

CROMPTON CORP
Form S-4/A
May 23, 2005

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As filed with the Securities and Exchange Commission on May 20, 2005

Registration No. 333-123857

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2

to

FORM S-4

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

CROMPTON CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

2820
(Primary Standard Industrial
Classification Code Number)

52-2183153
(I.R.S. Employer Identification
Number)

199 Benson Road
Middlebury, Connecticut 06749
(203) 573-2000
(Address, Including Zip Code, and Telephone Number, Including Area Code,
of Registrant's Principal Executive Offices)

LYNN A. SCHEFSKY
Senior Vice President and General Counsel
Crompton Corporation
199 Benson Road
Middlebury, Connecticut 06749
(203) 573-2000
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to

SCOTT J. DAVIS
JAMES T. LIDBURY
Mayer, Brown, Rowe & Maw LLP
190 South LaSalle Street
Chicago, Illinois 60603-3441
(312) 782-0600

JEFFREY M. LIPSHAW
Great Lakes Chemical
Corporation
9025 North River Road, Suite 400
Indianapolis, Indiana 46240
(317) 715-3000

THOMAS A. ROBERTS
R. JAY TABOR
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000

Approximate date of commencement of proposed sale to the public: Upon consummation of the merger.

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this document is not complete and may be changed. A registration statement related to the Crompton common stock being registered pursuant to this document has been filed with the Securities and Exchange Commission. Crompton may not distribute or issue these securities until the registration statement is effective. This document is not an offer to distribute these securities and Crompton is not soliciting offers to receive these securities in any state where such offer or distribution is not permitted.

Subject to Completion, dated May 20, 2005

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

Dear Stockholders:

On March 8, 2005, Crompton Corporation and Great Lakes Chemical Corporation agreed to combine their businesses by merging a wholly owned subsidiary of Crompton with and into Great Lakes. In the merger, each Great Lakes stockholder will receive 2.2232 shares of Crompton common stock for each share of Great Lakes common stock that the stockholder owns, and Great Lakes will become a wholly owned subsidiary of Crompton. We do not expect that Great Lakes stockholders will recognize any gain or loss for U.S. federal income tax purposes except to the extent they receive cash proceeds from the sale of fractional shares of Crompton common stock to which they would otherwise have been entitled.

The issuance of shares of Crompton common stock pursuant to the merger agreement requires the approval of Crompton stockholders. In addition, the merger agreement must be adopted by Great Lakes stockholders. Crompton and Great Lakes have each scheduled special meetings of their stockholders on _____, 2005 to vote on these matters. Regardless of the number of shares that you own or whether you plan to attend a meeting, it is important that your shares be represented and voted. Voting instructions are provided inside.

Crompton's board of directors has approved and declared advisable the merger agreement and the transactions that it contemplates. Crompton's board of directors recommends that Crompton stockholders vote to approve the issuance of Crompton common stock contemplated by the merger agreement.

Great Lakes' board of directors has approved and declared advisable the merger agreement and the transactions that it contemplates. Great Lakes' board of directors recommends that Great Lakes stockholders vote to adopt the merger agreement.

Crompton is also proposing to change its name to Chemtura Corporation in connection with the merger by amending its certificate of incorporation. The name change amendment requires the approval of Crompton stockholders and is subject to completion of the merger. Crompton's board of directors recommends that Crompton stockholders vote to approve the name change amendment.

This document provides you with detailed information about the proposed merger and the name change amendment. We encourage you to read the entire document carefully.

Crompton common stock is traded on the New York Stock Exchange under the symbol "CK." Each share of Crompton common stock is accompanied by one right, issued pursuant to Crompton's stockholders rights plan, that trades with the Crompton common stock.

Great Lakes common stock is traded on the New York Stock Exchange under the symbol "GLK."

See "Risk Factors" beginning on page 14 of this document for a discussion of risks relevant to the merger.

Robert L. Wood
Chairman, President and Chief Executive Officer
CROMPTON CORPORATION

John J. Gallagher III
Chief Executive Officer
GREAT LAKES CHEMICAL CORPORATION

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued under this document or determined if this document is accurate or adequate. Any representation to the contrary is a criminal offense.

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This document is dated _____, 2005, and was first mailed to stockholders on or about _____, 2005.

The information in this document is not complete and may be changed. A registration statement related to the Crompton common stock being registered pursuant to this document has been filed with the Securities and Exchange Commission. Crompton may not distribute or issue these securities until the registration statement is effective. This document is not an offer to distribute these securities and Crompton is not soliciting offers to receive these securities in any state where such offer or distribution is not permitted.

Subject to Completion, dated May 20, 2005

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

Dear Stockholders:

On March 8, 2005, Great Lakes Chemical Corporation and Crompton Corporation agreed to combine their businesses by merging a wholly owned subsidiary of Crompton with and into Great Lakes. In the merger, each Great Lakes stockholder will receive 2.2232 shares of Crompton common stock for each share of Great Lakes common stock that the stockholder owns, and Great Lakes will become a wholly owned subsidiary of Crompton. We do not expect that Great Lakes stockholders will recognize any gain or loss for U.S. federal income tax purposes except to the extent they receive cash proceeds from the sale of fractional shares of Crompton common stock to which they would otherwise have been entitled.

The merger agreement must be adopted by Great Lakes stockholders. In addition, the issuance of shares of Crompton common stock pursuant to the merger agreement requires the approval of Crompton stockholders. Great Lakes and Crompton have each scheduled special meetings of their stockholders on _____, 2005 to vote on these matters. Regardless of the number of shares that you own or whether you plan to attend a meeting, it is important that your shares be represented and voted. Voting instructions are provided inside.

Great Lakes' board of directors has approved and declared advisable the merger agreement and the transactions that it contemplates. Great Lakes' board of directors recommends that Great Lakes stockholders vote to adopt the merger agreement.

Crompton's board of directors has approved and declared advisable the merger agreement and the transactions that it contemplates. Crompton's board of directors recommends that Crompton stockholders vote to approve the issuance of Crompton common stock contemplated by the merger agreement.

Crompton is also proposing to change its name to Chemtura Corporation in connection with the merger by amending its certificate of incorporation. The name change amendment requires the approval of Crompton stockholders and is subject to completion of the merger. Crompton's board of directors recommends that Crompton stockholders vote to approve the name change amendment.

This document provides you with detailed information about the proposed merger and the name change amendment. We encourage you to read the entire document carefully.

Great Lakes common stock is traded on the New York Stock Exchange under the symbol "GLK."

Crompton common stock is traded on the New York Stock Exchange under the symbol "CK." Each share of Crompton common stock is accompanied by one right, issued pursuant to Crompton's stockholders rights plan, that trades with the Crompton common stock.

See "Risk Factors" beginning on page 14 of this document for a discussion of risks relevant to the merger.

John J. Gallagher III
Chief Executive Officer
GREAT LAKES CHEMICAL CORPORATION

Robert L. Wood
Chairman, President and Chief Executive Officer
CROMPTON CORPORATION

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued under this document or determined if this document is accurate or adequate. Any representation to the contrary is a criminal offense.

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This document is dated _____, 2005, and was first mailed to stockholders on or about _____, 2005.

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This document incorporates by reference important business and financial information about both Crompton and Great Lakes that is not included in or delivered with this document. See the "Additional Information Where You Can Find More Information" section of this document.

You can obtain any of the documents incorporated by reference into this document through Crompton or Great Lakes, as the case may be, or from the Securities and Exchange Commission's website at <http://www.sec.gov>. Documents incorporated by reference are available from Crompton and Great Lakes without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference into this document. You may obtain documents incorporated by reference into this document by requesting them in writing or by telephone from the appropriate company as follows:

Crompton Corporation
199 Benson Road
Attention: Investor Relations
Middlebury, Connecticut 06749
Telephone: (203) 573-2000

Great Lakes Chemical Corporation
9025 North River Road, Suite 400
Attention: Investor Relations
Indianapolis, Indiana 46240
Telephone: (317) 715-3000

If you would like to request documents incorporated by reference, please do so by _____, 2005, to receive them before the meeting. Please be sure to include your complete name and address in your request. If you request any documents, we will mail them to you by first class mail, or another equally prompt means, within one business day after we receive your request.

All information in this document concerning Crompton has been furnished by Crompton. All information in this document concerning Great Lakes has been furnished by Great Lakes.

CROMPTON CORPORATION

199 Benson Road
Middlebury, Connecticut 06749

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To be Held on _____, 2005

To Crompton Corporation Stockholders:

We will hold a special meeting of stockholders of Crompton Corporation for the following purposes:

To consider and vote on the issuance of shares of Crompton common stock contemplated to be issued by the Agreement and Plan of Merger, dated as of March 8, 2005, by and among Crompton Corporation, Copernicus Merger Corporation and Great Lakes Chemical Corporation, as it may be amended from time to time, including Crompton common stock to be issued pursuant to the merger and Crompton common stock issuable upon the exercise of Crompton stock options and settlement of restricted share units that are converted pursuant to the merger agreement from Great Lakes stock options and restricted share units;

To consider and vote on the approval of an amendment to Crompton's certificate of incorporation, subject to the consummation of the merger, that will change Crompton's name to Chemtura Corporation; and

To transact other business as may properly be presented at the special meeting or any adjournments or postponements of the special meeting.

The date, time and place of the special meeting are as follows:

_____, 2005
_____, local time
[Address]

Only stockholders of record at the close of business on _____, 2005, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Crompton will keep at its offices in Middlebury, Connecticut, a list of stockholders entitled to vote at the special meeting available for inspection for any purpose relevant to the special meeting during normal business hours for the 10 days before the special meeting.

