

# Overview

## *BuyDIRECT*<sup>SM</sup>

### **A Direct Share Purchase, Sale & Dividend Reinvestment Plan for Common Shares of Arch Chemicals, Inc.**

The Bank of New York, the Transfer Agent for Arch Chemicals, Inc., offers a Direct Share Purchase, Sale and Dividend Reinvestment Plan for the shares of common stock of Arch Chemicals, Inc. The Plan, *BuyDIRECT*, provides both registered shareholders and interested first-time investors an alternative for buying and selling Arch Chemicals, Inc. shares.

#### ***BuyDIRECT*<sup>SM</sup> Plan Features:**

- **Convenient Direct Share Ownership**

Existing and unsolicited new investors can make an initial share purchase directly from the Plan at prevailing prices with reduced brokerage commission and fees. Once enrolled, participants can make additional optional cash purchases of Arch Chemicals, Inc. shares.

- **Automatic Dividend Reinvestment**

Participants may purchase additional shares of Arch Chemicals, Inc. common stock by reinvesting all or a portion of their dividends. Or, you can choose to receive cash dividends directly.

- **Certificate or Book-Entry Share Ownership**

In lieu of physical certificates, you will receive timely statements and confirmations reflecting your transaction history. You may request the issuance of physical certificates at any time via a toll-free number or by mail.

- **Share Safekeeping**

Participants can deposit certificates of Arch Chemicals, Inc. directly into the Plan for safekeeping. Participants can withdraw or transfer any or all of their shares at any time.

- **Direct Sale**

Participants may sell some or all of their shares in Arch Chemicals, Inc. directly through the Plan without having to request a certificate or to arrange the sale separately through a broker.

**BuyDIRECT** offers a convenient and flexible way of purchasing and selling shares of Arch Chemicals, Inc. Although there are fees associated with utilizing certain Plan features (see page 13, “Costs to Participants”), **BuyDIRECT** offers existing shareholders and interested first-time investors an economical alternative to using a retail broker.

***BuyDIRECT***  
**IS SPONSORED AND ADMINISTERED BY**  
**THE BANK OF NEW YORK,**  
**NOT BY Arch Chemicals, Inc.**

**The Bank of New York and Arch Chemicals, Inc. provide no advice and make no recommendations with respect to any security. Any decision to purchase or sell must be made by each individual Plan participant based on his or her own research and judgment.**

*Please retain this brochure for future reference.*

# ***BuyDIRECT*<sup>SM</sup>**

## **Summary of Plan Services**

### **for the Shares of Arch Chemicals, Inc.**

The Bank of New York (the “Bank”), a leader in the Stock Transfer industry, is pleased to offer ***BuyDIRECT***. The Plan allows existing shareholders and interested first-time investors a direct, affordable alternative for buying and selling Arch Chemicals, Inc. shares.

#### **Eligibility & Enrollment**

Almost everyone is eligible to enroll in ***BuyDIRECT***. Interested investors may participate in the Plan if they already own Arch Chemicals, Inc. shares, or first-time investors may make their ***initial*** purchase of the shares directly through the Plan. To receive an enrollment form and ***BuyDIRECT*** Plan brochure, simply contact Arch Chemicals, Inc.’s Transfer Agent, The Bank of New York, at our toll-free number:

**1-866-857-2223 or on the web at [www.stockbny.com](http://www.stockbny.com)**

#### **Easy Investing**

Once enrolled in the Plan, participants can reinvest cash dividends and make optional cash purchases simply and conveniently with reduced brokerage commissions and fees. Optional cash investments can be made at any time by mail or automatic withdrawal in variable amounts of \$50.00 or more. With ***BuyDIRECT*** you have the advantage of a full investment program because ***all*** shares, both full and fractional, are credited to your account and earn dividends.

#### **Safekeeping of Certificates**

If you already own Arch Chemicals, Inc. stock in certificated form, you may deposit the certificates into the Plan for safekeeping. This feature protects your shares against possible loss, theft or accidental destruction and may save you the expense of having to replace your certificates.

