

**OLIN CORPORATION**

**Amended and Restated Principles of Corporate Governance**

August 22, 2013

**General Statement**

Olin's primary corporate objective is to conduct its business activities in a legal and ethical manner with a view to increasing shareholder value and sustainable shareholder returns.

The Directors are elected by the shareholders to oversee management and to hold the Corporation's managers accountable for the pursuit of Olin's corporate objectives. In fulfilling its responsibilities, Olin's Board, directly or through committees of the Board, regularly exercises its business judgment in its good-faith effort to perform the following principal functions:

1. Ensuring legal and ethical conduct of all employees through oversight of the Corporation's control and compliance processes and its established ethics program.
2. Selecting, evaluating and, if necessary, replacing the Board Chair and CEO and other Senior Executives, and establishing appropriate compensation for such individuals consistent with the best interest of Olin and its shareholders.
3. Reviewing and approving the strategic direction of the corporation.
4. Providing general oversight of the business.
5. Evaluating Board processes and performance.
6. Selecting Directors and Director nominees.
7. Determining Directors' compensation at customary and appropriate levels, so as not to impair the independence of any Director.
8. Oversight of Olin's risk assessment and management process.

**I. Ensuring Legal and Ethical Conduct**

These Principles, including the attached Committee charters and Olin's Code of Conduct (or other code of ethics or similar policy) will be posted on Olin's website and will be available in print to any shareholder by request. Such availability will be described in Olin's annual report to shareholders. Directors as well as employees and officers shall be subject to the Code of Conduct (or other code of ethics or similar policy).

The Audit Committee is primarily responsible for this function and reports regularly to the Board. (See Audit Committee Charter (Exhibit 1) for details.)

The Directors and Corporate Governance Committee, (or if such Committee so elects, the Board of Directors), shall approve in advance:

- any financial arrangement, transaction or relationship (such as indebtedness), or series of related transactions within a fiscal year, with any “related party,” where Olin is a direct or indirect participant and the amount involved is \$120,000 or more, and
- any charitable contribution made on behalf of a related party or to an organization where a related party is an officer or director, if the amount involved is \$10,000 or more within a fiscal year, and Olin is a direct or indirect participant.

Notwithstanding the preceding provision, purchases (consistent with Olin’s normal procurement policies and procedures) or sales of goods and services contracted for by Olin business units in the normal course of business, even if the amount is in excess of \$120,000 within a fiscal year, need not be pre-approved, except for:

- transactions in excess of \$120,000 directly with (or involving direct compensation to) a Director or a family member,
- transactions in excess of \$120,000 for consulting or personal services with a director or other related party, or
- transactions involving, in the aggregate, an amount which, in any of the past three fiscal years, exceeds the greater of \$1 million, or 2% of consolidated gross revenues of either Olin or the other party.

For purposes of this pre-approval requirement:

- a “related party” means a Director (or Director nominee), a family member of a Director or an organization in which a Director or a family member serves as a director, executive officer, holder of 5% or more of the outstanding shares or other equity interests, and
- “family member” means a spouse, child, sibling, stepchild, parent, stepparent, mother-, father-, son-, daughter-, brother- or sister- in-law, or any other person living with a Director (except tenants and household employees).

## **II. Selecting and Compensating Senior Executives**

### **A. Evaluation of the Chief Executive Officer**

1. The independent Directors perform annual evaluations through the Compensation Committee.

2. The evaluation is based on objective criteria previously discussed with the CEO and includes two main areas:
  - (a) Financial performance of the business; and
  - (b) Other items, few in number, such as achievement of long-term strategic goals, development of management, and other qualitative items.
3. The results are communicated orally to the CEO by the Chair of the Compensation Committee.
4. The results are used to identify the CEO's strengths and areas for improvement, as well as to provide assistance to the Compensation Committee's evaluation of the CEO for compensation purposes.

**B. Compensation of the Chief Executive Officer and Other Senior Executives**

The Compensation Committee annually evaluates the performance and compensation of the CEO and other Section 16 reporting Executive Officers (collectively, "Senior Executives"). (See Compensation Committee Charter (Exhibit 2) for details.)