YOUR PROXY IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING, PLEASE VOTE IN ANY ONE OF THE FOLLOWING WAYS:

USE THE TOLL-FREE TELEPHONE NUMBER SHOWN ON THE PROXY CARD;

USE THE INTERNET WEBSITE SHOWN ON THE PROXY CARD; OR

MARK, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE POSTAGE-PAID ENVELOPE. IT REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

By Order of the Board of Directors,

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BARRY J. SHAINMAN
Secretary

Middlebury, Connecticut
, 2005

GREAT LAKES CHEMICAL CORPORATION

9025 North River Road, Suite 400
Indianapolis, Indiana 46240

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To be Held on _____, 2005

To Great Lakes Chemical Corporation Stockholders:

We will hold a special meeting of stockholders of Great Lakes Chemical Corporation for the following purposes:

To consider and vote on the adoption of the Agreement and Plan of Merger, dated as of March 8, 2005, by and among Crompton Corporation, Copernicus Merger Corporation and Great Lakes Chemical Corporation, as it may be amended from time to time; and

To transact other business as may properly be presented at the special meeting or any adjournments or postponements of the special meeting.

The date, time and place of the special meeting are as follows:

_____, 2005
_____, local time
[Address]

Only stockholders of record at the close of business on _____, 2005, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Great Lakes will keep at its offices in Indianapolis, Indiana, a list of stockholders entitled to vote at the special meeting available for inspection for any purpose relevant to the special meeting during normal business hours for the 10 days before the special meeting.

YOUR PROXY IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING, PLEASE VOTE IN ANY ONE OF THE FOLLOWING WAYS:

USE THE TOLL-FREE TELEPHONE NUMBER SHOWN ON THE PROXY CARD;

USE THE INTERNET WEBSITE SHOWN ON THE PROXY CARD; OR

MARK, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE POSTAGE-PAID ENVELOPE. IT REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

By Order of the Board of Directors,

KAREN WITTE DUROS
Secretary

Indianapolis, Indiana
_____, 2005

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: Why am I receiving these materials?

A: Crompton and Great Lakes have agreed to combine their businesses by merging a wholly owned subsidiary of Crompton with and into Great Lakes. The transaction cannot be completed without the approval of the stockholders of both Crompton and Great Lakes. Crompton is also proposing to change its name to Chemtura Corporation, subject to completion of the merger, to reflect the creation of a new company.

Q: What will happen to Great Lakes as a result of the merger?

A: A wholly owned Crompton subsidiary will merge with and into Great Lakes. Great Lakes will be the surviving company of that merger and will become a wholly owned subsidiary of Crompton.

Q: What will Great Lakes stockholders receive in the merger?

A: Each Great Lakes stockholder will receive 2.2232 shares of Crompton common stock for each share of Great Lakes common stock that the stockholder owns at the effective time of the merger. Instead of issuing fractional shares, the exchange agent will combine all of the fractional shares and sell them on the New York Stock Exchange. Great Lakes stockholders will receive cash, without interest, instead of fractional shares from the proceeds obtained from the sale of those shares.

Q: Should Great Lakes stockholders send in their stock certificates now?

A: No. After the transaction is completed, Great Lakes stockholders will receive written instructions for exchanging their stock certificates. Please do not send in your stock certificates with your proxy.

Q: When do you expect the merger to be completed?

A: We are working to complete the merger as soon as possible. A number of conditions must be satisfied before we can complete the merger, including approval of the stockholders of both Crompton and Great Lakes. Although we cannot be sure when all of the conditions to the transaction will be satisfied, we hope to complete the transaction by mid-year 2005.

Q: What do I need to do now?

A: You should carefully read this document. Then, if you choose to vote by proxy, you should do so as soon as possible by completing, signing and mailing your proxy card. Stockholders can also vote by proxy by either (1) using the toll-free telephone number listed on their proxy cards and following the recorded instructions or (2) going to the Internet website listed on their proxy cards and following the instructions provided.

Q: If I am planning on attending a meeting in person, should I still grant my proxy?

A: Yes. Whether or not you plan to attend a meeting, you should grant your proxy as described above. Your shares will not be voted if you neither attend a meeting and vote in person nor grant your proxy. For Great Lakes stockholders, this would have the same effect as a vote against adoption of the merger agreement. Assuming a quorum is present, the failure of a Crompton stockholder to vote in person or by proxy will not affect the outcome of the matters to be voted on at the Crompton meeting.

Q: Can I change my vote after I have granted my proxy?

A: Yes. You can change your vote at any time before your proxy is voted at the meeting by following the procedures set forth in this document under "The Special Meetings Voting Procedures Revocation."

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A: No. Your broker will NOT vote your shares unless you tell the broker how to vote. To do so, you should follow the directions that your broker provides you.

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Q: Am I entitled to appraisal rights in connection with the merger?

A: No. Neither Great Lakes nor Crompton stockholders are entitled to appraisal rights in connection with the merger.

Q: Whom do I call if I have further questions about voting, the meetings or the merger?

A: Great Lakes stockholders may call Great Lakes' Investor Relations at (317) 715-3027. Crompton stockholders may call Crompton's Investor Relations at (203) 573-2163.

v

SUMMARY

This summary highlights some of the information in this document. It may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the terms of the merger, you should carefully read this document and the other documents to which we have referred you. See the "Additional Information Where You Can Find More Information" section of this document for more details.

