all Loans at such time.

" Performance Guarantor " means Olin.

" Performance Guaranty " means the Performance Guaranty, dated as of the Closing Date, by the Performance Guarantor in favor of the Administrative Agent for the benefit of the Secured Parties, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

" Person " means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

“ PNC ” has the meaning set forth in the preamble to this Agreement.

“ Pool Receivable ” means a Receivable in the Receivables Pool.

“ Portion of Capital ” means, with respect to any Lender and its related Capital, the portion of such Capital being funded or maintained by such Lender by reference to a particular interest rate basis.

“ Program Support Agreement ” means and includes any Liquidity Agreement and any other agreement entered into by any Program Support Provider providing for: (a) the issuance of one or more letters of credit for the account of any Conduit Lender, (b) the issuance of one or more surety bonds for which any Conduit Lender is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, (c) the sale by any Conduit Lender to any Program Support Provider of any Loan (or portions thereof or participation interest therein) maintained by such Conduit Lender and/or (d) the making of loans and/or other extensions of credit to any Conduit Lender in connection with such Conduit Lender’s receivables-securitization program contemplated in this Agreement, together with any letter of credit, surety bond or other instrument issued thereunder.

“ Program Support Provider ” means and includes, with respect to any Conduit Lender, any Liquidity Provider and any other Person (other than any customer of such Conduit Lender) now or hereafter extending credit or having a commitment to extend credit to or for the account of, or to make purchases from, such Conduit Lender pursuant to any Program Support Agreement.

“ Purchase and Sale Agreement ” means the Purchase and Sale Agreement, dated as of the Closing Date, among the Servicer, the Originators and the Borrower, as such agreement may be amended, supplemented or otherwise modified from time to time.

“ Purchase and Sale Termination Event ” has the meaning set forth in the Purchase and Sale Agreement.

“ Rating Agency ” mean each of S&P, Fitch and Moody’s (and/or each other rating agency then rating the Notes of any Conduit Lender).

“ Ratings Event ” means Olin’s long-term senior unsecured and uncredit-enhanced debt securities are rated (a) less than “BB-” by S&P and (b) less than “Ba3” by Moody’s.

“ Receivable ” means any right to payment of a monetary obligation, whether or not earned by performance, owed to any Originator or the Borrower (as assignee of an Originator), whether constituting an account, chattel paper, payment intangible, instrument or general intangible, in each instance arising in connection with the sale of goods that have been or are to be sold or for services rendered or to be rendered, and includes, without limitation, the obligation to pay any finance charges, fees and other charges with respect thereto. Any such right to payment arising from any one transaction, including, without limitation, any such right to payment represented by an individual invoice or agreement, shall constitute a Receivable separate from a Receivable consisting of any

such right to payment arising from any other transaction. Notwithstanding the foregoing, "Receivable" shall not include any Excluded Receivables.

" Receivables Pool " means, at any time of determination, all of the then outstanding Receivables transferred (or purported to be transferred) to the Borrower pursuant to the Purchase and Sale Agreement prior to the Termination Date.

" Register " has the meaning set forth in Section 13.03(c) .

" Related Committed Lender " means with respect to any Conduit Lender, each Committed Lender listed as such for each Conduit Lender as set forth on the signature pages of this Agreement or in any Assumption Agreement.

" Related Conduit Lender " means, with respect to any Committed Lender, each Conduit Lender which is, or pursuant to any Assignment and Acceptance Agreement or Assumption Agreement or otherwise pursuant to this Agreement becomes, included as a Conduit Lender in such Committed Lender's Group, as designated on its signature page hereto or in such Assignment and Acceptance Agreement, Assumption Agreement or other agreement executed by such Committed Lender, as the case may be.

" Related Parties " has the meaning set forth in Section 13.06(c) .

" Related Rights " has the meaning set forth in Section 1.1 of the Purchase and Sale Agreement.

" Related Security " means, with respect to any Receivable:

(a) all of the Borrower's and each Originator's interest in any goods (including returned goods), and documentation of title evidencing the shipment or storage of any goods (including returned goods), the sale of which gave rise to such Receivable;

(b) all instruments and chattel paper that may evidence such Receivable;

(c) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all UCC financing statements or similar filings relating thereto;

(d) all of the Borrower's and each Originator's rights, interests and claims under the related Contracts and all guaranties, indemnities, insurance and other agreements (including the related Contract) or arrangements of whatever character from time to time supporting or securing payment of such Receivable or otherwise relating to such Receivable, whether pursuant to the Contract related to such Receivable or otherwise; and

(e) all of the Borrower's rights, interests and claims under the Purchase and Sale Agreement and the other Transaction Documents.

" Release " has the meaning set forth in Section 3.01(a) .

" Reportable Compliance Event " means that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any Sanction or any predicate crime to any Sanction, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Sanction.

" Reportable Event " means any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Pension Plan (other than a Pension Plan maintained by an ERISA Affiliate which is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code).

" Required Capital Amount " means fifteen million dollars ($15,000,000).

" Restricted Payments " has the meaning set forth in Section 7.01(r) .

" S&P " means Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business, and any successor thereto that is a nationally recognized statistical rating organization.

" Sanctions " means any economic or financial sanctions or trade embargoes imposed, administered or enforced by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council or other relevant sanctions authority.

" Sanctioned Country " means a country or territory that is the subject or target of a sanctions program maintained under any Sanction, including any such country identified on the list maintained by OFAC and available at: http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx, or as otherwise published from time to time.

" Sanctioned Person " means (i) a person who is currently the subject of any Sanctions, (ii) a person located, operating, organized or resident in a Sanctioned Country or (iii) owned or controlled by any person or persons that is described in the foregoing clauses (i) or (ii).

" Scheduled Termination Date " means December 21, 2019.

" SEC " means the U.S. Securities and Exchange Commission or any governmental agencies substituted therefor.

" Secured Parties " means each Credit Party, each Borrower Indemnified Party and each Affected Person.

" Securities Act " means the Securities Act of 1933, as amended or otherwise modified from time to time.

" Servicer " has the meaning set forth in the preamble to this Agreement.

" Servicer Accounts " means each account listed on Schedule II to this Agreement (as such schedule may be modified from time to time in connection with the closing or opening of any Servicer Account in accordance with the terms hereof), in each case, in the name of the Servicer and maintained at a bank or other financial institution acting as a Collection Account Bank.

" Servicer Indemnified Amounts " has the meaning set forth in Section 12.02(a) .

" Servicer Indemnified Party " has the meaning set forth in Section 12.02(a) .

" Servicing Fee " means the fee referred to in Section 8.06(a) of this Agreement.

" Servicing Fee Rate " means the rate referred to in Section 8.06(a) of this Agreement.

" Settlement Date " means with respect to any Portion of Capital for any Interest Period or any Interest or Fees, (i) so long as no Event of Default has occurred and is continuing and the Termination Date has not occurred, the Monthly Settlement Date and (ii) on and after the Termination Date or if an Event of Default has occurred and is continuing, each day selected from time to time by the Administrative Agent (with the consent or at the direction of the Majority Group Agents) (it being understood that the Administrative Agent (with the consent or at the direction of the Majority Group Agents) may select such Settlement Date to occur as frequently as daily), or, in the absence of such selection, the Monthly Settlement Date.

" Solvent " means, with respect to any Person and as of any particular date, (i) the present fair market value (or present fair saleable value) of the assets of such Person is not less than the total amount required to pay the probable liabilities of such Person on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured, (ii) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business, (iii) such Person is not incurring debts or liabilities beyond its ability to pay such debts and liabilities as they mature and (iv) such Person is not engaged in any business or transaction, and is not about to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged.

" Structuring Agent " means PNC Capital Markets LLC, a Pennsylvania limited liability company.

" Subordinated Note " has the meaning set forth in the Purchase and Sale Agreement.

" Sub-Servicer " has the meaning set forth in Section 8.01(d) .

" Subsidiary " means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock of each class or other interests having ordinary voting power (other than stock or other interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors or other managers of such entity are at the time owned, or management of which is otherwise controlled: (a) by such Person, (b) by one

or more Subsidiaries of such Person or (c) by such Person and one or more Subsidiaries of such Person.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings (including backup withholdings), assessments, fees or other charges, in each case in the nature of a tax and imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

"Termination Date" means the earliest to occur of (a) the Scheduled Termination Date, (b) the date on which the "Termination Date" is declared or deemed to have occurred under Section 9.01 and (c) the date selected by the Borrower on which all Commitments have been reduced to zero pursuant to Section 2.02(e).

"Total Reserves" means, at any time of determination, an amount equal to the product of (i) the sum of: (a) the Yield Reserve Percentage, plus (b) the greater of (I) the sum of the Concentration Reserve Percentage plus the Minimum Dilution Reserve Percentage and (II) the sum of the Loss Reserve Percentage plus the Dilution Reserve Percentage, times (ii) the Net Receivables Pool Balance at such time.

"Tranche Period" means, with respect to any LIBOR Loan, a period of one, two, three or six months selected by the Borrower pursuant to Section 2.05. Each Tranche Period shall commence on a Monthly Settlement Date and end on (but not including) the Monthly Settlement Date occurring one, two, three or six calendar months thereafter, as selected by the Borrower pursuant to Section 2.05; provided, however, that if the date any Loan made pursuant to Section 2.02 is not a Monthly Settlement Date, the initial Tranche Period for such Loan shall commence on the date such Loan is made pursuant to Section 2.02 and end on the next Monthly Settlement Date occurring after the day in the applicable succeeding calendar month which corresponds numerically to the beginning day of such initial Tranche Period; provided, further, that if any Tranche Period would end after the Termination Date, such Tranche Period (including a period of one day) shall end on the Termination Date.

"Transaction Documents" means this Agreement, the Purchase and Sale Agreement, the Account Control Agreement(s), the Fee Letter, each Subordinated Note, the Performance Guaranty and all other certificates, instruments, UCC financing statements, reports, notices, agreements and documents executed or delivered under or in connection with this Agreement, in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

"Transaction Information" means any information provided to any Rating Agency, in each case, to the extent related to such Rating Agency providing or proposing to provide a rating of any Notes or monitoring such rating including, without limitation, information in connection with the Borrower, the Originator, the Servicer or the Receivables.

"UCC" means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction.

“ Unmatured Event of Default ” means an event that but for notice or lapse of time or both would constitute an Event of Default.

“ Unmatured Purchase and Sale Termination Event ” has the meaning set forth in the Purchase and Sale Agreement.

“ U.S. Obligor ” means an Obligor that is a corporation or other business organization and is organized under the laws of the United States of America (or of a United States of America territory, district, state, commonwealth, or possession, including, without limitation, Puerto Rico and the U.S. Virgin Islands) or any political subdivision thereof.

“ U.S. Tax Compliance Certificate ” has the meaning set forth in Section 4.03(f)(ii)(B)(3) .

“ Volcker Rule ” means Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

“ Wells Fargo ” means Wells Fargo Bank, National Association.

“ Withdrawal Liability ” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“ Yield Reserve Percentage ” means at any time of determination:

$$\frac{1.50 \times DSO \times (BR + SFR)}{360}$$

where:

BR = the Base Rate;

DSO = the Days’ Sales Outstanding for the most recently ended Fiscal Month; and

SFR = the Servicing Fee Rate.

SECTION 1.02. Other Interpretative Matters . All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York and not specifically defined herein, are used herein as defined in such Article 9. Unless otherwise expressly indicated, all references herein to “Article,” “Section,” “Schedule”, “Exhibit” or “Annex” shall mean articles and sections of, and schedules, exhibits and annexes to, this Agreement. For purposes of this Agreement, the other Transaction Documents and all such certificates and other documents, unless the context otherwise requires: (a) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day; (b) the words “hereof,” “herein” and “hereunder” and words of similar import refer to such agreement (or the certificate or other document in which they are used) as a whole and not

to any particular provision of such agreement (or such certificate or document); (c) references to any Section, Schedule or Exhibit are references to Sections, Schedules and Exhibits in or to such agreement (or the certificate or other document in which the reference is made), and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (d) the term "including" means "including without limitation"; (e) references to any Applicable Law refer to that Applicable Law as amended from time to time and include any successor Applicable Law; (f) references to any agreement refer to that agreement as from time to time amended, restated or supplemented or as the terms of such agreement are waived or modified in accordance with its terms; (g) references to any Person include that Person's permitted successors and assigns; (h) headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof; (i) unless otherwise provided, in the calculation of time from a specified date to a later specified date, the term "from" means "from and including", and the terms "to" and "until" each means "to but excluding"; (j) terms in one gender include the parallel terms in the neuter and opposite gender; and (k) the term "or" is not exclusive.

ARTICLE II

TERMS OF THE LOANS

SECTION 2.01. Loan Facility. Upon a request by the Borrower pursuant to Section 2.02, and on the terms and subject to the conditions hereinafter set forth, the Conduit Lenders, ratably, in accordance with the aggregate of the Commitments of the Related Committed Lenders with respect to each such Conduit Lender, severally and not jointly, may, in their sole discretion, make Loans to the Borrower on a revolving basis, and if and to the extent any Conduit Lender does not make any such requested Loan or if any Group does not include a Conduit Lender, the Related Committed Lender(s) for such Conduit Lender or the Committed Lender for such Group, as the case may be, shall, ratably in accordance with their respective Commitments, severally and not jointly, make such Loans to the Borrower, in either case, from time to time during the period from the Closing Date to the Termination Date. Under no circumstances shall any Lender be obligated to make any such Loan if, after giving effect to such Loan:

(i) the Aggregate Capital would exceed the Facility Limit at such time;

(ii) the sum of (A) the Capital of such Lender, plus (B) the aggregate outstanding Capital of each other Lender in its Group, would exceed the Group Commitment of such Lender's Group;

(iii) if such Lender is a Committed Lender, the aggregate outstanding Capital of such Committed Lender would exceed its Commitment; or

(iv) the Aggregate Capital would exceed the Borrowing Base at such time.

SECTION 2.02. Making Loans; Repayment of Loans. (a) Each Loan hereunder shall be made on at least one (1) Business Days' prior written request from the Borrower to the

Administrative Agent and each Group Agent in the form of a Loan Request attached hereto as Exhibit A . Each such request for a Loan shall be made no later than 1:00 p.m. (New York City time) on a Business Day (it being understood that any such request made after such time shall be deemed to have been made on the following Business Day) and shall specify (i) the amount of the Loan(s) requested (which shall not be less than $100,000 and shall be an integral multiple of $100,000), (ii) the allocation of such amount among the Groups (which shall be ratable based on the Group Commitments), (iii) the account to which the proceeds of such Loan shall be distributed and (iv) the date such requested Loan is to be made (which shall be a Business Day).

(a) On the date of each Loan specified in the applicable Loan Request, the Lenders shall, upon satisfaction of the applicable conditions set forth in Article V and pursuant to the other conditions set forth in this Article II , make available to the Borrower in same day funds an aggregate amount equal to the amount of such Loans requested, at the account set forth in the related Loan Request.

(b) Each Committed Lender's obligation shall be several, such that the failure of any Committed Lender to make available to the Borrower any funds in connection with any Loan shall not relieve any other Committed Lender of its obligation, if any, hereunder to make funds available on the date such Loans are requested (it being understood , that no Committed Lender shall be responsible for the failure of any other Committed Lender (other than a Committed Lender in its Group) to make funds available to the Borrower in connection with any Loan hereunder).

(c) The Borrower shall repay in full the outstanding Capital of each Lender on the Final Maturity Date. Prior thereto, the Borrower shall, on each Settlement Date, make a prepayment of the outstanding Capital of the Lenders to the extent required under Section 3.01 and otherwise in accordance therewith. Notwithstanding the foregoing, the Borrower, in its discretion, shall have the right to make a prepayment, in whole or in part, of the outstanding Capital of the Lenders on any Business Day upon one (1) Business Days' prior written notice thereof to the Administrative Agent and each Group Agent in the form of a Reduction Notice attached hereto as Exhibit B ; provided , however , that (i) each such prepayment shall be in a minimum aggregate amount of $100,000 and shall be an integral multiple of $100,000; provided , however , that notwithstanding the foregoing, a prepayment may be in an amount necessary to reduce any Borrowing Base Deficit existing at such time or the outstanding Capital of the Lenders to zero, and (ii) any accrued Interest and Fees in respect of such prepaid Capital shall be paid on the immediately following Settlement Date; provided , further , that the Borrower shall not provide any Reduction Notice, and no such Reduction Notice shall be effective, if after giving effect thereto, the Aggregate Capital at such time would be less than the Minimum Funding Threshold.

(d) The Borrower may, at any time upon at least three (3) Business Days' prior written notice to the Administrative Agent and each Group Agent, terminate the Facility Limit in whole or ratably reduce the Facility Limit in part. Each partial reduction in the Facility Limit shall be in a minimum aggregate amount of $5,000,000 or integral multiples of $1,000,000 in excess thereof, and no such partial reduction shall reduce the Facility Limit to an amount less

than $100,000,000. In connection with any partial reduction in the Facility Limit, the Commitment of each Committed Lender shall be ratably reduced.

(e) In connection with any reduction of the Commitments, the Borrower shall remit to the Administrative Agent (i) instructions regarding such reduction and (ii) for payment to the Lenders, cash in an amount sufficient to pay (A) Capital of Lenders in each Group in excess of the Group Commitment of such Group and (B) all other outstanding Borrower Obligations with respect to such reduction (determined based on the ratio of the reduction of the Commitments being effected to the amount of the Commitments prior to such reduction or, if the Administrative Agent reasonably determines that any portion of the outstanding Borrower Obligations is allocable solely to that portion of the Commitments being reduced or has arisen solely as a result of such reduction, all of such portion) including, without duplication, any associated Breakage Fees. Upon receipt of any such amounts, the Administrative Agent shall apply such amounts first to the reduction of the outstanding Capital, and second to the payment of the remaining outstanding Borrower Obligations with respect to such reduction, including any Breakage Fees, by paying such amounts to the Lenders.

(f) Provided that no Event of Default or Unmatured Event of Default has occurred and is continuing, with the prior written consent of the Administrative Agent, each Group Agent and upon prior notice to the Lenders, the Borrower may from time to time request an increase in the Commitment with respect to one or more Lenders or cause additional Persons to become parties to this Agreement, as lenders, at any time following the Closing Date and prior to the Termination Date; provided , that any such increase in such Lenders' Commitments and the Commitments of all such additional Lenders may not exceed $100,000,000 in the aggregate during the life of this Agreement; provided , that each request for an increase and addition shall be in a minimum amount of $10,000,000. At the time of sending such notice with respect to any Lender, the Borrower (in consultation with the Administrative Agent) shall specify the time period within which such Lenders and the Group Agents are requested to respond to the Borrower's request (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Lenders). Each Lender being asked to increase its Commitment (or its Group Agent on its behalf) and the Administrative Agent shall notify the Borrower within the applicable time period whether or not such Person agrees, in its respective sole discretion, to the increase to such Lender's Commitment. Any such Person not responding within such time period shall be deemed to have declined to consent to an increase in such Lender's Commitment. For the avoidance of doubt, only the consent of the Lender (or its Group Agent on its behalf) then being asked to increase its Commitment (or an additional Lender) and the Administrative Agent shall be required in order to approve any such request. If the Commitment of any Lender is increased (or a new Person is added as Lender) in accordance with this clause (h) , the Administrative Agent, such Lender (or its Group Agent on its behalf) and the Borrower shall determine the effective date with respect to such increase and shall enter into such documents as agreed to by such parties to document such increase; it being understood and agreed that the Administrative Agent or any Lender increasing its Commitment pursuant to this Section 2.01(h) (or its Group Agent on its behalf) may request any of (x) resolutions of the Board of Directors of the Borrower approving or consenting to such Commitment increase and authorizing the execution, delivery and performance of any amendment to this Agreement, (y) a corporate and

enforceability opinion of counsel of the Borrower and (z) such other documents, agreements and opinions reasonably requested by such Lender (or its Group Agent on its behalf) or the Administrative Agent.

(g) The Borrower hereby covenants and agrees from time to time to request Loans pursuant to Section 2.02(a) in amounts and at such times such that the Aggregate Capital at all times is no less than the Minimum Funding Threshold at such time; it being understood and agreed that each Credit Extension pursuant to this Agreement is subject to the applicable conditions set forth in Article V and the other conditions set forth in this Article II .

SECTION 2.03. Interest and Fees .

(a) On each Settlement Date, the Borrower shall, in accordance with the terms and priorities for payment set forth in Section 3.01 , pay to each Group Agent, each Lender, the Administrative Agent and the Structuring Agent certain fees (collectively, the " Fees ") in the amounts set forth in the fee letter agreements from time to time entered into, among the Borrower, the members of the applicable Group (or their Group Agent on their behalf) and/or the Administrative Agent (each such fee letter agreement, as amended, restated, supplemented or otherwise modified from time to time, collectively being referred to herein as the " Fee Letter "). Undrawn Fees (as defined in the Fee Letter) shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender as provided in Section 2.07 .

(b) Each Loan of each Lender and the Capital thereof shall accrue interest on each day when such Capital remains outstanding at the then applicable Interest Rate for such Loan. The Borrower shall pay all Interest (including, for the avoidance of doubt, all Interest accrued on LIBOR Loans during an Interest Period regardless of whether the applicable Tranche Period has ended), Fees and Breakage Fees accrued during each Interest Period on each Settlement Date in accordance with the terms and priorities for payment set forth in Section 3.01 .

SECTION 2.04. Records of Loans . Each Group Agent shall record in its records, the date and amount of each Loan made by the Lenders in its Group hereunder, the interest rate with respect thereto, the Interest accrued thereon and each repayment and payment thereof. Subject to Section 13.03(c) , such records shall be conclusive and binding absent manifest error. The failure to so record any such information or any error in so recording any such information shall not, however, limit or otherwise affect the obligations of the Borrower hereunder or under the other Transaction Documents to repay the Capital of each Lender, together with all Interest accruing thereon and all other Borrower Obligations.

SECTION 2.05. Selection of Interest Rates and Tranche Periods .

(a) Subject to the following sentence, each Loan shall bear interest initially at LMIR. Thereafter, so long as no Event of Default has occurred and is continuing, the Borrower may from time to time elect to change or continue the type of Interest Rate and/or Tranche Period borne by each Loan or, subject to the minimum amount requirement for each outstanding Loan set forth in Section 2.02 , a portion thereof by notice to the Administrative Agent not later than 11:00 a.m. (New York City time), one (1) Business Day prior to the expiration of any Tranche

Period or Interest Period, as applicable; provided, that there shall not be more than three (3) LIBOR Loans outstanding hereunder at any one time; provided, further that for the avoidance of doubt, any change from LMIR to Adjusted LIBOR and/or any change to a Tranche Period applicable to a Loan shall not be effective until the Monthly Settlement Date occurring after the date of such request. Any such notices requesting the continuation or conversion of a Loan to the Administrative Agent may be given by telephone, telecopy, or other telecommunication device acceptable to the Administrative Agent (which notice shall be irrevocable once given and, if by telephone, shall be promptly confirmed in writing in a manner acceptable to the Administrative Agent).

(b) If, by the time required in Section 2.05(a), the Borrower fails to select a Tranche Period or Interest Rate for any Loan, such Loan shall automatically accrue Interest at LMIR for the next occurring Interest Period.

SECTION 2.06. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 4.01 or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or to any Governmental Authority for the account of any Lender pursuant to Section 4.03, then such Lender shall (at the written request of the Borrower addressed to the applicable Group Agent) use reasonable efforts to designate a different lending office for funding or booking its Loans or Commitments hereunder or to assign and delegate its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment and delegation (i) would eliminate or reduce amounts payable pursuant to Section 4.01 or Section 4.03, as applicable, in the future, (ii) would not subject such Lender to any unreimbursed cost or expense and (iii) would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment and delegation.

(b) If (i) any Lender has requested compensation under Section 4.01 or the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 4.03 (in each case, unless such Lender has designated a different lending office in accordance with Section 2.06(a) and the result of such designation had the effect of eliminating the need to pay amounts under Section 4.01 or Section 4.03, as applicable, following such designation) or (ii) any Lender is a Defaulting Lender or Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender, the applicable Group Agent and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 13.03), all of its interests, rights (other than its existing rights to payments pursuant to Section 4.01 or Section 4.03) and obligations under this Agreement and the other Transaction Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment and delegation); provided, that (A) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (B) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans,

accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Transaction Documents from the assignee (to the extent of such outstanding principal and accrued interest) or the Borrower (in the case of all other amounts), (C) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee required to effect an Assumption Agreement, (D) such assignment will result in a material reduction in compensation or payments under Section 4.01 or Section 4.03 , as applicable, (E) in the case of any assignment and delegation resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent and (F) such assignment does not conflict with Applicable Law. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver or consent by such Lender or otherwise (including as a result of any action taken by such Lender under Section 2.06 (a) above), the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply.

SECTION 2.07. Defaulting Lenders . Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) Undrawn Fees (as defined in the Fee Letter) shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender.

(b) The Commitment and Capital of such Defaulting Lender shall not be included in determining whether the Majority Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 13.01); provided , that, except as otherwise provided in Section 13.01 , this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby (if such Lender is directly affected thereby).

(c) In the event that the Administrative Agent, the Borrower and the Servicer each agrees in writing that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Pro Rata Percentage; provided , that no adjustments shall be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender, and provided, further, that except to the extent otherwise agreed by the affected parties, no change hereunder from Defaulting Lender to Lender that is not a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

ARTICLE III

SETTLEMENT PROCEDURES AND PAYMENT PROVISIONS

SECTION 3.01. Settlement Procedures .