#### **Convenient Ways To Sell or Transfer Your Shares**

Some or all shares owned by you, whether in book-entry or certificated form, can be easily sold or transferred through the Plan. You can choose to sell or transfer any or all shares held in the Plan with or without the issuance of new certificates and without having to arrange for the sale separately through a broker. You can instruct the Bank to issue a certificate in your name for shares held in the Plan at any time.

#### **Plan Costs**

The costs for enrolling in the Plan and for executing various Plan transactions involve minimum administrative service fees and/or reduced brokerage commissions.

***BuyDIRECT*** is administered by The Bank of New York, not by Arch Chemicals, Inc. Please review the “Terms and Conditions” (see page 10) and “Costs to Participants” (see page 13) for specific Plan features and fee schedules.

# ***BuyDIRECT***

## **Frequently Asked Questions and Answers**

### **for the Shares of Arch Chemicals, Inc.**

### **Common Stock**

#### **HOW DO I ENROLL IN THE PLAN?**

Registered shareholders of Arch Chemicals, Inc. and other interested first-time investors can enroll in **BuyDIRECT** by simply completing and signing a Plan Enrollment Form. Enrollment Forms and the Plan brochure can be obtained by contacting The Bank of New York (referred to as the “Bank” or the “Plan Administrator”). Both existing shareholders and first-time investors must complete and sign an enrollment form.

If shares are registered jointly or if the Plan account is to be registered in multiple names, all shareholders in whose name the stock or Plan account is registered must sign the enrollment form.

Once enrolled, participation in the Plan continues until terminated by you or by the Plan Administrator. Once completed, the enrollment form and transaction instructions should be mailed to the Plan Administrator. (See page 9, “How Do I Contact the Plan Administrator” for mailing instructions).

*Enrollment in the Plan is voluntary and may not be available in certain countries.*

#### **DOES THE PLAN ALLOW SAFEKEEPING OF CERTIFICATES?**

Yes, if you own Arch Chemicals, Inc. shares in certificated form, you may elect to deposit the stock certificates into your Plan account for safekeeping with The Bank of New York. The Bank will credit these shares to your Plan account in book-entry form. You may, however, request a stock certificate from the Bank at any time.

To deposit certificates, send them to the Bank along with your completed and signed Plan Enrollment Form. The certificates and Enrollment Form should be sent via registered mail to the Plan Administrator.

#### **HOW CAN I PURCHASE ADDITIONAL SHARES?**

You can easily purchase additional shares at any time by making optional cash payments. Your optional cash payments are used to purchase shares of Arch Chemicals, Inc. common stock for your account. No interest is paid to you on optional cash payments held by the Bank pending purchase of shares.

You can make an optional cash payment when joining the Plan by enclosing a check or money order with the enrollment form. Thereafter, optional cash payments should be accompanied by the tear-off bottom portion of your quarterly account statement or transaction advice.

For first-time share purchases by first-time investors, the minimum initial investment amount is \$500.00. There is a one time \$10.00 service charge to enroll in the Plan. The minimum amount for any subsequent investments and for initial investments by existing, registered shareholders is \$50.00 per transaction. There is a service charge of \$5.00 per investment plus \$0.10 per share brokerage commission. The maximum investment is \$10,000.00 per transaction with a maximum of \$120,000 per calendar year.

Optional cash payments should be made by check or money order drawn on a US Bank, in US currency, payable to “The Bank of New York — Arch Chemicals, Inc. Plan”. Mail the tear-off instruction form attached to the bottom of your statement along with your check to the Plan Administrator using the address indicated on page 9. Third party checks will not be accepted and will be returned to sender.

In the event that a Participant’s Optional Cash Investment check is returned unpaid for any reason or a Participant’s designated bank account for EFT does not have sufficient funds for his/her authorized monthly deduction, the Plan Administrator will immediately remove from the Participant’s account any shares purchased with the prior credit of such funds. The Plan Administrator will thereupon be entitled to sell any such shares to satisfy any uncollected amounts. If the net proceeds of the sale of such shares are insufficient to satisfy the balance of the uncollected amounts, the Plan Administrator reserves the right to sell such additional shares from the Participant’s account as may be necessary to satisfy the uncollected balance.

