

EASTMAN

Eastman Chemical Company

Who we are

- A global specialty chemical company headquartered in Kingsport, Tennessee
- Approximately 15,000 employees and over 50 manufacturing sites around the globe
- Serving customers in approximately 100 countries
- A company dedicated to environmental stewardship, social responsibility and economic growth
- 2014 ENERGY STAR® Partner of the Year Sustained Excellence
- 2014 Ethisphere's World's Most Ethical® Companies
- 2015 Glassdoor Employees' Choice Best Places to Work (# 30)
- 2015 revenue of \$11.5 billion

Eastman: A portfolio of specialty businesses

- Consistent, superior earnings growth
- Leading positions in diverse, attractive end-markets
- Innovative technology platforms
- Management track record of outperformance

Commodity
chemical



Diversified



Eastman

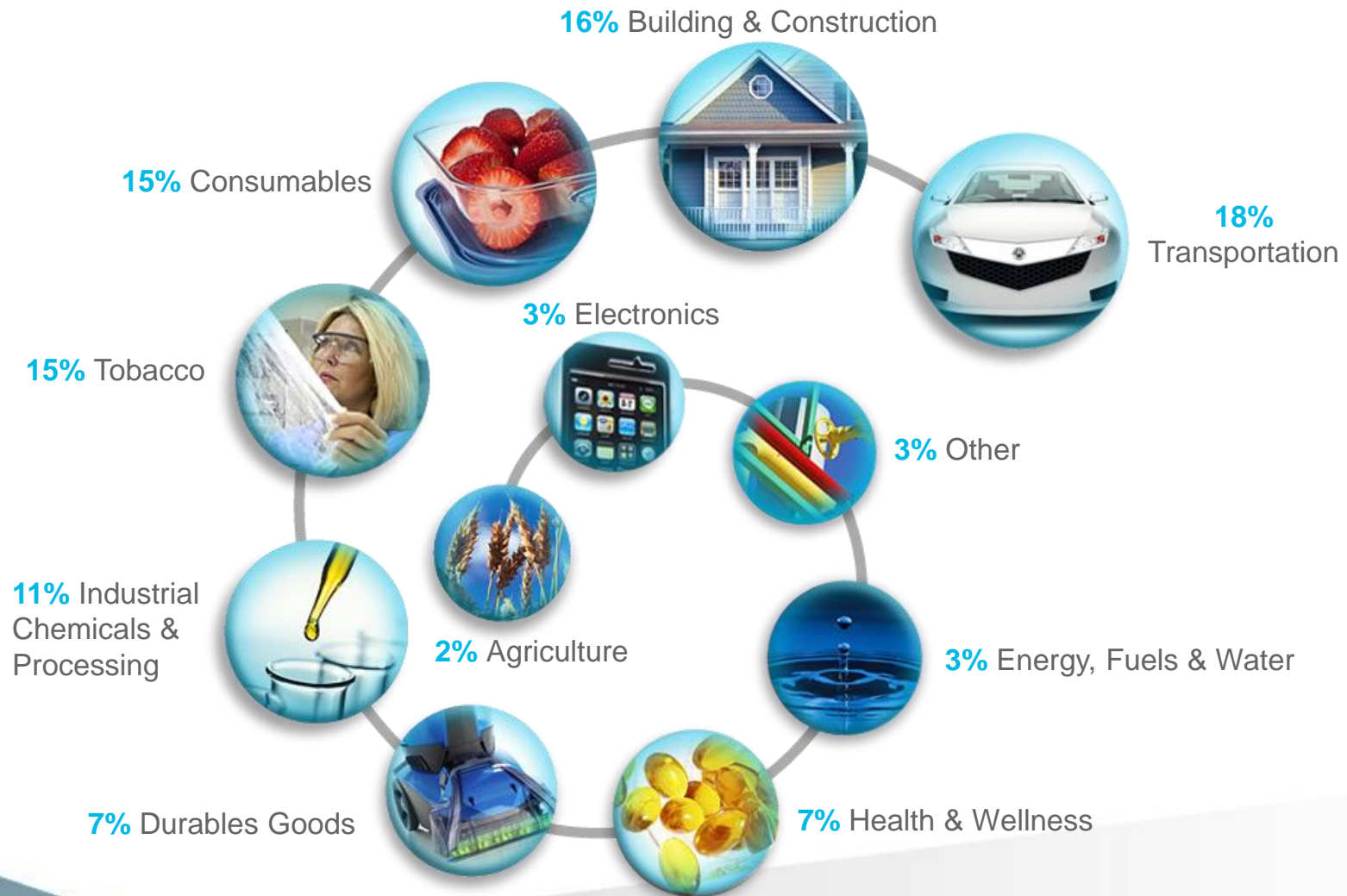


Specialty
chemical



Diversified product lines & technologies

2014 sales revenue by market*



*Does not include revenue from Taminco or Commonwealth Laminating and Coating

EASTMAN

Push-Pull Strategy & Tactics for Adoption of External Technology

Question Before the House

How can we better integrate use of
External Technology as a part of normal
project development?

