
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2015

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____ to _____.

Commission file number 1-16091

POLYONE CORPORATION

(Exact name of registrant as specified in its charter)

Ohio

*(State or other jurisdiction
of incorporation or organization)*

34-1730488

(I.R.S. Employer Identification No.)

33587 Walker Road, Avon Lake, Ohio

(Address of principal executive offices)

44012

(Zip Code)

Registrant's telephone number, including area code: **(440) 930-1000**

Former name, former address and former fiscal year, if changed since last report: **Not Applicable**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The number of the registrant's outstanding common shares, \$0.01 par value, as of June 30, 2015 was 88,654,883.

Part I — Financial Information

Item 1. Financial Statements

PolyOne Corporation
Condensed Consolidated Statements of Income (Unaudited)
(In millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Sales	\$ 887.1	\$ 1,005.5	\$ 1,760.2	\$ 2,007.8
Cost of sales	701.4	821.0	1,404.7	1,635.1
Gross margin	185.7	184.5	355.5	372.7
Selling and administrative expense	105.4	135.1	205.1	266.9
Operating income	80.3	49.4	150.4	105.8
Interest expense, net	(16.2)	(15.7)	(32.3)	(31.2)
Other expense, net	(0.7)	(0.4)	(1.4)	(1.4)
Income from continuing operations before income taxes	63.4	33.3	116.7	73.2
Income tax benefit (expense)	3.6	(2.6)	(19.5)	(13.3)
Net income from continuing operations	67.0	30.7	97.2	59.9
Income from discontinued operations, net of income taxes	—	0.8	—	0.8
Net Income	67.0	31.5	97.2	60.7
Net (income) loss attributable to noncontrolling interests	(0.2)	0.2	(0.2)	0.4
Net income attributable to PolyOne common shareholders	\$ 66.8	\$ 31.7	\$ 97.0	\$ 61.1
Earnings per common share attributable to PolyOne common shareholders - Basic:				
Continuing Operations	\$ 0.75	\$ 0.33	\$ 1.09	\$ 0.64
Discontinued operations	—	0.01	—	0.01
Total	\$ 0.75	\$ 0.34	\$ 1.09	\$ 0.65
Earnings per common share attributable to PolyOne common shareholders - Diluted:				
Continuing Operations	\$ 0.74	\$ 0.33	\$ 1.08	\$ 0.63
Discontinued operations	—	0.01	—	0.01
Total	\$ 0.74	\$ 0.34	\$ 1.08	\$ 0.64
Weighted-average shares used to compute earnings per common share:				
Basic	88.9	93.0	89.1	93.7
Diluted	89.8	94.3	89.9	94.9
Cash dividends declared per share of common stock	\$ 0.10	\$ 0.08	\$ 0.20	\$ 0.16

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

PolyOne Corporation
Consolidated Statements of Comprehensive Income (Unaudited)
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income	\$ 67.0	\$ 31.5	\$ 97.2	\$ 60.7
Other comprehensive income				
Translation adjustments	3.3	1.1	(14.6)	0.4
Unrealized gain on available-for-sale securities	0.4	—	0.4	—
Total comprehensive income	70.7	32.6	83.0	61.1
Comprehensive (income) loss attributable to noncontrolling interests	(0.2)	0.2	(0.2)	0.4
Comprehensive income attributable to PolyOne common shareholders	<u>\$ 70.5</u>	<u>\$ 32.8</u>	<u>\$ 82.8</u>	<u>\$ 61.5</u>

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

PolyOne Corporation
Condensed Consolidated Balance Sheets
(In millions)