It is the responsibility of the Plan Participant to immediately notify The Bank of New York of any changes in EFT information as it relates to the Plan Participant’s authorized monthly deductions. Changes to EFT information must be submitted to the Bank in writing. Participants may call 1-866-857-2223 and request a new EFT enrollment form.

*Participants should be aware that the common stock price may rise during the period between a request for purchase, its receipt by the Plan Administrator and the ultimate purchase on the open market. The Plan Administrator may, at its own discretion, accept written requests to revoke instructions.*

#### **CAN I MAKE AUTOMATED MONTHLY INVESTMENTS?**

Yes, once enrolled in the Plan, participants may contact The Bank of New York to arrange for supplemental payments to be made automatically by Electronic Funds Transfer (EFT). EFT payments are deducted monthly from the participant’s designated account through any qualified financial institution that participates in the Automated Clearing House. Deductions are made on the 25th day of each month, or if such date is not a business day, the deduction will be made on the preceding business day. Such payments are subject to the same minimum and maximum investment amounts and other Terms and Conditions of the Plan. Amounts received will be invested on the next investment date after receipt of the funds. There will be a \$35.00 fee for any deposit returned unpaid.

#### **CAN I REINVEST MY DIVIDENDS?**

Yes, you can choose to reinvest all or a portion of the dividends paid on shares of Arch Chemicals, Inc. common stock that you own. You can write to the Bank to authorize reinvestment of some or all of your dividends. Following your instructions on the enrollment form, the Bank will apply the common share dividend less a service charge of 5% of the total amount reinvested up to a maximum charge of \$3.00 per investment plus \$0.10 per share brokerage commission.

You can change your instructions at any time by sending a new enrollment form to The Bank of New York. Any instruction changes must be received by the Bank on or before the record date for that dividend. Naturally, if you choose not to reinvest your dividends, the Bank will remit any dividends directly to you.

## **HOW ARE SHARES PURCHASED?**

Net dividend funds or cash payments from all participants are commingled to purchase shares on the open market on any exchange on which Arch Chemicals, Inc. common stock is traded. Purchases are usually made through an Affiliated Broker. The Affiliated Broker will receive brokerage fees and commissions. The Bank will credit your account for the full and fractional shares (to four decimal places) of Arch Chemicals, Inc. shares purchased on your behalf.

The price per share cannot be determined prior to the purchase. Purchases made with net dividend funds are expected to be made beginning on the dividend payment date. For optional cash payments, purchases are made at least weekly.

A transaction (advice) statement will be sent to you as soon as practical subsequent to each investment showing the purchase price and shares credited to your account.

On a quarterly basis, in conjunction with reinvestment of dividends, a statement showing all year-to-date transaction activity will be mailed to you. You should retain these statements for tax purposes.

For your convenience, statements and transaction advices have tear-off instruction forms which can be filled out with your certificate issuance, sale, purchase, termination or certificate deposit instructions and mailed to the Bank. For further information, see “Terms and Conditions of the Plan — page 10” and “Costs to Participants — page 13.”

## **CAN I REQUEST A CERTIFICATE?**

Yes, you may request that the Plan Administrator issue a certificate(s) for some or all of the shares held in your Plan account. Again, just fill out and sign the request form for issuance of a stock certificate as indicated on the bottom portion of your account statement, or call the Plan Administrator for instructions at 1-866-857-2223.

## **HOW CAN I SELL MY SHARES?**

You may instruct the Plan Administrator to sell any or all shares held in your account.