**C. Succession Planning, CEO Selection and Management Development**

The Board is responsible for overseeing management succession and ensuring that an appropriate succession plan is in place. The CEO reports annually to the Board on succession planning and management development in a Human Resources Review. The review includes a recommendation to the Board as to the CEO's successor if the CEO should unexpectedly be unavailable for service. The Directors and Corporate Governance Committee recommends to the Board a process for selecting the CEO.

**D. Equity Ownership**

The Board believes stock ownership by management enhances management's commitment to Olin and further aligns management's interest with those of Olin's shareholders. The Board shall establish and periodically review common stock ownership guidelines for all long term incentive plan participants. The amount of stock required to be owned shall increase with the level of the employee's responsibility. Each officer or manager is given five years from the date of initial appointment to his or her position to reach the 100% ownership level.

**E. Senior Executives and Outside Boards**

1. Senior Executives must obtain the approval of the Directors and Corporate Governance Committee prior to accepting an invitation to serve on the board of another public company or on the board of any private company

that would represent a material commitment of time. Whether a limit should be placed on the number of such outside Directorships will be considered on a case-by-case basis.

2. Senior Executives of Olin may not serve on the board of a company for which an Olin non-employee Director serves in any management capacity.

### **III. Reviewing and Approving the Strategic Direction of the Corporation**

The strategic direction of the corporation is discussed and approved at a meeting of the Board-- typically at an annual "strategy" meeting.

### **IV. Providing General Oversight of the Business**

#### **A. Board Meetings**

1. Frequency and Location of Board Meetings

The Board meets at least quarterly throughout the year, generally including a meeting immediately following the Annual Meeting of Shareholders. The Board will also meet in person or by telephone on such additional occasions as events may require.

2. Selection of Agenda Items for Board Meetings

The Board Chair and CEO establishes the agenda for each Board meeting in consultation with the Lead Director. Any Director may suggest adding to the agenda any matter that the Director reasonably believes should be on the agenda.

The Board Chair and CEO, in consultation with the Lead Director, ensures that in addition to financial reports and environmental, health and safety matters, the agenda will include, from time-to-time in addition to matters reported by the Committees, critical nonfinancial measures such as peer comparisons, market shares, customer satisfaction, relationships with suppliers, employee training and productivity.

Special items are placed on the agenda throughout the year as appropriate. The Chairs of the various Committees may meet with the Board Chair and CEO as needed throughout the year to discuss the Board and Committee agendas. A Senior Executive will be assigned as liaison to each Committee to coordinate agendas and all other matters in support of the Committee performing its function.

3. Board and Committee Materials Distributed in Advance

Prior to each Board and Committee meeting, the Board and Committee members receive written materials concerning the matters to be discussed at that particular meeting. In addition, and especially during months when the Board does not meet, the Board Chair and CEO regularly distributes, or causes to be distributed, to all Board members a review of current performance of Olin and items of topical interest relating to Olin, its operating environment, and the markets that it serves.

4. Regular Board Meetings

Board meetings will usually begin or end in closed session with only Directors being present. Otherwise, the Board meets in open session joined by the principal members of management. In addition, from time to time various other corporate personnel may attend open Board sessions and make presentations.

5. Executive Sessions

Non-employee directors as a Board, or as a specific committee, meet in "executive session" in regularly scheduled meetings at the end of each regularly scheduled Board meeting. In addition, the independent directors shall meet separately as a group at least once a year. Executive sessions of non-employee directors (or, in the case of actions described in subsections (a) and (b) below, at a Compensation Committee meeting) will include:

- (a) A CEO evaluation meeting will be led by the Chair of the Compensation Committee. This evaluation will influence goals proposed by the CEO for the coming year.
- (b) CEO compensation meetings, led by the Chair of the Compensation Committee, to review each area of CEO and Section 16 reporting officer compensation, including base salary, annual incentive bonus and long-term incentives.
- (c) Meeting to review nominees for election of Olin's officers for the upcoming calendar year and confirmation of Board Committee assignments recommended by the Directors and Corporate Governance Committee.
- (d) Meetings on such other occasions, with or without the CEO, as may be appropriate if requested by a Committee Chair. The Lead Director will lead the executive sessions of the Board's independent directors.