(a) The Servicer shall set aside and hold in trust for the benefit of the Secured Parties (or, upon the occurrence and during the continuance of a Ratings Event, if so requested by the Administrative Agent, promptly upon (but in no event later than one (1) Business Day after) receipt of such request, segregate in a separate account approved by the Administrative Agent, which shall be an account maintained and controlled by the Administrative Agent unless the Administrative Agent otherwise instructs in its sole discretion), for application in accordance with the priority of payments set forth below, all Collections on Pool Receivables that are received by the Servicer or the Borrower or received in any Lock-Box or Collection Account; provided , however , that so long as each of the conditions precedent set forth in Section 5.03 are satisfied on such date, the Servicer may release to the Borrower from such Collections the amount (if any) necessary to (i) pay the purchase price for Receivables purchased by the Borrower on such date in accordance with the terms of the Purchase and Sale Agreement or (ii) make any Restricted Payment permitted by Section 7.01(r) (each such release, a " Release "). On each Settlement Date, the Servicer (or, following its assumption of control of the Collection Accounts, the Administrative Agent) shall, distribute such Collections in the following order of priority:

(i) first , to the Servicer for the payment of the accrued Servicing Fees payable for the immediately preceding Interest Period (plus , if applicable, the amount of Servicing Fees payable for any prior Interest Period to the extent such amount has not been distributed to the Servicer);

(ii) second , to each Lender and other Credit Party (ratably, based on the amount then due and owing), all accrued and unpaid Interest, Fees and Breakage Fees due to such Lender and other Credit Party for the immediately preceding Interest Period (including any additional amounts or indemnified amounts payable under Sections 4.03 and 12.01 in respect of such payments), plus , if applicable, the amount of any such Interest, Fees and Breakage Fees (including any additional amounts or indemnified amounts payable under Sections 4.03 and 12.01 in respect of such payments) payable for any prior Interest Period to the extent such amount has not been distributed to such Lender or Credit Party;

(iii) third , as set forth in clause (x) , (y) or (z) below, as applicable:

(x) prior to the occurrence of the Termination Date, to the extent that a Borrowing Base Deficit exists on such date, to the Lenders (ratably, based on the aggregate outstanding Capital of each Lender at such time) for the payment of a portion of the outstanding Aggregate Capital at such time, in an aggregate amount equal to the amount necessary to reduce the Borrowing Base Deficit to zero ($0);

(y) on and after the occurrence of the Termination Date, to each Lender (ratably, based on the aggregate outstanding Capital of each Lender at such time) for the payment in full of the aggregate outstanding Capital of such Lender at such time; or

(z) prior to the occurrence of the Termination Date, at the election of the Borrower from time to time and in accordance with Section 2.02(d) , to the payment of all or any portion of the outstanding Capital of the Lenders at such time (ratably, based on the aggregate outstanding Capital of each Lender at such time);

(iv) fourth , to the Credit Parties, the Affected Persons and the Borrower Indemnified Parties (ratably, based on the amount due and owing at such time), for the payment of all other Borrower Obligations then due and owing by the Borrower to the Credit Parties, the Affected Persons and the Borrower Indemnified Parties; and

(v) fifth , the balance, if any, to be paid to the Borrower for its own account.

(b) All payments or distributions to be made by the Servicer, the Borrower and any other Person to the Lenders (or their respective related Affected Persons and the Borrower Indemnified Parties) shall be paid or distributed to the related Group Agent at its Group Agent's Account. Each Group Agent, upon its receipt in the applicable Group Agent's Account of any such payments or distributions, shall distribute such amounts to the applicable Lenders, Affected Persons and the Borrower Indemnified Parties within its Group ratably; provided that if such Group Agent shall have received insufficient funds to pay all of the above amounts in full on any such date, such Group Agent shall pay such amounts to the applicable Lenders, Affected Persons and the Borrower Indemnified Parties within its Group in accordance with the priority of payments set forth above, and with respect to any such category above for which there are insufficient funds to pay all amounts owing on such date, ratably (based on the amounts in such categories owing to each such Person in such Group) among all such Persons in such Group entitled to payment thereof.

(c) If and to the extent the Administrative Agent, any Credit Party, any Affected Person or any Borrower Indemnified Party shall be required for any reason to pay over to any Person any amount received on its behalf hereunder, such amount shall be deemed not to have been so received but rather to have been retained by the Borrower and, accordingly, the Administrative Agent, such Credit Party, such Affected Person or such Borrower Indemnified Party, as the case may be, shall have a claim against the Borrower for such amount.

(d) For the purposes of this Section 3.01 :

(i) if, on any day, the Outstanding Balance of any Pool Receivable is either (i) reduced, adjusted or canceled as a result of (A) any defective, rejected or returned goods or services, any cash or other discount, or any failure by an Originator to deliver any goods or perform any services or otherwise perform under the underlying Contract or invoice, (B) any change in or cancellation of any of the terms of such Contract or invoice or any other adjustment

by an Originator, any Sub-Servicer, the Servicer or the Borrower which reduces the amount payable by the Obligor on the related Receivable, (C) any rebates, warranties, allowances or charge-backs or (D) any setoff or credit in respect of any claim by the Obligor thereof (whether such claim arises out of the same or a related transaction or an unrelated transaction), or (ii) subject to any specific dispute, offset, counterclaim or defense whatsoever (except the discharge in bankruptcy of the Obligor thereof), then the Borrower shall be deemed to have received on such day a Collection of such Pool Receivable in the amount of such reduction, adjustment or cancelation and, if an Event of Default or Unmatured Event of Default exists or if the Purchase and Sale Termination Date shall have occurred and, in each case, if the applicable Originator has made a related payment in cash to the Borrower pursuant to Section 3.3(c) of the Purchase and Sale Agreement, shall immediately pay any and all such amounts in respect thereof to a Collection Account (or as otherwise directed by the Administrative Agent at such time) for the benefit of the Credit Parties for application pursuant to Section 3.01(a) ; provided , however , that if a Receivable's Purchase Price has been reduced by the full Outstanding Balance thereof pursuant to Section 3.3(a) of the Purchase and Sale Agreement and such reduction has been accounted to the Borrower and applied in accordance with Section 3.3(c) of the Purchase and Sale Agreement, then the Borrower shall thereafter deliver to the applicable Originator any payments thereafter received by the Borrower on account of such Receivable's Outstanding Balance in accordance with the Borrower's obligations under the proviso to Section 3.3(a) of the Purchase and Sale Agreement;

(ii) if on any day any of the representations or warranties in Section 6.01(p) was not true with respect to any Pool Receivable when made, the Borrower shall be deemed to have received on such day a Collection of such Pool Receivable in full and, if an Event of Default or Unmatured Event of Default exists or if the Purchase and Sale Termination Date shall have occurred and, in each case, if the applicable Originator has made a related payment in cash to the Borrower pursuant to Section 3.3(c) of the Purchase and Sale Agreement, shall immediately pay the amount of such deemed Collection to a Collection Account (or as otherwise directed by the Administrative Agent at such time) for the benefit of the Credit Parties for application pursuant to Section 3.01(a) (Collections deemed to have been received pursuant to Section 3.01(d)(i) and (ii) are hereinafter sometimes referred to as " Deemed Collections ");

(iii) except as provided in clauses (i) or (ii) above or otherwise required by Applicable Law or the relevant Contract, all Collections received from an Obligor of any Receivable shall be applied in accordance with the Credit and Collection Policy; and

(iv) if and to the extent the Administrative Agent, any Credit Party, any Affected Person or any Borrower Indemnified Party shall be required for any reason to pay over to an Obligor (or any trustee, receiver, custodian or similar official in any Insolvency Proceeding) any amount received by it hereunder, such amount shall be deemed not to have been so received by such Person but rather to have been retained by the Borrower and, accordingly, such Person shall have a claim against the Borrower for such amount, payable when and to the extent that any distribution from or on behalf of such Obligor is made in respect thereof.

SECTION 3.02. Payments and Computations, Etc. (a) All amounts to be paid by the Borrower or the Servicer to the Administrative Agent, any Credit Party, any Affected Person or any Borrower Indemnified Party hereunder shall be paid no later than noon (12:00 p.m.) (New York City time) on the day when due in same day funds to the applicable Group Agent's Account.

(a) Each of the Borrower and the Servicer shall, to the extent permitted by Applicable Law, pay interest on any amount not paid or deposited by it when due hereunder, at an interest rate per annum equal to two percent (2.00%) per annum above the Base Rate, payable on demand.

(b) All computations of interest under subsection (b) above and all computations of Interest, Fees and other amounts hereunder shall be made on the basis of a year of 360 days (or, in the case of amounts determined by reference to the Base Rate, 365 or 366 days, as applicable) for the actual number of days (including the first but excluding the last day) elapsed. Whenever any payment or deposit to be made hereunder shall be due on a day other than a Business Day, such payment or deposit shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of such payment or deposit.

ARTICLE IV

INCREASED COSTS, FUNDING LOSSES, TAXES, ILLEGALITY AND SECURITY INTERESTS

SECTION 4.01. Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Affected Person;

(ii) subject any Affected Person to any Taxes (except to the extent such Taxes are Indemnified Taxes for which relief is sought under Section 4.03, or Excluded Taxes) on its loans, loan principal, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Affected Person any other condition, cost or expense (other than Taxes) (A) affecting the Collateral, this Agreement, any other Transaction Document, any Program Support Agreement, any Loan or (B) affecting its obligations or rights to make Loans;

and the result of any of the foregoing shall be to increase the cost to such Affected Person of (A) funding or maintaining any Loan or (B) maintaining its obligation to fund or maintain any Loan, or to reduce the amount of any sum received or receivable by such Affected Person hereunder, then, upon written request of such Affected Person (or its Group Agent), the Borrower shall pay to such

Affected Person such additional amount or amounts as will compensate such Affected Person for such additional costs incurred or reduction suffered.

(b) Capital and Liquidity Requirements. If any Affected Person determines that any Change in Law affecting such Affected Person or any lending office of such Affected Person or such Affected Person's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Affected Person's capital or on the capital of such Affected Person's holding company, if any, as a consequence of (A) this Agreement or any other Transaction Document, (B) the Commitments of such Affected Person hereunder or under any other Transaction Document or related Program Support Agreement, (C) the Loans made by such Affected Person or (D) the outstanding Capital of such Affected Person, to a level below that which such Affected Person or such Affected Person's holding company could have achieved but for such Change in Law (taking into consideration such Affected Person's policies and the policies of such Affected Person's holding company with respect to capital adequacy and liquidity), then, from time to time, upon request of such Affected Person (or its Group Agent), the Borrower will pay to such Affected Person such additional amount or amounts as will compensate such Affected Person or such Affected Person's holding company for any such increase, reduction or charge.

(c) Certificates for Reimbursement. A certificate of an Affected Person (or its Group Agent on its behalf) setting forth the amount or amounts necessary to compensate such Affected Person or its holding company, as the case may be, as specified in clause (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall, subject to the priorities of payment set forth in Section 3.01, pay such Affected Person the amount shown as due on any such certificate on the first Settlement Date occurring after the Borrower's receipt of such certificate.

(d) Delay in Requests. Failure or delay on the part of any Affected Person to demand compensation pursuant to this Section shall not constitute a waiver of such Affected Person's right to demand such compensation; provided, that the Borrower shall not be required to compensate any Affected Person pursuant to this Section 4.01 for any increased costs incurred or reductions suffered more than two hundred seventy (270) days prior to the date such Affected Person notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Affected Person's intention to claim compensation therefor (except if the Change in Law is retroactive, then the two hundred seventy (270)-day period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 4.02. Funding Losses.

(a) The Borrower will pay each Lender all Breakage Fees.

(b) A certificate of a Lender (or its Group Agent on its behalf) setting forth the amount or amounts necessary to compensate such Lender, as specified in clause (a) above and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall, subject to the priorities of payment set forth in Section 3.01, pay such Lender the amount shown as due on

any such certificate on the first Settlement Date occurring after the Borrower's receipt of such certificate.

SECTION 4.03. Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Transaction Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of the applicable Credit Party, Affected Person or Borrower Indemnified Party) requires the deduction or withholding of any Tax from any such payment by a Credit Party, Affected Person or Borrower Indemnified Party, then the applicable Credit Party, Affected Person or Borrower Indemnified Party shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law, and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section), the applicable Credit Party, Affected Person or Borrower Indemnified Party receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or, at the option of the Administrative Agent, timely reimburse it for the payment of, any Other Taxes.

(c) Indemnification by the Borrower. The Borrower shall indemnify each Affected Person, within ten (10) days after demand therefor, for the full amount of any (I) Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Affected Person or required to be withheld or deducted from a payment to such Affected Person and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority and (II) Taxes that arise because a Loan is not treated for U.S. federal, state, local or franchise tax purposes as intended under Section 13.14, to the extent such Taxes exceed Taxes that would have been imposed had such Loan been treated as intended under Section 13.14 (such indemnification will include any U.S. federal, state or local income and franchise Taxes necessary to make such Affected Person whole on an after-tax basis taking into account the taxability of receipt of payments under this clause (II) and any reasonable expenses (other than Taxes) arising out of, relating to, or resulting from the foregoing). Promptly upon having knowledge that any such Indemnified Taxes have been levied, imposed or assessed, and promptly upon notice by the Administrative Agent or any Affected Person (or its related Group Agent), the Borrower shall pay such Indemnified Taxes directly to the relevant taxing authority or Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by an Affected Person (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of an Affected Person, shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender (other than the Conduit Lenders) shall severally indemnify the Administrative Agent, within ten days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender, its Related Conduit Lender or any of their respective Affiliates that are Affected Persons (but only to the extent that the Borrower and its Affiliates have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting any obligation of the Borrower, the Servicer or their Affiliates to do so), (ii) any Taxes attributable to the failure of such Lender, its Related Conduit Lender or any of their respective Affiliates that are Affected Persons to comply with Section 13.03(f) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, its Related Conduit Lender or any of their respective Affiliates that are Affected Persons, in each case, that are payable or paid by the Administrative Agent in connection with any Transaction Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender (or its Group Agent) by the Administrative Agent shall be conclusive absent manifest error. Each Lender (other than the Conduit Lenders) hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender, its Related Conduit Lender or any of their respective Affiliates that are Affected Persons under any Transaction Document or otherwise payable by the Administrative Agent to such Lender, its Related Conduit Lender or any of their respective Affiliates that are Affected Persons from any other source against any amount due to the Administrative Agent under this clause (d).

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 4.03, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Status of Affected Persons. (i) Any Affected Person that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Transaction Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Affected Person, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Affected Person is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 4.03(f)(ii)(A), 4 .03(f)(ii)(B) and 4.03(g)) shall not be required if, in the Affected Person's reasonable judgment, such completion, execution or submission would subject such Affected Person to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Affected Person.

(i) Without limiting the generality of the foregoing:

(A) an Affected Person that is a U.S. Person shall deliver to the Borrower and the Administrative Agent from time to time upon the reasonable request of the Borrower or the Administrative Agent, executed originals of Internal Revenue Service Form W-9 certifying that such Affected Person is exempt from U.S. federal backup withholding tax;

(B) any Affected Person that is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested of the Affected Person) from time to time upon the reasonable request of the Borrower or the Administrative Agent, whichever of the following is applicable:

(1) in the case of such an Affected Person claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments of interest under any Transaction Document, executed originals of Internal Revenue Service Form W-8BEN or W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Transaction Document, Internal Revenue Service Form W-8BEN or W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of Internal Revenue Service Form W-8ECI;

(3) in the case of such an Affected Person claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Affected Person is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of Internal Revenue Service Form W-8BEN or W-8BEN-E (as applicable); or

(4) to the extent such Affected Person is not the beneficial owner, executed originals of Internal Revenue Service Form W-8IMY, accompanied by Internal Revenue Service Form W-8ECI, Internal Revenue Service Form W-8BEN or W-8BEN-E (as applicable), a U.S. Tax Compliance Certificate, Internal Revenue Service Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that, if such Affected Person is a partnership and one or more direct or indirect partners of such Affected Person are claiming the portfolio interest exemption, such Affected Person may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner; and

(C) any Affected Person that is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient), from time to time upon the reasonable request of the Borrower or the Administrative Agent, executed originals of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding

Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(g) Documentation Required by FATCA . If a payment made to an Affected Person under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Affected Person were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Affected Person shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Applicable Law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Affected Person has complied with such Affected Person's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (g) , " FATCA " shall include any amendments made to FATCA after the date of this Agreement.

(h) Survival . Each party's obligations under this Section 4.03 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Credit Party or any other Affected person, the termination of the Commitments and the repayment, satisfaction or discharge of all the Borrower Obligations and the Servicer's obligations hereunder.

(i) Updates . Each Affected Person agrees that if any form or certification it previously delivered pursuant to this Section 4.03 expires or becomes obsolete or inaccurate in any respect, it shall promptly update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

SECTION 4.04. Inability to Determine Adjusted LIBOR or LMIR; Change in Legality .

(a) If any Group Agent shall have determined (which determination shall be conclusive and binding upon the parties hereto absent manifest error) on any day, by reason of circumstances affecting the interbank Eurodollar market, either that: (i) dollar deposits in the relevant amounts and for the relevant Interest Period or day, as applicable, are not available, (ii) adequate and reasonable means do not exist for ascertaining Adjusted LIBOR or LMIR for such Interest Period or day, as applicable, or (iii) Adjusted LIBOR or LMIR determined pursuant hereto does not accurately reflect the cost to the applicable Affected Person (as conclusively determined by such Group Agent) of maintaining any Portion of Capital during such Interest Period or day, as applicable, such Group Agent shall promptly give telephonic notice of such determination, confirmed in writing, to the Borrower on such day. Upon delivery of such notice: (i) no Portion of Capital shall be funded thereafter at Adjusted LIBOR or LMIR unless and until such Group Agent shall have given notice to the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist and (ii) with respect to any outstanding Portion

of Capital then funded at Adjusted LIBOR or LMIR, such Interest Rate shall automatically be converted to the Base Rate.

(b) If on any day any Group Agent shall have been notified by any Affected Person that such Affected Person has determined (which determination shall be final and conclusive absent manifest error) that any Change in Law, or compliance by such Affected Person with any Change in Law, shall make it unlawful or impossible for such Affected Person to fund or maintain any Portion of Capital at or by reference to Adjusted LIBOR or LMIR, such Group Agent shall notify the Borrower and the Administrative Agent thereof. Upon receipt of such notice, until the applicable Group Agent notifies the Borrower and the Administrative Agent that the circumstances giving rise to such determination no longer apply, (i) no Portion of Capital shall be funded at or by reference to Adjusted LIBOR or LMIR and (ii) the Interest for any outstanding portions of Capital then funded at Adjusted LIBOR or LMIR shall automatically and immediately be converted to the Base Rate.

SECTION 4.05. Security Interest .

(a) As security for the performance by the Borrower of all the terms, covenants and agreements on the part of the Borrower to be performed under this Agreement or any other Transaction Document, including the punctual payment when due of the Aggregate Capital and all Interest in respect of the Loans and all other Borrower Obligations, the Borrower hereby grants to the Administrative Agent for its benefit and the ratable benefit of the Secured Parties, a valid, continuing and perfected first priority security interest in, all of the Borrower's right, title and interest in, to and under all of the following, whether now or hereafter owned, existing or arising (collectively, the " Collateral "): (i) all Pool Receivables, (ii) all Related Security with respect to such Pool Receivables, (iii) all Collections with respect to such Pool Receivables, (iv) the Lock-Boxes and Collection Accounts and all amounts on deposit therein, and all certificates and instruments, if any, from time to time evidencing such Lock-Boxes and Collection Accounts and amounts on deposit therein, (v) all rights (but none of the obligations) of the Borrower under the Purchase and Sale Agreement, (vi) all other personal and fixture property or assets of the Borrower of every kind and nature including, without limitation, all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts, chattel paper (whether tangible or electronic), deposit accounts, securities accounts, securities entitlements, letter of credit rights, commercial tort claims, securities and all other investment property, supporting obligations, money, any other contract rights or rights to the payment of money, insurance claims and proceeds, and all general intangibles (including all payment intangibles) (each as defined in the UCC) and (vii) all proceeds of, and all amounts received or receivable under any or all of, the foregoing.

The Administrative Agent (for the benefit of the Secured Parties) shall have, with respect to all the Collateral, and in addition to all the other rights and remedies available to the Administrative Agent (for the benefit of the Secured Parties), all the rights and remedies of a secured party under any applicable UCC. The Borrower hereby authorizes the Administrative Agent to file financing statements describing as the collateral covered thereby as "all of the debtor's personal property or

assets" or words to that effect, notwithstanding that such wording may be broader in scope than the collateral described in this Agreement.

Immediately upon the occurrence of (i) the Final Payout Date or (ii) in the event the Purchase Price of a Receivable has been reduced to zero and the credit for such reduction has been applied pursuant to Section 3.3 of the Purchase and Sale Agreement, the Collateral, in the case of clause (i), or the applicable Receivable and any Related Rights solely with respect to such Receivable, in the case of clause (ii), shall be automatically released from the lien created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent, the Lenders and the other Credit Parties hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Borrower; provided, however, that promptly following written request therefor by the Borrower delivered to the Administrative Agent following any such termination, and at the expense of the Borrower, the Administrative Agent shall execute (if applicable) and deliver to the Borrower UCC-3 termination statements and such other documents as the Borrower shall reasonably request to evidence such termination.

ARTICLE V

CONDITIONS TO EFFECTIVENESS AND CREDIT EXTENSIONS

SECTION 5.01. Conditions Precedent to Effectiveness and the Initial Credit Extension. This Agreement shall become effective as of the Closing Date when (a) the Administrative Agent shall have received each of the documents, agreements (in fully executed form), opinions of counsel, lien search results, UCC filings, certificates and other deliverables listed on the closing memorandum attached as Exhibit H hereto, in each case, in form and substance acceptable to the Administrative Agent and (b) all fees and expenses payable by the Borrower on the Closing Date to the Credit Parties have been paid in full in accordance with the terms of the Transaction Documents.

SECTION 5.02. Conditions Precedent to All Credit Extensions. Each Credit Extension hereunder on or after the Closing Date shall be subject to the conditions precedent that:

(a) in the case of a Loan, the Borrower shall have delivered to the Administrative Agent and each Group Agent a Loan Request for such Loan, in accordance with Section 2.02(a);

(b) the Servicer shall have delivered to the Administrative Agent and each Group Agent all Information Packages required to be delivered hereunder;

(c) the conditions precedent to such Credit Extension specified in Section 2.01(i) through (iv) shall be satisfied;

(d) on the date of such Credit Extension the following statements shall be true and correct (and upon the occurrence of such Credit Extension, the Borrower and the Servicer shall be deemed to have represented and warranted that such statements are then true and correct):

(i) the representations and warranties of the Borrower and the Servicer contained in Sections 6.01 and 6.02 are true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) on and as of the date of such Credit Extension as though made on and as of such date unless such representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) on and as of such earlier date;

(ii) no Event of Default or Unmatured Event of Default has occurred and is continuing, and no Event of Default or Unmatured Event of Default would result from such Credit Extension;

(iii) no Borrowing Base Deficit exists or would exist after giving effect to such Credit Extension; and

(iv) the Termination Date has not occurred.

SECTION 5.03. Conditions Precedent to All Releases . Each Release hereunder on or after the Closing Date shall be subject to the conditions precedent that:

(a) after giving effect to such Release, the Servicer shall be holding in trust for the benefit of the Secured Parties an amount of Collections sufficient to pay the sum of (x) all accrued and unpaid Servicing Fees, Interest, Fees and Breakage Fees, in each case, through the date of such Release, (y) the amount of any Borrowing Base Deficit and (z) the amount of all other accrued and unpaid Borrower Obligations through the date of such Release;

(b) the Borrower shall use the proceeds of such Release solely to pay (x) the purchase price for Receivables purchased by the Borrower in accordance with the terms of the Purchase and Sale Agreement and (y) any amounts owing by the Borrower to the Originators under the Subordinated Notes or any Restricted Payments permitted under Section 7.01(r) ; and

(c) on the date of such Release the following statements shall be true and correct (and upon the occurrence of such Release, the Borrower and the Servicer shall be deemed to have represented and warranted that such statements are then true and correct):

(i) the representations and warranties of the Borrower and the Servicer contained in Sections 6.01 and 6.02 are true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) on and as of the date of such Release as though made on and as of such date unless such representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) on and as of such earlier date;

(ii) no Event of Default has occurred and is continuing, and no Event of Default would result from such Release;

(iii) no Borrowing Base Deficit exists or would exist after giving effect to such Release; and

(iv) the Termination Date has not occurred.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

SECTION 6.01. Representations and Warranties of the Borrower. The Borrower represents and warrants to each Credit Party as of the Closing Date, on each Settlement Date and on each day on which a Credit Extension shall have occurred:

(a) Organization and Good Standing. The Borrower is a limited liability company and validly existing in good standing under the laws of the State of Delaware, with the power and authority under its organizational documents and under the laws of Delaware to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted.

(b) Due Qualification. The Borrower is duly qualified to do business, is in good standing as a foreign entity and has obtained all necessary licenses and approvals in all jurisdictions in which the conduct of its business requires such qualification, licenses or approvals, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect on the Borrower.

(c) Power and Authority; Due Authorization. The Borrower (i) has all necessary power and authority to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) perform its obligations under this Agreement and the other Transaction Documents to which it is a party and (C) grant a security interest in the Collateral to the Administrative Agent on the terms and subject to the conditions herein provided and (ii) has duly authorized by all necessary limited liability company action such grant and the execution, delivery and performance of, and the consummation of the transactions provided for in, this Agreement and the other Transaction Documents to which it is a party.

(d) Binding Obligations. This Agreement and each of the other Transaction Documents to which the Borrower is a party constitutes legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Conflict or Violation. The execution, delivery and performance of, and the consummation of the transactions contemplated by, this Agreement and the other Transaction Documents to which the Borrower is a party, and the fulfillment of the terms hereof and thereof by the Borrower will not (i) conflict with, result in any breach of any of the terms or provisions of, or constitute (with or without notice or lapse of time or both) a default under, its organizational documents or any indenture, sale agreement, credit agreement, loan agreement, security agreement, mortgage, deed of trust, or other agreement or instrument to which the Borrower is a party or by which it or any of its properties is bound, (ii) result in the creation or imposition of any Adverse Claim upon any of the Collateral pursuant to the terms of any such indenture, credit agreement, loan agreement, security agreement, mortgage, deed of trust, or other agreement or instrument, other than this Agreement and the other Transaction Documents or (iii) conflict with or violate any Applicable Law, except to the extent that any such conflict, breach, default, Adverse Claim or violation would not reasonably be expected to have a Material Adverse Effect on the Borrower.

(f) Litigation and Other Proceedings. (i) There is no action, suit, proceeding or investigation pending or, to the knowledge of the Borrower, threatened, against the Borrower before any Governmental Authority and (ii) the Borrower is not subject to any order, judgment, decree, injunction, stipulation or consent order of or with any Governmental Authority that, in the case of either of the foregoing clauses (i) and (ii), (A) asserts the invalidity of this Agreement or any other Transaction Document, (B) seeks to prevent the grant of a security interest in any Collateral by the Borrower to the Administrative Agent, the ownership or acquisition by the Borrower of any Pool Receivables or other Collateral or the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document or (C) individually or in the aggregate for all such actions, suits, proceedings and investigations would reasonably be expected to have a Material Adverse Effect.