	(Unaudited) June 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 236.8	\$ 238.6
Accounts receivable, net	431.7	396.8
Inventories, net	300.9	309.0
Other current assets	83.5	98.3
Total current assets	1,052.9	1,042.7
Property, net	581.8	596.7
Goodwill	591.8	590.6
Intangible assets, net	350.9	362.7
Other non-current assets	115.3	118.5
Total assets	\$ 2,692.7	\$ 2,711.2
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term and current portion of long-term debt	\$ 61.8	\$ 61.8
Accounts payable	396.9	365.9
Accrued expenses and other liabilities	136.5	173.5
Total current liabilities	595.2	601.2
Non-current liabilities:		
Long-term debt	996.4	962.0
Pension and other post-retirement benefits	74.7	103.7
Deferred income taxes	70.9	88.8
Other non-current liabilities	155.6	178.3
Total non-current liabilities	1,297.6	1,332.8
Shareholders' equity:		
PolyOne shareholders' equity	798.8	776.3
Noncontrolling interests	1.1	0.9
Total equity	799.9	777.2
Total liabilities and shareholders' equity	\$ 2,692.7	\$ 2,711.2

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

PolyOne Corporation
Condensed Consolidated Statements of Cash Flows (Unaudited)
(In millions)

	Six Months Ended June 30,	
	2015	2014
Operating Activities		
Net income	\$ 97.2	\$ 60.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	50.1	72.2
Provision for doubtful accounts	—	0.3
Share-based compensation expense	4.2	10.1
Gain on sale of business	—	(0.8)
Change in assets and liabilities:		
Increase in accounts receivable	(40.8)	(74.0)
Decrease in inventories	5.2	23.4
Increase in accounts payable	35.5	35.9
Decrease in pension and other post-retirement benefits	(27.9)	(21.1)
Decrease in accrued expenses and other assets and liabilities - net	(63.6)	(62.9)
Net cash provided by operating activities	59.9	43.8
Investing Activities		
Capital expenditures	(39.1)	(38.0)
Proceeds from sale of equity affiliate and other assets	1.9	27.3
Net cash used by investing activities	(37.2)	(10.7)
Financing Activities		
Repayment of debt	—	(8.0)
Borrowings under credit facilities	515.6	20.9
Repayments under credit facilities	(481.2)	(20.9)
Purchase of common shares	(42.8)	(119.9)
Exercise of share awards	4.2	6.3
Cash dividends paid	(17.9)	(15.1)
Net cash used by financing activities	(22.1)	(136.7)
Effect of exchange rate changes on cash	(2.4)	(0.1)
Decrease in cash and cash equivalents	(1.8)	(103.7)
Cash and cash equivalents at beginning of period	238.6	365.2
Cash and cash equivalents at end of period	\$ 236.8	\$ 261.5

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

PolyOne Corporation
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1 — BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with Form 10-Q instructions and in the opinion of management contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and cash flows for the periods presented. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. These interim financial statements should be read in conjunction with the financial statements and accompanying notes included in the annual report on Form 10-K for the year ended December 31, 2014 of PolyOne Corporation. When used in this quarterly report on Form 10-Q, the terms "we," "us," "our", "PolyOne" and the "Company" mean PolyOne Corporation and its consolidated subsidiaries.

Operating results for the three and six months ended June 30, 2015 are not necessarily indicative of the results that may be attained in subsequent periods or for the year ending December 31, 2015.

Accounting Standards Not Yet Adopted

In April 2015, the Financial Accounting Standards Board (FASB) issued Auditing Standards Update 2015-03, "*Interest-Imputation of Interest (Subtopic 835-30) - Simplifying the Presentation of Debt Issuance Costs*" (ASU 2015-03), which requires unamortized debt issuance costs to be presented as a reduction of the corresponding debt liability rather than a separate asset. ASU 2015-03 will be adopted on the effective date for the Company, which is January 1, 2016. ASU 2015-03 will only impact the presentation of the Company's financial position and amounts are dependent on the balance of the unamortized debt issuance costs at the date of adoption.