## **B. Board Committees**

### **1. Number of Committees**

The Board has four standing committees: Audit, Compensation, Directors and Corporate Governance and Executive. (Copies of the Charters of each of the standing committees are attached as Exhibits 1-3, except for the Executive Committee which serves in accordance with Article IV, Section 1 of the Corporation's Bylaws). Additional committees may be appointed as deemed necessary or advisable.

### **2. Assignment and Rotation of Committee Members**

The Directors and Corporate Governance Committee, after consultation with the Board Chair and CEO and the Lead Director and with consideration of the desires of individual Board members, recommends Committee assignments, including the Committee Chair, to the Board for approval.

The Board Chair will normally chair the Executive Committee. Chairs of other Committees will rotate periodically as the Board deems appropriate. Committee membership will rotate periodically as the Board deems appropriate. When feasible, the immediate past Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition. A Committee member may be removed at any time by the Board.

The Audit Committee, the Compensation Committee and the Directors and Corporate Governance Committee consist only of independent Directors.

### **3. Frequency of Committee Meetings**

The Board Chair, CEO and the Secretary of Olin, in consultation with each Committee Chair, recommend the Committee meeting calendar for the upcoming calendar year. Each Committee reports to the Board of Directors at the next meeting of the Board following the Committee meeting. The Executive Committee meets as needed.

### **4. Board Access to Senior Executives**

Board members have complete access to Olin's corporate management at all times. Board members are expected to use good judgment to be sure that contacts are not distracting to the business operations of the

Corporation, and to consider whether the results of the contacts should be reported to the CEO.

## **V. Evaluating Board Processes and Performance**

### **A. Selection of Board Chair and Lead Director**

The Board is free to make the choice between a CEO Board Chair, with a Lead Director, or a non-CEO Board Chair, annually and as vacancies occur, as seems best for Olin. If the Board Chair is also the CEO and there is no Lead Director, it is expected that different Directors will lead executive sessions of independent Directors, depending on the subjects to be discussed. In such case, the Chair of the Directors and Corporate Governance Committee will chair the executive session if the subject to be discussed does not fall within any other Director's area of responsibility. If a Director other than the CEO is selected as Board Chair, the duties shall be allocated at that time between the CEO and outside Chair. Currently, the Board has decided to appoint a Lead Director. The duties of the Lead Director are set forth in Schedule A to these Principles. The individual serving as the Lead Director will rotate periodically as the Board deems appropriate.

### **B. Evaluating the Board's Performance**

At least annually, the Board, assisted by the Directors and Corporate Governance Committee will conduct an evaluation of the Board's and its Committees' performance. This evaluation is discussed by the Board with the Board Chair and CEO in attendance, then, if desired by the Chair of the Directors and Corporate Governance Committee or any other Director, it is discussed in an executive session of independent Directors. This evaluation is of the Board's contribution and performance and reviews areas in which the Board and/or Management believes improvements could be made. Its purpose is to increase the effectiveness of the Board.

The Directors and Corporate Governance Committee is responsible for evaluating the performance and other qualifications including change of employment status of current Board members at the time they are considered for re-nomination to the Board.

Consistent with the importance of the Board's responsibilities, each Director is expected to be familiar with Olin's business and public disclosures, to review in advance of Board meetings all related materials distributed to the Board and to attend and participate in meetings of the Board and meetings of any committee of which such Director is a member. In addition, it is Olin's policy that all directors attend the annual meeting of shareholders, absent serious extenuating circumstances.

## **VI. Selecting Directors and Director Nominees**

### **A. Size of the Board**

The number of Directors that constitutes the Board is fixed from time to time by a resolution adopted by a majority of the Board, within the range prescribed by Olin's Bylaws. The Board currently believes an effective Board size ranges from 8 to 11 members. A somewhat larger size may be appropriate from time to time in order to accommodate the availability of one or more outstanding candidates.