(g) Governmental Approvals. Except where the failure to obtain or make such authorization, consent, order, license, registration, approval or action would not reasonably be expected to have a Material Adverse Effect, all authorizations, consents, orders, licenses, registrations and approvals of, or other actions by, any Governmental Authority or any other party that are required to be obtained by the Borrower in connection with the grant of a security interest in the Collateral to the Administrative Agent hereunder or the due execution, delivery and performance by the Borrower of this Agreement or any other Transaction Document to which it is a party and the consummation by the Borrower of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party have been obtained or made and are in full force and effect.

(h) Margin Regulations. The Borrower is not engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meanings of Regulations T, U and X of the Board of Governors of the Federal Reserve System).

(i) Solvency. After giving effect to the transactions contemplated by this Agreement and the other Transaction Documents, the Borrower is Solvent.

(j) Offices; Legal Name . The Borrower's sole jurisdiction of organization is the State of Delaware and such jurisdiction has not changed within four (4) months prior to the date of this Agreement as such jurisdiction of organization may be changed with thirty (30) days' prior written notice to the Administrative Agent and the Group Agents and compliance with the other requirements of Section 7.01(l) and Section 7.03 . The office of the Borrower is located at 190 Carondelet Plaza, Suite 1530, Clayton, Missouri 63150, as such address may be updated with thirty (30) days' prior written notice to the Administrative Agent and the Group Agents. The legal name of the Borrower is Olin Finance Company, LLC as such name may be changed with thirty (30) days' prior written notice to the Administrative Agent and the Group Agents and compliance with the other requirements of Section 7.01(l) and Section 7.03 .

(k) Investment Company Act; Volcker Rule The Borrower (i) is not, and is not controlled by, an "investment company" registered or required to be registered under the Investment Company Act and (ii) is not a "covered fund" under the Volcker Rule. In determining that the Borrower is not a "covered fund" under the Volcker Rule, the Borrower relies on, and is entitled to rely on, the exemption from the definition of "investment company" set forth in Section 3(c)(5) of the Investment Company Act.

(l) No Material Adverse Effect . Since the date of formation of the Borrower there has been no Material Adverse Effect with respect to the Borrower.

(m) Accuracy of Information . All Information Packages, Interim Reports, Loan Requests, certificates, reports, statements, documents and other information furnished to the Administrative Agent or any other Credit Party by or on behalf of the Borrower pursuant to any provision of this Agreement or any other Transaction Document, or in connection with or pursuant to any amendment or modification of, or waiver under, this Agreement or any other Transaction Document, is, at the time the same are so furnished, complete and correct in all material respects on the date the same are furnished to the Administrative Agent or such other Credit Party.

(n) Sanctions Compliance . No Covered Entity is a Sanctioned Person. No borrowing under this Agreement, nor the proceeds from any borrowing under this Agreement, will be used by the Borrower directly or, to the knowledge of the Borrower, indirectly, (i) to fund any activity or business in any Sanctioned Country, (ii) to the knowledge of the Borrower, to fund any activity or business of any Sanctioned Person or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(o) Transaction Information . None of the Borrower, any Affiliate of the Borrower or any third party with which the Borrower or any Affiliate thereof has contracted, has delivered, in writing or orally, to any Rating Agency, any Transaction Information without providing such Transaction Information to the applicable Group Agent prior to delivery to such Rating Agency and has not participated in any oral communications with respect to Transaction Information with any Rating Agency without the participation of such Group Agent.

(p) Receivables Representations.

(i) This Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in the Borrower's right, title and interest in, to and under the Collateral which, (A) when financing statements in appropriate form are filed in the appropriate filing offices under the applicable UCC, will be a security interest that is perfected and enforceable against creditors of and purchasers from the Borrower and (B) will be free of all Adverse Claims in such Collateral.

(ii) The Receivables constitute "accounts" or "payment intangibles" within the meaning of Section 9-102 of the UCC.

(iii) The Borrower owns and has good and valid title to the Collateral free and clear of any Adverse Claim of any Person.

(iv) All appropriate financing statements, financing statement amendments and continuation statements have been filed in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect (and continue the perfection of) the sale and contribution of the Receivables and Related Security from each Originator to the Borrower pursuant to the Purchase and Sale Agreement and the grant by the Borrower of a security interest in the Collateral to the Administrative Agent pursuant to this Agreement.

(v) Other than the security interest granted to the Administrative Agent pursuant to this Agreement, the Borrower has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral except as permitted by this Agreement and the other Transaction Documents. The Borrower has not authorized the filing of and is not aware of any financing statements filed against the Borrower that include a description of collateral covering the Collateral other than any financing statement (i) in favor of the Administrative Agent or (ii) that has been terminated. The Borrower is not aware of any judgment lien, ERISA lien or tax lien filings against the Borrower.

(vi) Each Receivable included as an Eligible Receivable in the calculation of the Net Receivables Pool Balance as of any date is an Eligible Receivable as of such date.

(q) The Lock-Boxes and Collection Accounts.

(i) Nature of Collection Accounts. Each Collection Account constitutes a "deposit account" within the meaning of the applicable UCC.

(ii) Ownership. Each Lock-Box and Collection Account is in the name of the Borrower, and the Borrower owns and has good and valid title to the Collection Accounts free and clear of any Adverse Claim.

(iii) Perfection. The Borrower has delivered to the Administrative Agent a fully executed Account Control Agreement relating to each Lock-Box and Collection Account, pursuant to which each applicable Collection Account Bank has agreed to comply with the instructions originated by the Administrative Agent directing the disposition of funds in such Lock-Box and Collection Account without further consent by the Borrower, the Servicer or any other Person. The Administrative Agent has "control" (as defined in Section 9-104 of the UCC) over each Collection Account.

(iv) Instructions. Neither the Lock-Boxes nor the Collection Accounts are in the name of any Person other than the Borrower. Neither the Borrower nor the Servicer has consented to the applicable Collection Account Bank complying with instructions of any Person other than the Administrative Agent.

(r) Ordinary Course of Business. Each remittance of Collections by or on behalf of the Borrower to the Credit Parties that are timely applied in accordance with the terms and conditions of this Agreement will have been (i) in payment of a debt incurred by the Borrower in the ordinary course of business or financial affairs of the Borrower and (ii) made in the ordinary course of business or financial affairs of the Borrower.

(s) Compliance with Law. The Borrower has complied in all material respects with all Applicable Laws to which it may be subject.

(t) Bulk Sales Act. No transaction contemplated by this Agreement requires compliance by it with any bulk sales act or similar law.

(u) Taxes. The Borrower has (i) timely filed all material Tax returns (federal, state and local) required to be filed by it and (ii) paid, or caused to be paid, all Taxes shown as due on such Tax returns, if any, other than Taxes being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP.

(v) Tax Status. The Borrower (i) is, and shall at all relevant times continue to be, a "disregarded entity" within the meaning of U.S. Treasury Regulation § 301.7701-3 for U.S. federal income tax purposes and (ii) is not and will not at any relevant time become an association (or publicly traded partnership) taxable as an association for U.S. federal income tax purposes.

(w) Opinions. The facts regarding the Borrower, the Servicer, each Originator, the Performance Guarantor, the Receivables, the Related Security and the related matters set forth or assumed in each of the opinions of counsel delivered in connection with this Agreement and the Transaction Documents are true and correct in all material respects.

(x) Other Transaction Documents. Each representation and warranty made by the Borrower under each other Transaction Document to which it is a party is true and correct in all material respects (unless such representation or warranty contains a materiality qualification and, in such case, such representation or warranty shall be true and correct as made) as of the date when made.

(y) Liquidity Coverage Ratio. The Borrower has not, does not and will not during this Agreement (x) issue any obligations that (A) constitute asset-backed commercial paper, or (B) are securities required to be registered under the Securities Act or that are offered for sale under Rule 144A or a similar exemption from registration under the Securities Act or the rules promulgated thereunder, or (y) issue any other debt obligations or equity interest other than debt obligations substantially similar to the obligations of the Borrower under this Agreement that are (A) issued to other banks or asset-backed commercial paper conduits in privately negotiated transactions, and (B) subject to transfer restrictions substantially similar to the transfer restrictions set forth in this Agreement; provided, that nothing in this Section 6.01(y) prohibits or restricts the Borrower from issuing its own limited liability company interests or the Subordinated Notes. The Borrower further represents and warrants that its assets and liabilities are consolidated with the assets and liabilities of Parent for purposes of generally accepted accounting principles.

(z) No Linked Accounts. Except for the Servicer Accounts, there are no "Linked Accounts" (as defined in the related Account Control Agreement) with respect to any Collection Account.

(aa) Reaffirmation of Representations and Warranties. On the date of each Credit Extension, on the date of each Release, on each Settlement Date and on the date each Information Package or other report is delivered to the Administrative Agent or any Group Agent hereunder, the Borrower shall be deemed to have certified that (i) all representations and warranties of the Borrower hereunder are true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) on and as of such day as though made on and as of such day, except for representations and warranties which apply as to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) as of such date) and (ii) no Event of Default or an Unmatured Event of Default has occurred and is continuing or will result from such Credit Extension or Release.

Notwithstanding any other provision of this Agreement or any other Transaction Document, the representations and warranties contained in this Section shall be continuing, and remain in full force and effect until the Final Payout Date.

SECTION 6.02. Representations and Warranties of the Servicer. The Servicer represents and warrants to each Credit Party as of the Closing Date, on each Settlement Date and on each day on which a Credit Extension shall have occurred:

(a) Organization and Good Standing. The Servicer is a duly organized and validly existing corporation in good standing under the laws of the State of Virginia, with the power and authority under its organizational documents and under the laws of Virginia to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted.

(b) Due Qualification. The Servicer is duly qualified to do business, is in good standing as a foreign entity and has obtained all necessary licenses and approvals in all jurisdictions in which the conduct of its business or the servicing of the Pool Receivables as required by this Agreement requires such qualification, licenses or approvals, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect on the Servicer.

(c) Power and Authority; Due Authorization. The Servicer has all necessary power and authority to (i) execute and deliver this Agreement and the other Transaction Documents to which it is a party and (ii) perform its obligations under this Agreement and the other Transaction Documents to which it is a party and the execution, delivery and performance of, and the consummation of the transactions provided for in, this Agreement and the other Transaction Documents to which it is a party have been duly authorized by the Servicer by all necessary corporate action.

(d) Binding Obligations. This Agreement and each of the other Transaction Documents to which it is a party constitutes legal, valid and binding obligations of the Servicer, enforceable against the Servicer in accordance with their respective terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Conflict or Violation. The execution and delivery of this Agreement and each other Transaction Document to which the Servicer is a party, the performance of the transactions contemplated by this Agreement and the other Transaction Documents and the fulfillment of the terms of this Agreement and the other Transaction Documents by the Servicer will not (i) conflict with, result in any breach of any of the terms or provisions of, or constitute (with or without notice or lapse of time or both) a default under, the organizational documents of the Servicer or any indenture, sale agreement, credit agreement, loan agreement, security agreement, mortgage, deed of trust or other agreement or instrument to which the Servicer is a party or by which it or any of its property is bound, (ii) result in the creation or imposition of any Adverse Claim upon any of its properties pursuant to the terms of any such indenture, credit agreement, loan agreement, agreement, mortgage, deed of trust or other agreement or instrument, other than this Agreement and the other Transaction Documents or (iii) conflict with or violate any Applicable Law, except to the extent that any such conflict, breach, default, Adverse Claim or violation would not reasonably be expected to have a Material Adverse Effect on the Servicer.

(f) Litigation and Other Proceedings. (i) There is no action, suit, proceeding or investigation pending, or to the Servicer's knowledge threatened, against the Servicer before any Governmental Authority and (ii) the Servicer is not subject to any order, judgment, decree, injunction, stipulation or consent order of or with any Governmental Authority that, in the case of either of the foregoing clauses (i) and (ii), (A) asserting the invalidity of this Agreement or any other Transaction Documents, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document or (C) individually or in the

aggregate for all such actions, suits, proceedings and investigations would reasonably be expected to have a Material Adverse Effect on the Servicer.

(g) Governmental Approvals. Except where the failure to obtain or make such authorization, consent, order, license, registration, approval or action would not reasonably be expected to have a Material Adverse Effect on the Servicer, all authorizations, consents, orders, licenses, registrations and approvals of, or other actions by, any Governmental Authority or any other party that are required to be obtained by the Servicer in connection with the due execution, delivery, or performance by the Servicer of this Agreement or any other Transaction Document to which it is a party and the consummation by the Servicer of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party have been obtained or made and are in full force and effect.

(h) Compliance with Applicable Law. The Servicer (i) shall duly satisfy all obligations on its part to be fulfilled under or in connection with the Pool Receivables and the related Contracts, (ii) has maintained in effect all qualifications required under Applicable Law in order to properly service the Pool Receivables and (iii) has complied in all material respects with all Applicable Laws in connection with servicing the Pool Receivables.

(i) Accuracy of Information. All Information Packages, Interim Reports, Loan Requests, certificates, reports, statements, documents and other information furnished to the Administrative Agent or any other Credit Party by the Servicer pursuant to any provision of this Agreement or any other Transaction Document, or in connection with or pursuant to any amendment or modification of, or waiver under, this Agreement or any other Transaction Document, is, at the time the same are so furnished, complete and correct in all material respects on the date the same are furnished to the Administrative Agent or such other Credit Party.

(j) Location of Records. The offices where the initial Servicer keeps all of its records relating to the servicing of the Pool Receivables are located at 190 Carondelet Plaza, Suite 1530, Clayton, Missouri 63105.

(k) Credit and Collection Policy. The Servicer has complied in all material respects with the Credit and Collection Policy, as in effect from time to time, with regard to each Pool Receivable and the related Contracts.

(l) Eligible Receivables. Each Receivable included as an Eligible Receivable in the calculation of the Net Receivables Pool Balance as of any date is an Eligible Receivable as of such date.

(m) No Material Adverse Effect. Since September 30, 2016 there has been no Material Adverse Effect on the Servicer.

(n) Other Transaction Documents. Each representation and warranty made by the Servicer under each other Transaction Document to which it is a party (including, without limitation, the Purchase and Sale Agreement) is true and correct in all material respects (unless such

representation or warranty contains a materiality qualification and, in such case, such representation or warranty shall be true and correct as made) as of the date when made.

(o) Investment Company Act. The Servicer is not an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act.

(p) Sanctions Compliance. No Covered Entity is a Sanctioned Person. No borrowing under this Agreement, nor the proceeds from any borrowing under this Agreement, will be used by the Borrower directly or, to the knowledge of the Servicer, indirectly, (i) to fund any activity or business in any Sanctioned Country, (ii) to the knowledge of the Servicer, to fund any activity or business of any Sanctioned Person or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(q) Transaction Information. None of the Servicer, any Affiliate of the Servicer or any third party with which the Servicer or any Affiliate thereof has contracted, has delivered, in writing or orally, to any Rating Agency, or monitoring a rating of, any Notes, any Transaction Information without providing such Transaction Information to the applicable Group Agent prior to delivery to such Rating Agency and has not participated in any oral communications with respect to Transaction Information with any Rating Agency without the participation of such Group Agent.

(r) Financial Condition. The consolidated balance sheets of the Servicer and its consolidated Subsidiaries as of September 30, 2016 and the related statements of income and shareholders' equity of the Servicer and its consolidated Subsidiaries for the fiscal quarter then ended, copies of which have been furnished to the Administrative Agent and the Group Agents, present fairly in all material respects the consolidated financial position of the Servicer and its consolidated Subsidiaries for the period ended on such date, all in accordance with GAAP, subject to normal year-end audit adjustments and except for the absence of footnotes.

(s) Taxes. The Servicer has (i) timely filed all material Tax returns (federal, state and local) required to be filed by it and (ii) paid, or caused to be paid, all Taxes shown as due on such Tax returns, if any, other than Taxes being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP, except where the failure to file or pay would not reasonably be expected to result in a Material Adverse Effect on the Servicer.

(t) Opinions. The facts regarding the Borrower, the Servicer, each Originator, the Performance Guarantor, the Receivables, the Related Security and the related matters set forth or assumed in each of the opinions of counsel delivered in connection with this Agreement and the Transaction Documents are true and correct in all material respects.

(u) No Linked Accounts. Except for the Servicer Accounts, there are no "Linked Accounts" (as defined in the related Account Control Agreement) with respect to any Collection Account.

(v) Reaffirmation of Representations and Warranties. On the date of each Credit Extension, on the date of each Release, on each Settlement Date and on the date each Information Package, Interim Report or other report is delivered to the Administrative Agent or any Group Agent hereunder, the Servicer shall be deemed to have certified that (i) all representations and warranties of the Servicer hereunder are true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) on and as of such day as though made on and as of such day, except for representations and warranties which apply as to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) as of such date) and (ii) no Event of Default or an Unmatured Event of Default has occurred and is continuing or will result from such Credit Extension or Release.

Notwithstanding any other provision of this Agreement or any other Transaction Document, the representations contained in this Section shall be continuing, and remain in full force and effect until the Final Payout Date.

ARTICLE VII

COVENANTS

SECTION 7.01. Covenants of the Borrower. At all times from the Closing Date until the Final Payout Date:

(a) Payment of Principal and Interest. The Borrower shall duly and punctually pay Capital, Interest, Fees and all other amounts payable by the Borrower hereunder in accordance with the terms of this Agreement.

(b) Existence. The Borrower shall keep in full force and effect its existence and rights as a limited liability company under the laws of the State of Delaware, and shall obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement, the other Transaction Documents and the Collateral.

(c) Financial Reporting. The Borrower will maintain a system of accounting established and administered in accordance with GAAP, and the Borrower (or the Servicer on its behalf) shall furnish to the Administrative Agent and each Group Agent:

(i) Annual Financial Statements of the Borrower. Promptly upon completion and in no event later than one hundred and twenty (120) days after the close of each fiscal year of the Borrower, annual unaudited financial statements of the Borrower certified by a Financial Officer of the Borrower that they fairly present in all material respects, in accordance with GAAP, the financial condition of the Borrower as of the date indicated and the results of its operations for the periods indicated.

(ii) Information Packages and Interim Reports. As soon as available and in any event not later than two (2) Business Days prior to each Settlement Date, an Information Package as of the most recently completed Fiscal Month; provided, that at any time after the occurrence and during the continuance of an Event of Default, upon two (2) Business Days' prior written notice from the Administrative Agent, the Borrower shall furnish or cause to be furnished to the Administrative Agent and each Group Agent an Interim Report with respect to the Pool Receivables with data as of the close of business on the Business Day preceding the date on which such Interim Report is delivered; and, provided, further, that upon two (2) Business Days' prior written notice to the Borrower, the Administrative Agent may specify in such notice that an Interim Report be furnished to the Administrative Agent and each Group Agent on a more frequent basis until the Administrative Agent gives notices otherwise and the Borrower shall so furnish or cause to be furnished.

(iii) Other Information. Such other information respecting the condition or operations, financial or otherwise of the Borrower, any Originator, the Servicer, any Sub-Servicer, the Performance Guarantor or any of their Subsidiaries as the Administrative Agent or any Group Agent may from time to time reasonably request.

(iv) Quarterly Financial Statements of Parent. As soon as available and in no event later than sixty (60) days following the end of each of the first three fiscal quarters in each of Parent's fiscal years, the unaudited consolidated balance sheet and statements of income of Parent and its consolidated Subsidiaries as at the end of such fiscal quarter and the related unaudited consolidated statements of earnings and cash flows for such fiscal quarter and for the elapsed portion of the fiscal year ended with the last day of such fiscal quarter, all of which shall be certified by a Financial Officer of Parent that they fairly present in all material respects, in accordance with GAAP, the financial condition of Parent and its consolidated Subsidiaries as of the dates indicated and the results of their operations for the periods indicated, subject to normal year-end audit adjustments and the absence of footnotes.

(v) Annual Financial Statements of Parent. Within one hundred and twenty (120) days after the close of each of Parent's fiscal years, the consolidated balance sheet of Parent and its consolidated Subsidiaries as at the end of such fiscal year and the related consolidated statements of earnings and cash flows for such fiscal year, all reported on by independent certified public accountants of recognized national standing to the effect that such consolidated financial statements present fairly in all material respects, in accordance with GAAP, the financial condition of Parent and its consolidated Subsidiaries as of the dates indicated and the results of their operations for the periods indicated.

(vi) Other Reports and Filings. Promptly (but in any event within ten (10) days) after (x) the filing or delivery thereof, copies of all financial information, proxy materials and reports, if any, which Parent or any of its consolidated Subsidiaries shall publicly file with the SEC and (y) all material financial information, proxy materials and reports, if any, which Parent or any of its consolidated Subsidiaries shall deliver to holders (or any trustee, agent or other representative therefor) of any of its material Debt pursuant to the terms of the documentation governing the same.

(vii) Notwithstanding anything herein to the contrary, any financial information, proxy statements or other material required to be delivered pursuant to this paragraph (c) shall be deemed to have been furnished to each of the Administrative Agent and each Group Agent on the date that such report, proxy statement or other material is posted on the SEC's website at www.sec.gov.

(d) Notices. The Borrower (or the Servicer on its behalf) will notify the Administrative Agent and each Group Agent in writing promptly upon (but in no event later than four (4) Business Days after) a Financial Officer learning of the occurrence of (i) an Event of Default, Unmatured Event of Default, Purchase and Sale Termination Event or Unmatured Purchase and Sale Termination Event, (ii) any Person obtaining an Adverse Claim upon the Collateral or any portion thereof, (iii) any Person other than the Borrower, the Servicer or the Administrative Agent shall obtain any rights or direct any action with respect to any Collection Account (or related Lock-Box) or (iv) any Obligor shall receive any change in payment instructions with respect to Pool Receivable(s) from a Person other than the Servicer or the Administrative Agent, with such notice describing the same, and if applicable, the steps being taken by the Person(s) affected with respect thereto.

(e) Conduct of Business. The Borrower will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and will do all things necessary to remain duly organized, validly existing and in good standing as a domestic organization in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

(f) Compliance with Laws. The Borrower will comply with all Applicable Laws to which it may be subject if the failure to comply would reasonably be expected to have a Material Adverse Effect.

(g) Furnishing of Information and Inspection of Receivables. The Borrower will furnish or cause to be furnished to the Administrative Agent and each Group Agent from time to time such information with respect to the Pool Receivables and the other Collateral as the Administrative Agent or any Group Agent may reasonably request. The Borrower will, at the Borrower's expense, during regular business hours, (i) with reasonable prior written notice permit the Administrative Agent and each Group Agent or their respective agents or representatives to (A) examine and make copies of and abstracts from all books and records relating to the Pool Receivables or other Collateral, (B) visit the offices and properties of the Borrower for the purpose of examining such books and records and (C) discuss matters relating to the Pool Receivables, the other Collateral or the Borrower's performance hereunder or under the other Transaction Documents to which it is a party with any of the officers, directors, employees or independent public accountants of the Borrower having knowledge of such matters and (ii) without limiting the provisions of clause (i) above, during regular business hours, at the Borrower's expense, upon prior written notice from the Administrative Agent, permit certified public accountants or other auditors acceptable to the Administrative Agent to conduct a review of its books and records with respect to such Pool Receivables and other Collateral; provided, that, the Borrower shall be required to reimburse the Administrative Agent, in each case, for only one (1) such examination, visit, and discussion pursuant

to clause (i) above and only one (1) such review pursuant to clause (ii) above in any twelve (12)-month period, unless an Event of Default has occurred and is continuing.

(h) Payments on Receivables, Collection Accounts. The Borrower (or the Servicer on its behalf) will, and will cause each Originator to, at all times, instruct all Obligors to deliver payments on the Pool Receivables to a Collection Account or a Lock-Box; provided, that prior to a Ratings Event, Olin Sunbelt, Inc. will not be required to instruct Oxy Vinyls, LP to deliver payments on the Pool Receivables to a Collection Account or a Lock-Box; provided, further that the Borrower (or the Servicer on its behalf) shall remit any such payments on the Pool Receivables from Oxy Vinyls, LP into a Collection Account or a Lock-Box within two (2) Business Days after receipt of such payments. The Borrower (or the Servicer on its behalf) will, and will cause each Originator to, at all times, maintain such books and records as are necessary to identify Collections received from time to time on Pool Receivables and to segregate such Collections from other property of the Servicer and the Originators. If any payments on the Pool Receivables or other Collections are received by the Borrower, the Servicer or an Originator, it shall hold such payments in trust for the benefit of the Administrative Agent, the Group Agents and the other Secured Parties and promptly (but in any event within one (1) Business Day after receipt) remit such funds into a Collection Account. The Borrower (or the Servicer on its behalf) will cause each Collection Account Bank to comply with the terms of each applicable Account Control Agreement. The Borrower shall not instruct any Person other than the Obligors (and the Excluded Obligors to the extent permitted pursuant to the proviso below) to deposit funds other than Collections on Pool Receivables, other Collateral and remittances of funds for Excluded Receivables (subject to the proviso below) into any Collection Account. If such funds are nevertheless deposited into any Collection Account, the Borrower (or the Servicer on its behalf) will within two (2) Business Days, (x) identify and transfer such funds to the appropriate Person entitled to such funds and (y) shall instruct such Person to no longer deposit any such funds into any such Collection Account. Except as permitted by this Section, the Borrower will not, and will not permit the Servicer, any Originator or any other Person to commingle Collections or other funds to which the Administrative Agent, any Group Agent or any other Secured Party is entitled, with any other funds; provided, that, until the occurrence of a Ratings Event, such commingling shall be permitted solely with respect to remittance of funds for Excluded Receivables; provided further, that, upon the occurrence of a Ratings Event and request by the Majority Group Agents, the Borrower shall promptly upon (but in no event later than one (1) Business Day after) receipt of such request from the Majority Group Agents instruct the Servicer, such Originator or such Person to (x) transfer such funds related to the Excluded Receivables into an account other than a Collection Account, (y) no longer deposit any such funds into any such Collection Account and (z) instruct the Excluded Obligors to longer deposit any such funds into any such Collection Account. The Borrower shall only add a Collection Account (or a related Lock-Box) or a Collection Account Bank to those listed on Schedule II to this Agreement, if the Administrative Agent has received notice of such addition and an executed and acknowledged copy of an Account Control Agreement (or an amendment thereto) in form and substance acceptable to the Administrative Agent from the applicable Collection Account Bank. The Borrower shall only terminate a Collection Account Bank or close a Collection Account (or a related Lock-Box) with the prior written consent of the Administrative Agent.

(i) Sales, Liens, etc. Except as otherwise provided herein, the Borrower will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Pool Receivable or other Collateral, or assign any right to receive income in respect thereof.

(j) Extension or Amendment of Pool Receivables. Except as otherwise permitted in Section 8.02, the Borrower will not, and will not permit the Servicer to, alter the delinquency status or adjust the Outstanding Balance or otherwise modify the terms of any Pool Receivable in any material respect, or amend, modify or waive, in any material respect, any term or condition of any related Contract. The Borrower shall at its expense, timely and fully perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Pool Receivables, and timely and fully comply in all material respects with the Credit and Collection Policy, as in effect from time to time, with regard to each Pool Receivable and the related Contract.