In May 2014, the FASB issued Auditing Standards Update 2014-09, "*Revenue from Contracts with Customers*" (ASU 2014-09), which clarifies existing accounting literature relating to how and when a company recognizes revenue. Under ASU 2014-09, a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. ASU 2014-09 will be effective for the Company on January 1, 2018. The Company is in the process of determining what impact, if any, the adoption of ASU 2014-09 will have on its financial position, results of operations and cash flows.

Note 2 — BUSINESS COMBINATIONS

On December 1, 2014, the Company acquired the specialty assets of Accella Performance Materials (Accella), a leading North American manufacturer of liquid polymer formulations, for \$47.2 million, net of cash acquired. The results of operations of Accella were included in the Company's Consolidated Statements of Income for the period subsequent to the date of the acquisition and are reported in the Global Color, Additives and Inks segment. The preliminary purchase price allocation resulted in goodwill of \$24.6 million and intangible assets of \$16.0 million. We do not expect further purchase price adjustments to be material. Goodwill recognized as a result of this acquisition is deductible for tax purposes.

Note 3 — GOODWILL AND INTANGIBLE ASSETS

Goodwill as of June 30, 2015 and December 31, 2014, and changes in the carrying amount of goodwill by segment were as follows:

(In millions)	Global Specialty Engineered Materials	Global Color, Additives and Inks	Designed Structures and Solutions	Performance Products and Solutions	PolyOne Distribution	Total
Balance December 31, 2013	\$ 99.9	\$ 310.2	\$ 136.3	\$ 11.0	\$ 1.6	\$ 559.0
Acquisitions of businesses	—	23.5	8.4	0.2	—	32.1
Currency translation and other adjustments	(0.5)	—	—	—	—	(0.5)
Balance December 31, 2014	\$ 99.4	\$ 333.7	\$ 144.7	\$ 11.2	\$ 1.6	\$ 590.6
Acquisitions of businesses	—	1.9	—	—	—	1.9
Currency translation and other adjustments	(0.6)	(0.1)	—	—	—	(0.7)
Balance June 30, 2015	\$ 98.8	\$ 335.5	\$ 144.7	\$ 11.2	\$ 1.6	\$ 591.8

Indefinite and finite-lived intangible assets consisted of the following:

(In millions)	As of June 30, 2015			
	Acquisition Cost	Accumulated Amortization	Currency Translation	Net
Customer relationships	\$ 196.3	\$ (37.3)	\$ —	\$ 159.0
Patents, technology and other	132.9	(40.5)	(0.2)	92.2
Indefinite-lived trade names	96.3	—	—	96.3
In-process research and development	3.4	—	—	3.4
Total	\$ 428.9	\$ (77.8)	\$ (0.2)	\$ 350.9

(In millions)	As of December 31, 2014			
	Acquisition Cost	Accumulated Amortization	Currency Translation	Net
Customer relationships	\$ 198.1	\$ (32.6)	\$ —	\$ 165.5
Patents, technology and other	132.9	(35.3)	(0.1)	97.5
Indefinite-lived trade names	96.3	—	—	96.3
In-process research and development	3.4	—	—	3.4
Total	\$ 430.7	\$ (67.9)	\$ (0.1)	\$ 362.7

Note 4 — EMPLOYEE SEPARATION AND RESTRUCTURING COSTS

In 2013, PolyOne determined it would close seven former Spartech Corporation (Spartech) manufacturing facilities and one administrative office and relocate operations to other PolyOne facilities. The closure of the manufacturing facilities are part of the Company's efforts to improve service, on time delivery and quality as we align assets with our customers' needs. In addition to these actions, PolyOne incurred severance costs related to former Spartech executives and other employees, as well as fixed asset-related charges and other ongoing costs associated with restructuring actions that were underway prior to PolyOne's acquisition of Spartech. We also incurred costs associated with further asset rationalization at Spartech locations that were not part of the above actions.

The Company has incurred \$118.8 million of charges in connection with the Spartech actions noted above. These costs include \$25.9 million of severance, \$47.0 million of asset-related charges, including accelerated depreciation, and \$45.9 million of other associated costs. We do not expect the remaining charges related to these actions to have a material impact to our consolidated financial statements going forward.