- ***Sale Orders via IVR System***

The recommended method for placing sale orders is via the Interactive Voice Response (IVR) system. To place a sale order, call Shareholder Services at 1-866-857-2223 and enter your social security number or Taxpayer ID at the prompt. Select the menu option for sales. For security purposes, you will be asked to enter your account number. Daily sale orders are generally accepted until 6:00 pm Eastern Standard Time. Sale orders placed via the IVR before 6:00 pm will generally be sold within two business days and in most cases sold the next business day. Sales placed after 6:00 pm will be considered received the next business day. The IVR is confidential, secure and provides a unique confirmation number for each transaction that you execute.

- ***Sale Orders by Mail***

You may use the transaction request form from the Plan Statement that you receive from The Bank of New York to sell your shares. (If you need a replacement Plan Statement, please contact Shareholder Services, at 1-866-857-2223.) Complete and sign the form and mail the instructions to the Plan Administrator. Be certain that all listed participants sign the instruction form. You should retain the top portion of your statement for your records. Sale orders received by mail will be executed as promptly as possible after receipt.

## **HOW ARE SHARES SOLD?**

The Plan Administrator aggregates all requests to sell shares then sells the total share amount on the open market through an Affiliated Broker. The Affiliated Broker will receive brokerage fees and commissions. The shares are sold on any exchange on which the shares of Arch Chemicals, Inc. are listed. Shares are sold daily, and the selling price will not be known until the sale is completed. The proceeds of the transaction, less applicable fees or charges, will be mailed to you by first class mail within two business days after the trade settlement date. The trade settlement date is the third business day after the sale order is executed. The sale check will include a stub detailing the trade, as well as Form 1099-B, which should be retained for your tax records.

*Participants should be aware that the common stock price may fall during the period between a request for sale, its receipt by the Plan Administrator and the ultimate sale on the open market. Instructions sent to the Plan Administrator to sell shares may not be rescinded.*

## **HOW CAN I TRANSFER SHARES?**

You can transfer (or give as gifts) shares in your Plan account at any time. Transfers can be made in book-entry or certificated form. Simply contact the Plan Administrator to make your request at 1-866-857-2223.

For book-to-book transfers, which involve transferring shares from an existing participant account in the Plan to a new participant account, follow the steps listed below.

- Call the Bank's toll-free telephone number 1-866-857-2223 and request a Plan brochure and enrollment form. Complete the form providing the full registration name, address and social security number of the new participant.
- Send the completed enrollment form, together with a written request for the number of shares (full and fractional) that should be transferred to the new participant, to The Bank of New York. All participants in the current account should sign the instructions, and their signatures should be guaranteed by a bank, broker or financial institution that is a member of the Signature Guarantee Medallion program.
- Unless otherwise directed by receipt of an enrollment form, the credited account will automatically be enrolled in the Plan with all dividends reinvested.

## **HOW CAN I TERMINATE MY PARTICIPATION IN THE PLAN?**

You may withdraw from the Plan simply by submitting notice of termination to The Bank of New York. Just complete the bottom portion of any statement or transaction advice with your instructions. Upon termination, all shares in your account may be sold, or if you prefer, a certificate for the full shares held in the Plan will be issued and any fractional share held in the Plan will be sold. You will receive a check for the net proceeds (less service fees and brokerage commission) from the sale of any fractional shares based on the current market value.

## **WHAT HAPPENS IF MY CASH INVESTMENT CHECK OR ELECTRONIC FUNDS TRANSFER (EFT) IS RETURNED AS UNPAID?**

In the event that a Participant's optional cash investment check or EFT is returned unpaid for any reason, the Participant will be charged a \$35.00 return fee. Further, the Bank will immediately remove from the Participant's account, shares which were purchased in anticipation of the collection of such funds. These shares will be sold to recover any uncollected funds plus the return fee. If the net proceeds of the sale of such shares are insufficient to recover in full the uncollected funds plus the return fee, the Bank reserves the right to sell additional shares from any of the Participant's accounts maintained by the Bank as may be necessary to recover in full the uncollected balance plus the return fee. The sale of any additional shares may, in some cases, yield an amount greater than that required to recover in full the uncollected balance plus the return fee. If this occurs, only amounts in excess of \$1.00 will be remitted to the Participant.