(k) Change in Credit and Collection Policy. The Borrower will not make any change in the Credit and Collection Policy that would materially and adversely affect the collectibility of the Pool Receivables or the ability of the Borrower to perform its obligations under this Agreement without the prior written consent of the Administrative Agent and the Majority Group Agents. Promptly following any change in the Credit and Collection Policy, the Borrower will deliver a copy of the updated Credit and Collection Policy to the Administrative Agent and each Lender.

(l) Fundamental Changes. The Borrower shall not, without the prior written consent of the Administrative Agent and the Majority Group Agents, permit (i) itself to merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person or (ii) itself to be directly owned by any Person other than Olin or (iii) any of its issued and outstanding Capital Stock or any of its other equity interests to become subject to any Adverse Claims. The Borrower shall (i) provide the Administrative Agent and the Group Agents with at least thirty (30) days' prior written notice before making any change in the Borrower's name or location or making any other change in the Borrower's identity or corporate structure that could impair or otherwise render any UCC financing statement filed in connection with this Agreement or any other Transaction Document "seriously misleading" as such term (or similar term) is used in the applicable UCC, which notice shall set forth the applicable change and the proposed effective date thereof and (ii) in connection with such change, at its own expense, (x) will take all action necessary or appropriate to perfect or maintain the perfection of the security interest under this Agreement (including, without limitation, the filing of all financing statements and the taking of such other action as the Administrative Agent may request in connection with such change or relocation) and (y) if requested by the Administrative Agent, the Borrower shall cause to be delivered to the Administrative Agent, an opinion, in form and substance satisfactory to the Administrative Agent as to such UCC perfection and priority matters as the Administrative Agent may request at such time.

(m) Books and Records. The Borrower shall maintain and implement (or cause the Servicer to maintain and implement) administrative and operating procedures (including an ability to recreate records evidencing Pool Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain (or cause the Servicer to keep and maintain) all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Pool Receivables (including records adequate to permit the daily identification of each Pool Receivable and all Collections of and adjustments to each existing Pool Receivable).

(n) Identifying of Records. The Borrower shall: (i) identify (or cause the Servicer to identify) its master data processing records relating to Pool Receivables and related Contracts with a legend that indicates that the Pool Receivables have been pledged in accordance with this Agreement and (ii) cause each Originator so to identify its master data processing records with such a legend.

(o) Change in Payment Instructions to Obligors. The Borrower shall not (and shall not permit the Servicer or any Sub-Servicer to) add, replace or terminate any Collection Account (or any related Lock-Box) or make any change in its (or their) instructions to the Obligors regarding payments to be made to the Collection Accounts (or any related Lock-Box), other than any instruction to remit payments to a different Collection Account (or any related Lock-Box), unless the Administrative Agent shall have received (i) prior written notice of such addition, termination or change and (ii) a signed and acknowledged Account Control Agreement (or amendment thereto) with respect to such new Collection Accounts (or any related Lock-Box), and the Administrative Agent shall have consented to such change in writing.

(p) Security Interest, Etc. The Borrower shall (and shall cause the Servicer to), at its expense, take all action necessary or reasonably desirable to establish and maintain a valid and enforceable first priority perfected security interest in the Collateral, in each case free and clear of any Adverse Claim, in favor of the Administrative Agent (on behalf of the Secured Parties), including taking such action to perfect, protect or more fully evidence the security interest of the Administrative Agent (on behalf of the Secured Parties) as the Administrative Agent or any Secured Party may reasonably request. In order to evidence the security interests of the Administrative Agent under this Agreement, the Borrower shall, from time to time take such action, or execute and deliver such instruments as may be necessary (including, without limitation, such actions set forth in Section 7.01(t)) to maintain and perfect, as a first-priority interest, the Administrative Agent’s security interest in the Receivables, Related Security and Collections. Notwithstanding anything else in the Transaction Documents to the contrary, except to the extent permitted by Applicable Law the Borrower shall not have any authority to file a termination, partial termination, release, partial release, or any amendment that deletes the name of a debtor or excludes collateral of any such financing statements filed in connection with the Transaction Documents, without the prior written consent of the Administrative Agent.

(q) Certain Agreements. Without the prior written consent of the Administrative Agent and the Majority Group Agents, the Borrower will not (and will not permit any Originator or the Servicer to) amend, modify, waive, revoke or terminate any Transaction

Document to which it is a party or any provision of the Borrower's organizational documents which requires the consent of the "Independent Director" (as such term is used in the Borrower's Certificate of Formation and Limited Liability Company Agreement).

(r) Restricted Payments .

(i) Except pursuant to clause (ii) below, the Borrower will not: (A) purchase or redeem any of its membership interests, (B) declare or pay any dividend or set aside any funds for any such purpose, (C) prepay, purchase or redeem any Debt, (D) lend or advance any funds or (E) repay any loans or advances to, for or from any of its Affiliates (the amounts described in clauses (A) through (E) being referred to as " Restricted Payments ").

(ii) Subject to the limitations set forth in clause (iii) below, the Borrower may make Restricted Payments so long as such Restricted Payments are made only in one or more of the following ways: (A) the Borrower may make cash payments (including prepayments) on the Subordinated Notes in accordance with their respective terms and (B) the Borrower may declare and pay dividends if, in both cases, both immediately before and immediately after giving effect thereto, the Borrower's Net Worth is not less than the Required Capital Amount.

(iii) The Borrower may make Restricted Payments only out of the funds, if any, it receives pursuant to Sections 3.01 of this Agreement; provided that the Borrower shall not pay, make or declare any Restricted Payment (including any dividend) if, after giving effect thereto, any Event of Default or Unmatured Event of Default shall have occurred and be continuing.

(s) Other Business . The Borrower will not: (i) engage in any business other than the transactions contemplated by the Transaction Documents, (ii) create, incur or permit to exist any Debt of any kind (or cause or permit to be issued for its account any letters of credit) or bankers' acceptances other than pursuant to this Agreement or the Subordinated Notes or (iii) form any Subsidiary or make any investments in any other Person.

(t) Further Assurances.

(i) The Borrower hereby agrees from time to time, at its own expense, promptly to execute (if necessary) and deliver all further instruments and documents, and to take all further actions, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or more fully evidence the security interest granted pursuant to this Agreement or any other Transaction Document, or to enable the Administrative Agent (on behalf of the Secured Parties) to exercise and enforce the Secured Parties' rights and remedies under this Agreement and the other Transaction Document. Without limiting the foregoing, the Borrower will, upon the request of the Administrative Agent, at the Borrower's own expense, execute (if necessary) and file such financing statements or continuation statements, or amendments thereto, and such other instruments and documents, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or evidence any of the foregoing.

(ii) The Borrower authorizes the Administrative Agent to file financing statements, continuation statements and amendments thereto and assignments thereof, relating to the Receivables, the Related Security, the related Contracts, Collections with respect thereto and the other Collateral without the signature of the Borrower. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law.

(u) Sanctions/Anti-Corruption Law Compliance. The Borrower will not request any Loan, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of Anti-Corruption Laws, (ii) for the purpose of funding or financing any activities, business or transactions of or with any Sanctioned Person or in any Sanctioned Country, to the extent such activities, businesses or transactions would be prohibited by Sanctions if conducted by a limited liability company formed in the United States or in a European member state or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(v) Transaction Information. None of the Borrower, any Affiliate of the Borrower or any third party with which the Borrower or any Affiliate thereof has contracted, shall deliver, in writing or orally, to any Rating Agency, any Transaction Information without providing such Transaction Information to the applicable Group Agent prior to delivery to such Rating Agency and will not participate in any oral communications with respect to Transaction Information with any Rating Agency without the participation of such Group Agent.

(w) Borrower's Net Worth. The Borrower shall not permit the Borrower's Net Worth to be less than the Required Capital Amount.

(x) Borrower's Tax Status. The Borrower will remain a wholly-owned subsidiary of a United States person (within the meaning of Section 7701(a)(30) of the Code). No action will be taken that would cause the Borrower to (i) be treated other than as a "disregarded entity" within the meaning of U.S. Treasury Regulation § 301.7701-3 for U.S. federal income tax purposes or (ii) become an association taxable as a corporation or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes.

(y) Post-Closing Actions. Within sixty (60) days of the Closing Date, (a) the Borrower (or the Servicer on its behalf), at the Borrower's expense, shall (i) amend or terminate the Affected Filings set forth in Schedule VI and (ii) take all further actions, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to release or terminate the security interest granted therein or to otherwise protect the security interest granted pursuant to this Agreement or any other Transaction Document (including, but not limited to the amendment or termination of the underlying security agreements), in each case, to the satisfaction of the Administrative Agent and the Majority Group Agents; provided, that such sixty (60) day period, with respect to the immediately preceding clauses (i) and (ii), may be extended upon the written consent of the Administrative Agent and the Majority Group Agents, and (b) the Borrower shall (i) enter into and deliver executed copies of the Account Control Agreements with all of the Collection Account Banks and (ii) take all further actions, that may be necessary or desirable, or that the

Administrative Agent may reasonably request in connection with the immediately preceding clause (i) (including, but not limited to the delivery of executed copies of the opinions of counsel that would have been required had the Account Control Agreements been executed and delivered on the Closing Date), in each case, in form and substance satisfactory to the Administrative Agent and the Majority Group Agents.

SECTION 7.02. Covenants of the Servicer . At all times from the Closing Date until the Final Payout Date:

(a) Financial Reporting . The Servicer will maintain a system of accounting established and administered in accordance with GAAP, and the Servicer shall furnish to the Administrative Agent and each Group Agent:

(i) Compliance Certificates .(a) A compliance certificate promptly upon completion of the annual report of the Parent and in no event later than one hundred and twenty (120) days after the close of the Parent's fiscal year, in form and substance substantially similar to Exhibit G signed by a Financial Officer of the Servicer stating that no Event of Default or Unmatured Event of Default has occurred and is continuing, or if any Event of Default or Unmatured Event of Default has occurred and is continuing, stating the nature and status thereof and (b) within sixty (60) days after the close of each fiscal quarter of the Servicer, a compliance certificate in form and substance substantially similar to Exhibit G signed by a Financial Officer of the Servicer stating that no Event of Default or Unmatured Event of Default has occurred and is continuing, or if any Event of Default or Unmatured Event of Default has occurred and is continuing, stating the nature and status thereof.

(ii) Information Packages and Interim Reports . As soon as available and in any event not later than two (2) Business Days prior to each Settlement Date, an Information Package as of the most recently completed Fiscal Month; provided , that at any time after the occurrence and during the continuance of a an Event of Default, upon two (2) Business Days' prior written notice from the Administrative Agent, the Servicer shall furnish or cause to be furnished to the Administrative Agent and each Group Agent an Interim Report with respect to the Pool Receivables with data as of the close of business on the Business Day preceding the date on which such Interim Report is delivered; and, provided , further , that upon two (2) Business Days' prior written notice to the Servicer, the Administrative Agent may specify in such notice that an Interim Report be furnished to the Administrative Agent and each Group Agent on a more frequent basis until the Administrative Agent gives notices otherwise and the Servicer shall so furnish or cause to be furnished.

(iii) Other Information . Such other information respecting the condition or operations, financial or otherwise, of the Borrower, any Originator, the Servicer, any Sub-Servicer, the Performance Guarantor or any of their Subsidiaries as the Administrative Agent or any Group Agent may from time to time reasonably request.

(b) Notices . The Servicer will notify the Administrative Agent and each Group Agent in writing promptly upon (but in no event later than three (3) Business Days after) a Financial Officer learning of the occurrence of (i) an Event of Default, Unmatured Event of Default,

Purchase and Sale Termination Event or Unmatured Purchase and Sale Termination Event, (ii) any Person obtaining an Adverse Claim upon the Collateral or any portion thereof, (iii) any Person other than the Borrower, the Servicer or the Administrative Agent shall obtain any rights or direct any action with respect to any Collection Account (or related Lock-Box) or (iv) any Obligor shall receive any change in payment instructions with respect to Pool Receivable(s) from a Person other than the Servicer or the Administrative Agent, with such notice describing the same, and if applicable, the steps being taken by the Person(s) affected with respect thereto.

(c) Existence; Conduct of Business. The Servicer will do all things necessary to remain duly organized, validly existing and in good standing as a domestic corporation in its jurisdiction of organization from time to time; provided, however, that the Servicer may consummate any merger or consolidation, and any conveyance, transfer, lease or other disposition of all or substantially all of its property or assets subject to compliance with Section 7.02(n), and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted if the failure to have such authority would reasonably be expected to have a Material Adverse Effect on the Servicer. The Servicer shall not engage, to any material extent, in any business other than the businesses of the type conducted by the Servicer as of the Closing Date and businesses reasonably related thereto.

(d) Compliance with Laws. The Servicer will comply with all Applicable Laws to which it may be subject if the failure to comply would reasonably be expected to have a Material Adverse Effect on the Servicer.

(e) Furnishing of Information and Inspection of Receivables. The Servicer will furnish or cause to be furnished to the Administrative Agent and each Group Agent from time to time such information with respect to the Pool Receivables and the other Collateral as the Administrative Agent or any Group Agent may reasonably request. The Servicer will, at the Servicer's expense, during regular business hours (i) with reasonable prior written notice, permit the Administrative Agent, and each Group Agent or their respective agents or representatives to (A) examine and make copies of and abstracts from all books and records relating to the Pool Receivables or other Collateral, (B) visit the offices and properties of the Servicer for the purpose of examining such books and records and (C) discuss matters relating to the Pool Receivables, the other Collateral or the Servicer's performance hereunder or under the other Transaction Documents to which it is a party with any of the officers, directors, employees or independent public accountants of the Servicer (provided that representatives of the Servicer are present during such discussions) having knowledge of such matters and (ii) without limiting the provisions of clause (i) above, during regular business hours, at the Servicer's expense, upon prior written notice from the Administrative Agent, permit certified public accountants or other auditors acceptable to the Administrative Agent to conduct a review of its books and records with respect to the Pool Receivables and other Collateral; provided, that, the Servicer shall be required to reimburse the Administrative Agent, in each case, for only one (1) such examination, visit, and discussion pursuant to clause (i) above and only one (1) such review pursuant to clause (ii) above in any twelve (12)-month period, unless an Event of Default has occurred and is continuing.

(f) Payments on Receivables, Collection Accounts . The Servicer will at all times, instruct all Obligors to deliver payments on the Pool Receivables to a Collection Account or a Lock-Box; provided , that prior to a Ratings Event, the Servicer will not be required to instruct Oxy Vinyls, LP to deliver payments on the Pool Receivables to a Collection Account or a Lock-Box; provided , further that the Servicer shall remit any such payments on the Pool Receivables from Oxy Vinyls, LP into a Collection Account or a Lock-Box within two (2) Business Days after receipt of such payments. The Servicer will, at all times, maintain such books and records as are necessary to identify Collections received from time to time on Pool Receivables and to segregate such Collections from other property of the Servicer and the Originators. If any payments on the Pool Receivables or other Collections are received by the Borrower, the Servicer or an Originator, it shall hold such payments in trust for the benefit of the Administrative Agent, the Group Agents and the other Secured Parties and promptly (but in any event within one (1) Business Day after receipt) remit such funds into a Collection Account. The Servicer shall not instruct any Person other than the Obligors (and the Excluded Obligors to the extent permitted pursuant to the proviso below) to deposit funds other than Collections on Pool Receivables, other Collateral and remittances of funds for Excluded Receivables (subject to the proviso below) into any Collection Account. If such funds are nevertheless deposited into any Collection Account, the Servicer will within two (2) Business Days (x) identify and transfer such funds to the appropriate Person entitled to such funds and (y) shall instruct such Person to no longer deposit any such funds into any such Collection Account. Except as permitted by this Section, the Servicer will not, and will not permit the Borrower, any Originator or any other Person to commingle Collections or other funds to which the Administrative Agent, any Group Agent or any other Secured Party is entitled, with any other funds; provided , that, until the occurrence of a Ratings Event, such commingling shall be permitted solely with respect to remittance of funds for Excluded Receivables; provided further , that, upon the occurrence of a Ratings Event and request by the Majority Group Agents, the Servicer shall promptly upon (but in no event later than one (1) Business Day after) receipt of such request from the Majority Group Agents instruct the Borrower, such Originator or such Person to (x) transfer such funds related to the Excluded Receivables into an account other than a Collection Account, (y) no longer deposit any such funds into any such Collection Account and (z) instruct the Excluded Obligors to longer deposit any such funds into any such Collection Account. The Servicer shall only add a Collection Account (or a related Lock-Box), or a Collection Account Bank to those listed on Schedule II to this Agreement, if the Administrative Agent has received notice of such addition and an executed and acknowledged copy of an Account Control Agreement (or an amendment thereto) in form and substance acceptable to the Administrative Agent from the applicable Collection Account Bank. The Servicer shall only terminate a Collection Account Bank or close a Collection Account (or a related Lock-Box) with the prior written consent of the Administrative Agent.

(g) Extension or Amendment of Pool Receivables . Except as otherwise permitted in Section 8.02 , the Servicer will not alter the delinquency status or adjust the Outstanding Balance or otherwise modify the terms of any Pool Receivable in any material respect, or amend, modify or waive, in any material respect, any term or condition of any related Contract. The Servicer shall at its expense, timely and fully perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Pool Receivables, and timely and fully comply in all material respects with the Credit and Collection Policy, as in effect from time to time, with regard to each Pool Receivable and the related Contract.

(h) Change in Credit and Collection Policy . The Servicer will not make any change in the Credit and Collection Policy that would materially and adversely affect the collectibility of the Pool Receivables or the ability of the Servicer to perform its obligations under this Agreement without the prior written consent of the Administrative Agent and the Majority Group Agents. Promptly following any change in the Credit and Collection Policy, the Servicer will deliver a copy of the updated Credit and Collection Policy to the Administrative Agent and each Lender.

(i) Records . The Servicer will maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Pool Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Pool Receivables (including records adequate to permit the daily identification of each Pool Receivable and all Collections of and adjustments to each existing Pool Receivable).

(j) Identifying of Records . The Servicer shall identify its master data processing records relating to Pool Receivables and related Contracts with a legend that indicates that the Pool Receivables have been pledged in accordance with this Agreement.

(k) Change in Payment Instructions to Obligors . The Servicer shall not (and shall not permit any Sub-Servicer to) add, replace or terminate any Collection Account (or any related Lock-Box) or make any change in its instructions to the Obligors regarding payments to be made to the Collection Accounts (or any related Lock-Box), other than any instruction to remit payments to a different Collection Account (or any related Lock-Box), unless the Administrative Agent shall have received (i) prior written notice of such addition, termination or change and (ii) a signed and acknowledged Account Control Agreement (or an amendment thereto) with respect to such new Collection Accounts (or any related Lock-Box) and the Administrative Agent shall have consented to such change in writing.

(l) Security Interest, Etc. The Servicer shall, at its expense, take all action necessary or reasonably desirable to establish and maintain a valid and enforceable first priority perfected security interest in the Collateral, in each case free and clear of any Adverse Claim in favor of the Administrative Agent (on behalf of the Secured Parties), including taking such action to perfect, protect or more fully evidence the security interest of the Administrative Agent (on behalf of the Secured Parties) as the Administrative Agent or any Secured Party may reasonably request. In order to evidence the security interests of the Administrative Agent under this Agreement, the Servicer shall, from time to time take such action, or execute and deliver such instruments as may be necessary (including, without limitation, such actions set forth in Section 7.02(m)) to maintain and perfect, as a first-priority interest, the Administrative Agent's security interest in the Receivables, Related Security and Collections. Notwithstanding anything else in the Transaction Documents to the contrary, except to the extent permitted by Applicable Law, the Servicer shall not have any authority to file a termination, partial termination, release, partial release, or any amendment that deletes the name of a debtor or excludes collateral of any such financing statements filed in

connection with the Transaction Documents, without the prior written consent of the Administrative Agent.

(m) Further Assurances; Change in Name or Jurisdiction of Origination, etc. The Servicer hereby agrees from time to time, at its own expense, promptly to execute (if necessary) and deliver all further instruments and documents, and to take all further actions, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or more fully evidence the security interest granted pursuant to this Agreement or any other Transaction Document, or to enable the Administrative Agent (on behalf of the Secured Parties) to exercise and enforce their respective rights and remedies under this Agreement or any other Transaction Document. Without limiting the foregoing, the Servicer will, upon the request of the Administrative Agent, at the Servicer's own expense, execute (if necessary) and file such financing statements or continuation statements, or amendments thereto, and such other instruments and documents, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or evidence any of the foregoing.

(n) Mergers. Olin, so long as it is the Servicer and Performance Guarantor, (i) shall not merge or consolidate with or into any other Person (other than a Subsidiary) and (ii) shall not convey, transfer, lease or otherwise dispose of, or permit a Subsidiary to convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of related transactions), all or substantially all of the property or assets of Olin and its Subsidiaries taken as a whole (whether now owned or hereafter acquired) or any Receivables (other than as an Originator pursuant to the Purchase and Sale Agreement), directly or indirectly, to any Person, including through a merger or consolidation of a Subsidiary with an unaffiliated party, unless (A) in each case of clauses (i) and (ii) above, (x) after giving effect to such proposed transaction, no Purchase and Sale Termination Event, Unmatured Purchase and Sale Termination Event, Event of Default or Unmatured Event of Default would exist and (y) the Administrative Agent and each Group Agent have each (1) received thirty (30) days' prior written notice thereof, (2) received executed copies of all documents, certificates and opinions (including, without limitation, opinions relating to bankruptcy and UCC matters) as the Administrative Agent shall reasonably request and (3) been reasonably satisfied that all other action to perfect and protect the security interests of the Borrower and the Administrative Agent, on behalf of the Lenders, in and to the Receivables to be sold by the Originators under the Purchase and Sale Agreement and other Related Rights, as reasonably requested by the Administrative Agent or any Group Agent shall have been taken by, and at the expense of, Olin (including the filing of any UCC financing statements, the receipt of certificates and other requested documents from public officials and all such other actions required pursuant to Section 7.3 of the Purchase and Sale Agreement) and (B) in the case of clause (i) above, the surviving entity is Olin.

(o) Transaction Information. None of the Servicer, any Affiliate of the Servicer or any third party contracted by the Servicer or any Affiliate thereof, shall deliver, in writing or orally, to any Rating Agency, any Transaction Information without providing such Transaction Information to the applicable Group Agent prior to delivery to such Rating Agency, and will not participate in any oral communications with respect to Transaction Information with any Rating Agency without the participation of such Group Agent.

(p) Sanctions/Anti-Corruption Law Compliance . The Servicer will not request any Loan, and the Servicer shall not use, and shall procure that its Subsidiaries, Sub-Servicers and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of Anti-Corruption Laws, (ii) for the purpose of funding or financing any activities, business or transactions of or with any Sanctioned Person or in any Sanctioned Country, to the extent such activities, businesses or transactions would be prohibited by Sanctions if conducted by a corporation formed in the United States or in a European member state or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(q) Financial Covenant . Olin, so long as it is the Servicer or Performance Guarantor, shall comply with the Financial Covenant(s).

SECTION 7.03. Separate Existence of the Borrower . Each of the Borrower and the Servicer hereby acknowledges that the Secured Parties, the Group Agents and the Administrative Agent are entering into the transactions contemplated by this Agreement and the other Transaction Documents in reliance upon the Borrower's identity as a legal entity separate from any Originator, the Servicer, the Performance Guarantor and their Affiliates. Therefore, each of the Borrower and Servicer shall take all steps specifically required by this Agreement or reasonably required by the Administrative Agent or any Group Agent to continue the Borrower's identity as a separate legal entity and to make it apparent to third Persons that the Borrower is an entity with assets and liabilities distinct from those of the Performance Guarantor, the Originators, the Servicer and any other Person, and is not a division of the Performance Guarantor, the Originators, the Servicer, its Affiliates or any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the other covenants set forth herein, each of the Borrower and the Servicer shall take such actions as shall be required in order that:

(a) Special Purpose Entity . The Borrower will be a special purpose company whose primary activities are restricted as provided in its Limited Liability Company Agreement.

(b) No Other Business or Debt . The Borrower shall not engage in any business or activity except as set forth in this Agreement or, incur any Debt other than as expressly permitted by the Transaction Documents.

(c) Independent Director . The Borrower will at all times have at least one (1) "Independent Director" as defined in the Limited Liability Company Agreement of the Borrower (the " Independent Director ").

The Borrower shall (A) give written notice to the Administrative Agent of the election or appointment, or proposed election or appointment, of a new Independent Director of the Borrower, which notice shall be given not later than five (5) Business Days prior to the date such appointment or election would be effective (except when such election or appointment is necessary to fill a vacancy caused by the death, disability, or incapacity of the existing Independent Director, or the failure of such Independent Director to satisfy the criteria for an Independent Director set forth in this clause (c) , in which case the Borrower shall provide written notice of such election or

appointment within one (1) Business Day) and (B) with any such written notice, certify to the Administrative Agent that the Independent Director satisfies the criteria for an Independent Director set forth in this clause (c).

The Borrower's Limited Liability Company Agreement shall provide that: (A) the Borrower's board of directors shall not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Borrower unless the Independent Director shall approve the taking of such action in writing before the taking of such action and (B) such provision and each other provision requiring an Independent Director cannot be amended without the prior written consent of the Independent Director.

The Independent Director shall not at any time serve as a trustee in bankruptcy for the Borrower, the Parent, the Performance Guarantor, any Originator, the Servicer or any of their respective Affiliates.

(d) Organizational Documents. The Borrower shall maintain its organizational documents in the form as such organizational documents exist as of the date of this Agreement and shall not amend, restate, supplement or otherwise modify such organizational documents without the prior written consent of the Majority Group Agents.

(e) Conduct of Business. The Borrower shall conduct its affairs strictly in accordance with its organizational documents and observe all necessary, appropriate and customary company formalities, including, but not limited to, holding all regular and special members' and board of directors' meetings appropriate to authorize all company action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts.

(f) Compensation. Any employee, consultant or agent of the Borrower will be compensated from the Borrower's funds for services provided to the Borrower, and to the extent that Borrower shares the same officers or other employees as the Servicer (or any other Affiliate thereof), the salaries and expenses relating to providing benefits to such officers and other employees shall be fairly allocated among such entities, and each such entity shall bear its fair share of the salary and benefit costs associated with such common officers and employees. The Borrower will not engage any agents other than its attorneys, auditors and other professionals, and a servicer and any other agent contemplated by the Transaction Documents for the Receivables Pool, which servicer will be fully compensated for its services by payment of the Servicing Fee.