The table below summarizes restructuring activity related to Spartech.

(In millions)	Long-Lived Asset Charges	Employee Separation	Other Associated Costs	Total
Accrual balance at December 31, 2013	\$ —	\$ 15.1	\$ —	\$ 15.1
Charged to expense	27.3	5.1	27.3	59.7
Cash payments	—	(17.5)	(27.3)	(44.8)
Non-cash utilization	(27.3)	—	—	(27.3)
Accrual balance at December 31, 2014	\$ —	\$ 2.7	\$ —	\$ 2.7
Charged to expense ⁽¹⁾	5.3	(0.3)	4.3	9.3
Cash payments	—	(1.6)	(4.3)	(5.9)
Non-cash utilization	(5.3)	—	—	(5.3)
Accrual balance at March 31, 2015	\$ —	\$ 0.8	\$ —	\$ 0.8
Charged to expense ⁽²⁾	0.8	—	4.9	5.7
Cash payments	—	(0.3)	(4.9)	(5.2)
Non-cash utilization	(0.8)	—	—	(0.8)
Accrual balance at June 30, 2015	\$ —	\$ 0.5	\$ —	\$ 0.5

In June 2014, PolyOne determined it would close its Diadema and Joinville, Brazil facilities that were acquired in 2011 with the acquisition of Uniplen Industria de Polimeros Ltda. These actions were taken to streamline operations and improve our financial performance in Brazil. The table below summarizes restructuring activity related to Brazil since the date of these closures. We do not expect the remaining charges related to these actions to have a material impact to our consolidated financial statements going forward.

(In millions)	Asset Charges	Employee Separation	Other Associated Costs	Total
Accrual balance at December 31, 2013	\$ —	\$ —	\$ —	\$ —
Charged to expense	10.7	2.9	3.4	17.0
Cash payments	—	(1.8)	(3.4)	(5.2)
Non-cash utilization	(10.7)	—	—	(10.7)
Accrual balance at December 31, 2014	\$ —	\$ 1.1	\$ —	\$ 1.1
Charged to expense ⁽¹⁾	0.2	—	0.4	0.6
Cash payments	—	(0.7)	(0.4)	(1.1)
Non-cash utilization	(0.2)	—	—	(0.2)
Accrual balance at March 31, 2015	\$ —	\$ 0.4	\$ —	\$ 0.4
Charged to expense ⁽²⁾	0.3	(0.2)	—	0.1
Cash payments	—	(0.1)	—	(0.1)
Non-cash utilization	(0.3)	—	—	(0.3)
Accrual balance at June 30, 2015	\$ —	\$ 0.1	\$ —	\$ 0.1

⁽¹⁾ In addition to the restructuring charges for Spartech and the closure of our Brazil facilities, there was \$0.7 million in additional employee separation and restructuring costs during the three months ended March 31, 2015, which are not reflected in the tables above.

⁽²⁾ In addition to the restructuring charges for Spartech and the closure of our Brazil facilities, there was \$1.7 million in additional employee separation and restructuring costs during the three months ended June 30, 2015, which are not reflected in the tables above.

During the three months ended June 30, 2015, we recognized total employee separation and plant restructuring charges of \$7.5 million, which included \$5.3 million recognized within *Cost of goods sold* and \$2.2 million recognized in *Selling and administrative expenses*. During the three months ended June 30, 2014, we recognized total employee separation and plant restructuring charges of \$35.1 million, which included \$22.1 million recognized within *Cost of goods sold* and \$13.0 million recognized in *Selling and administrative expenses*.

During the six months ended June 30, 2015, we recognized total employee separation and plant restructuring charges of \$18.1 million, which included \$13.2 million recognized within *Cost of goods sold* and \$4.9 million recognized in *Selling and administrative expenses*. During the six months ended June 30, 2014, we recognized total employee separation and plant restructuring charges of \$53.0 million, which included \$33.1 million recognized within *Cost of goods sold* and \$19.9 million recognized in *Selling and administrative expenses*.