### **B. Mix of Inside and Independent Directors**

Olin's Board believes that, as a matter of policy, the Board should include a majority of independent Directors. This will not, however, prevent the Board from taking valid actions if, due to a temporary vacancy or vacancies on the Board, there are fewer than the intended proportion of independent Directors. Any such vacancies should be filled as soon as reasonably practicable.

### **C. Definition of What Constitutes an Independent Director**

A Director is an independent Director only if Olin's Board makes an affirmative determination that he or she is independent as defined under the listing standards of the New York Stock Exchange or such other exchange on which Olin's securities may be listed, as such standards may be amended from time to time (the "listing standards").

Absent any requirement of the listing standards to the contrary, any of the following do not impair a Director's independence:

- (i) any transaction or series of transactions between Olin (or its subsidiaries) and a Director (or an organization in which he/she serves as a director, partner, shareholder or officer) for the purchase or sale of products or services that (A) involve less than \$50,000 in the aggregate in any 12-month period and (B) have the same pricing and other terms and conditions as transactions with unrelated and similarly situated customers or suppliers.
- (ii) Olin's match of a Director's charitable contributions under Olin's matching charitable gift program.

In making its determination of Director independence, the Board need not consider transactions that fall within the parameters set forth above. The Board's determination (and the objective or subjective criteria it used in determining that any other relationship was not material) will be published in Olin's proxy statement.

#### **D. Former CEO's Board Membership**

Olin does not have a fixed policy against a former Olin CEO continuing to serve on its Board of Directors. The Directors and Corporate Governance Committee will consider whether one or more former CEOs should serve on the Board on a case-by-case basis. A former Olin CEO serving on the Board will not be considered an independent Director for purposes of corporate governance.

#### **E. Board Membership Criteria**

The Directors and Corporate Governance Committee is responsible for reviewing with the Board, including the Board Chair and CEO, on a periodic basis the appropriate experience and skills required of new Board members in the context of the current composition of the Board. The Committee is tasked with seeking Board members with the personal qualities and experience that taken together will ensure a strong Board of Directors. Criteria for new Board members include recognized achievement plus skills such as a special understanding of, or ability to contribute to, some aspect of Olin's business. Although the Board has no formal policy on diversity for Board members, racial and gender diversity are important factors in assessing potential Board members, but not at the expense of particular qualifications and experience that are required to meet the needs of the Board.

It is important that the Board include members with the personal qualities and experience that taken altogether will ensure a strong Board of Directors. As part of the Committee's review of Board composition, the Board considers diversity of experience and background in an effort to ensure that the composition of the directors ensures a strong and effective Board. The principal qualities of an effective Director include strength of character, an inquiring and independent mind, practical wisdom, and mature judgment.

#### **F. Service on Other Boards**

The Board will take into account service on other audit committees in determining committee membership. If an Olin Audit Committee member serves on more than three public company audit committees including Olin's, the Board will make a determination as to whether such service impairs his or her ability to effectively serve Olin.

Olin's policy limits its non-employee directors to service on three or fewer other public company boards in addition to the Olin Board. In addition, each Olin Director is required to advise the Directors and Corporate Governance Committee in writing in advance when he or she intends to join the board of another public or private company or participate in the management of a private equity fund, or when changes occur to any such directorship or management. The Directors and Corporate Governance Committee will consider the additional demands upon a board candidate in recommending his or her initial nomination or nomination for re-election.

## **G. Qualifications of Committee Members**

In addition to being an independent Director, each member of a Board Committee must meet (i) any additional criteria for independence established by the listing standards, and (ii) with any additional qualifications for service on such Committee as may be imposed by the listing standards or by applicable rules of the Securities and Exchange Commission (SEC).

The Board shall be responsible for determining the qualifications of an individual to serve on the various Board Committees under the listing standards and SEC rules. In light of this responsibility, the Board and the Directors and Corporate Governance Committee shall coordinate closely in screening any new candidate and in evaluating whether to re-nominate any existing Director who may serve in this capacity.