(g) Servicing and Costs. The Borrower will contract with the Servicer to perform for the Borrower all operations required on a daily basis to service the Receivables Pool. The Borrower will not incur any indirect or overhead expenses for items shared with the Servicer (or any other Affiliate thereof) that are not reflected in the Servicing Fee. To the extent, if any, that the Borrower (or any Affiliate thereof) shares items of expenses not reflected in the Servicing Fee, the Borrower (or any Affiliate thereof) shall comply with Section 7.03(o).

(h) Operating Expenses. The Borrower's operating expenses will not be paid by the Servicer, the Parent, the Performance Guarantor, any Originator or any Affiliate thereof.

(i) Stationary. The Borrower will have its own separate stationary.

(j) Books and Records. The Borrower's books and records will be maintained separately from those of the Servicer, the Parent, the Performance Guarantor, the Originators and any of their Affiliates and in a manner such that it will not be difficult or costly to segregate, ascertain or otherwise identify the assets and liabilities of the Borrower.

(k) Disclosure of Transactions. All financial statements of the Servicer, the Parent, the Performance Guarantor, the Originators or any Affiliate thereof that are consolidated to include the Borrower will disclose that (i) the Borrower's sole business consists of the purchase or acceptance through capital contributions of the Receivables and Related Rights from the Originators and the subsequent retransfer of or granting of a security interest in such Receivables and Related Rights to the Administrative Agent pursuant to this Agreement, (ii) the Borrower is a separate legal entity with its own separate creditors who will be entitled, upon its liquidation, to be satisfied out of the Borrower's assets prior to any assets or value in the Borrower becoming available to the Borrower's equity holders and (iii) the assets of the Borrower are not available to pay creditors of the Servicer, the Parent, the Performance Guarantor, the Originators or any Affiliate thereof.

(l) Segregation of Assets. The Borrower's assets will be maintained in a manner that facilitates their identification and segregation from those of the Servicer, the Parent, the Performance Guarantor, the Originators or any Affiliates thereof.

(m) Corporate Formalities. The Borrower will strictly observe limited liability company formalities in its dealings with the Servicer, the Parent, the Performance Guarantor, the Originators or any Affiliates thereof, and funds or other assets of the Borrower will not be commingled with those of the Servicer, the Parent, the Performance Guarantor, the Originators or any Affiliates thereof except as permitted by this Agreement in connection with servicing the Pool Receivables. The Borrower shall not maintain joint bank accounts or other depository accounts to which the Servicer, the Parent, the Performance Guarantor, the Originators or any Affiliate thereof (other than the Servicer solely in its capacity as such) has independent access. The Borrower is not named, and has not entered into any agreement to be named, directly or indirectly, as a direct or contingent beneficiary or loss payee on any insurance policy with respect to any loss relating to the property of the Servicer, the Parent, the Performance Guarantor, the Originators or any Subsidiaries or other Affiliates thereof. The Borrower will pay to the appropriate Affiliate the marginal increase or, in the absence of such increase, the market amount of its portion of the premium payable with respect to any insurance policy that covers the Borrower and such Affiliate.

(n) Arm's-Length Relationships. The Borrower will maintain arm's-length relationships with the Servicer, the Parent, the Performance Guarantor, the Originators and any Affiliates thereof. Any Person that renders or otherwise furnishes services to the Borrower will be compensated by the Borrower at market rates for such services it renders or otherwise furnishes to the Borrower. Neither the Borrower on the one hand, nor the Servicer, the Parent, the Performance Guarantor, any Originator or any Affiliate thereof, on the other hand, will be or will hold itself out

to be responsible for the debts of the other or the decisions or actions respecting the daily business and affairs of the other. The Borrower, the Servicer, the Parent, the Performance Guarantor, the Originators and their respective Affiliates will immediately correct any known misrepresentation with respect to the foregoing, and they will not operate or purport to operate as an integrated single economic unit with respect to each other or in their dealing with any other entity.

(o) Allocation of Overhead. To the extent that Borrower, on the one hand, and the Servicer, the Parent, the Performance Guarantor, any Originator or any Affiliate thereof, on the other hand, have offices in the same location, there shall be a fair and appropriate allocation of overhead costs between them, and the Borrower shall bear its fair share of such expenses, which may be paid through the Servicing Fee or otherwise.

ARTICLE VIII

ADMINISTRATION AND COLLECTION OF RECEIVABLES

SECTION 8.01. Appointment of the Servicer.

(a) The servicing, administering and collection of the Pool Receivables shall be conducted by the Person so designated from time to time as the Servicer in accordance with this Section 8.01. Until the Administrative Agent gives notice to Olin to the extent permitted by this Section 8.01 of the designation of a new Servicer, Olin is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms hereof. Upon the occurrence of an Event of Default, the Administrative Agent may (with the consent of the Majority Group Agents) and shall (at the direction of the Majority Group Agents) designate as Servicer any Person (including itself) to succeed Olin or any successor Servicer, on the condition in each case that any such Person so designated shall agree to perform the duties and obligations of the Servicer pursuant to the terms hereof.

(b) Upon the designation of a successor Servicer as set forth in clause (a) above, Olin agrees that it will terminate its activities as Servicer hereunder in a manner that the Administrative Agent reasonably determines will facilitate the transition of the performance of such activities to the new Servicer, and Olin shall cooperate with and assist such new Servicer. Such cooperation shall include access to and transfer of records (including all Contracts) related to Pool Receivables and use by the new Servicer of all licenses (or the obtaining of new licenses), hardware or software necessary or reasonably desirable to collect the Pool Receivables and the Related Security.

(c) Olin acknowledges that, in making its decision to execute and deliver this Agreement, the Administrative Agent and each member in each Group have relied on Olin’s agreement to act as Servicer hereunder. Accordingly, Olin agrees that it will not voluntarily resign as Servicer without the prior written consent of the Administrative Agent and the Majority Group Agents.

(d) The Servicer may delegate its duties and obligations hereunder to any other Originator or third-party subservicer (each a " Sub-Servicer "); provided , that, in each such delegation: (i) such Sub-Servicer shall agree in writing to perform the delegated duties and obligations of the Servicer pursuant to the terms hereof, (ii) the Servicer shall remain liable for the performance of the duties and obligations so delegated, (iii) the Borrower, the Administrative Agent, each Lender and each Group Agent shall have the right to look solely to the Servicer for performance, (iv) the terms of any agreement with any Sub-Servicer shall provide that the Administrative Agent may terminate such Sub-Servicer upon the termination of the Servicer hereunder by giving notice of such termination to the Servicer (and the Servicer shall provide appropriate notice to each such Sub-Servicer) and (v) if such Sub-Servicer is not an Affiliate of the Parent, the Administrative Agent and the Majority Group Agents shall have consented in writing in advance to such delegation.

SECTION 8.02 Duties of the Servicer .

(a) The Servicer shall take or cause to be taken all such action as may be necessary or reasonably advisable to service, administer and collect each Pool Receivable from time to time, all in accordance with this Agreement and all Applicable Laws, with reasonable care and diligence, and in accordance with the Credit and Collection Policy. The Servicer shall set aside, for the accounts of each Group, the amount of Collections to which each such Group is entitled in accordance with Article III hereof. The Servicer may, in accordance with the Credit and Collection Policy, take such action, including modifications, waivers or restructurings of Pool Receivables and related Contracts, as the Servicer may reasonably determine to be appropriate to maximize Collections thereof or reflect adjustments expressly permitted under the Credit and Collection Policy or as expressly required under Applicable Laws or the applicable Contract; provided , that for purposes of this Agreement: (i) such action shall not, and shall not be deemed to, change the number of days such Pool Receivable has remained unpaid from the date of the original due date related to such Pool Receivable, (ii) such action shall not alter the status of such Pool Receivable as a Delinquent Receivable or a Defaulted Receivable or limit the rights of any Secured Party under this Agreement or any other Transaction Document and (iii) if an Event of Default has occurred and is continuing, the Servicer may take such action only upon the prior written consent of the Administrative Agent. The Borrower shall deliver to the Servicer and the Servicer shall hold for the benefit of the Administrative Agent (individually and for the benefit of each Group), in accordance with their respective interests, all records and documents (including computer tapes or disks) with respect to each Pool Receivable. Notwithstanding anything to the contrary contained herein, if an Event of Default has occurred and is continuing, the Administrative Agent may direct the Servicer to commence or settle any legal action to enforce collection of any Pool Receivable that is a Defaulted Receivable or to foreclose upon or repossess any Related Security with respect to any such Defaulted Receivable.

(b) The Servicer shall, as soon as practicable following actual receipt of collected funds, turn over to the Borrower the collections of any indebtedness that is a Pool Receivable, less, if Olin or an Affiliate thereof is not the Servicer, all reasonable and appropriate out-of-pocket costs and expenses of such Servicer of servicing, collecting and administering such collections. The Servicer, if other than Olin or an Affiliate thereof, shall, as soon as practicable

upon demand, deliver to the Borrower copies of all records in its possession that evidence or relate to any indebtedness that is a Pool Receivable.

(c) The Servicer's obligations hereunder shall terminate on the Final Payout Date. Promptly following the Final Payout Date, the Servicer shall deliver to the Borrower all books, records and related materials that the Borrower previously provided to the Servicer, or that have been obtained by the Servicer, in connection with this Agreement.

SECTION 8.03. Collection Account Arrangements. The Borrower shall enter into Account Control Agreements with all of the Collection Account Banks and deliver executed counterparts of each to the Administrative Agent pursuant to the terms and timeframe set forth in Section 7.01(y). Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may (with the consent of the Majority Group Agents) and shall (upon the direction of the Majority Group Agents) at any time thereafter give notice to each Collection Account Bank that the Administrative Agent is exercising its rights under the Account Control Agreements to do any or all of the following: (a) to have the exclusive ownership and control of the Collection Accounts transferred to the Administrative Agent (for the benefit of the Secured Parties) and to exercise exclusive dominion and control over the funds deposited therein, (b) to have the proceeds that are sent to the respective Collection Accounts redirected pursuant to the Administrative Agent's instructions rather than deposited in the applicable Collection Account and (c) to take any or all other actions permitted under the applicable Account Control Agreement. The Borrower hereby agrees that if the Administrative Agent at any time takes any action set forth in the preceding sentence, the Administrative Agent shall have exclusive control (for the benefit of the Secured Parties) of the proceeds (including Collections) of all Pool Receivables and the Borrower hereby further agrees to take any other action that the Administrative Agent may reasonably request to transfer such control. Any proceeds of Pool Receivables received by the Borrower or the Servicer thereafter shall be sent immediately to, or as otherwise instructed by, the Administrative Agent.

SECTION 8.04. Enforcement Rights.

(a) At any time following the occurrence and during the continuation of an Event of Default:

(i) the Administrative Agent (at the Borrower's expense) may direct the Obligors that payment of all amounts payable under any Pool Receivable is to be made directly to the Administrative Agent or its designee;

(ii) the Administrative Agent may instruct the Borrower or the Servicer to give notice of the Secured Parties' interest in Pool Receivables to each Obligor, which notice shall direct that payments be made directly to the Administrative Agent or its designee (on behalf of the Secured Parties), and the Borrower or the Servicer, as the case may be, shall give such notice at the expense of the Borrower or the Servicer, as the case may be; provided, that if the Borrower or the Servicer, as the case may be, fails to so notify each Obligor within two (2) Business Days following instruction by the Administrative Agent, the Administrative Agent (at the Borrower's or the Servicer's, as the case may be, expense) may so notify the Obligors;

(iii) the Administrative Agent may request the Servicer to, and upon such request the Servicer shall: (A) assemble all of the records necessary or desirable to collect the Pool Receivables and the Related Security, and transfer or license to a successor Servicer the use of all software necessary or desirable to collect the Pool Receivables and the Related Security, and make the same available to the Administrative Agent or its designee (for the benefit of the Secured Parties) at a place selected by the Administrative Agent and (B) segregate all cash, checks and other instruments received by it from time to time constituting Collections in a manner reasonably acceptable to the Administrative Agent and, promptly upon receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Administrative Agent or its designee;

(iv) notify the Collection Account Banks that the Borrower and the Servicer will no longer have any access to the Collection Accounts;

(v) the Administrative Agent may (or, at the direction of the Majority Group Agents shall) replace the Person then acting as Servicer; and

(vi) the Administrative Agent may collect any amounts due from an Originator under the Purchase and Sale Agreement or the Performance Guarantor under the Performance Guaranty.

(a) The Borrower hereby authorizes the Administrative Agent (on behalf of the Secured Parties), and irrevocably appoints the Administrative Agent as its attorney-in-fact with full power of substitution and with full authority in the place and stead of the Borrower, which appointment is coupled with an interest, to take any and all steps in the name of the Borrower and on behalf of the Borrower necessary or desirable, in the reasonable determination of the Administrative Agent, after the occurrence and during the continuation of an Event of Default, to collect any and all amounts or portions thereof due under any and all Collateral, including endorsing the name of the Borrower on checks and other instruments representing Collections and enforcing such Collateral. Notwithstanding anything to the contrary contained in this subsection, none of the powers conferred upon such attorney-in-fact pursuant to the preceding sentence shall subject such attorney-in-fact to any liability if any action taken by it shall prove to be inadequate or invalid, nor shall they confer any obligations upon such attorney-in-fact in any manner whatsoever.

(b) The Servicer hereby authorizes the Administrative Agent (on behalf of the Secured Parties), and irrevocably appoints the Administrative Agent as its attorney-in-fact with full power of substitution and with full authority in the place and stead of the Servicer, which appointment is coupled with an interest, to take any and all steps in the name of the Servicer and on behalf of the Servicer necessary or desirable, in the reasonable determination of the Administrative Agent, after the occurrence and during the continuation of an Event of Default, to collect any and all amounts or portions thereof due under any and all Collateral, including endorsing the name of the Servicer on checks and other instruments representing Collections and enforcing such Collateral. Notwithstanding anything to the contrary contained in this subsection, none of the powers conferred upon such attorney-in-fact pursuant to the preceding sentence shall subject such attorney-in-fact to any liability if any action taken by it shall prove to be inadequate or invalid, nor shall they confer any obligations upon such attorney-in-fact in any manner whatsoever.

SECTION 8.05. Responsibilities of the Borrower. Anything herein to the contrary notwithstanding, the Borrower shall perform all of its obligations, if any, under the Contracts related to the Pool Receivables to the same extent as if interests in such Pool Receivables had not been pledged hereunder, and the exercise by the Administrative Agent, or any other Credit Party of their respective rights hereunder shall not relieve the Borrower from such obligations. None of the Credit Parties shall have any obligation or liability with respect to any Collateral, nor shall any of them be obligated to perform any of the obligations of the Borrower, the Servicer or any Originator thereunder.

SECTION 8.06. Data Processing Services. Olin hereby irrevocably agrees that if at any time it shall cease to be the Servicer hereunder, it shall act (if the then-current Servicer so requests) as the data-processing agent of the Servicer and, in such capacity, Olin shall conduct the data-processing functions of the administration of the Receivables and the Collections thereon in substantially the same way that Olin conducted such data-processing functions while it acted as the Servicer. In connection with any such processing functions, the Borrower shall pay to Olin its reasonable out-of-pocket costs and expenses from the Borrower's own funds (subject to the priority of payments set forth in Section 3.01).

SECTION 8.07. Servicing Fee.

(a) Subject to clause (b) below, the Borrower shall pay the Servicer a fee (the "Servicing Fee") equal to 1.00% per annum (the "Servicing Fee Rate") of the daily average aggregate Outstanding Balance of the Pool Receivables. Accrued Servicing Fees shall be payable from Collections to the extent of available funds in accordance with Section 3.01.

(b) If the Servicer ceases to be Olin or an Affiliate thereof, the Servicing Fee shall be the greater of: (i) the amount calculated pursuant to clause (a) above and (ii) an alternative amount specified by the successor Servicer not to exceed 110% of the aggregate reasonable costs and expenses incurred by such successor Servicer in connection with the performance of its obligations as Servicer hereunder.

ARTICLE IX

EVENTS OF DEFAULT

SECTION 9.01. Events of Default. If any of the following events (each an "Event of Default") shall occur:

(a) (i) the Borrower, any Originator, the Performance Guarantor or the Servicer shall fail to perform or observe any term, covenant or agreement under this Agreement or any other Transaction Document (other than any such failure which would constitute an Event of Default under clause (ii), (iii) or (iv) of this paragraph (a)), and such failure, to the extent capable of cure, shall continue unremedied for ten (10) Business Days after (x) written notice thereof shall have been given to the Borrower, the applicable Originator, the Performance Guarantor or the Servicer by the Administrative Agent or (y) a Financial Officer of such party otherwise becomes aware of such failure (whichever is earlier), (ii) the Borrower, any Originator, the Performance

Guarantor or the Servicer shall fail to make when due (x) any payment or deposit to be made by it under this Agreement or any other Transaction Document and such failure shall continue unremedied for two (2) Business Days (unless such failure is related to the Event of Default set forth in Section 9(h)), (iii) Olin shall resign as Servicer, and no successor Servicer reasonably satisfactory to the Administrative Agent shall have been appointed or (iv) the Borrower, any Originator, the Performance Guarantor or the Servicer shall fail to observe the covenants set forth in Sections 7.01(u) , 7.01(y) , 7.02(n) , 7.02(p) or 7.02(q) , as applicable;

(b) any representation or warranty made or deemed made by the Borrower, any Originator, the Performance Guarantor or the Servicer (or any of their respective officers) under or in connection with this Agreement or any other Transaction Document or any information or report delivered by the Borrower, any Originator, the Performance Guarantor or the Servicer pursuant to this Agreement or any other Transaction Document, shall prove to have been incorrect or untrue in any material respect when made or deemed made or delivered; provided , that upon the knowledge of the Borrower, any Originator, the Performance Guarantor or the Servicer of a breach of a representation or warranty that gives rise to an obligation under Section 3.01(d) , the Borrower or the Servicer (at the Borrower's direction) shall immediately pay such Deemed Collections to a Collection Account (or as otherwise directed by the Administrative Agent at such time) and, to the extent such payment is immediately made, such breach shall not constitute an Event of Default;

(c) the Borrower or the Servicer shall fail to deliver an Information Package or Interim Report pursuant to this Agreement, and such failure shall remain unremedied for two (2) Business Days;

(d) this Agreement or any security interest granted pursuant to this Agreement or any other Transaction Document shall for any reason cease to create, or for any reason cease to be, a valid and enforceable first priority perfected security interest in favor of the Administrative Agent with respect to the Collateral, free and clear of any Adverse Claim;

(e) the Borrower, any Originator, the Performance Guarantor or the Servicer shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any Insolvency Proceeding shall be instituted by or against the Borrower, any Originator, the Performance Guarantor or the Servicer and, in the case of any such proceeding instituted against such Person (but not instituted by such Person), either such proceeding shall remain undismissed or unstayed for a period of sixty (60) consecutive days, or any of the actions sought in such proceeding (including the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower, any Originator, the Performance Guarantor or the Servicer shall take any corporate or organizational action to authorize any of the actions set forth above in this paragraph;

(f) (i) the average for three (3) consecutive Fiscal Months of: (A) the Default Ratio shall exceed one hand a half percent (1.50%), (B) the Delinquency Ratio shall exceed three percent (3.00%) or (C) the Dilution Ratio shall exceed six percent (6.00%) or (ii) the Days' Sales Outstanding shall exceed sixty (60) days;

(g) a Change in Control shall occur;

(h) a Borrowing Base Deficit shall occur, and shall not have been cured within two (2) Business Days;

(i) (i) the Borrower shall fail to pay any principal of or premium or interest on any of its Debt when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; (ii) any Originator, the Performance Guarantor or the Servicer or any of their respective Subsidiaries shall fail to pay any principal of or any premium or interest on any Debt, which is outstanding in a principal amount of at least $50,000,000 in the aggregate (but excluding Debt outstanding hereunder) of such Originator, the Performance Guarantor or the Servicer or any of their respective Subsidiaries (as the case may be) when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; (iii) any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt (as referred to in clause (i) or (ii) of this paragraph) and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or permit the acceleration of, the maturity of such Debt (as referred to in clause (i) or (ii) of this paragraph), or (iv) any such Debt (as referred to in clause (i) or (ii) of this paragraph) shall, for any reason, be accelerated (it being understood that a mandatory prepayment on the sale of any asset shall be deemed not to be an acceleration of such Debt);

(j) the Performance Guarantor shall fail to perform any payment obligation required to be performed under the Performance Guaranty, and such failure shall continue unremedied for two (2) Business Days, or the Performance Guarantor shall fail to perform any of its other obligations under the Performance Guaranty, and such failure, to the extent capable of cure, shall continue unremedied for ten (10) Business Days after (x) written notice thereof shall have been given to the Performance Guarantor by the Administrative Agent or (y) a Financial Officer of the Performance Guarantor otherwise becomes aware of such failure (whichever is earlier);

(k) the Borrower shall fail (x) at any time (other than for ten (10) Business Days following notice of the death or resignation of any Independent Director) to have an Independent Director who satisfies each requirement and qualification of an Independent Director set forth in the Borrower's Limited Liability Company Agreement, on the Borrower's board of directors or (y) to timely notify the Administrative Agent of any replacement or appointment of any director that is to serve as an Independent Director on the Borrower's board of directors as required pursuant to Section 7.03(c) of this Agreement;

(l) either (i) the Internal Revenue Service shall file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of the Borrower, any Originator or the Parent and such lien or any other lien filed thereunder shall not have been released within five (5) Business Days or (ii) the PBGC shall, or shall indicate its intention to, file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Borrower, the Servicer, any Originator or the

Parent and such lien or any other lien filed thereunder shall not have been released within five (5) Business Days;

(m) (i) the occurrence of a Reportable Event; (ii) the adoption of an amendment to a Pension Plan that would require the provision of security pursuant to Section 401(a)(29) of the Code; (iii) the existence with respect to any Multiemployer Plan of an “accumulated funding deficiency” (as defined in Section 431 of the Code or Section 304 of ERISA), whether or not waived; (iv) the failure to satisfy the minimum funding standard under Section 412 of the Code with respect to any Pension Plan; (v) the incurrence of any liability under Title IV of ERISA with respect to the termination of any Pension Plan or the withdrawal or partial withdrawal of any of the Borrower, any Originator, the Servicer, the Parent or any of their respective ERISA Affiliates from any Multiemployer Plan; (vi) the receipt by any of the Borrower, any Originator, the Servicer, the Parent or any of their respective ERISA Affiliates from the PBGC or any plan administrator of any notice relating to the intention to terminate any Pension Plan or Multiemployer Plan or to appoint a trustee to administer any Pension Plan or Multiemployer Plan; (vii) the receipt by the Borrower, any Originator, the Servicer, the Parent or any of their respective ERISA Affiliates of any notice concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (viii) the occurrence of a prohibited transaction with respect to any of the Borrower, any Originator, the Servicer, the Parent or any of their respective ERISA Affiliates (pursuant to Section 4975 of the Code); or (ix) the occurrence or existence of any other similar event or condition with respect to a Pension Plan or a Multiemployer Plan, with respect to each of clause (i) through (ix) , either individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect;

(n) a Material Adverse Effect shall occur with respect to the Borrower, any Originator, the Performance Guarantor or the Servicer;

(o) a Purchase and Sale Termination Event shall occur under the Purchase and Sale Agreement;

(p) the Borrower shall be required to register as an “investment company” within the meaning of the Investment Company Act;

(q) any material provision of this Agreement or any other Transaction Document shall cease to be in full force and effect or any of the Borrower, any Originator, the Performance Guarantor or the Servicer (or any of their respective Affiliates) shall so state in writing; or

(r) one or more judgments or decrees in excess of (x) solely with respect to the Borrower, twelve thousand five hundred dollars ($12,500) and (y) with respect to any Originator, the Performance Guarantor or the Servicer and any Affiliate of any of the foregoing, fifty million dollars ($50,000,000) shall be entered, as applicable, against the Borrower, any Originator, the Performance Guarantor or the Servicer, or any Affiliate of any of the foregoing involving in the aggregate a liability (not paid or to the extent not covered by a reputable and solvent insurance company) and either (i) enforcement proceedings for such judgments or decrees shall have been commenced by any creditor upon such judgment or decree and, within sixty (60) days of the

commencement of such proceedings, such judgment or decree shall not have been satisfied or (subject to clause (ii) below) shall have been stayed or (ii) there shall be any period of sixty (60) consecutive days during which a stay of enforcement of such judgment or decree, by reason of a pending appeal or otherwise, shall not be in effect;

then, and in any such event, the Administrative Agent may (or, at the direction of the Majority Group Agents shall) by notice to the Borrower (x) declare the Termination Date to have occurred (in which case the Termination Date shall be deemed to have occurred), (y) declare the Final Maturity Date to have occurred (in which case the Final Maturity Date shall be deemed to have occurred) and (z) declare the Aggregate Capital and all other Borrower Obligations to be immediately due and payable (in which case the Aggregate Capital and all other Borrower Obligations shall be immediately due and payable); provided that, automatically upon the occurrence of any event (without any requirement for the giving of notice) described in subsection (e) of this Section 9.01 , the Termination Date shall occur and the Aggregate Capital and all other Borrower Obligations shall be immediately due and payable. Upon any such declaration or designation or upon such automatic termination, the Administrative Agent and the other Secured Parties shall have, in addition to the rights and remedies which they may have under this Agreement and the other Transaction Documents, all other rights and remedies provided after default under the UCC and under other Applicable Law, which rights and remedies shall be cumulative. Any proceeds from liquidation of the Collateral shall be applied in the order of priority set forth in Section 3.01 .

ARTICLE X

THE ADMINISTRATIVE AGENT

SECTION 10.01. Authorization and Action . Each Credit Party hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall not have any duties other than those expressly set forth in the Transaction Documents, and no implied obligations or liabilities shall be read into any Transaction Document, or otherwise exist, against the Administrative Agent. The Administrative Agent does not assume, nor shall it be deemed to have assumed, any obligation to, or relationship of trust or agency with, the Borrower or any Affiliate thereof or any Credit Party except for any obligations expressly set forth herein. Notwithstanding any provision of this Agreement or any other Transaction Document, in no event shall the Administrative Agent ever be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to any provision of any Transaction Document or Applicable Law.

