

**OLIN CORPORATION
COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER**

As amended December 15, 2003

Membership

The Compensation Committee of the Board (the “Committee”) will consist of three or more Directors all of whom are independent Directors as set forth in the Principles of Corporate Governance. In addition each member of the Committee will qualify as both an “outside Director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986 and as a “Nonemployee Director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended. The Chair will be rotated among members periodically in accordance with the Corporation’s Principles of Corporate Governance. Where feasible, the immediate past Chair will continue as a member of the Committee for at least one year to ensure an orderly transition. The Board may remove any Committee member at any time.

Purpose

The purpose of the Committee will be to:

- (a) discharge the Board’s responsibilities relating to compensation of the Corporation's executives;
- (b) ensure that the officers of the Corporation are effectively compensated by establishing competitive total compensation opportunities for the Chief Executive Officer and other Section 16(b) reporting Executive Officers which consist of annual base salary, annual incentive bonus, and long-term incentive award components that are targeted to an appropriate comparator group of companies and are otherwise reasonable and appropriate after considering current trends in executive compensation, and by establishing other supplemental compensation and benefit programs all of which are deemed internally equitable, externally competitive and are designed to align the interests of such officers with those of the Corporation’s shareholders; and
- (c) establish the compensation of non-employee members of the Board of Directors as a group which is deemed externally competitive and designed to align the interests of the Directors with those of the Corporation’s shareholders.

The purposes of the Committee shall remain flexible in order that the Committee is in the best position to react to changing conditions and to assure the Board of Directors and shareholders that the Corporation is best able to attract and retain officers and Directors of the highest quality.

Duties and Responsibilities

The Committee will:

- (a) have direct responsibility to review and approve the corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance and determine and approve the Chief Executive Officer's compensation based on this evaluation;
- (b) produce a compensation committee report on executive compensation as required by the SEC to be included in the Corporation's annual proxy statement or annual report on Form 10-K filed with the SEC;
- (c) approve the total compensation opportunities for the Chief Executive Officer and other Section 16(b) reporting Executive Officers including the annual base salary, annual incentive bonus and the long-term incentive award component of such opportunity;
- (d) approve the measures, goals, payout matrices or formulae, and actual payouts under, and certify performance for, and administer, the Senior Management Incentive Compensation Plan, the Management Incentive Compensation Plan and such other short-term incentive plans adopted by this Committee or the Board of Directors from time to time, all with respect to the Chief Executive Officer and other Section 16(b) reporting Executive Officers and except as otherwise specified in such plans or programs;
- (e) review and establish the compensation of non-employee members of the Board of Directors;
- (f) administer all equity compensation plans and non-qualified retirement plans, subject to any applicable requirements for shareholder approval of plans or amendments;
- (g) elect members of the Benefit Plan Review Committee and periodically review the actions taken by that committee;
- (h) adopt amendments to, and take such other similar actions with respect to, pension plans (whether qualified or non-qualified including the Contributing Employee Ownership Plan ("CEOP") and Supplemental Contributing Employee Ownership Plan,) such authority to be nonexclusive and concurrent with any other authority given to the Benefit Plan Review Committee (or other duly constituted committees) delegated by the Board or committee thereof;
- (i) approve and adopt new qualified and nonqualified employee retirement or pension plans and approve the merger, consolidation or other combination of pension and other benefit plans when appropriate;

- (j) approve the termination of qualified and nonqualified retirement or pension plans;
- (k) approve the form of, and eligibility for, Tier I and Tier II Executive and Change in Control Agreements except to the extent otherwise delegated by the Board;
- (l) review and approve severance arrangements for any executive who has a Tier I agreement;
- (m) if a compensation consultant is to assist in the evaluation of Director or executive compensation, have sole authority to retain and terminate the consulting firm, including sole authority to approve the firm's fees and other retention terms;
- (n) perform an annual performance evaluation of the Committee and annually reassess the adequacy of and, if appropriate, propose to the Board, any desired changes in, the Committee's Charter; and
- (o) make recommendations to the Board with respect to incentive compensation plans and equity based plans, and to the extent specifically requested by the Board, with respect to non-CEO compensation.

Procedure

Regular meetings of the Committee will be at such times during the year as approved by the Committee, and at such additional times as may be necessary to carry out the Committee's responsibilities. Meetings with members of Management and/or with independent advisors may be scheduled at the request of the Committee, in accordance with the Corporation's Principles of Corporate Governance. Special meetings may be called and held subject to the Corporation's By-laws.

The Committee may meet privately with independent advisors and shall be free to talk directly and independently with any member of Management in discharging its responsibilities.

The Chair of the Committee will regularly report the Committee's findings, conclusions and recommendations to the Board of Directors

Additional Resources

The Committee shall have the right to use reasonable amounts of time of the Corporation's internal and independent accountants, internal and outside lawyers and other internal staff and also shall have the right to hire independent compensation experts, lawyers and other consultants to assist and advise the Committee in connection with its responsibilities. The Committee shall keep the Corporation's accounting department advised as to the general range of anticipated expenses for outside consultants, and shall obtain the concurrence of the full Board (in advance or after-the-fact) for expenditures exceeding \$200,000 in any year.