## **HOW DO I CONTACT THE PLAN ADMINISTRATOR?**

***BuyDIRECT*** is administered by The Bank of New York, the Transfer Agent for Arch Chemicals, Inc. **To obtain enrollment information, including a brochure and enrollment form, or to obtain information concerning your existing participant account, please contact the Bank at:**

Toll-free number: **1-866-857-2223** or write to:

The Bank of New York  
Church Street Station  
P. O. Box 11258  
New York, New York 10286-1258  
or on the web at [www.stockbny.com](http://www.stockbny.com)

**For sales, liquidations, transfers, withdrawals or optional cash investments, mail instruction form (please use bottom portion of advice or statement) to:**

The Bank of New York  
Dividend Reinvestment Department  
P.O. Box 1958  
Newark, New Jersey 07101-9774

**PRIOR TO FORWARDING TRANSACTION INSTRUCTIONS, PLEASE READ THE  
INFORMATION CONTAINED IN “TERMS AND CONDITIONS”  
AND “COSTS TO PARTICIPANTS.”**

# ***BuyDIRECT***

## **Terms and Conditions of The Plan for the Shares of Arch Chemicals, Inc. Common Stock**

**PLEASE REVIEW THIS BROCHURE IN ITS ENTIRETY PRIOR TO REQUESTING TRANSACTION PROCESSING.**

### **1. Introduction**

The purpose of *BuyDIRECT*, the “Plan”, is to provide registered shareholders of Arch Chemicals, Inc. (the “Company”) and other interested first-time investors with a simple, economical and convenient method of investing in shares of Arch Chemicals, Inc. common stock (the “Common Stock”). The Plan is administered by the Transfer Agent for the Company, The Bank of New York (the “Bank” or “the Plan Administrator”).

### **2. Optional Cash Payments/Reinvesting Dividends**

Purchases of Common Stock by the Transfer Agent with optional cash payments are expected to take place at least weekly. There is a service charge of \$5.00 per investment plus \$0.10 per share brokerage commission.

Reinvestment of dividends will take place as soon as practical on or after the payment of the dividend. There is a service charge of 5% of the total amount reinvested, up to a maximum charge of \$3.00 per investment plus \$0.10 per share brokerage commission.

Common stock purchased will be credited to each participant’s account in book-entry form (computed to four decimal places) with a certificate issued only upon request.

Cash payments may not be accepted by the Plan Administrator if a participant imposes any restrictions with respect to the number of shares to be purchased, the price at which the shares are to be purchased or the timing of when the purchase is to be made.

There are minimum/maximum amounts allowed for cash investments. (See page 13, “Costs to Participants.”)

### **3. Share Purchases and Sales**

All purchases and sales of shares will be made on the open market on any exchange on which Arch Chemicals, Inc. common stock is traded. The participant will receive a confirmation after each purchase and sale transaction. Timely dividend reinvestment statements will be issued showing detailed activity for the current year. The price per share for any given transaction date shall always be the average weighted price of all shares purchased or sold on such date. The amount assessed per share purchased and/or sold is defined to include brokerage fees and commissions. Participants will continue to incur transaction fees in addition to the amount assessed per share purchased and/or sold. The net proceeds of the sale are sent by check to the participant following the sale. **A service fee will be deducted from the**

**net check amount and the price per share will be adjusted to reflect the brokerage commission.** The Bank of New York shall retain all fees charged to the participant for administering the Plan. (See page 13, “ Costs to Participants”)

#### **4. Requests for Certificates or Transfer of Shares**

Participants may request that a certificate be issued for all or some of the shares held in the Plan at any time. In addition, participants may always request transfer of Plan shares. Contact the Plan Administrator for instructions.

#### **5. Safekeeping of Certificates**

Plan participants may deposit certificates in their name(s) into the Plan for safekeeping.

## **ADDITIONAL TERMS AND CONDITIONS**

Participation in the Plan by financial institutions and intermediaries is not permitted.