SECTION 10.02. Administrative Agent's Reliance, Etc . Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Administrative Agent under or in connection with this Agreement (including, without limitation, the Administrative Agent's servicing, administering or collecting Pool Receivables in the event it replaces the Servicer in such capacity pursuant to Section 8.01(a)), in the absence of its or their own gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Administrative Agent: (a) may consult with legal counsel (including

counsel for any Credit Party or the Servicer), independent certified public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (b) makes no warranty or representation to any Credit Party (whether written or oral) and shall not be responsible to any Credit Party for any statements, warranties or representations (whether written or oral) made by any other party in or in connection with this Agreement; (c) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of any Credit Party or to inspect the property (including the books and records) of any Credit Party; (d) shall not be responsible to any Credit Party for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (e) shall be entitled to rely, and shall be fully protected in so relying, upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 10.03. Administrative Agent and Affiliates. With respect to any Credit Extension or interests therein owned by any Credit Party that is also the Administrative Agent, such Credit Party shall have the same rights and powers under this Agreement as any other Credit Party and may exercise the same as though it were not the Administrative Agent. The Administrative Agent and any of its Affiliates may generally engage in any kind of business with the Borrower or any Affiliate thereof and any Person who may do business with or own securities of the Borrower or any Affiliate thereof, all as if the Administrative Agent were not the Administrative Agent hereunder and without any duty to account therefor to any other Secured Party.

SECTION 10.04. Indemnification of Administrative Agent. Each Committed Lender agrees to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower or any Affiliate thereof), ratably according to the respective Percentage of such Committed Lender, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any other Transaction Document or any action taken or omitted by the Administrative Agent under this Agreement or any other Transaction Document; provided that no Committed Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (i) resulting from the Administrative Agent's gross negligence or willful misconduct or (ii) to the extent already paid by such Committed Lender pursuant to terms of this Agreement.

SECTION 10.05. Delegation of Duties. The Administrative Agent may execute any of its duties through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

SECTION 10.06. Action or Inaction by Administrative Agent. The Administrative Agent shall in all cases be fully justified in failing or refusing to take action under any Transaction Document unless it shall first receive such advice or concurrence of the Group Agents or the Majority

Group Agents, as the case may be, and assurance of its indemnification by the Committed Lenders, as it deems appropriate. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Document in accordance with a request or at the direction of the Group Agents or the Majority Group Agents, as the case may be, and such request or direction and any action taken or failure to act pursuant thereto shall be binding upon all Credit Parties. The Credit Parties and the Administrative Agent agree that unless any action to be taken by the Administrative Agent under a Transaction Document (i) specifically requires the advice or concurrence of all Group Agents or (ii) may be taken by the Administrative Agent alone or without any advice or concurrence of any Group Agent, then the Administrative Agent may take action based upon the advice or concurrence of the Majority Group Agents.

SECTION 10.07. Notice of Events of Default; Action by Administrative Agent . The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Unmatured Event of Default or Event of Default unless the Administrative Agent has received notice from any Credit Party or the Borrower stating that an Unmatured Event of Default or Event of Default has occurred hereunder and describing such Unmatured Event of Default or Event of Default. If the Administrative Agent receives such a notice, it shall promptly give notice thereof to each Group Agent, whereupon each Group Agent shall promptly give notice thereof to its respective Conduit Lender(s) and Related Committed Lender(s). The Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, concerning an Unmatured Event of Default or Event of Default or any other matter hereunder as the Administrative Agent deems advisable and in the best interests of the Secured Parties.

SECTION 10.08. Non-Reliance on Administrative Agent and Other Parties . Each Credit Party expressly acknowledges that neither the Administrative Agent nor any of its directors, officers, agents or employees has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Borrower or any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Administrative Agent. Each Credit Party represents and warrants to the Administrative Agent that, independently and without reliance upon the Administrative Agent or any other Credit Party and based on such documents and information as it has deemed appropriate, it has made and will continue to make its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Borrower, each Originator, the Performance Guarantor or the Servicer and the Pool Receivables and its own decision to enter into this Agreement and to take, or omit, action under any Transaction Document. Except for items expressly required to be delivered under any Transaction Document by the Administrative Agent to any Credit Party, the Administrative Agent shall not have any duty or responsibility to provide any Credit Party with any information concerning the Borrower, any Originator, the Performance Guarantor or the Servicer that comes into the possession of the Administrative Agent or any of its directors, officers, agents, employees, attorneys-in-fact or Affiliates.

SECTION 10.09. Successor Administrative Agent .

(a) The Administrative Agent may, upon at least thirty (30) days' notice to the Borrower, the Servicer and each Group Agent, resign as Administrative Agent. Except as

provided below, such resignation shall not become effective until a successor Administrative Agent is appointed by the Majority Group Agents and, so long as no Event of Default or Unmatured Event of Default has occurred and is continuing, approved by the Borrower, as a successor Administrative Agent and has accepted such appointment. If no successor Administrative Agent shall have been so appointed by the Majority Group Agents, within thirty (30) days after the departing Administrative Agent's giving of notice of resignation and, so long as no Event of Default or Unmatured Event of Default has occurred and is continuing, upon the approval of the Borrower, the departing Administrative Agent may, on behalf of the Secured Parties, appoint a successor Administrative Agent as successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Group Agents within sixty (60) days after the departing Administrative Agent's giving of notice of resignation, the departing Administrative Agent may, on behalf of the Secured Parties, petition a court of competent jurisdiction to appoint a successor Administrative Agent.

(b) Upon such acceptance of its appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall succeed to and become vested with all the rights and duties of the resigning Administrative Agent, and the resigning Administrative Agent shall be discharged from its duties and obligations under the Transaction Documents. After any resigning Administrative Agent's resignation hereunder, the provisions of this Article X and Article XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent.

SECTION 10.10. Structuring Agent. Each of the parties hereto hereby acknowledges and agrees that the Structuring Agent shall not have any right, power, obligation, liability, responsibility or duty under this Agreement, other than the Structuring Agent's right to receive fees pursuant to Section 2.03 and expenses (if any) pursuant to Section 13.04. Each Credit Party acknowledges that it has not relied, and will not rely, on the Structuring Agent in deciding to enter into this Agreement and to take, or omit to take, any action under any Transaction Document.

ARTICLE XI

THE GROUP AGENTS

SECTION 11.01. Authorization and Action. Each Credit Party that belongs to a Group hereby appoints and authorizes the Group Agent for such Group to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to such Group Agent by the terms hereof, together with such powers as are reasonably incidental thereto. No Group Agent shall have any duties other than those expressly set forth in the Transaction Documents, and no implied obligations or liabilities shall be read into any Transaction Document, or otherwise exist, against any Group Agent. No Group Agent assumes, nor shall it be deemed to have assumed, any obligation to, or relationship of trust or agency with the Borrower or any Affiliate thereof, any Lender except for any obligations expressly set forth herein. Notwithstanding any provision of this Agreement or any other Transaction Document, in no event shall any Group Agent ever be required to take any action which exposes such Group Agent to personal liability or which is contrary to any provision of any Transaction Document or Applicable Law.

SECTION 11.02. Group Agent’s Reliance, Etc . No Group Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as a Group Agent under or in connection with this Agreement or any other Transaction Documents in the absence of its or their own gross negligence or willful misconduct. Without limiting the generality of the foregoing, a Group Agent: (a) may consult with legal counsel (including counsel for the Administrative Agent, the Borrower or the Servicer), independent certified public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (b) makes no warranty or representation to any Credit Party (whether written or oral) and shall not be responsible to any Credit Party for any statements, warranties or representations (whether written or oral) made by any other party in or in connection with this Agreement or any other Transaction Document; (c) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Transaction Document on the part of the Borrower or any Affiliate thereof or any other Person or to inspect the property (including the books and records) of the Borrower or any Affiliate thereof; (d) shall not be responsible to any Credit Party for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Transaction Documents or any other instrument or document furnished pursuant hereto; and (e) shall be entitled to rely, and shall be fully protected in so relying, upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 11.03. Group Agent and Affiliates . With respect to any Credit Extension or interests therein owned by any Credit Party that is also a Group Agent, such Credit Party shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not a Group Agent. A Group Agent and any of its Affiliates may generally engage in any kind of business with the Borrower or any Affiliate thereof and any Person who may do business with or own securities of the Borrower or any Affiliate thereof or any of their respective Affiliates, all as if such Group Agent were not a Group Agent hereunder and without any duty to account therefor to any other Secured Party.

SECTION 11.04. Indemnification of Group Agents . Each Committed Lender in any Group agrees to indemnify the Group Agent for such Group (to the extent not reimbursed by the Borrower or any Affiliate thereof), ratably according to the proportion of the Percentage of such Committed Lender to the aggregate Percentages of all Committed Lenders in such Group, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against such Group Agent in any way relating to or arising out of this Agreement or any other Transaction Document or any action taken or omitted by such Group Agent under this Agreement or any other Transaction Document; provided that no Committed Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Group Agent’s gross negligence or willful misconduct.

SECTION 11.05. Delegation of Duties. Each Group Agent may execute any of its duties through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. No Group Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

SECTION 11.06. Notice of Events of Default. No Group Agent shall be deemed to have knowledge or notice of the occurrence of any Unmatured Event of Default or Event of Default unless such Group Agent has received notice from the Administrative Agent, any other Group Agent, any other Credit Party, the Servicer or the Borrower stating that an Unmatured Event of Default or Event of Default has occurred hereunder and describing such Unmatured Event of Default or Event of Default. If a Group Agent receives such a notice, it shall promptly give notice thereof to the Credit Parties in its Group and to the Administrative Agent (but only if such notice received by such Group Agent was not sent by the Administrative Agent). A Group Agent may take such action concerning an Unmatured Event of Default or Event of Default as may be directed by Committed Lenders in its Group representing a majority of the Commitments in such Group (subject to the other provisions of this Article XI), but until such Group Agent receives such directions, such Group Agent may (but shall not be obligated to) take such action, or refrain from taking such action, as such Group Agent deems advisable and in the best interests of the Conduit Lenders and Committed Lenders in its Group.

SECTION 11.07. Non-Reliance on Group Agent and Other Parties. Each Credit Party expressly acknowledges that neither the Group Agent for its Group nor any of such Group Agent's directors, officers, agents or employees has made any representations or warranties to it and that no act by such Group Agent hereafter taken, including any review of the affairs of the Borrower or any Affiliate thereof, shall be deemed to constitute any representation or warranty by such Group Agent. Each Credit Party represents and warrants to the Group Agent for its Group that, independently and without reliance upon such Group Agent, any other Group Agent, the Administrative Agent or any other Credit Party and based on such documents and information as it has deemed appropriate, it has made and will continue to make its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Borrower or any Affiliate thereof and the Receivables and its own decision to enter into this Agreement and to take, or omit, action under any Transaction Document. Except for items expressly required to be delivered under any Transaction Document by a Group Agent to any Credit Party in its Group, no Group Agent shall have any duty or responsibility to provide any Credit Party in its Group with any information concerning the Borrower or any Affiliate thereof that comes into the possession of such Group Agent or any of its directors, officers, agents, employees, attorneys-in-fact or Affiliates.

SECTION 11.08. Successor Group Agent. Any Group Agent may, upon at least thirty (30) days' notice to the Administrative Agent, the Borrower, the Servicer and the Credit Parties in its Group, resign as Group Agent for its Group. Such resignation shall not become effective until a successor Group Agent is appointed by the Lender(s) in such Group and, so long as no Event of Default or Unmatured Event of Default has occurred and is continuing, approved by the Borrower. Upon such acceptance of its appointment as Group Agent for such Group hereunder by a successor Group Agent, such successor Group Agent shall succeed to and become vested with all the rights

and duties of the resigning Group Agent, and the resigning Group Agent shall be discharged from its duties and obligations under the Transaction Documents. After any resigning Group Agent's resignation hereunder, the provisions of this Article XI and Article XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was a Group Agent.

SECTION 11.09. Reliance on Group Agent . Unless otherwise advised in writing by a Group Agent or by any Credit Party in such Group Agent's Group, each party to this Agreement may assume that (i) such Group Agent is acting for the benefit and on behalf of each of the Credit Parties in its Group, as well as for the benefit of each assignee or other transferee from any such Person and (ii) each action taken by such Group Agent has been duly authorized and approved by all necessary action on the part of the Credit Parties in its Group.

ARTICLE XII

INDEMNIFICATION

SECTION 12.01. Indemnities by the Borrower .

(a) Without limiting any other rights that the Administrative Agent, the Credit Parties, the Affected Persons and their respective assigns, officers, directors, agents and employees (each, a " Borrower Indemnified Party ") may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify each Borrower Indemnified Party from and against any and all claims, losses and liabilities (including Attorney Costs) (all of the foregoing being collectively referred to as " Borrower Indemnified Amounts ") arising out of or resulting from this Agreement or any other Transaction Document or the use of proceeds of the Credit Extensions or the security interest in respect of any Pool Receivable or any other Collateral. Subject to the provisions of this Section 12.01 , including the exclusions and qualifications set forth herein, the Borrower shall pay on demand (it being understood that if any portion of such payment obligation is made from Collections, such payment will be made at the time and in the order of priority set forth in Section 3.01), to each Borrower Indemnified Party any and all amounts necessary to indemnify such Borrower Indemnified Party from and against any and all Borrower Indemnified Amounts relating to or resulting from any of the following:

(i) any Pool Receivable which the Borrower or the Servicer includes as an Eligible Receivable as part of the Net Receivables Pool Balance but which is not an Eligible Receivable at such time;

(ii) any representation, warranty or statement made or deemed made by the Borrower (or any of its respective officers) under or in connection with this Agreement, any of the other Transaction Documents, any Information Package, Interim Report or any other information or report delivered by or on behalf of the Borrower pursuant hereto which shall have been untrue or incorrect when made or deemed made;

(iii) the failure by the Borrower to comply with any Applicable Law with respect to any Pool Receivable or the related Contract; or the failure of any Pool Receivable or the related Contract to conform to any such Applicable Law;

(iv) the failure to vest in the Administrative Agent a first priority perfected security interest in all or any portion of the Collateral, in each case free and clear of any Adverse Claim; provided , that, with respect to any Borrower Indemnified Amounts arising as a result of an Adverse Claim related to the Affected Filings prior to Borrower's (or Servicer's on Borrower's behalf) compliance with the covenants set forth in Section 7.01(y), the definition of Adverse Claim shall be deemed to exclude the last clause of the definition of Adverse Claim;

(v) the failure to have filed, or any delay in filing, financing statements, financing statement amendments, continuation statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Laws with respect to any Pool Receivable and the other Collateral and Collections in respect thereof, whether at the time of any Credit Extension or at any subsequent time;

(vi) any dispute, claim or defense of an Obligor (not arising from the bankruptcy or insolvency, lack of creditworthiness or other financial default or inability to pay of the related Obligor) to the payment of any Pool Receivable (including, without limitation, a defense based on such Pool Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from or relating to collection activities with respect to such Pool Receivable;

(vii) any failure of the Borrower to perform any of its duties or obligations in accordance with the provisions hereof and of each other Transaction Document related to Pool Receivables or to timely and fully comply with the Credit and Collection Policy in regard to each Pool Receivable;

(viii) any products liability, environmental or other claim arising out of or in connection with any Pool Receivable or other merchandise, goods or services which are the subject of or related to any Pool Receivable;

(ix) the commingling of Collections of Pool Receivables at any time with other funds;

(x) any investigation, litigation or proceeding (actual or threatened) related to this Agreement or any other Transaction Document or the use of proceeds of any Credit Extensions or in respect of any Pool Receivable or other Collateral or any related Contract;

(xi) any failure of the Borrower to comply with its covenants, obligations and agreements contained in this Agreement or any other Transaction Document;

(xii) any offset, setoff, adjustment, or other non-cash reduction of any Pool Receivable (including Deemed Collections) not arising from the bankruptcy or insolvency, lack of creditworthiness or other financial default or inability to pay of the related Obligor;

(xiii) any claim brought by any Person other than a Borrower Indemnified Party arising from any activity by the Borrower or any Affiliate of the Borrower in servicing, administering or collecting any Pool Receivable;

(xiv) any failure of a Collection Account Bank to comply with the terms of the applicable Account Control Agreement, the termination by a Collection Account Bank prior to the appointment of a successor collection account bank or any amounts payable by the Administrative Agent to a Collection Account Bank under any Account Control Agreement;

(xv) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Pool Receivable (including, without limitation, a defense based on such Pool Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of goods or the rendering of services related to such Pool Receivable or the furnishing or failure to furnish any such goods or services or other similar claim or defense not arising from the financial inability of any Obligor to pay undisputed indebtedness;

(xvi) any action taken by the Administrative Agent as attorney-in-fact for the Borrower, any Originator or the Servicer pursuant to this Agreement or any other Transaction Document;

(xvii) the use of proceeds of any Credit Extension;

(xviii) any reduction in Capital as a result of the distribution of Collections if all or a portion of such distributions shall thereafter be rescinded or otherwise must be returned for any reason; or

(xix) any failure by any Originator to provide an Obligor with an invoice evidencing indebtedness related to a Pool Receivable.

(b) Notwithstanding anything to the contrary in this Agreement, solely for purposes of the Borrower's indemnification obligations in clauses (ii), (iii), (vii) and (xi) of this Article XII, any representation, warranty or covenant qualified by the occurrence or non-occurrence of a Material Adverse Effect or similar concepts of materiality shall be deemed to be not so qualified.

(c) The indemnities in Section 12.01(a) shall not apply to any claims for indemnification of any Borrower Indemnified Party to the extent such claims (i) are found in a final and non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such Borrower Indemnified Party, (ii) result from a claim brought by the Borrower, any Originator, the Servicer or the Performance Guarantor, or any of their respective Subsidiaries, against such Borrower Indemnified Party for material breach of such Borrower Indemnified Party's obligations under this Agreement if the Borrower, such Originator, the Servicer, the Performance Guarantor or such Subsidiary has obtained a final and non-appealable judgment in its favor on such claim as determined by a court of competent jurisdiction, (iii) result from a proceeding that does not involve an act or omission by the Borrower, any Originator, the Servicer, the Performance Guarantor or any of their respective Subsidiaries and that is brought by a Borrower Indemnified Party against any other Borrower Indemnified Party (other than Borrower Indemnified Amounts against any agent in its capacity or in fulfilling its roles as an agent hereunder or any similar role with respect to this Agreement or any Commitments), (iv)

are for Borrower Indemnified Amounts to the extent the same includes losses in respect of Pool Receivables that are uncollectible on account of the bankruptcy or insolvency, lack of creditworthiness or other financial default or inability to pay of the related Obligor or (v) are for Taxes (which are covered by Section 4.03). In the case of an investigation, litigation or other proceeding to which the indemnity in Section 12.01(a) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, the Servicer, the Performance Guarantor, or any of their respective Subsidiaries, directors, equityholders or creditors or a Borrower Indemnified Party or any other Person, whether or not any Borrower Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated.

(d) If for any reason the foregoing indemnification is unavailable to any Borrower Indemnified Party or insufficient to hold it harmless, then the Borrower shall contribute to such Borrower Indemnified Party the amount paid or payable by such Borrower Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative economic interests of the Borrower and its Affiliates on the one hand and such Borrower Indemnified Party on the other hand in the matters contemplated by this Agreement as well as the relative fault of the Borrower and its Affiliates and such Borrower Indemnified Party with respect to such loss, claim, damage or liability and any other relevant equitable considerations. The reimbursement, indemnity and contribution obligations of the Borrower under this Section shall be in addition to any liability which the Borrower may otherwise have, shall extend upon the same terms and conditions to each Borrower Indemnified Party, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Borrower and the Borrower Indemnified Parties.

(e) Any indemnification or contribution under this Section shall survive the termination of this Agreement.

SECTION 12.02. Indemnification by the Servicer .

(a) The Servicer hereby agrees to indemnify and hold harmless the Borrower, the Administrative Agent, the Credit Parties, the Affected Persons and their respective assigns, officers, directors, agents and employees (each, a " Servicer Indemnified Party "), from and against any loss, liability, expense, damage or injury suffered or sustained by reason of any acts, omissions or alleged acts or omissions arising out of activities of the Servicer pursuant to this Agreement or any other Transaction Document, including any judgment, award, settlement, Attorney Costs and other reasonable and documented costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim (all of the foregoing being collectively referred to as, " Servicer Indemnified Amounts "). Subject to the provisions of this Section 12.02 , including the exclusions and qualifications set forth herein, the Servicer shall pay on demand, to each Servicer Indemnified Party any and all amounts necessary to indemnify such Servicer Indemnified Party from and against any and all Servicer Indemnified Amounts relating to or resulting from any of the following:

(i) any representation, warranty or statement made or deemed made by the Servicer (or any of its respective officers) under or in connection with this Agreement, any of

the other Transaction Documents, any Information Package, Interim Report or any other information or report delivered by or on behalf of the Servicer pursuant hereto which shall have been untrue or incorrect when made or deemed made;

(ii) the failure by the Servicer to comply with any Applicable Law with respect to any Pool Receivable or the related Contract; or the failure of any Pool Receivable or the related Contract to conform to any such Applicable Law;

(iii) the commingling of Collections of Pool Receivables at any time with other funds; or

(iv) any failure of the Servicer to comply with its covenants, obligations and agreements contained in this Agreement or any other Transaction Document.

(b) The indemnities in this Section 12.02(b) shall not apply to any claims of any Servicer Indemnified Party to the extent such claims (i) are found in a final and non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such Servicer Indemnified Party, (ii) result from a claim brought by the Borrower, any Originator, the Servicer or the Performance Guarantor, or any of their respective Subsidiaries, against such Servicer Indemnified Party for material breach of such Servicer Indemnified Party's obligations under this Agreement if the Borrower, such Originator, the Servicer, the Performance Guarantor or such Subsidiary has obtained a final and non-appealable judgment in its favor on such claim as determined by a court of competent jurisdiction, (iii) result from a proceeding that does not involve an act or omission by the Borrower, any Originator, the Servicer, the Performance Guarantor or any of their respective Subsidiaries and that is brought by a Servicer Indemnified Party against any other Servicer Indemnified Party (other than Servicer Indemnified Amounts against any agent in its capacity or in fulfilling its roles as an agent hereunder or any similar role with respect to this Agreement or any Commitments), (iv) are for Servicer Indemnified Amounts to the extent the same includes losses in respect of Pool Receivables that are uncollectible on account of the bankruptcy or insolvency, lack of creditworthiness or other financial default or inability to pay of the related Obligor or (v) are for Taxes (which are covered by Section 4.03). In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 12.02(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, the Servicer, the Performance Guarantor, or any of their respective Subsidiaries, directors, equityholders or creditors or a Servicer Indemnified Party or any other Person, whether or not any Servicer Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated.

(c) If for any reason the foregoing indemnification is unavailable to any Servicer Indemnified Party or insufficient to hold it harmless, then the Servicer shall contribute to the amount paid or payable by such Servicer Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative economic interests of the Servicer and its Affiliates on the one hand and such Servicer Indemnified Party on the other hand in the matters contemplated by this Agreement as well as the relative fault of the Servicer and its Affiliates and such Servicer Indemnified Party with respect to such loss, claim, damage or liability and any other relevant equitable considerations. The reimbursement, indemnity and contribution

obligations of the Servicer under this Section shall be in addition to any liability which the Servicer may otherwise have, shall extend upon the same terms and conditions to Servicer Indemnified Party, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Servicer and the Servicer Indemnified Parties.

(d) Any indemnification or contribution under this Section shall survive the termination of this Agreement.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. Amendments, Etc .

(a) No failure on the part of any Credit Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. No amendment or waiver of any provision of this Agreement or consent to any departure by any of the Borrower or any Affiliate thereof shall be effective unless in a writing signed by the Administrative Agent and the Majority Group Agents (and, in the case of any amendment, also signed by the Borrower), and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided , however , that (A) no amendment, waiver or consent shall, unless in writing and signed by the Servicer, affect the rights or duties of the Servicer under this Agreement; (B) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent and each Group Agent:

(i) change (directly or indirectly) the definitions of, Borrowing Base Deficit, Defaulted Receivable, Delinquent Receivable, Eligible Receivable, Facility Limit, Final Maturity Date, Net Receivables Pool Balance or Total Reserves contained in this Agreement, or increase the then existing Concentration Percentage for any Obligor or change the calculation of the Borrowing Base;

(ii) reduce the amount of Capital or Interest or Fees that is payable on account of any Loan or with respect to any other Credit Extension or delay any scheduled date for payment thereof;

(iii) change any Event of Default;

(iv) release all or a material portion of the Collateral from the Administrative Agent's security interest created hereunder;

(v) release the Performance Guarantor from any of its obligations under the Performance Guaranty or terminate the Performance Guaranty;

(vi) change any of the provisions of this Section 13.01 or the definition of "Majority Group Agents"; or

(vii) change the order of priority in which Collections are applied pursuant to Section 3.01 .

Notwithstanding the foregoing, (A) no amendment, waiver or consent shall increase any Committed Lender's Commitment hereunder without the consent of such Committed Lender and (B) no amendment, waiver or consent shall reduce any Fees payable by the Borrower to any member of any Group or delay the dates on which any such Fees are payable, in either case, without the consent of the Group Agent for such Group and (C) no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clauses (i) through (vii) above and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

SECTION 13.02. Notices, Etc . All notices and other communications hereunder shall, unless otherwise stated herein, be in writing (which shall include facsimile communication) and faxed or delivered, to each party hereto, at its address set forth under its name on Schedule III hereto or at such other address as shall be designated by such party in a written notice to the other parties hereto. Notices and communications by facsimile shall be effective when sent (and shall be followed by hard copy sent by regular mail), and notices and communications sent by other means shall be effective when received.

SECTION 13.03. Assignability; Addition of Lenders .

(a) Assignment by Conduit Lenders . This Agreement and the rights of each Conduit Lender hereunder (including each Loan made by it hereunder) shall be assignable by such Conduit Lender and its successors and permitted assigns (i) to any Program Support Provider of such Conduit Lender without prior notice to or consent from the Borrower or any other party, or any other condition or restriction of any kind, (ii) to any other Lender with prior notice to the Borrower but without consent from the Borrower or (iii) with the prior written consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed; provided , however , that such consent shall not be required if an Event of Default or Unmatured Event of Default has occurred and is continuing), to any other Eligible Assignee. Each assignor of a Loan or any interest therein may, in connection with the assignment or participation, disclose to the assignee or Participant any information relating to the Borrower and its Affiliates, including the Receivables, furnished to such assignor by or on behalf of the Borrower and its Affiliates or by the Administrative Agent; provided that, prior to any such disclosure, the assignee or Participant agrees to preserve the confidentiality of any confidential information relating to the Borrower and its Affiliates received by it from any of the foregoing entities in a manner consistent with Section 13.06(b) .