The Companies

*Crompton Corporation
199 Benson Road
Middlebury, Connecticut 06749
Telephone: (203) 573-2000*

Crompton is a global diversified producer of specialty chemicals (including agricultural chemicals), polymer products and polymer processing equipment. Crompton's products are used in a wide variety of end-use markets, principally including automotive, transportation, construction, packaging, agriculture, lubricants, plastics for durable and non-durable goods and personal care products. Most of Crompton's chemical products are sold to industrial manufacturing customers for use as additives, ingredients or intermediates that add value to their end products. Crompton manufactures and sells more than 3,500 products and formulations. Crompton is a market leader in many of its key product lines, including polyvinyl chloride additives, aluminum alkyl catalysts and high-performance castable urethanes.

*Great Lakes Chemical Corporation
9025 North River Road, Suite 400
Indianapolis, Indiana 46240
Telephone: (317) 715-3000*

Great Lakes is a global company dedicated to delivering innovative, market-focused specialty chemical solutions and consumer products. Great Lakes' products and services help treat and purify water, keep surfaces in and around the home shining, protect against and extinguish fire, and enhance the stability and performance of a wide range of consumer products, such as computers, electronics, automobiles, packaging, building materials and furniture. Great Lakes serves customers and markets through an integrated network of research, production, sales, distribution and technical services facilities.

In this document, we sometimes refer to Crompton, Great Lakes and their respective subsidiaries as the "combined company."

The Special Meetings

Crompton Special Meeting

Where and when: The Crompton special meeting will take place at _____, on _____, 2005, at _____, local time.

What you are being asked to vote on: At the Crompton special meeting, Crompton stockholders will vote on the approval of the issuance of up to 140,111,063 shares of Crompton common stock contemplated to be issued by the merger agreement, including Crompton common stock to be issued pursuant to the merger and Crompton common stock issuable upon the exercise of Crompton stock options and settlement of restricted share units that are converted pursuant to the merger agreement from Great Lakes stock options and restricted share units. Crompton stockholders will also vote on the approval of an amendment to Crompton's certificate of incorporation, subject to the consummation of the merger, that will change Crompton's name to Chemtura Corporation. Approval of the issuance of Crompton common stock contemplated by the merger agreement is not conditioned on approval of the name change amendment, but the name change amendment is conditioned on the consummation of the merger.

Who may vote: You may vote at the Crompton special meeting if you owned Crompton common stock at the close of business on the record date, _____, 2005. On that date, there were _____ shares of Crompton common stock outstanding and entitled to vote. You may cast one vote for each share of Crompton common stock that you owned on the record date.

What vote is needed: The affirmative vote of the holders of at least a majority of the votes cast in person or by proxy by holders of Crompton common stock is required to approve the issuance of Crompton common stock contemplated by the merger agreement, provided that the total vote cast represents at least a majority of the shares of Crompton common stock entitled to vote. The affirmative vote in person or by proxy of the holders of at least a majority of the shares of Crompton common stock outstanding and entitled to vote is required to approve the name change amendment. As of _____, 2005, shares representing _____ % of the outstanding shares of Crompton common stock were held by Crompton's directors, executive officers and their respective affiliates.

Great Lakes Special Meeting

Where and when: The Great Lakes special meeting will take place at _____, on _____, 2005 at _____, local time.

What you are being asked to vote on: At the Great Lakes special meeting, Great Lakes stockholders will vote on the adoption of the merger agreement.

Who may vote: You may vote at the Great Lakes special meeting if you owned Great Lakes common stock at the close of business on the record date, _____, 2005. On that date, there were _____ shares of Great Lakes common stock outstanding and entitled to vote. You may cast one vote for each share of Great Lakes common stock that you owned on the record date.

What vote is needed: The affirmative vote in person or by proxy of the holders of at least a majority of the shares of Great Lakes common stock outstanding and entitled to vote is required to adopt the merger agreement. As of _____, 2005, shares representing _____ % of the outstanding shares of Great Lakes common stock were held by Great Lakes' directors, executive officers and their respective affiliates.

What Great Lakes Stockholders Will Receive in the Merger

Each Great Lakes stockholder will receive 2.2232 shares of Crompton common stock for each share of Great Lakes common stock that the stockholder owns at the effective time of the merger. Instead of issuing fractional shares, the exchange agent will combine all of the fractional shares and sell them on the New York Stock Exchange. Great Lakes stockholders will receive cash, without interest, instead of fractional shares from the proceeds obtained from the sale of those shares.

U.S. Federal Income Tax Consequences

The merger has been structured so that none of Great Lakes, Crompton or their respective stockholders will recognize any gain or loss for U.S. federal income tax purposes, except to the extent that Great Lakes stockholders receive cash proceeds from the sale of fractional shares of Crompton common stock to which they otherwise would have been entitled. As a condition to the merger, Crompton and Great Lakes must each receive a satisfactory opinion from its own legal counsel regarding the U.S. federal income tax treatment of the merger. See the "Material Federal Income Tax Considerations" section of this document for more information.

Tax matters are very complicated. The tax consequences of the merger to you will depend on your own situation. We urge that you consult your tax advisor for a full understanding of the U.S. federal, state, local and foreign tax consequences of the merger to you.