Note 5 — INVENTORIES, NET

Components of *Inventories, net* are as follows:

(In millions)	June 30, 2015	December 31, 2014
Finished products	\$ 184.8	\$ 187.8
Work in process	4.8	4.1
Raw materials and supplies	111.3	117.1
Inventories, net	<u>\$ 300.9</u>	<u>\$ 309.0</u>

Note 6 — PROPERTY, NET

Components of *Property, net* are as follows:

(In millions)	June 30, 2015	December 31, 2014
Land	\$ 46.7	\$ 49.2
Buildings	310.5	309.2
Machinery and equipment	1,089.5	1,077.2
Property, gross	1,446.7	1,435.6
Less accumulated depreciation and amortization	(864.9)	(838.9)
Property, net	<u>\$ 581.8</u>	<u>\$ 596.7</u>

Note 7 — INCOME TAXES

In the second quarter of 2015, we recognized an overall income tax benefit of \$3.6 million. The overall benefit was driven by a tax benefit of \$26.0 million from our plan to amend our U.S. federal income tax returns from 2005 through 2012 to use foreign tax credits. Excluding this item, our effective tax rate was 35.3%.

The effective tax rate for the second quarter of 2014 was 7.8%. The rate for the second quarter of 2014 was favorably impacted by a tax benefit of \$5.4 million associated with our investments in certain foreign affiliates, which resulted in a 16.2 percentage point reduction to our rate and a favorable adjustment of \$1.9 million related to the amendment of certain state returns, which resulted in a 5.7 percentage point reduction to our rate. These items favorably impacted our rate 21.9 percentage points for the second quarter of 2014.

The effective tax rate for the first half of 2015 was 16.7%. This rate was favorably impacted by a \$29.4 million benefit, which reduced our rate by 25.2 percentage points, as a result of our plan to amend U.S. Federal income tax returns from 2004 through 2012 to use foreign tax credits. Additionally, we recognized an unfavorable adjustment of \$7.9 million as a result of foreign court rulings during the first quarter of 2015 that affected tax positions taken in prior years and negatively impacted our rate 6.8 percentage points. These items resulted in a net favorable 18.4 percentage point impact to our rate in the first half of 2015. With regard to the foreign court ruling, the Company had previously recorded an \$8.8 million uncertain tax position, which has been reclassified to income taxes payable.

The effective tax rate for the first half of 2014 was 18.2%. This rate was favorably impacted by the items noted above for the second quarter of 2014, which reduced our rate by 10.0 percentage points for the first half of 2014. Additionally, in the first quarter of 2014 we recognized a benefit of \$4.0 million related to settlements with U.S. and foreign tax authorities, which reduced our rate by 5.5 percentage points for the first half of 2014. These items favorably impacted our rate by 15.5 percentage points for the first half of 2014.

Note 8 — WEIGHTED-AVERAGE SHARES USED IN COMPUTING EARNINGS PER COMMON SHARE

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Weighted-average common shares outstanding – basic	88.9	93.0	89.1	93.7
Plus dilutive impact of share-based compensation	0.9	1.3	0.8	1.2
Weighted-average common shares – diluted	89.8	94.3	89.9	94.9

For the three months ended June 30, 2014, 0.1 million of equity-based awards were excluded from the computation of diluted earnings per common share because their effect would have been anti-dilutive. No such equity-based awards were anti-dilutive for the computation of diluted earnings per common share for the three months ended June 30, 2015.