(b) Assignment by Committed Lenders . Each Committed Lender may assign to any Eligible Assignee or to any other Committed Lender all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and any Loan or interests therein owned by it); provided , however that

(i) except for an assignment by a Committed Lender to either an Affiliate of such Committed Lender or any other Committed Lender, each such assignment shall require the prior written consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed; provided, however, that such consent shall not be required if an Event of Default or an Unmatured Event of Default has occurred and is continuing);

(ii) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement;

(iii) the amount being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance Agreement with respect to such assignment) shall in no event be less than the lesser of (x) $5,000,000 and (y) all of the assigning Committed Lender's Commitment; and

(iv) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance Agreement.

Upon such execution, delivery, acceptance and recording, from and after the effective date specified in such Assignment and Acceptance Agreement, (x) the assignee thereunder shall be a party to this Agreement, and to the extent that rights and obligations under this Agreement have been assigned to it pursuant to such Assignment and Acceptance Agreement, have the rights and obligations of a Committed Lender hereunder and (y) the assigning Committed Lender shall, to the extent that rights and obligations have been assigned by it pursuant to such Assignment and Acceptance Agreement, relinquish such rights and be released from such obligations under this Agreement (and, in the case of an Assignment and Acceptance Agreement covering all or the remaining portion of an assigning Committed Lender's rights and obligations under this Agreement, such Committed Lender shall cease to be a party hereto).

(c) Register. The Administrative Agent shall, acting solely for this purpose as an agent of the Borrower, maintain at its address referred to on Schedule III of this Agreement (or such other address of the Administrative Agent notified by the Administrative Agent to the other parties hereto) a copy of each Assignment and Acceptance Agreement delivered to and accepted by it and a register for the recordation of the names and addresses of the Committed Lenders and the Conduit Lenders, the Commitment of each Committed Lender and the aggregate outstanding Capital (and stated interest) of the Loans of each Conduit Lender and Committed Lender from time to time (the " Register "). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Servicer, the Administrative Agent, the Group Agents, and the other Credit Parties may treat each Person whose name is recorded in the Register as a Committed Lender or Conduit Lender, as the case may be, under this Agreement for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, the Servicer, any Group Agent, any Conduit Lender or any Committed Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Procedure. Upon its receipt of an Assignment and Acceptance Agreement executed and delivered by an assigning Committed Lender and an Eligible Assignee or assignee

Committed Lender, the Administrative Agent shall, if such Assignment and Acceptance Agreement has been duly completed, (i) accept such Assignment and Acceptance Agreement, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower and the Servicer.

(e) Participations. Each Committed Lender may sell participations to one or more Eligible Assignees (each, a "Participant") in or to all or a portion of its rights and/or obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the interests in the Loans owned by it); provided, however, that

(i) such Committed Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, and

(ii) such Committed Lender shall remain solely responsible to the other parties to this Agreement for the performance of such obligations.

The Administrative Agent, the Group Agents, the Conduit Lenders, the other Committed Lenders, the Borrower and the Servicer shall have the right to continue to deal solely and directly with such Committed Lender in connection with such Committed Lender's rights and obligations under this Agreement.

(f) Participant Register. Each Committed Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Committed Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans or its other obligations under any this Agreement) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Committed Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(g) Assignments by Agents. This Agreement and the rights and obligations of the Administrative Agent and each Group Agent herein shall be assignable by the Administrative Agent or such Group Agent, as the case may be, and its successors and assigns; provided that in the case of an assignment to a Person that is not an Affiliate of the Administrative Agent or such Group Agent, so long as no Event of Default or Unmatured Event of Default has occurred and is continuing, such assignment shall require the Borrower's consent (not to be unreasonably withheld, conditioned or delayed).

(h) Assignments by the Borrower or the Servicer. Neither the Borrower nor, except as provided in Section 8.01, the Servicer may assign any of its respective rights or obligations hereunder or any interest herein without the prior written consent of the Administrative Agent and each Group Agent (such consent to be provided or withheld in the sole discretion of such Person).

(i) Addition of Lenders or Groups. The Borrower may, with written notice to the Administrative Agent and each Group Agent, add additional Persons as Lenders (by creating a new Group) or cause an existing Lender to increase its Commitment; provided, however, that the Commitment of any existing Lender may only be increased with the prior written consent of such Lender. Each new Lender (or Group) shall become a party hereto, by executing and delivering to the Administrative Agent and the Borrower, an assumption agreement (each, an " Assumption Agreement ") in the form of Exhibit C hereto (which Assumption Agreement shall, in the case of any new Lender, be executed by each Person in such new Lender's Group).

(j) Pledge to a Federal Reserve Bank. Notwithstanding anything to the contrary set forth herein, (i) any Lender, Program Support Provider or any of their respective Affiliates may at any time pledge or grant a security interest in all or any portion of its interest in, to and under this Agreement (including, without limitation, rights to payment of Capital and Interest) and any other Transaction Document to secure its obligations to a Federal Reserve Bank, without notice to or the consent of the Borrower, the Servicer, any Affiliate thereof or any Credit Party; provided, however, that that no such pledge shall relieve such assignor of its obligations under this Agreement.

(k) Pledge to a Security Trustee. Notwithstanding anything to the contrary set forth herein, (i) any Lender, Program Support Provider or any of their respective Affiliates may at any time pledge or grant a security interest in all or any portion of its interest in, to and under this Agreement (including, without limitation, rights to payment of Capital and Interest) and any other Transaction Document to a security trustee in connection with the funding by such Person of Loans, without notice to or the consent of the Borrower, the Servicer, any Affiliate thereof or any Credit Party; provided, however, that that no such pledge shall relieve such assignor of its obligations under this Agreement.

SECTION 13.04. Costs and Expenses. In addition to the rights of indemnification granted under Section 12.01 hereof, the Borrower agrees to pay on demand all reasonable and documented out-of-pocket costs and expenses in connection with the preparation, negotiation, execution, delivery and administration of this Agreement, any Program Support Agreement (or any supplement or amendment thereof) related to this Agreement and the other Transaction Documents (together with all amendments, restatements, supplements, consents and waivers, if any, from time to time hereto and thereto), including (i) the reasonable Attorney Costs for the Administrative Agent, the Structuring Agent and the other Credit Parties and any of their respective Affiliates with respect thereto and with respect to advising the Administrative Agent, the Structuring Agent and the other Credit Parties and their respective Affiliates as to their rights and remedies under this Agreement and the other Transaction Documents and (ii) reasonable accountants', auditors' and consultants' fees and expenses for the Administrative Agent, the Structuring Agent and the other Credit Parties and any of their respective Affiliates and the fees and charges of any nationally recognized statistical

rating organization incurred in connection with the administration and maintenance of this Agreement or advising the Administrative Agent or any other Credit Party as to their rights and remedies under this Agreement or as to any actual or reasonably claimed breach of this Agreement or any other Transaction Document. In addition, the Borrower agrees to pay on demand all reasonable and documented out-of-pocket costs and expenses (including reasonable Attorney Costs), of the Administrative Agent, the Structuring Agent and the other Credit Parties and their respective Affiliates, incurred in connection with the enforcement of any of their respective rights or remedies under the provisions of this Agreement and the other Transaction Documents.

SECTION 13.05. No Proceedings; Limitation on Payments.

(a) Each of the Borrower, the Administrative Agent, the Servicer, each Group Agent, each Lender and each assignee of a Loan or any interest agrees that it will not institute against, or join any other Person in instituting against, any Conduit Lender any Insolvency Proceeding so long as any Notes or other senior indebtedness issued by such Conduit Lender shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such Notes or other senior indebtedness shall have been outstanding.

(b) Each of the Servicer, each Group Agent, each Lender and each assignee of a Loan or any interest therein, hereby covenants and agrees that it will not institute against, or join any other Person in instituting against, the Borrower any Insolvency Proceeding until one year and one day after the Final Payout Date; provided, that the Administrative Agent may take any such action in its sole discretion following the occurrence of an Event of Default.

(c) Notwithstanding any provisions contained in this Agreement to the contrary, a Conduit Lender shall not, and shall be under no obligation to, pay any amount, if any, payable by it pursuant to this Agreement or any other Transaction Document unless (i) such Conduit Lender has received funds which may be used to make such payment and which funds are not required to repay such Conduit Lender's Notes when due and (ii) after giving effect to such payment, either (x) such Conduit Lender could issue Notes to refinance all of its outstanding Notes (assuming such outstanding Notes matured at such time) in accordance with the program documents governing such Conduit Lender's securitization program or (y) all of such Conduit Lender's Notes are paid in full. Any amount which any Conduit Lender does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in Section 101 of the Bankruptcy Code) against or company obligation of such Conduit Lender for any such insufficiency unless and until such Conduit Lender satisfies the provisions of clauses (i) and (ii) above. The provisions of this Section 13.05 shall survive any termination of this Agreement.

SECTION 13.06. Confidentiality.

(a) Each of the Borrower and the Servicer covenants and agrees to hold in confidence, and not disclose to any Person, the terms of any Fee Letter (including any fees payable in connection with this Agreement, such Fee Letters or any other Transaction Document), except as the Administrative Agent and each Group Agent may have consented to in writing prior to any proposed disclosure; provided, however, that it may disclose such information (i) to its Related Parties, (ii) to the extent such information has become available to the public other than as a result

of a disclosure by or through the Borrower, the Servicer or their Related Parties or (iii) to the extent it should be (A) required by Applicable Law, or in connection with any legal or regulatory proceeding or (B) requested by any Governmental Authority to disclose such information; provided , that, in the case of clause (iii) above, the Borrower and the Servicer will use reasonable efforts to maintain confidentiality and will (unless otherwise prohibited by Applicable Law) notify the Administrative Agent and the affected Credit Party of its intention to make any such disclosure prior to making such disclosure. Each of the Borrower and the Servicer agrees to be responsible for any breach of this Section by its Related Parties and agrees that its Related Parties will be advised by it of the confidential nature of such information and shall agree to comply with this Section. Notwithstanding the foregoing, it is expressly agreed that each of the Borrower, the Servicer and their respective Affiliates may publish a press release or otherwise publicly announce the existence and principal amount of the Commitments under this Agreement and the transactions contemplated hereby; provided that the Administrative Agent shall be provided a reasonable opportunity to review such press release or other public announcement prior to its release and provide comment thereon; and provided , further , that no such press release shall name or otherwise identify the Administrative Agent, any other Credit Party or any of their respective Affiliates without such Person's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed). Notwithstanding the foregoing, the Borrower consents to the publication by the Administrative Agent or any other Credit Party of a tombstone or similar advertising material relating to the financing transactions contemplated by this Agreement.

(b) Each of the Administrative Agent and each other Credit Party, severally and with respect to itself only, agrees, for the benefit of the Borrower, any Originator, Olin and the Performance Guarantor, to maintain the confidentiality of the Confidential Information, except that Confidential Information may be disclosed (a) to its Affiliates, their Related Parties and any Program Support Provider (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential), (b) to any rating agency (including any nationally recognized statistical rating organization in connection with obtaining or maintaining the rating of any Conduit Lender's Notes or as otherwise contemplated by 17 C.F.R. 240.17g-5(a)(3)), or regulatory or similar authority having, or purporting to have, jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), or in connection with any regulatory examination of the Administrative Agent or any Credit Party or in accordance with the Administrative Agent's or any Credit Party's regulatory compliance policy if the Administrative Agent or such Credit Party deems disclosure necessary for the mitigation of claims by those authorities against the Administrative Agent or such Credit Party or any of its Subsidiaries or Affiliates, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an express agreement for the benefit of the Borrower, any Originator, Olin and the Performance Guarantor containing provisions substantially the same as those of this Section, to any Eligible Assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower and Olin, (h) on a confidential basis to (i) any rating agency in connection with rating the Borrower or this Agreement or (ii) the CUSIP Service

Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers, (i) to Gold Sheets and other similar bank trade publications, such information to consist of deal terms and other information customarily found in such publications, (j) to data service providers, including league table providers, that serve the lending industry, such information to consist of information customarily provided to such data service providers or (k) to the extent such Confidential Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Credit Party on a nonconfidential basis from a source other than the Borrower, any Originator, Olin, the Performance Guarantor or any of their respective Subsidiaries. For the purposes of this Section 13.06 , " Confidential Information " means all information, including material nonpublic information with the meaning of Regulation FD promulgated by the SEC (" Regulation FD "), received from the Borrower, any Originator, Olin, the Performance Guarantor or any of their respective Subsidiaries relating to such entities or their respective businesses, other than any such information that is available to the Administrative Agent or any Credit Party on a nonconfidential basis prior to disclosure by such entities; provided , that such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Confidential Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such information as such Person customarily accords to its own confidential information; provided , however , that with respect to disclosures pursuant to clauses (b) and (c) of this Section, unless prohibited by law or applicable court order, each Credit Party and the Administrative Agent shall attempt to notify the Borrower and Olin of any request by any governmental agency or representative thereof or other Person for disclosure of Confidential Information after receipt of such request, and if reasonable, practicable and permissible, before disclosure of such Confidential Information. It is understood and agreed that the Borrower, Olin, each Originator and the Performance Guarantor and their respective Subsidiaries and Affiliates may rely upon this Section for any purpose, including to comply with Regulation FD.

(c) As used in this Section 13.06 , " Related Parties " means, with respect to any Person, such Person's Affiliates and the partners, directors, managers, officers, employees, members, investors, financing sources, insurers, representatives, controlling persons and agents, including accountants, legal counsel and other advisors of such Person and of such Person's Affiliates.

(d) Notwithstanding the foregoing, to the extent not inconsistent with applicable securities laws, each party hereto (and each of its employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure (as defined in Section 1.6011-4 of the Treasury Regulations) of the transactions contemplated by the Transaction Documents and all materials of any kind (including opinions or other tax analyses) that are provided to such Person relating to such tax treatment and tax structure.

SECTION 13.07. GOVERNING LAW . THIS AGREEMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF

LAW PROVISIONS THEREOF, EXCEPT TO THE EXTENT THAT THE PERFECTION, THE EFFECT OF PERFECTION OR PRIORITY OF THE INTERESTS OF ADMINISTRATIVE AGENT OR ANY LENDER IN THE COLLATERAL IS GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK).

SECTION 13.08. Execution in Counterparts . This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart hereof by facsimile or other electronic means shall be equally effective as delivery of an originally executed counterpart.

SECTION 13.09. Integration; Binding Effect; Survival of Termination . This Agreement and the other Transaction Documents contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms and shall remain in full force and effect until the Final Payout Date; provided , however , that the provisions of Sections 4.01 , 4.02 , 4.03 , 10.04 , 10.06 , 11.04 , 12.01 , 12.02 , 13.04 , 13.05 , 13.06 , 13.09 , 13.11 and 13.13 shall survive any termination of this Agreement.

SECTION 13.10. CONSENT TO JURISDICTION . (a) EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO (I) WITH RESPECT TO THE BORROWER AND THE SERVICER, THE EXCLUSIVE JURISDICTION, AND (II) WITH RESPECT TO EACH OF THE OTHER PARTIES HERETO, THE NON-EXCLUSIVE JURISDICTION, IN EACH CASE, OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN NEW YORK COUNTY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, AND EACH PARTY HERETO HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING (I) IF BROUGHT BY THE BORROWER, THE SERVICER OR ANY AFFILIATE THEREOF, SHALL BE HEARD AND DETERMINED, AND (II) IF BROUGHT BY ANY OTHER PARTY TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, MAY BE HEARD AND DETERMINED, IN EACH CASE, IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. NOTHING IN THIS SECTION 13.10 SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY OTHER CREDIT PARTY TO BRING ANY ACTION OR PROCEEDING AGAINST THE BORROWER OR THE SERVICER OR ANY OF THEIR RESPECTIVE PROPERTY IN THE COURTS OF OTHER JURISDICTIONS. EACH OF THE BORROWER AND THE SERVICER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING. THE PARTIES HERETO AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(a) EACH OF THE BORROWER AND THE SERVICER CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO IT AT ITS ADDRESS SPECIFIED IN SECTION 13.02 . NOTHING IN THIS SECTION 13.10 SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY OTHER CREDIT PARTY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

SECTION 13.11. WAIVER OF JURY TRIAL . EACH PARTY HERETO HEREBY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT.

SECTION 13.12. Ratable Payments . If any Credit Party, whether by setoff or otherwise, has payment made to it with respect to any Borrower Obligations in a greater proportion than that received by any other Credit Party entitled to receive a ratable share of such Borrower Obligations, such Credit Party agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of such Borrower Obligations held by the other Credit Parties so that after such purchase each Credit Party will hold its ratable proportion of such Borrower Obligations; provided that if all or any portion of such excess amount is thereafter recovered from such Credit Party, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

SECTION 13.13. Limitation of Liability .

(a) No claim may be made by the Borrower or any Affiliate thereof or any other Person against any Credit Party or their respective Affiliates, members, directors, officers, employees, incorporators, attorneys or agents for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any other Transaction Document, or any act, omission or event occurring in connection herewith or therewith; and each of the Borrower and the Servicer hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor. None of the Credit Parties and their respective Affiliates shall have any liability to the Borrower or any Affiliate thereof or any other Person asserting claims on behalf of or in right of the Borrower or any Affiliate thereof in connection with or as a result of this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, except to the extent that any losses, claims, damages, liabilities or expenses incurred by the Borrower or any Affiliate thereof result from the breach of contract, gross negligence or willful misconduct of such Credit Party in performing its duties and obligations hereunder and under the other Transaction Documents to which it is a party.

(b) The obligations of the Administrative Agent and each of the other Credit Parties under this Agreement and each of the Transaction Documents are solely the corporate obligations of such Person. No recourse shall be had for any obligation or claim arising out of or against any member, director, officer, employee or incorporator of any such Person.

SECTION 13.14. Intent of the Parties. The Borrower has structured this Agreement with the intention that the Loans and the obligations of the Borrower hereunder will be treated under United States federal, and applicable state, local and foreign tax law as debt (the "Intended Tax Treatment"). The Borrower, the Servicer, the Administrative Agent and the other Credit Parties agree to file no tax return, or take any action, inconsistent with the Intended Tax Treatment unless required by law. Each assignee and each Participant acquiring an interest in a Credit Extension, by its acceptance of such assignment or participation, agrees to comply with the immediately preceding sentence.

SECTION 13.15. USA Patriot Act. Each of the Administrative Agent and each of the other Credit Parties hereby notifies the Borrower and the Servicer that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "PATRIOT Act"), the Administrative Agent and the other Credit Parties may be required to obtain, verify and record information that identifies the Borrower, the Originators, the Servicer and the Performance Guarantor, which information includes the name, address, tax identification number and other information regarding the Borrower, the Originators, the Servicer and the Performance Guarantor that will allow the Administrative Agent and the other Credit Parties to identify the Borrower, the Originators, the Servicer and the Performance Guarantor in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act. Each of the Borrower and the Servicer agrees to provide the Administrative Agent and each other Credit Parties, from time to time, with all documentation and other information required by bank regulatory authorities under "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act.

SECTION 13.16. Right of Setoff. Each Credit Party is hereby authorized (in addition to any other rights it may have), at any time during the continuance of an Event of Default, to setoff, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and any other indebtedness held or owing by such Credit Party (including by any branches or agencies of such Credit Party) to, or for the account of, the Borrower against amounts owing by the Borrower hereunder (even if contingent or unmatured); provided that such Credit Party shall notify the Borrower promptly following such setoff.

SECTION 13.17. Severability. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 13.18. Mutual Negotiations. This Agreement and the other Transaction Documents are the product of mutual negotiations by the parties thereto and their counsel, and no party shall be deemed the draftsperson of this Agreement or any other Transaction Document or any provision hereof or thereof or to have provided the same. Accordingly, in the event of any inconsistency or ambiguity of any provision of this Agreement or any other Transaction Document, such inconsistency or ambiguity shall not be interpreted against any party because of such party's involvement in the drafting thereof.

SECTION 13.19. Captions and Cross References . The various captions (including the table of contents) in this Agreement are provided solely for convenience of reference and shall not affect the meaning or interpretation of any provision of this Agreement. Unless otherwise indicated, references in this Agreement to any Section, Schedule or Exhibit are to such Section Schedule or Exhibit to this Agreement, as the case may be, and references in any Section, subsection, or clause to any subsection, clause or subclause are to such subsection, clause or subclause of such Section, subsection or clause.

[Signature Pages Follow]

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

OLIN FINANCE COMPANY, LLC ,
as the Buyer

By: ____________
Name: __________
Title: ____________

OLIN CORPORATION ,
as the Servicer and as an Originator

By: ____________
Name: __________
Title: ____________

PNC BANK, NATIONAL ASSOCIATION ,
as Administrative Agent

By: ____________
Name: __________
Title: ____________

PNC BANK, NATIONAL ASSOCIATION ,
as Group Agent for the PNC Group

By: ____________
Name: __________
Title: ____________

PNC BANK, NATIONAL ASSOCIATION ,
as a Committed Lender

By: ____________
Name: __________
Title: ____________

ACCEPTED AND ACKNOWLEDGED SOLELY WITH RESPECT TO SECTION 10.10 HEREOF:

PNC CAPITAL MARKETS LLC,
as the Structuring Agent
By: _____________
Name: ___________
Title: _____________

WELLS FARGO BANK, NATIONAL ASSOCIATION ,
as a Committed Lender

By: ____________
Name: __________
Title: ____________

WELLS FARGO BANK, NATIONAL ASSOCIATION ,
as a Group Agent for the Wells Fargo Group

By: ____________
Name: __________
Title: ____________

EXHIBIT A
Form of Loan Request

[LETTERHEAD OF BORROWER]

[Date]

[Administrative Agent]

[Group Agents]

Re: Loan Request

Ladies and Gentlemen:

Reference is hereby made to that certain Receivables Financing Agreement, dated as of December 20, 2016, among Olin Finance Company, LLC (the " Borrower "), Olin Corporation, as Servicer (the " Servicer "), the Lenders party thereto, the Group Agents party thereto, PNC Bank, National Association, as Administrative Agent (in such capacity, the " Administrative Agent "), and PNC Capital Markets LLC, as Structuring Agent (the " Structuring Agent ") (as amended, supplemented or otherwise modified from time to time, the " Agreement "). Capitalized terms used in this Loan Request and not otherwise defined herein shall have the meanings assigned thereto in the Agreement.

This letter constitutes a Loan Request pursuant to Section 2.02(a) of the Agreement. The Borrower hereby request a Loan in the amount of [$_______] to be made on [_____, 20__] (of which $[___] will be funded by the PNC Group [and $[___] will be funded by the [___] Group]. The proceeds of such Loan should be deposited to [Account number], at [Name, Address and ABA Number of Bank]. After giving effect to such Loan, the Aggregate Capital will be [$_______].

The Borrower hereby represents and warrants as of the date hereof, and after giving effect to such Credit Extension, as follows:

(i) the representations and warranties of the Borrower and the Servicer contained in Sections 6.01 and 6.02 of the Agreement are true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) on and as of the date of such Credit Extension as though made on and as of such date unless such representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) on and as of such earlier date;

(ii) no Event of Default or Unmatured Event of Default has occurred and is continuing, and no Event of Default or Unmatured Event of Default would result from such Credit Extension;

(iii) no Borrowing Base Deficit exists or would exist after giving effect to such Credit Extension;

(iv) the Aggregate Capital will not exceed the Facility Limit;

(v) the sum of (A) the Capital of the applicable Lender, plus (B) the aggregate outstanding Capital of each other Lender in its Group, would not exceed the Group Commitment of such Lender's Group;

(vi) if the applicable Lender is a Committed Lender, the aggregate outstanding Capital of such Committed Lender would not exceed its Commitment;

(vii) the Aggregate Capital would not exceed the Borrowing Base at such time; and

(viii) the Termination Date has not occurred.

IN WITNESS WHEREOF, the undersigned has executed this letter by its duly authorized officer as of the date first above written.

Very truly yours,

OLIN FINANCE COMPANY, LLC

By: ___
Name: ___
Title: __

EXHIBIT B
Form of Reduction Notice

[LETTERHEAD OF BORROWER]

[Date]

[Administrative Agent]

[Group Agents]

Re: Reduction Notice

Ladies and Gentlemen:

Reference is hereby made to that certain Receivables Financing Agreement, dated as of December 20, 2016, among Olin Finance Company, LLC (the " Borrower "), Olin Corporation, as Servicer (the " Servicer "), the Lenders party thereto, the Group Agents party thereto, PNC Bank, National Association, as Administrative Agent (in such capacity, the " Administrative Agent "), and PNC Capital Markets LLC, as Structuring Agent (the " Structuring Agent ") (as amended, supplemented or otherwise modified from time to time, the " Agreement "). Capitalized terms used in this Reduction Notice and not otherwise defined herein shall have the meanings assigned thereto in the Agreement.

This letter constitutes a Reduction Notice pursuant to Section 2.02(d) of the Agreement. The Borrower hereby notifies the Administrative Agent and the Lenders that it shall prepay the outstanding Capital of the Lenders in the amount of **[$_______]** to be made on **[_____, 201_].** After giving effect to such prepayment, the Aggregate Capital will be **[$_______]** .

The Borrower hereby represents and warrants as of the date hereof, and after giving effect to such reduction, as follows:

(i) the representations and warranties of the Borrower and the Servicer contained in Sections 6.01 and 6.02 of the Agreement are true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) on and as of the date of such prepayment as though made on and as of such date unless such representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects (unless such representations and warranties contain a materiality qualification, in which case such representations and warranties shall be true and correct as made) on and as of such earlier date;

(ii) no Event of Default or Unmatured Event of Default has occurred and is continuing, and no Event of Default or Unmatured Event of Default would result from such prepayment;

(iii) no Borrowing Base Deficit exists or would exist after giving effect to such prepayment;

(iv) the Aggregate Capital would not equal an amount less than the Minimum Funding Threshold; and

(v) the Termination Date has not occurred.

IN WITNESS WHEREOF, the undersigned has executed this letter by its duly authorized officer as of the date first above written.

Very truly yours,

OLIN FINANCE COMPANY, LLC

By: ___
Name: ___
Title: __

EXHIBIT C
Form of Assignment and Acceptance Agreement

Dated as of ___________, 20__

Section 1 .

Commitment assigned:	$[_____]
Assignor's remaining Commitment:	$[_____]
Capital allocable to Commitment assigned:	$[_____]
Assignor's remaining Capital:	$[_____]
Interest (if any) allocable to Capital assigned:	$[_____]
Interest (if any) allocable to Assignor's remaining Capital:	$[_____]

Section 2 .