Directors and Senior Management of the Combined Company Following the Merger

The board of directors of the combined company will consist of 11 directors as follows:

Class II Directors (to serve until Crompton's 2008 annual stockholder meeting): Robert L. Wood, Nigel D. T. Andrews, Robert A. Fox and Mack G. Nichols.

Class I Directors (to serve until Crompton's 2007 annual stockholder meeting): Martin M. Hale, C. A. Piccolo and Bruce F. Wesson.

Class III Directors (to serve until Crompton's 2006 annual stockholder

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meeting): James W. Crownover, Roger L. Headrick, Leo I. Higdon, Jr. and Jay D. Proops.

Robert L. Wood currently is, and will continue as, Crompton's Chairman, President and Chief Executive Officer. Robert A. Fox, Roger L. Headrick, Leo I. Higdon, Jr., C. A. Piccolo and Bruce F. Wesson currently are members of Crompton's board of directors. Nigel D. T. Andrews, James W. Crownover, Martin M. Hale, Mack G. Nichols and Jay D. Proops currently are members of Great Lakes' board of directors and, upon completion of the merger, will become members of the board of directors of the combined company.

Unless the combined company's board of directors unanimously determines otherwise after the merger, Crompton will decrease the size of the combined company's board of directors to nine effective as of Crompton's 2006 annual stockholder meeting by causing one Great Lakes designee and one original Crompton director on the combined company's board of directors either to resign from or not to seek re-election to the board of directors as of or at the 2006 annual stockholder meeting. Crompton will use its best efforts to cause each Great Lakes board designee whose term expires in 2006 or 2007 to be re-nominated for one additional term, unless the designee does not meet Crompton's board membership criteria or such designee is to resign or not seek re-election as part of the decrease in the size of Crompton's board of directors described above.

Crompton has announced that certain members of Crompton's existing senior management, including Mr. Wood, will continue in their current capacities after the merger. The combined company may select members from both Crompton's and Great Lakes' existing management to augment its management team.

Market Prices of Crompton and Great Lakes Common Stock on Important Dates

Shares of Crompton common stock are traded on the New York Stock Exchange under the symbol "CK". Shares of Great Lakes common stock are traded on the New York Stock Exchange under the symbol "GLK". The following table shows the closing per share sales prices of Crompton and Great Lakes common stock and the equivalent price per share of Great Lakes common stock on:

March 8, 2005 the last full trading day before Crompton and Great Lakes announced the proposed merger; and

, 2005 the last full trading day before the date of this document.

The equivalent price per share of Great Lakes common stock is equal to the closing price of a share of Crompton common stock on that date multiplied by 2.2232, the applicable exchange ratio in the merger.

Date	Crompton Common Stock	Great Lakes Common Stock	Equivalent Price per share of Great Lakes Common Stock
March 8, 2005	\$ 13.46	\$ 27.18	\$ 29.92
, 2005	\$	\$	\$

Change of Crompton's Name

Crompton is proposing to change its name to Chemtura Corporation in connection with the merger by amending its certificate of incorporation. The new name is intended to reflect the creation of a new company in the merger. Approval of the name change amendment is not a condition to the merger, but the name change amendment is subject to completion of the merger. The combined company will be named Chemtura Corporation if the name change amendment is approved and the merger is completed.

Our Recommendations to Stockholders

To Crompton Stockholders:

Crompton's board of directors has approved and declared advisable the merger agreement and the transactions that it contemplates. One Crompton director was not present at the board meeting at which the merger agreement was approved but has stated he fully supports the board's actions in approving the merger agreement. Crompton's board of directors recommends that Crompton stockholders vote "**FOR**" the approval of the issuance of Crompton common stock contemplated by the

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merger agreement and "FOR" the approval of the name change amendment.

As of _____, 2005, shares representing _____ % of the outstanding shares of Crompton common stock were held by Crompton's directors, executive officers and their respective affiliates, all of whom Crompton expects will vote their shares for the approval of the issuance of Crompton common stock contemplated by the merger agreement and for the approval of the name change amendment.

To Great Lakes Stockholders:

Great Lakes' board of directors has unanimously approved and declared advisable the merger agreement and the transactions that it contemplates. Great Lakes' board of directors recommends that Great Lakes stockholders vote "FOR" the adoption of the merger agreement.

As of _____, 2005, shares representing _____ % of the shares of Great Lakes common stock outstanding and entitled to vote were held by Great Lakes' directors, executive officers and their respective affiliates, all of whom Great Lakes expects will vote their shares for the adoption of the merger agreement.

Crompton's Reasons for the Merger

Crompton's board of directors considered various factors in approving the merger agreement and the transactions that it contemplates, including

expected accretion to earnings per share and cash flow per share beginning in 2006;

the combined company's greater size and leading positions in high-value specialty chemical niche businesses;

anticipated cost savings of \$90 million to \$100 million per year expected to be achieved in most part beginning in 2006;

expected cash flow benefits related to utilization of Crompton's net operating losses;

improved financial strength;

improved market position;

and the other matters referred to under "The Merger Recommendation of Crompton's Board of Directors and Reasons for the Merger."

