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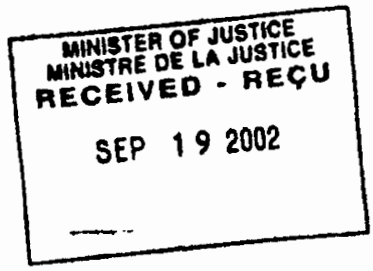
SENT BY COURIER

Ottawa, September 19, 2002



Attorney General of Canada
Justice Building
284 Wellington Street
Ottawa, ON K1A 0H8

Dear Sir,

Re: Crompton Corp. – Notice of Intent to Submit a Complaint to Arbitration Under Chapter 11 of the North American Free Trade Agreement

Further to our letter of April 4, 2002, we hereby serve you with notice of Crompton Corp.'s (Crompton) intention to submit additional claims against the Canadian Government to arbitration pursuant to Articles 1116 and/or 1117 and Article 1119 of the North American Free Trade Agreement ("NAFTA").

To date Crompton has delivered two notices of intent: one was delivered on November 6, 2001 advising the Canadian Government of its intent to submit claims to arbitration pursuant to articles 1102, 1105, 1106 and 1110 of the NAFTA; a second was filed on April 4, 2002, advising the Canadian Government of Crompton's intent to submit claims to arbitration pursuant to articles 1103 and 1104 of the NAFTA. This notice of intent is added to these previous two claims.

With respect to this additional Notice, the particulars are as follows:

A. Name and Address of the Disputing Investor

Crompton Corp.
World Headquarters
Greenwich, Connecticut 06831
U.S.A.

B. Provisions of NAFTA Alleged to Have Been Breached

Crompton, the Investor, alleges that the Government of Canada has breached its obligations under Articles 1102, 1103, 1104, 1105, 1106 and 1110 of the NAFTA entitling Crompton to claim damages under Article 1116 and/or Article 1117 thereof.

C. Issues and Factual Basis for the Claim

(i) Facts

1. Crompton incorporates by reference and restates the factual bases for the claim set forth in its November 6, 2001 and April 4, 2002 Notices of Intent. A copy of each of these Notices is attached as Schedule A and B. With respect to this further claim, Crompton relies on these additional facts.

2. On December 19, 2001 ("December letter"), the PMRA advised Crompton Co. that it was terminating its remaining lindane uses. PMRA further advised that such termination would be implemented in one of two ways: either by "voluntary" discontinuance or through the suspension of lindane registrations.

3. In the event that Crompton Co. agreed to "voluntarily" discontinue use, it would be granted a phase-out period during which the lindane products could be sold by registrants and distributors/retailers and used by users/growers. In certain cases, the end use date was December 31, 2004.

4. On January 17, 2002 Crompton Co. received a letter from the PMRA making it clear that if a registrant did not "voluntarily" discontinue use of the lindane products, the registration would be immediately suspended. Such suspension would terminate the registrant's right to sell the product as of the suspension date – no phase out would be granted.

5. On January 23, 2002 Crompton Co. informed the PMRA that it did not concur with the proposed "voluntary" suspension and that given the basis for the December letter there was also no basis for immediate suspension where a registrant refused to "voluntarily" discontinue use.

6. On February 11, 2002, the PMRA advised Crompton Co. by letter that its lindane registrations for:

Vitavax RS Flowable Systemic Liquid Seed Protectant; Reg. No. 15533
Vitavax RS Powder Seed Treatment; Reg. No. 16451
Cloak Seed Treatment; Reg. No. 22121
Vitavax RS Flowable (Undyed) Seed Protectant; Reg. No. 24467
Vitavax RS Dynaseal Seed Protectant; Reg. No. 24482

were "terminated through suspension" because Crompton did not submit the required form letter of "voluntary" discontinuation by the January 31, 2002 deadline set by the PMRA.