Effective Date of this Assignment and Acceptance Agreement: [__________]

Upon execution and delivery of this Assignment and Acceptance Agreement by the assignee and the assignor and the satisfaction of the other conditions to assignment specified in Section 13.03(b) of the Agreement (as defined below), from and after the effective date specified above, the assignee shall become a party to, and, to the extent of the rights and obligations thereunder being assigned to it pursuant to this Assignment and Acceptance Agreement, shall have the rights and obligations of a Committed Lender under that certain Receivables Financing Agreement, dated as of December 20, 2016, among Olin Finance Company, LLC (the " Borrower "), Olin Corporation, as Servicer (the " Servicer "), the Lenders party thereto, the Group Agents party thereto, PNC Bank, National Association, as Administrative Agent (in such capacity, the " Administrative Agent "), and PNC Capital Markets LLC, as Structuring Agent (the " Structuring Agent ") (as amended, supplemented or otherwise modified from time to time, the " Agreement ").

(Signature Pages Follow)

ASSIGNOR: [_________]

By: __________
Name: __________
Title __________

ASSIGNEE: [_________]

By:____________________________
Name: __________
Title: __________

[Address]

Accepted as of date first above written:

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By: __
Name: __
Title: __

OLIN FINANCE COMPANY, LLC,
as Borrower

By: __
Name: __
Title: __

EXHIBIT D
Form of Assumption Agreement

THIS ASSUMPTION AGREEMENT (this " Agreement "), dated as of [______ __, ____], is among ____________________ (the " Borrower "), [________], as conduit lender (the "[_____] Conduit Lender "), [________], as the Related Committed Lender (the "[______] Committed Lender " and together with the Conduit Lender, the "[_____] Lenders "), and [________], as group agent for the [_____] Lenders (the "[______] Group Agent " and together with the [_____] Lenders, the "[_______] Group ").

BACKGROUND

The Borrower and various others are parties to a certain Receivables Financing Agreement, dated as of December 20, 2016 (as amended through the date hereof and as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, the " Receivables Financing Agreement "). Capitalized terms used and not otherwise defined herein have the respective meaning assigned to such terms in the Receivables Financing Agreement.

NOW, THEREFORE, the parties hereto hereby agree as follows:

SECTION 1. This letter constitutes an Assumption Agreement pursuant to Section 13.03(i) of the Receivables Financing Agreement. The Borrower desires [the [_____] Lenders] [the [______] Committed Lender] to [become a Group] [increase its existing Commitment] under the Receivables Financing Agreement, and upon the terms and subject to the conditions set forth in the Receivables Financing Agreement, the [[________] Lenders] [[__________] Committed Lender] agree[s] to [become Lenders within a Group thereunder] [increase its Commitment to the amount set forth as its "Commitment" under the signature of such [______] Committed Lender hereto].

The Borrower hereby represents and warrants to the [[________] Lenders and the [_________] Group Agent] [[________] Committed Lender] as of the date hereof, as follows:

(i) the representations and warranties of the Borrower contained in Section 6.01 of the Receivables Financing Agreement are true and correct on and as of such date as though made on and as of such date;

(ii) no Event of Default or Unmatured Event of Default has occurred and is continuing, or would result from the assumption contemplated hereby; and

(iii) the Termination Date shall not have occurred.

SECTION 2. Upon execution and delivery of this Agreement by the Borrower and [each member of the [_________] Group Agent] [the [________] Committed Lender], satisfaction of the other applicable conditions specified in Section 13.03(i) of the Receivables Financing Agreement and receipt by the Administrative Agent of counterparts of this Agreement (whether by facsimile or otherwise) executed by each of the parties hereto, [the [_____] Lenders shall become a party to, and have the rights and obligations of Lenders under, the Receivables Financing Agreement and

the “Commitment” with respect to the Committed Lenders in such Group as shall be as set forth under the signature of each such Committed Lender hereto] [the [______] Committed Lender shall increase its Commitment to the amount set forth as the “Commitment” under the signature of the [______] Committed Lender hereto].

SECTION 3. Each party hereto hereby covenants and agrees that it will not institute against, or join any other Person in instituting against, any Conduit Lender, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any federal or state bankruptcy or similar law, for one year and one day after the latest maturing commercial paper notes or other senior indebtedness issued by such Conduit Lender is paid in full. The covenant contained in this paragraph shall survive any termination of the Receivables Financing Agreement.

SECTION 4. THIS AGREEMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF LAW PROVISIONS THEREOF). This Agreement may not be amended or supplemented except pursuant to a writing signed be each of the parties hereto and may not be waived except pursuant to a writing signed by the party to be charged. This Agreement may be executed in counterparts, and by the different parties on different counterparts, each of which shall constitute an original, but all together shall constitute one and the same agreement.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the date first above written.

[___________], as a Conduit Lender

By: __
Name Printed: __
Title: __
[Address]

[___________], as a Committed Lender

By: __
Name Printed: __
Title: __
[Address]
[Commitment]

[_____________], as Group Agent for [_________]

By: __
Name Printed: __
Title: __
[Address]

OLIN FINANCE COMPANY, LLC,
as Borrower

By: __
Name Printed: __
Title: __

EXHIBIT E
Credit and Collection Policy

(On file with the Administrative Agent)

EXHIBIT F
Form of Information Package

(Attached)

EXHIBIT G
Form of Compliance Certificate

To: PNC Bank, National Association, as Administrative Agent

This Compliance Certificate is furnished pursuant to that certain Receivables Financing Agreement, dated as of December 20, 2016, among Olin Finance Company, LLC (the " Borrower "), Olin Corporation, as Servicer (the " Servicer "), the Lenders party thereto, the Group Agents party thereto, PNC Bank, National Association, as Administrative Agent (in such capacity, the " Administrative Agent "), and PNC Capital Markets LLC, as Structuring Agent (the " Structuring Agent ") (as amended, supplemented or otherwise modified from time to time, the " Agreement "). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Agreement.

THE UNDERSIGNED, SOLELY IN [HIS] [HER] CAPACITY AS [[TITLE]] OF THE SERVICER, AND NOT IN MY INDIVIDUAL CAPACITY, HEREBY CERTIFIES THAT:

1. I am the duly elected ________________ of the Servicer.

2. I have reviewed the terms of the Agreement and each of the other Transaction Documents and I have made, or have caused to be made under my supervision, a detailed review of the transactions and condition of the Borrower during the accounting period covered by the attached financial statements.

3. Based on the examinations described in paragraph 2 , to my knowledge, no Event of Default or an Unmatured Event of Default has occurred and is continuing [, except as set forth in paragraph 5 below].

4. Schedule I attached hereto sets forth financial statements of the Parent and its Subsidiaries for the period referenced on such Schedule I .

[5. Described below are the exceptions to paragraph 3 above by listing the nature of and status of each Event of Default or Unmatured Event of Default and the action which the Borrower has taken, is taking or proposes to take with respect to each such Event of Default or Unmatured Event of Default:]

The foregoing certifications are made and delivered this ______ day of ___________________, 20___.

[_________]

By: __
Name: __
Title: __

SCHEDULE I TO COMPLIANCE CERTIFICATE

A. Schedule of Compliance as of ___________________, 20__ with Section 7.02(a)(i) of the Agreement. Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

This schedule relates to the month ended: __________________.

B. The following financial statements of the Parent and its Subsidiaries for the period ending on ______________, 20__, are attached hereto:

EXHIBIT H
Closing Memorandum

(Attached)

EXHIBIT I
Form of Interim Report

(Attached)

SCHEDULE I
Commitments

PNC Group		
Party	Capacity	Maximum Commitment
PNC	Committed Lender	$150,000,000
PNC	Group Agent	N/A

Wells Fargo Group		
Party	Capacity	Maximum Commitment
Wells Fargo	Committed Lender	$100,000,000
Wells Fargo	Group Agent	N/A

SCHEDULE II

Lock-Boxes, Collection Accounts, Servicer Accounts and Collection Account Banks

Collection Account Bank	Lock-Box	Collection Account	Servicer Accounts
Bank of America, N.A.	402766	3751826394	3751893107
Bank of America, N.A.	5065	3751606802	3751893107
Bank of America, N.A.	62860	4427676602	3751893107
Bank of America, N.A.	N/A	4451044080	4451053534

SCHEDULE III

Notice Addresses

(A) in the case of the Borrower, at the following address:

Olin Finance Company, LLC
190 Carondelet Plaza, Suite 1530
Clayton, MO 63105
Attention: Michael Hollenkamp
Telephone: (314) 719-1333
Facsimile: (314) 480-1487
Email: MJhollenkamp@olin.com

(B) in the case of the Servicer, at the following address:

Olin Corporation
190 Carondelet Plaza, Suite 1530
Clayton, MO 63105
Attention: Michael Hollenkamp
Telephone: (314) 719-1333
Facsimile: (314) 480-1487
Email: MJhollenkamp@olin.com

(C) in the case of PNC or the Administrative Agent, at the following address:

PNC Bank, National Association
Three PNC Plaza
225 Fifth Avenue
Pittsburgh, PA 15222
Attention: Robyn Reeher
Telephone: (412) 768-3090
Facsimile: (412) 762-9184
Email: robyn.reeher@pnc.com

(D) in the case of the Wells Fargo, at the following address:

Wells Fargo Bank, National Association
1100 Abernathy Road, Suite 1600
Atlanta, Georgia 30328
Attention: Elizabeth R. Wagner
Telephone: (770) 508-2169
Facsimile: (855) 818-1937
Email: elizabeth.wagner@wellsfargo.com

With copies to:

Attention: Tim Brazeau
Email: timothy.s.brazeau@wellsfargo.com

Attention: Stephanie Wilkerson
Email: stephanie.a.wilkerson@wellsfargo.com

(E) in the case of any other Person, at the address for such Person specified in the other Transaction Documents; in each case, or at such other address as shall be designated by such Person in a written notice to the other parties to this Agreement.

SCHEDULE IV
Excluded Obligors

1. Akzo Nobel N.V.;
2. Akzo Nobel Pulp & Performance Chemicals;
3. Akzo Nobel Coatings, Inc.;
4. Akzo Nobel Surface Chemistry, Inc.;
5. BASF Corporation;
6. Boise White Paper LLC;
7. Brenntag;
8. Brenntag Mid-South, Inc.;
9. Brenntag Pacific, Inc.;
10. Brenntag Southwest, Inc.;
11. Dow Agrosciences LLC;
12. Ecolab, Inc.;
13. E I Du Pont de Nemours & Co;
14. Evonik Corporation;
15. GB Biosciences Corporation;
16. Georgia-Pacific LLC;
17. International Paper Company;
18. Mitsui & Co. (USA) Inc;
19. Nalco Company;
20. Packaging Corp of America;
21. PPG Industries, Inc.;
22. Rohm & Hass Chemicals LLC;
23. Rohm & Hass Texas, Inc.;

24. Syngenta AG

25. Syngenta Crop Protection;

26. The Dow Chemical Company;

27. The Sherwin-Williams Company;

28. Valspar Sourcing, Inc.;

29. Wal-Mart Stores, Inc.; and

30. WestRock RKT Company.

SCHEDULE V
Financial Covenant

Financial Covenant Definitions .

" Credit Agreement Closing Date " for purposes of this Schedule V , shall mean the later of (i) October 5, 2015 or (ii) the closing date of an amendment, restatement, modification, supplement, waiver, extension, refinancing or replacement of the Credit Agreement, if any; provided , that such closing date occurs within one hundred fifty (150) days of December 20, 2016.

" Consolidated Leverage Ratio " shall have the same meaning attributed to such term in the Credit Agreement.

" Credit Agreement " means that certain Amended and Restated Credit Agreement, dated as of the Credit Agreement Closing Date, by and among Olin, Olin Canada ULC, Blue Cube Spinco Inc., the lenders listed on the signature pages thereof, and Wells Fargo Bank, National Association.

" Reference Period " means any period of four consecutive fiscal quarters of Olin..

Financial Covenant .

1. Olin, so long as it is the Servicer and Performance Guarantor, shall maintain a Consolidated Leverage Ratio as of the last day of (i) each of the first six Reference Periods ending after the Credit Agreement Closing Date (commencing with the Reference Period that includes the first full fiscal quarter ending after the Credit Agreement Closing Date), of not more than 4.50 to 1.00, (ii) each of the next two following Reference Periods, of not more than 4.25 to 1.00, (iii) each of the next two following Reference Periods, of not more than 4.00 to 1.00, or (iv) each Reference Period thereafter, of not more than 3.75 to 1.00.

SCHEDULE VI

Affected Filings

1. Delaware: Filing No.: 2016 3941950 (Debtor: Blue Cube Operations LLC; Secured Party: Sumitomo Mitsui Banking Corporation);
2. Delaware: Filing No.: 2015 1754281 (Debtor: K.A. Steel Chemicals Inc.; Secured Party: Citibank, N.A.);
3. Delaware: Filing No.: 2016 3942057 (Debtor: K.A. Steel Chemicals Inc.; Secured Party: Sumitomo Mitsui Banking Corporation);
4. Virginia: Filing No.: 020214-7224 (Debtor: Olin Corporation; Secured Party: Equistar Chemicals, LP);
5. Virginia: Filing No.: 071030-7318-8 (Debtor: Olin Corporation; Secured Party: Kataman Metals, Inc.);
6. Virginia: Filing No.: 121128-5763-7 (Debtor: Olin Corporation; Secured Party: John Crane Inc.);
7. Virginia: Filing No.: 160630-4051-9 (Debtor: Olin Corporation; Secured Party: Sumitomo Mitsui Banking Corporation);

Exhibit 12

OLIN CORPORATION AND CONSOLIDATED SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
(Unaudited)

	Years Ended December 31,				
	2016	***2015***	***2014***	***2013***	***2012***
Earnings:			*($ in millions)*		
Income (loss) from continuing operations before taxes [1]	$ (34.2)	$ 6.7	$ 162.7	$ 250.0	$ 225.2
Add (deduct):					
Earnings of non-consolidated affiliates	(1.7)	(1.7)	(1.7)	(2.8)	(3.0)
Distributions from affiliated companies	—	—	—	1.5	1.3
Amortization of capitalized interest	3.7	2.2	2.2	2.1	1.6
Capitalized interest	(1.9)	(1.1)	(0.2)	(1.1)	(7.4)
Fixed charges as described below	225.6	123.1	67.5	62.0	54.0
Total	$ 191.5	$ 129.2	$ 230.5	$ 311.7	$ 271.7
Fixed charges:					
Interest expensed and capitalized	$ 193.8	$ 98.1	$ 44.0	$ 39.7	$ 33.8
Estimated interest factor in rent expense [2]	31.8	25.0	23.5	22.3	20.2
Total	$ 225.6	$ 123.1	$ 67.5	$ 62.0	$ 54.0
Ratio of earnings to fixed charges [3]	0.8	1.0	3.4	5.0	5.0

(1) For the year ended December 31, 2016, income (loss) from continuing operations before taxes included $76.6 million of non-cash asset impairment restructuring charges associated with permanently closing the Henderson, NV chlor alkali plant and reconfiguring the facility to manufacture bleach and distribute caustic soda and hydrochloric acid.

(2) Amounts represent those portions of rent expense that are reasonable approximations of interest costs.

(3) The ratio coverage during the year ended December 31, 2016 was less than 1:1. We would have needed to generate additional earnings of $34.1 million to achieve a coverage of 1:1 during the year ended December 31, 2016.

SUBSIDIARIES OF OLIN CORPORATION [1]

(As of December 31, 2016)

Company	Shareholders/ Members	% Ownership	Jurisdiction
Blue Cube Holding LLC	Blue Cube Spinco Inc.	100	DE
Blue Cube Intermediate Holding 1 LLC	Blue Cube Holdings C.V.	100	DE
Blue Cube Intermediate Holding 2 LLC	Blue Cube Holdings C.V.	100	DE
Blue Cube International Holdings LLC	Blue Cube Spinco Inc.	100	DE
Blue Cube IP LLC	Blue Cube Holding LLC	100	DE
Blue Cube Operations LLC	Blue Cube Holding LLC	100	DE
Blue Cube Spinco Inc.	Olin	100	DE
Bridgeport Brass Corporation	Olin	100	IN
Henderson Groundwater LLC	Pioneer Americas LLC has a 1/3 ownership in this limited liability company that will be treated as a partnership for income tax purposes	33	NV
HPCM LLC	K. A. Steel Chemicals Inc.	100	DE
Hunt Trading Co.	Olin	100	MO
Imperial West Chemical Co.	Pioneer Companies, LLC	100	NV
K. A. Steel Chemicals Inc.	Olin	100	DE
K. A. Steel International	K. A. Steel Chemicals Inc.	100	DE
KAS Muscatine LLC	K. A. Steel Chemicals Inc.	100	IA
KNA California, Inc.	Imperial West Chemical Co.	100	DE
KWT, Inc.	Pioneer Water Technologies, Inc.	100	DE
LTC Reserve Corp.	Olin	100	DE
Monarch Brass & Copper Corp.	Olin	100	NY
Monarch Brass & Copper of New England Corp.	Monarch Brass & Copper Corp.	100	RI
New Haven Copper Company	Monarch Brass & Copper Corp.	100	CT
Olin Benefits Management, Inc.	Olin	100	CA
Olin Business Holdings	Olin Corporation; Olin Engineered Systems, Inc.; Pioneer Americas LLC	62.05 36.15 1.80	DE
Olin Chlor Alkali Logistics Inc.	Olin Sunbelt, Inc.; Olin Sunbelt II, Inc.	50 50	DE
Olin Chlorine 7, LLC	Blue Cube Holding LLC	100	DE
Olin Engineered Systems, Inc.	Olin	100	DE
Olin Far East, Limited	Olin	100	DE
Olin Finance Company, LLC	Olin	100	DE
Olin Financial Services Inc.	Olin	100	DE
Olin Funding Company LLC	Olin	100	DE
Olin North American Holdings, Inc.	Olin	100	DE
Olin Sunbelt, Inc.	Olin	100	DE
Olin Sunbelt II, Inc.	Olin	100	DE
Pioneer Americas LLC	Olin Canada ULC	100	DE
Pioneer Companies, LLC	Olin North American Holdings, Inc.	100	DE
Pioneer (East), Inc.	Pioneer Companies, LLC	100	DE
Pioneer Licensing, Inc.	Pioneer Companies, LLC	100	DE
Pioneer Transportation LLC	Olin Business Holdings	100	DE
Pioneer Water Technologies, Inc.	Pioneer Companies, LLC	100	DE
Ravenna Arsenal, Inc.	Olin	100	OH
Sunbelt Chlor Alkali Partnership	Olin Sunbelt, Inc.; Olin Sunbelt II, Inc.	50 50	DE
TriOlin, LLC	Olin	100	DE

U.S. Munitions, LLC	Joint venture company with Winchester Defense, LLC; BAE Systems Ordnance Systems, Inc.	49 51	DE
Waterbury Rolling Mills, Inc.	Monarch Brass & Copper Corp.	100	CT
Winchester Ammunition, Inc.	Olin	100	DE
Winchester Defense, LLC	Olin	100	DE
INTERNATIONAL			
3229897 Nova Scotia Co.	Blue Cube Holding LLC	100	Nova Scotia, Canada
BC Chemicals Singapore Pte. Ltd.	Blue Cube Chemicals Singapore Pte. Ltd.	100	Singapore
BC Química Brasil Comércio de Produtos Químicos Ltda. *(See footnote 2 for Subordinate)*	Blue Cube Brasil Comércio de Produtos Químicos Ltda.	100	Brazil
BC Switzerland GmbH	Nedastra Holding B.V.	100	Switzerland
Blue Cube Argentina Srl	Blue Cube Holding LLC	100	Argentina
Blue Cube Australia Pty Ltd	Blue Cube Chemicals Singapore Pte. Ltd.	100	Australia
Blue Cube Belgium BVBA	Nedastra Holding B.V.	100	Belgium
Blue Cube Brasil Comércio de Produtos Químicos Ltda. *(See footnote 3 for Subordinates)*	Nedastra Holding B.V.	100	Brazil
Blue Cube Chemicals FZE	Nedastra Holding B.V.	100	UAE
Blue Cube Chemicals Hong Kong Limited	Blue Cube Chemicals Singapore Pte. Ltd.	100	Hong Kong
Blue Cube Chemicals India Private Limited	Blue Cube Chemicals Singapore Pte. Ltd.	100	India
Blue Cube Chemicals Italy S.r.l.	Nedastra Holding B.V.	100	Italy
Blue Cube Chemical Korea Ltd.	Blue Cube Chemicals (Zhangjiagang) Co., Ltd.	100	Korea
Blue Cube Chemicals Singapore Pte. Ltd.	Nedastra Holding B.V.	100	Singapore
Blue Cube Chemicals Singapore Pte. Ltd. Taiwan Branch	Blue Cube Chemicals Singapore Pte. Ltd.	100	Taiwan
Blue Cube Chemicals South Africa Pty Ltd	Nedastra Holding B.V.	100	South Africa
Blue Cube Chemicals (UK) Limited	Nedastra Holding B.V.	100	United Kingdom
Blue Cube Chemicals (Zhangjiagang) Co., Ltd.	Blue Cube Chemicals Singapore Pte. Ltd.	100	China
Blue Cube Chemicals (Zhangjiagang) Co., Ltd. Shanghai Branch	Blue Cube Chemicals (Zhangjiagang) Co., Ltd.	100	China
Blue Cube Chile Commercial Limitada	Blue Cube Holding LLC	100	Chile
Blue Cube Columbia Ltda	Blue Cube Holding LLC; 1% minority interest owned by Blue Cube Operations LLC	99 01	Columbia
Blue Cube Denmark ApS	Nedastra Holding B.V.	100	Denmark
Blue Cube France	Nedastra Holding B.V.	100	France
Blue Cube Germany Assets GmbH & Co. KG	Blue Cube Germany Assets Management GmbH (General partner); Nedastra Holding B.V. (Limited Partner)	0 100	Germany
Blue Cube Germany Assets Management GmbH	Nedastra Holding B.V.	100	Germany
Blue Cube Germany Productions GmbH & Co. KG	Blue Cube Germany Productions Management GmbH (General partner); Nedastra Holding B.V. (Limited partner)	0 100	Germany
Blue Cube Germany Productions Management GmbH	Nedastra Holding B.V.	100	Germany
Blue Cube Holdings C.V.	Blue Cube International Holdings LLC; Blue Cube Holding LLC	99.99% 0.01%	Netherlands
Blue Cube Japan LLC	Blue Cube Chemicals Singapore Pte. Ltd.	100	Japan
Blue Cube Mexico, S. de R.L. de C.V.	Blue Cube Holding LLC; 2% minority interest owned by Blue Cube Operations LLC	98 02	Mexico
Blue Cube Netherlands B.V.	Nedastra Holding B.V.	100	Netherlands
Blue Cube Poland Sp.z.o.o.	Nedastra Holding B.V.	100	Poland
Blue Cube Rasha OOO	Nedastra Holding B.V.	100	Russia

Blue Cube Servicios Administrativos S. de R. L. de C.V.	Blue Cube Holding LLC; 10% minority interest owned by Blue Cube Operations LLC	90 10	Mexico
Blue Cube Spain S.L. Sociedad Unipersonal	Nedastra Holding B.V.	100	Spain
Blue Cube (Thailand) Company Limited	Blue Cube Holding LLC; 0.001% minority interest owned by Blue Cube Operations LLC; 0.001% minority interest owned by Blue Cube IP LLC	99.998 0.001 0.001	Thailand
Blue Cube (Thailand) Company Limited Hong Kong Branch	Blue Cube (Thailand) Company Limited	100	Hong Kong
Blue Cube Turkey Kimyasal Ürűnler Limited Şirketi	Nedastra Holding B.V.	100	Turkey
CANSO Chemicals Limited	Olin Canada ULC; Northern Pulp is the other 50% owner (Pioneer related)	50 50	Nova Scotia, Canada
Olin Hunt Specialty Products S.r.l.	Olin Corporation; Hunt Trading Co.	99 01	Italy
Olin Netherlands Holding B.V.	Nedastra International C.V.	100	Netherlands
Nedastra Holding B.V.	Nedastra International C.V.	100	Netherlands
Nedastra International C.V.	Blue Cube Intermediate Holding 2 LLC; Blue Cube Intermediate Holding 1 LLC	99.496% 0.504%	Netherlands
Nutmeg Insurance Limited	Olin	100	Bermuda
Olin Canada ULC	Olin North American Holdings, Inc.	100	Nova Scotia, Canada
Winchester Australia Limited	Olin	100	Australia

Footnotes:

1 Omitted from the following list are the names of certain subsidiaries which, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary

2 Subordinate of BC Quimica Brasil Comércio de Produtos Químicos Ltda.:

- Branch of BC Química Brasil Comércio de Produtos Químicos Ltda.

3 Subordinates of Blue Cube Brasil Comércio de Produtos Químicos Ltda.:

- Branch of Blue Cube Brasil Comércio de Produtos Químicos Ltda.
- Sâo Paulo Branch of Blue Cube Brasil Comércio de Produtos Químicos Ltda.
- Bahia Branch of Blue Cube Brasil Comércio de Produtos Químicos Ltda. (Caustic Soda)
- Paraná Branch of Blue Cube Brasil Comércio de Produtos Químicos Ltda. (Caustic Soda)

Exhibit 23

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Olin Corporation:

We consent to the incorporation by reference in Registration Statements Nos. 333-18619, 333-39305, 333-39303, 333-35818, 333-97759, 333-110135, 333-110136, 333-124483, 333-133731, 333-148918, 333-158799, 333-166288, 333-176432, 333-195500, 333-209534 and 333-211434 on Form S-8 of Olin Corporation of our report dated February 29, 2016 with respect to the consolidated balance sheets of Olin Corporation as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2016, and the effectiveness of internal control over financial reporting as of December 31, 2016, which report appears in the December 31, 2016 annual report on Form 10-K of Olin Corporation.

/s/ KPMG LLP

St. Louis, Missouri
February 27, 2017

Exhibit 31.1

CERTIFICATIONS

I, John E. Fischer, certify that:

1. I have reviewed this annual report on Form 10-K of Olin Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2017

/s/ John E. Fischer
John E. Fischer
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Todd A. Slater, certify that:

1. I have reviewed this annual report on Form 10-K of Olin Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2017

/s/ Todd A. Slater
Todd A. Slater
Vice President and Chief Financial Officer

Exhibit 32

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

In connection with the Annual Report of Olin Corporation (the “Company”) on Form 10-K for the period ended December 31, 2016 as filed with the Securities and Exchange Commission (the “Report”), I, John E. Fischer, President and Chief Executive Officer and I, Todd A. Slater, Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to our knowledge: (1) the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

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

/s/ John E. Fischer
John E. Fischer
President and Chief Executive Officer

Dated: February 27, 2017

/s/ Todd A. Slater
Todd A. Slater
Vice President and Chief Financial Officer

Dated: February 27, 2017