Great Lakes' Reasons for the Merger

Great Lakes' board of directors considered various factors in approving the merger agreement and the transactions that it contemplates, including

the belief that the combined company will have the opportunity to realize significant synergies;

the assessment of Great Lakes' strategic alternatives (including other potential transactions);

the view that the merger presented a more attractive opportunity than remaining as an independent company;

the fact that Great Lakes stockholders will own approximately 49% of the combined company on a fully diluted basis and will have an opportunity to participate in the potential growth of the combined company;

and the other matters referred to under "The Merger Recommendation of Great Lakes' Board of Directors and Reasons for the Merger."

Interests of Great Lakes' Executive Officers and Directors in the Merger

Some of Great Lakes' directors and executive officers may have interests in the merger that may be different from, or are in addition to, your interests:

At the effective time of the merger, five current members of Great Lakes' board of directors will be appointed to Crompton's board of directors, to serve until their respective successors are elected and qualified or until their respective earlier resignations.

After the merger, Great Lakes' executive officers may remain executive officers of Great Lakes or may become executive officers or employees of Crompton and

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may be offered equity-based or other incentives to remain with the combined company.

The merger will trigger change-of-control provisions in the employment agreements or change in control agreements of Great Lakes' executive officers, which will entitle them to severance benefits and payments to cover excise taxes if their employment ceases within a specified time after the merger other than for cause. Some payments may be made under those agreements immediately after the merger is completed without regard to termination of employment.

The merger will cause vesting of certain outstanding awards under Great Lakes' employee stock option and stock unit plans, in which some of Great Lakes' directors and executive officers participate.

Participants in the Great Lakes nonqualified deferred compensation plan will become fully vested in their account balances upon the completion of the merger. If, within three years of the completion of the merger, a participant in the plan should be terminated by the combined company for other than cause or if she terminates her employment for good reason, then within sixty days from the termination date, the participant is entitled to receive a lump sum payment equal to her account balance in the plan.

The surviving corporation will indemnify, defend and hold harmless each current and former director, officer and employee of Great Lakes and its subsidiaries against all losses in connection with any proceeding arising out of the fact that such person was a director, officer or employee of Great Lakes or its subsidiaries, to the same extent that such person was indemnified prior to the date of the merger under Great Lakes' charter documents or a contractual agreement with Great Lakes.

For six years after the merger, Crompton will maintain Great Lakes' current policies of directors' and officers' liability insurance and fiduciary liability insurance, or policies on terms no less favorable to the insured, covering acts or omissions before the merger.

Great Lakes' directors and executive officers beneficially owned about _____ % of the shares of Great Lakes common stock outstanding and entitled to vote as of _____, 2005. Crompton's directors and executive officers did not beneficially own any shares of Great Lakes stock as of March 31, 2005.

The boards of directors of both companies were aware of these interests and considered them in approving the merger agreement.

Opinions of Financial Advisors

The opinions of Crompton's and Great Lakes' financial advisors are attached to this document as Annexes B, C and D. We encourage you to read those opinions carefully, as well as the descriptions of the analyses and assumptions on which the opinions were based in "The Merger Opinions of Financial Advisors" section of this document. *Each opinion is directed to the applicable company's board of directors and does not constitute a recommendation to any stockholder as to any matter relating to the merger.*

Opinions of Crompton's Financial Advisors

Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated, Crompton's financial advisors, each delivered its opinion to Crompton's board of directors on March 8, 2005. Citigroup Global Markets Inc.'s opinion states that, as of the date of its opinion and based upon and subject to the matters and assumptions set forth in the opinion, its experience as an investment banker and its work as described in the opinion and other factors it deemed relevant, the 2.2232 exchange ratio was fair, from a financial point of view, to Crompton. Morgan Stanley & Co. Incorporated's opinion states that, as of the date of its opinion and based on and subject to the matters and assumptions set forth in the opinion, the 2.2232 exchange ratio

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pursuant to the merger agreement was fair, from a financial point of view, to Crompton.

Opinion of Great Lakes' Financial Advisor

On March 8, 2005, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Great Lakes' financial advisor, delivered its oral opinion, which opinion was subsequently confirmed in writing, to Great Lakes' board of directors to the effect that, as of that date and based upon the assumptions made, matters considered and limits of review set forth in the opinion, the 2.2232 exchange ratio was fair, from a financial point of view, to the holders of Great Lakes common stock.

The Merger Agreement

The merger agreement is attached to this document as Annex A. We encourage you to read the merger agreement because it is the legal document that governs the merger.