## **H. Selection of New Director Candidates**

The Directors and Corporate Governance Committee is responsible to select, or to recommend that the Board select, the director nominees for the next annual meeting of shareholders. Candidates may be recommended to the Directors and Corporate Governance Committee by the Board Chair and CEO, Lead Director, other Directors, employees and shareholders. After a review of potential new Board candidates by the Directors and Corporate Governance Committee, with the aid of the Board Chair and CEO, the Chair of the Directors and Corporate Governance Committee, the Board Chair and CEO and Lead Director interview potential new Board candidates designated by the Directors and Corporate Governance Committee. The results of these interviews are submitted to all Directors together with the Committee's recommendations for election or appointment. The Directors and Corporate Governance Committee may also engage an outside search firm to identify director candidates.

## **I. Extending the Invitation to a New Potential Director to Join the Board**

The Board Chair and CEO or the Chair of the Directors and Corporate Governance Committee will extend the invitation to join the Board, or to stand for election to the Board, to the individual(s).

## **J. Term Limits**

Effective April 27, 2006, Olin limits its directors to six (three-year) terms of service on the Corporation's Board, (plus the remainder of his/her current term).

## **K. Retirement and Tenure Policy**

Olin's non-employee Directors retire from the Board at the annual meeting following their 72nd birthday. If a Director retires or changes his or her principal job, the Director

will submit a letter of resignation to the Board's attention. The Directors and Corporate Governance Committee will make a recommendation to the Board as to whether to accept the resignation.

#### **L. Orientation of New Directors**

An orientation program for new Directors, supervised by the General Counsel, is the responsibility of the CEO. It is expected to include among other things: (a) the CEO arranging for a new Director to meet with each of the CEO's direct reports; (b) a new Director visiting at least two of the Corporation's major facilities; (c) a new Director becoming familiar with the roles of the Corporation's inside and outside auditors and counsel; and (d) a new Director being thoroughly briefed on the Director's legal and ethical responsibilities. The entire orientation is completed as soon as possible after a Director joins the Board.

#### **M. Ongoing Director Education**

Olin encourages its Directors to participate in relevant outside director education programs to assist them in performing their duties as a director and in staying informed on current practices and governance trends.

#### **N. Majority Plus Resignation in Uncontested Director Elections**

As provided in Olin's Bylaws, in an uncontested election, each director shall be elected by a vote of the majority of the votes cast with respect to that director-nominee's election at a meeting for the election of directors at which a quorum is present. If there are more nominees for election than the number of directors to be elected, one or more of whom are properly proposed by shareholders, a nominee for director shall be elected by a plurality of the votes cast in such election.

Any incumbent director nominated for re-election as director who is not re-elected in accordance with Article II, Section 1 of Olin's Bylaws shall promptly submit his or her offer to resign to the Board of Directors. The Directors and Corporate Governance Committee will consider the resignation and make a recommendation to the full Board as to whether to accept or reject the offer. The full Board will consider all factors it deems relevant to the best interests of Olin, make a determination and publicly disclose its decision and rationale within 90 days after certification of the election results.

Any director who offers to resign pursuant to this provision shall not participate in the Directors and Corporate Governance Committee's recommendation or Board of Directors' action regarding whether to accept the resignation offer; provided, however, that if each member of the Directors and Corporate Governance Committee fails to receive a sufficient vote for re-election and there are no other continuing members of such Committee, then the independent directors whose existing terms were continuing and the independent directors who received a sufficient vote shall appoint a committee to

consider the resignation offers and recommend to the Board of Directors whether to accept them.

An incumbent director who has offered to resign pursuant to this Section shall promptly submit such resignation upon the Board of Director's acceptance of such offer. If a resignation offer is accepted or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors may fill the resulting vacancy pursuant to Article IV, Section 6 of the Corporation's Bylaws or decrease the size of the Board of Directors.