7. On February 21, 2002, the PMRA advised Crompton Co. that its lindane registrations for:

Vitaflo DP Systemic Fungicide & Insecticide; Reg. No. 11422
Vitavax Dual Solution Systemic Fungicide & Insecticide; Reg. No,. 14115
Vitavax Dual Powder Seed Protectant; Reg. No. 15537

were "terminated through suspension". The PMRA terminated these lindane registrations without the right to phase-out use notwithstanding the fact that Crompton had provided the sales and inventory information requested by the PMRA in order to be granted this right. The PMRA gave as its reason that Crompton had stated that in providing the information it was not concurring with the proposed "voluntary" discontinuation and that Crompton did not provide the required form letter of "voluntary discontinuation" by the January 31, 2002 deadline.

8. As a result of all of Crompton's remaining lindane registrations being terminated through suspension, Crompton could not sell certain of its lindane products after February 11, 2002, and could not sell any lindane product after February 21, 2002.

9. As Crompton Co. did not agree to "voluntarily" discontinue use of the lindane products it was not granted the right to a phased-out termination of lindane use. In addition to loss of revenues and profits, substantial costs will have to be incurred for the disposal of unsold stock.

10. Crompton says that there was nothing voluntary about the required withdrawal, nor was there any basis for the registration suspension or for discrimination between those who voluntarily withdraw and those whose registrations were suspended.

(ii) Issues

11. The Government of Canada has breached its obligations under Article 1102 (National Treatment), Article 1103 (Most-Favored-Nation Treatment), Article 1104 (Standard of Treatment), Article 1105 (Minimum Standard of Treatment), Article 1106 (Performance Requirements) and Article 1110 (Expropriation) of Chapter 11 of the NAFTA.

12. Crompton, an investor of a Party as defined in Section C of Chapter Eleven of the NAFTA, has incurred damage by reason of that breach in relation to Crompton Co., an investment of Crompton as defined in Section C of Chapter Eleven of the NAFTA.

Article 1102 – National Treatment

13. Crompton incorporates by reference its Article 1102 claim as stated in its November 6, 2001 Notice and repeats it as it relates to these additional facts.

Article 1103 – Most-Favored-Nation Treatment

14. Crompton incorporates by reference its Article 1103 claim as stated in its April 4, 2002 Notice and repeats it as it relates to these additional facts.

Article 1104 – Standard of Treatment

15. The Government of Canada, and specifically the PMRA, has breached its obligation under Article 1104 to accord Crompton the better of the treatment required by Articles 1102 and 1103.

Article 1105 – Minimum Standard of Treatment

16. The actions taken by the Canadian Government, and specifically the PMRA are unfair and inequitable. The termination of lindane is not based on credible scientific evidence, the study was biased, incomplete and scientifically unsound. The methodology and standards used and applied were inconsistent with other studies of competing products.

17. The Canadian Government gave no consideration to alternative means of addressing the alleged concerns arising from the use of lindane products for example, through the imposition of ameliorating steps and practices.

18. As a result the termination of lindane goes far beyond what is necessary to protect any legitimate public interest.

Article 1106 – Performance Requirements

19. Crompton incorporates by reference its Article 1106 claim as stated in its November 6, 2001 Notice and repeats it as it relates to these additional facts.

Article 1110 – Expropriation

20. Crompton incorporates by reference its Article 1106 claim as stated in its November 6, 2001 Notice and repeats it as it relates to these additional facts.

21. In addition, by terminating the remaining lindane uses the Government of Canada has ended Crompton's business of producing and selling lindane for use in Canada. This constitutes a substantial taking of Crompton's lindane business. The Government of Canada's actions are both directly and indirectly tantamount to expropriation.

Relief Sought and Damages Claimed

22. Crompton is requesting reinstatement of its registrations for lindane.

23. Crompton is seeking damages in the amount of approximately $100 million (US) for loss of sales, profits and goodwill, of itself and its Canadian subsidiary plus costs associated with these proceedings, including fees and disbursements, plus prejudgment and post-judgment interest at a rate to be fixed by the tribunal.

24. Crompton seeks such further relief that this tribunal may deem appropriate.

OGILVY
RENAULT

DATED AT OTTAWA, this 19th day of September, 2002.

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