What We Need to Do to Complete the Merger

Crompton and Great Lakes will complete the merger only if the conditions set forth in the merger agreement are satisfied or, in some cases, waived. These conditions include:

adoption by Great Lakes stockholders of the merger agreement;

approval by Crompton stockholders of the issuance of Crompton common stock contemplated by the merger agreement;

the expiration of applicable antitrust waiting periods or the receipt of necessary antitrust approvals;

the absence of legal prohibitions to the merger;

the continued effectiveness of the registration statement of which this document is a part;

either (1) the receipt of a requisite percentage of consents from Crompton's lenders under a credit agreement to which Crompton is party or (2) the execution of a replacement credit agreement under which completing the merger would not be a default;

the merger and other transactions contemplated by the merger agreement not constituting a default or event of default under two indentures to which Crompton is a party;

the approval for listing on the New York Stock Exchange of the shares of Crompton common stock to be issued as contemplated in the merger agreement;

the absence of any restatement or other modification of Crompton's historical earnings or other financial results caused by the material weakness identified by Crompton in its management's report on internal control over financial reporting contained in Crompton's Form 10-K for the year ended December 31, 2004, as filed by Crompton with the Securities and Exchange Commission;

the continued accuracy of each company's representations and warranties;

the performance by each company of its obligations under the merger agreement; and

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the receipt of legal opinions from counsel for each company as to the treatment of the merger for U.S. federal income tax purposes.

Termination of the Merger Agreement

Crompton and Great Lakes can agree to terminate the merger agreement at any time without completing the merger, even after stockholder approvals have been obtained. In addition, either company can terminate the merger agreement on its own without completing the merger if:

the merger is not completed by September 30, 2005, other than due to a breach of the merger agreement by the terminating party, and except that either party can extend this date to December 31, 2005 if the merger has not received antitrust clearance by September 30, 2005;

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the necessary approval of the stockholders of either company is not obtained at their respective special meetings;

any legal prohibition to completing the merger has become final and non-appealable;

the other company materially breaches the merger agreement and cannot or does not correct the breach within a 30-day cure period;

the board of directors of the other company withdraws or adversely changes its original recommendation of the merger, or recommends to its stockholders a competing transaction; or

its own board of directors determines that an alternate takeover proposal received by it is more favorable to its stockholders than the merger and the other company party to the merger agreement has not proposed improvements to the terms of the merger agreement within three business days that would cause the alternate takeover proposal to no longer be more favorable to its stockholders.

Great Lakes Termination Fees

Great Lakes will be required to pay a \$50 million termination fee to Crompton if:

Great Lakes terminates the merger agreement to accept an offer for a competing transaction that Great Lakes' board of directors determines is more favorable to Great Lakes stockholders than the merger;

Crompton terminates the merger agreement prior to the Great Lakes special meeting because (1) Great Lakes' board of directors withdraws or changes its recommendation of the merger and such action is related to an offer for a competing transaction made to Great Lakes or its stockholders prior to the Great Lakes special meeting or (2) Great Lakes' board of directors recommends or approves a competing transaction; or

Great Lakes or Crompton terminates the merger agreement after the Great Lakes special meeting because (1) (a) Great Lakes' board of directors withdraws or changes its recommendation of the merger and such action is related to an offer for a competing transaction made to Great Lakes or its stockholders prior to the Great Lakes special meeting or (b) Great Lakes' board of directors recommends or approves a competing transaction; and (2) Great Lakes stockholders fail to adopt the merger agreement at the Great Lakes special meeting.

Great Lakes will be required to pay a \$25 million termination fee to Crompton if (1) an offer for a competing transaction is made to Great Lakes or its stockholders prior to the Great Lakes special meeting and that offer is not withdrawn before the Great Lakes special meeting, (2) Great Lakes' board of directors does not withdraw or change its recommendation of the merger and does not recommend or approve the competing transaction, (3) Great Lakes stockholders fail to adopt the merger agreement at the Great Lakes special meeting and (4) either Crompton or Great Lakes terminates the merger agreement. In that case, an additional \$25 million termination fee will be payable by Great Lakes if, within 12 months after the merger agreement is terminated under those circumstances, Great Lakes signs an agreement for, or completes, a transaction that would have been a competing transaction had the merger agreement not been terminated.

Crompton Termination Fees

Crompton will be required to pay a \$50 million termination fee to Great Lakes if:

Crompton terminates the merger agreement to accept an offer for a competing transaction that Crompton's board of directors determines is more favorable to Crompton stockholders than the merger;

Great Lakes terminates the merger agreement prior to the Crompton special

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meeting because (1) Crompton's board of directors withdraws or changes its recommendation of the merger and such action is related to an offer for a competing transaction made to Crompton or its stockholders prior to the Crompton special meeting or (2) Crompton's board of directors recommends or approves a competing transaction; or

Crompton or Great Lakes terminates the merger agreement after the Crompton special meeting because (1) (a) Crompton's board of directors withdraws or changes its recommendation of the merger and such action is related to an offer for a competing transaction made to Crompton or its stockholders prior to the Crompton special meeting or (b) Crompton's board of directors recommends or approves a competing transaction; and (2) Crompton stockholders fail to approve the issuance of Crompton common stock contemplated by the merger agreement at the Crompton special meeting.

Crompton will be required to pay a \$25 million termination fee to Great Lakes if (1) an offer for a competing transaction is made to Crompton or its stockholders prior to the Crompton special meeting and that offer is not withdrawn before the Crompton special meeting, (2) Crompton's board of directors does not withdraw or change its recommendation of the merger and does not recommend or approve the competing transaction, (3) Crompton stockholders fail to approve the issuance of Crompton common stock contemplated by the merger agreement and (4) either Great Lakes or Crompton terminates the merger agreement. In that case, an additional \$25 million termination fee will be payable by Crompton if, within 12 months after the merger agreement is terminated under those circumstances, Crompton signs an agreement for, or completes, a transaction that would have been a competing transaction had the merger agreement not been terminated.