Benefits to Use of Outside Resources

- Use of equipment, technology & IP developed by others
- Broader mindshare
- Quicker startup due to above
- Demonstrated performance = more confidence internally
- Synergistic addition to internal knowledge
- Extra headcount

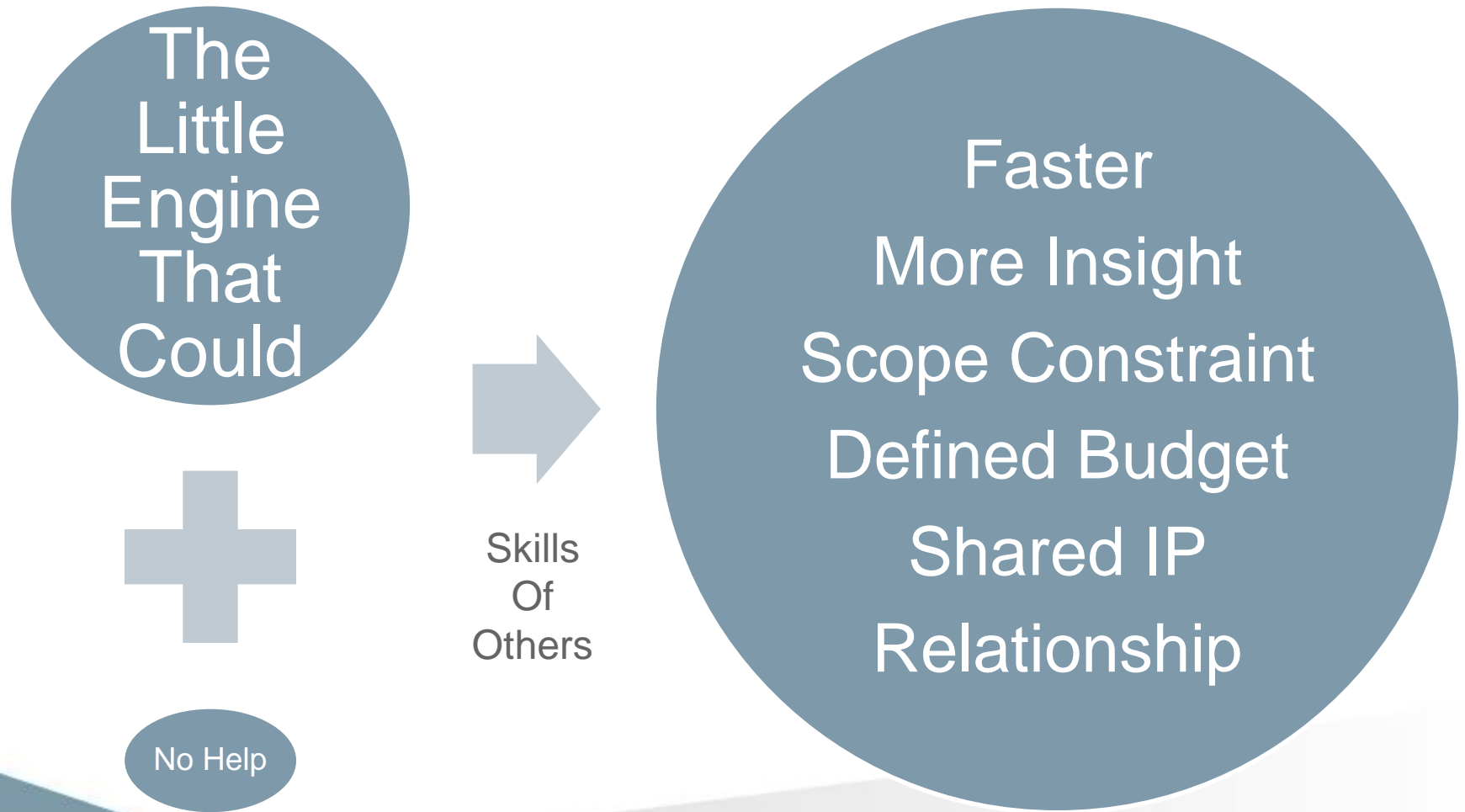
Stated Obstacles to Sourcing Technology Externally

- Too complicated
- IP challenges
- Lack of appreciation of cost difference
- Different part of budget – variable costs are visible and higher than internal

Costs Not to Participate

- Missed Opportunities
- Slower Development
- Unnecessary internal workload - Better handled by others due to resources or special capabilities available
 - No one can do everything equally well!!
- Unneeded “push” strain on internal organization or the individual Project Manager

Ideal State Progression



How Do I Do That?

- Demonstrate/Illustrate the Capability of Others
- Sell to the Business based on cost reduction, increased internal capacity for more strategic work, etc
- Contractual Commitment
 - “Not less than...”
 - Use it or Lose it
- Pre-negotiated IP Terms
- Operate at Program Level not Projects

How to Measure Success

- Business adoption and funding of program output
- Visibility and communication in the Technical community
- Alignment of output to Corporate Strategic Direction
- Do internal partners want to participate?