Significant Index No. 0412.06-00 Third Party Contacts – Employees of the Company (Nov. 2002 – Dec. 2002)

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

APR 1 4 2003

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In re:

EIN:

Company =

Dear

This letter constitutes notice that a conditional waiver of the minimum funding standard has been granted for the above-named pension plan for the plan year beginning January 1, 2002.

The conditional waiver has been granted in accordance with section 412(d) of the Internal Revenue Code (the "Code") and section 303 of the Employee Retirement Income Security Act of 1974 (ERISA). The amount for which the waiver has been granted is the contribution that would otherwise be required to reduce the balance in the funding standard account of the plan to zero as of the end of the plan year for which the waiver has been granted.

The Company, formerly operated as a division of another purchased its major operating assets from the in 1984 through a leveraged employee stock ownership plan transaction. Through the , the Company was employee owned until 1989, when the Company's stock began trading publicly. The Company is a major integrated producer of , with principal product lines consisting of and In recent years, the U.S has been in a state of crisis characterized by record operating losses, more than two dozen bankruptcies, and the permanent closure of a significant amount of productive capacity. During this time the Company, like most U.S. integrated producers, has sustained significant operating losses and decreased liquidity as a result of adverse market conditions resulting from a slowing economy, depressed product selling prices, and high levels of foreign imports. The

Company experienced net losses for the fiscal years ending December 31, 2000 through 2002, and reported both negative working capital and negative net worth for the fiscal years 2001 and 2002.

The Company commenced a restructuring in the spring of 2001 to fundamentally reposition its business to focus on higher margin value-added products. The restructuring included reductions in workforce, streamlining management, entering into financing programs with vendors to improve liquidity, increasing liquidity and borrowing availability by refinancing the Company's working capital facilities through a senior credit facility, restructuring long-term debt, and lowering debt service costs.

As part of its recovery efforts the Company has secured concessions from its bargaining unit employees, including cancellation of a planned $1 per hour wage increase that would have gone into effect in April 2003, an immediate 5 percent pay and wage reduction, a six-month postponement of 50 percent of vacation pay that would have been payable to certain employees in February 2003, and freezing of Plan benefit accruals, intended to become effective on or about April 30, 2003. The same pay reduction and Plan freeze will also be applicable on the same dates to all of the Company's salaried employees. The Company plans to reposition its business by pursuing the acquisition of strategic assets from other that are working to reposition their business, and pursuing other asset acquisitions that meet the Company's goal of exiting the The Company expects its proprietary technology to with a polymer film to be a major source of growth. The Company has substantial obligations related to its employee post-retirement plans for medical and life insurance benefits and pensions. The Company has stated that it is currently holding meetings with its pre-age 65 retirees to discuss significant reductions in future health care costs.

The above-named defined benefit Plan was originally effective Plan contributions for the plan years exceeded the minimum funding requirement for those years, and the resulting large credit balances in the funding standard account were sufficient to meet minimum funding requirements for the plan years. The minimum funding requirement for the 2002 plan year includes approximately for an additional funding charge. As of January 1, 2002, the ratio of market value of assets to accrued liability is approximately percent. The 2002 actuarial report for the Plan gives investment losses and the retirement of nearly participants with enhanced benefits in 2001 and early 2002, as a result of corporate restructuring, as primary causes of decreases in the Plan's funded status.

This waiver has been granted subject to the following condition, which you have agreed to:

> Within 90 days from the date of this letter, all necessary documents to provide an arrangement to secure the repayment of the waived amount satisfactory to the PBGC will be executed.

If the Company fails to meet the above condition, this waiver is retroactively null and void.

Your attention is called to section 412(f) of the Code and section 304 of ERISA which describes the consequences which result in the event the plan is amended to increase benefits, to change the rate in the accrual of benefits, or to change the rate of vesting while any portion of the waived amount remains unamortized.

This ruling is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

When filing Form 5500 for the plan year ending December 31, 2002, the date of this letter should be entered on Schedule B (Actuarial Information). We have sent a copy of this letter to the
and to your authorized representatives (Form 2848) on file with this office.

If you have any questions concerning this letter, please contact
In any correspondence relating to this letter, please refer to
as well.

Sincerely,

Carol D. Gold, Director
Employee Plans

cc: