

OGILVY RENAULT

VIA COURIER

Ottawa, April 4, 2002

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

Dear Sir,

RE: Crompton Corp. – Notice of Intent/Article 1103 NAFTA

During our meeting of March 20, 2002, we advised you that we would also be filing a NAFTA Chapter 11 Notice of Intent with respect to Article 1103 in regard to the actions of the Government of Canada, in particular the Pest Management Regulatory Agency ("PMRA"), dealt with in our November 6, 2001 Notice of Intent. This letter constitutes a separate Notice of Intent filed in accordance with Article 1119.

The particulars of this Notice are as follows:

- (a) The name and address of the disputing investor is:

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

- (b) The provisions of NAFTA alleged to be breached are Articles 1103 and 1104. The related provisions are Articles 1102, 1105, 1106 and 1110.
- (c) (i) The issues and factual basis for this claim are also set forth in the November 6, 2001 Notice of Intent. To avoid unnecessary repetition, a copy

of that Notice is attached as Schedule A and is incorporated by reference in this Notice as if set out fully herein.

- (ii) In particular, the “no less favourable treatment” to which Crompton was entitled was breached when other registrants and other companies (including those from Most Favoured Nations) were accorded more favourable treatment as described in Schedule A.
 - (iii) Aspects of the breach of Article 1103 include, but are not limited to, according more favourable terms and treatment of Crompton’s competitors in respect of the “voluntary withdrawal”, according less favourable treatment to Crompton than is accorded other businesses in like circumstances (not limited to competitors only), breach of government commitments made to Crompton on October 28, 1999, more favourable treatment of competing products including the pest control products Helix/Helix XTra through the Canadian subsidiary of Syngenta AG (a Swiss company) and formulated by NuFarm Canada (a company ultimately controlled by an Australian company), improper suspension of Crompton lindane-based canola pesticide registrations, and arbitrary and unreasonable actions by Canadian government officials against Crompton). (See also Schedule A).
 - (iv) The Government of Canada, and specifically PMRA, has failed, contrary to Article 1104, to accord Crompton the better of the treatment required by Articles 1102 and 1103.
- (d) The relief sought and damages claimed are those specified in paragraphs 48-50 of Schedule A.



We remain committed to attempt to settle this claim by consultation or negotiation as required by Article 1118.

Yours very truly,

A handwritten signature in black ink, appearing to read "Michael L. Phelan", written over a large, loopy flourish.

Michael L. Phelan

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MLP/jmj

Encl.

c. c. ✓ D. Stephenson, DFAIT