## **VII. Determining Directors' Compensation**

### **A. Board Compensation**

The Compensation Committee is responsible for reviewing and making recommendations to the Board concerning Directors' compensation, including benefits. In undertaking its review, the Compensation Committee receives advice from the CEO and internal staff and may engage outside consultants to provide reports on trends in Director compensation, including compensation paid to non-employee Directors of peer companies.

### **B. Equity Ownership**

A significant portion of Directors' compensation will be in the form of Olin Common Stock. The Board of Directors believes stock ownership by Directors enhances Directors' commitment to Olin and further aligns Directors' interests with those of Olin shareholders. The Board has adopted Director Stock Ownership Guidelines pursuant to which non-employee members of the Board are expected to own shares or share equivalents of Olin's common stock equal to five times the annual Board retainer, within five years of joining the Board.

### **C. Policy Against Additional Compensation**

It is the general policy of Olin not to compensate existing Directors for individual services other than his or her service as a Director. Upon rare occasions and only with the prior approval of the Board, an independent Director may be engaged to render services to Olin within an area of special expertise, provided he or she is not a member of the Audit Committee. While performing such services, and thereafter until the Board determines that the Director is an independent Director under the criteria specified in these Principles, the Director will not be considered an independent Director.

## **VIII. Board Resources**

The Board (and Board committees to the extent so provided in the applicable committee charters or otherwise authorized by the Board) shall have access, as necessary and appropriate, to independent advisors. They may use reasonable amounts of time of Olin's internal and

independent accountants, internal and outside lawyers and other internal staff and also shall have the authority to hire independent accounting experts, lawyers, compensation and other consultants to assist and advise the Board (and any of its committees that are authorized to seek such advice and assistance) in connection with its responsibilities. The Board (and any such committees) shall keep Olin's accounting department advised as to the general range of anticipated expenses for outside consultants hired by the Board (or such committees).

#### **IX. Board Contact with Investors, the Press and Other Stakeholders**

The Board believes that shareholders and other interested parties should have the ability and a method for direct access to members of the Audit Committee and independent Directors, to ensure that shareholders' legitimate concerns are brought to the Board's attention. The process for Board and Audit Committee access shall be established by the Audit Committee, and shall be publicly disclosed to shareholders in accordance with applicable SEC rules.

The Board also believes, however, that the principal spokesperson for Olin is its CEO (or designated Senior Executives in areas of their special responsibility). In rare cases the Board may decide otherwise and initiate communication on behalf of the Board with various constituencies that are involved with the Corporation. It is not expected that individual Directors will meet or otherwise communicate with the press and other constituents except at the request of the CEO.

Schedule A

**LEAD DIRECTOR OF OLIN  
POSITION DUTY STATEMENT**

- The lead independent director is responsible for:
  - \* Coordinating the activities of the independent directors.
  - \* Providing the chair with input as to the preparation of the agendas for the board and committee meetings and approving board agendas and information sent to the board.
- In addition to the duties of all board members as set forth in the company's governance guidelines, the specific responsibilities of the lead independent director are as follows:
  - \* Advise the chair as to an appropriate schedule of board meetings, seeking to ensure that the independent directors can perform their duties responsibly while not interfering with the flow of company operations.
  - \* Advise the chair as to the quality, quantity, and timeliness of the flow of information from company management that is necessary for the independent directors to effectively and responsibly perform their duties; although company management is responsible for the preparation of materials for the board, the lead independent director may specifically request the inclusion of certain material.
  - \* Recommend to the chair the retention of consultants who report directly to the board.
  - \* Interview, along with the chair of the Directors and Corporate Governance Committee, all potential new board candidates, and make recommendations to the Directors and Corporate Governance Committee and the board.
  - \* Coordinate, develop the agenda for and moderate executive sessions of the board's independent directors as well as sessions where the chairman is not present; act as principal liaison between the independent directors and the chair on sensitive issues.
  - \* Recommend to the chair the membership of the various board committees, as well as selection of the committee chairs.
  - \* May call meetings of the independent directors.
  - \* Is available for consultation and direct communication if requested by major shareholders and after consultation with the Chairman of the Board.