No Solicitation

Crompton and Great Lakes have generally agreed not to initiate or continue any discussions with any other party regarding a business combination while the merger is pending or to engage in any of those discussions unless required by fiduciary obligations under applicable law.

Other Information

Antitrust and Competition Law Clearance Required to Complete the Merger

The merger is subject to antitrust and competition laws. We have made the required filings with the Department of Justice and the Federal Trade Commission relating to the merger, and the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 expired on April 28, 2005. Crompton and Great Lakes conduct business in member states of the European Union, and the merger therefore also requires the review of the European Commission. Crompton has filed a formal notification of the proposed merger with the European Commission. We have also filed for antitrust or competition approval or clearance, and are continuing to review whether filings or approvals may be required or advisable, in various other foreign jurisdictions. Although we do not expect the federal government or any foreign or state government to attempt to stop the merger, we cannot assure you that they will not try to do so.

Listing of Crompton Common Stock to be Issued in the Merger

Crompton expects to obtain approval to list on the New York Stock Exchange the shares of Crompton common stock to be issued in the merger and the shares of Crompton common stock issuable upon the exercise of Crompton stock options and settlement of restricted share units that are converted pursuant to the merger agreement from Great Lakes stock options and restricted share units.

Accounting Treatment

Crompton will account for the merger using the purchase method of accounting. Under that method of accounting, the aggregate consideration that Crompton pays to Great Lakes stockholders will be allocated to Great Lakes' assets and liabilities based on their fair values, with any excess being treated as goodwill. For purposes of preparing the pro forma combined financial statements, approximately \$1.1 billion of the total consideration has been allocated to goodwill. Such allocation does not reflect any fair value adjustments related to certain of the assets and liabilities of Great Lakes, including property, plant and equipment and intangible assets, as such valuations have not yet been completed. It also does not reflect any charges for severance or other charges related to the integration of the two companies, which could be material. Crompton believes that a portion of the \$1.1 billion of goodwill reflected in the pro forma combined financial statements will be re-allocated to tangible and intangible assets, including property, plant and equipment, patents, tradenames, customer relationships and in-process research and development.

At this time, Crompton is unable to estimate the amount of any re-allocation of the purchase price to tangible and intangible assets pending completion of the valuations. However, final valuations of property, plant and equipment and intangible assets could still result in a significant portion of the purchase price being allocated to goodwill.

The strategic long-term factors contributing to this are:

The creation of the third largest U.S. specialty chemical company with leading positions in high-value specialty chemical niche markets and global leadership in several business areas. Crompton believes this will enhance its position relative to its competitors and give the combined company better access to customers, greater marketing, purchasing and operating strengths and increase cross selling opportunities. In addition, the larger size of the combined company will provide it with greater liquidity in the market for its shares and may allow it to consider future transactions that would not otherwise be possible.

The combined company is expected to have greater stability through geographic and end-market diversification.

A significantly strengthened balance sheet and credit profile, including the positioning of the combined company to achieve investment grade ratings earlier than Crompton would on its own and providing the combined company greater operating and financial flexibility and better access to markets.

Crompton believes the combination will provide a platform for enhanced future growth of the business due to the combined company's increased scale, improved marketing opportunities, stronger financial position and lower costs.

In addition, the proposed merger is expected to yield at least \$90 million to \$100 million per year of cost savings, which are anticipated to be achieved in most part by 2006, and to be accretive to earnings per share and cash flow per share beginning in 2006. We will revise the allocation of the purchase price when additional information becomes available.

Selected Historical Consolidated Financial Data of Crompton

The following information is provided to aid you in your analysis of the financial aspects of the merger. This information has been derived from Crompton's audited consolidated financial statements for the years 2000 through 2004 and from Crompton's unaudited consolidated financial statements for the three months ended March 31, 2004 and 2005.

This information is only a summary. You should read it along with Crompton's historical financial statements and related notes and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in Crompton's annual reports on Form 10-K, quarterly reports on Form 10-Q and other information on file with the Securities and Exchange Commission and incorporated by reference into this document. See the "Additional Information Where You Can Find More Information" section of this document.

	Years Ended December 31,					Quarter Ended March 31,	
	2000	2001	2002	2003	2004	2004	2005

(in millions, except per share data)

Consolidated Statement of Operations Data:

Net sales	\$ 2,327.4	\$ 2,054.9	\$ 1,861.4	\$ 1,941.8	\$ 2,285.2	\$ 555.5	\$ 589.7
Earnings (loss) from continuing operations before cumulative effect of accounting change	\$ 22.4	\$ (158.7)	\$ (39.6)	\$ (117.6)	\$ (42.0)	\$ 60.8	\$ 18.2
Net earnings (loss)	\$ 89.3	\$ (123.9)	\$ (283.5)	\$ 19.0	\$ (34.6)	\$ 61.0	\$ 20.4
Earnings per common share basic:							