Existing registered shareholders are automatically eligible to participate in the Plan. Initiation of a transaction(s), including optional cash payments, dividend reinvestment, depositing certificates into the Plan and/or selling or purchasing shares shall establish an agency relationship by the participant with The Bank of New York.

**The securities held in *BuyDIRECT* accounts for Plan participants are not subject to protection under the Securities Investor Protection Act of 1970.**

The terms and conditions of the Plan are governed by the laws of the State of New York. **The Bank of New York and Arch Chemicals, Inc. provide no advice and make no recommendations with respect to any security. Any decision to purchase or sell must be made by each individual Plan participant based on his or her own research and judgment.**

Unless directed otherwise by the Plan Administrator, purchases and sales will be made through an Affiliated Broker. The Affiliated Broker will receive brokerage fees and commissions.

#### **Distribution of Dividends**

Any stock dividends or stock split shares distributed will be credited directly into the participant’s Plan account. This includes entitlements on shares calculated from shares held in the Plan in both book-entry and any shares registered in the participant’s name(s). Similarly, any rights or shares to be distributed as a result of any rights agreement would be distributed in a like manner. Transaction processing may be temporarily suspended during such distributions.

#### **Proxy Voting/Annual Meetings**

Each participant in the Plan will receive a Notice of the Annual Meeting, a Proxy Statement, a Proxy Voting Card and the Company’s Annual Report to Shareholders. The Proxy Voting Card will detail the full Plan shares held in the participant’s Plan account as well as shares held in certificated form. The participant will vote book-entry and/or certificated shares in the same way.

**Tax Reporting**

All sales and dividends reinvested are subject to income tax reporting. It is solely the participant's responsibility to determine the tax consequences of such sales, dividends reinvested and service fees, and it is suggested that a tax advisor be consulted.

**Liability**

Neither Arch Chemicals, Inc. nor The Plan Administrator will be liable for any act done in good faith or for any good faith omission to act, including, without limitation, any claim of liability (i) arising out of failure to terminate a participant's account, sell shares in the Plan, or invest optional cash payments or dividends without receipt of proper documentation and instructions; (ii) with respect to the prices at which shares are purchased or sold for the participant's account and the time such purchases or sales are made, including price fluctuation in market value after purchases or sales.

The Plan Administrator reserves the right to modify the Plan including the right to terminate the Plan upon notice to Plan participants. In addition, the Plan Administrator reserves the right to interpret and regulate the Plan as it deems necessary or desirable in connection with its operation.

## **COSTS TO PARTICIPANTS**

The costs to the participant in administrative service fees and brokerage commissions for each type of transaction are as follows and are considered part of the “Terms and Conditions” of the Plan:

Initial Enrollment .....	\$10.00
<i>A one-time fee for new accounts</i>	
Optional Cash Investments – Service fee .....	\$5.00
plus brokerage commission per share purchases .....	\$0.10
Each EFT withdrawal processed .....	\$2.00
Reinvestment of Dividends – Service fee . . . .	5% of amount reinvested
to a maximum of \$3.00 per reinvestment	
plus brokerage commission per share .....	\$0.10
Returned check/Automatic (EFT) withdrawal .....	\$35.00
Sale of Shares .....	\$15.00
plus brokerage commission per share sold .....	\$0.10
Deposit of Certificates for safekeeping .....	Included
Book to Book Transfers .....	Included
<i>To transfer shares to another participant or to a new participant</i>	

***Fees are subject to change upon 90 days prior written notification.***

### **Minimum and Maximum Cash Investments**

Initial minimum investment first time investors: .....	\$ 500.00
Minimum from existing holders per transaction .....	\$ 50.00
Maximum per transaction .....	\$10,000.00
Maximum Investment per calendar year .....	\$120,000.00





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## The Bank of New York

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***BuyDIRECT***<sup>SM</sup>

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Sale and Dividend  
Reinvestment Plan  
for*

**Arch Chemicals, Inc.**

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The Bank of New York, not by Arch Chemicals,  
Inc.

<sup>SM</sup>*BuyDIRECT* is a service mark of The Bank of New York

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DATED 10/2001