For the six months ended June 30, 2015 and 2014, 0.1 million and 0.2 million of equity-based awards, respectively, were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

Note 9 — EMPLOYEE BENEFIT PLANS

Components of defined benefit pension plan net periodic gains are as follows:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Service cost	\$ 0.5	\$ 0.5	\$ 0.9	\$ 0.9
Interest cost	5.4	6.2	10.7	12.5
Expected return on plan assets	(8.2)	(8.0)	(16.4)	(16.1)
Net periodic benefit gains	\$ (2.3)	\$ (1.3)	\$ (4.8)	\$ (2.7)

Components of post-retirement health care plan benefit costs are as follows:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Interest cost	\$ 0.2	\$ 0.1	\$ 0.3	\$ 0.3
Net periodic benefit costs	\$ 0.2	\$ 0.1	\$ 0.3	\$ 0.3

Note 10 — FINANCING ARRANGEMENTS

Debt consists of the following instruments:

(Dollars in millions)	June 30, 2015	December 31, 2014
7.500% debentures due 2015	\$ 48.7	\$ 48.7
Revolving credit facility due 2018	79.4	45.0
7.375% senior notes due 2020	316.6	316.6
5.250% senior notes due 2023	600.0	600.0
Other debt	13.5	13.5
Total long-term debt	1,058.2	1,023.8
Less current portion	61.8	61.8
Total long-term debt, net of current portion	\$ 996.4	\$ 962.0

The Company maintains a senior secured revolving credit facility with a maturity date of March 1, 2018, which provides a maximum borrowing facility size of \$400.0 million, subject to a borrowing base with advances against certain U.S. and Canadian accounts receivable, inventory and other assets as specified in the agreement. We have the option to increase the availability under the facility to \$450.0 million, subject to meeting certain requirements and obtaining commitments for such increase. The senior secured revolving credit facility has a U.S. and a Canadian line of credit. Currently there are no borrowings on the Canadian portion of the facility. Advances under

the U.S. portion of our revolving credit facility bear interest, at the Company's option, at a Base Rate or a LIBOR Rate plus an applicable margin. The Base Rate is a fluctuating rate equal to the greater of (i) the Federal Funds Rate plus one-half percent, (ii) the prevailing LIBOR Rate plus one percent, and (iii) the prevailing Prime Rate. The applicable margins varies based on the Company's daily average excess availability during the previous quarter. The weighted average interest rate under this facility for the three and six months ended June 30, 2015 was 2.42% and 2.40%, respectively.

As of June 30, 2015, we were in compliance with all covenants, had \$79.4 million outstanding borrowings and had availability of \$247.0 million under this facility.

The Company also has a credit line of \$16.0 million with Saudi Hollandi Bank with an interest rate equal to the Saudi Arabia Interbank Offered Rate (SAIBOR) plus a fixed rate of 0.85%. The credit line is being used to fund capital expenditures related to the manufacturing facility in Jeddah, Saudi Arabia and is subject to an annual renewal. As of June 30, 2015, letters of credit under the credit line were \$0.2 million and borrowings were \$13.1 million with an interest rate of 1.71%.

The estimated fair value of PolyOne's debt instruments at June 30, 2015 and December 31, 2014 was \$1,066.5 million and \$1,045.4 million, respectively, compared to carrying values of \$1,058.2 million and \$1,023.8 million as of June 30, 2015 and December 31, 2014, respectively. The fair value of PolyOne's debt instruments was estimated using prevailing market interest rates on debt with similar creditworthiness, terms and maturities and represent Level 2 measurements within the fair value hierarchy.

Note 11 — SEGMENT INFORMATION

Operating income is the primary measure that is reported to our chief operating decision maker for purposes of allocating resources to the segments and assessing their performance. Operating income at the segment level does not include: corporate general and administrative expenses that are not allocated to segments; intersegment sales and profit eliminations; charges related to specific strategic initiatives such as the consolidation of operations; restructuring activities, including employee separation costs resulting from personnel reduction programs, plant closure and phase-in costs; executive separation agreements; share-based compensation costs; asset impairments; environmental remediation costs and other liabilities for facilities no longer owned or closed in prior years; gains and losses on the divestiture of joint ventures and equity investments; actuarial gains and losses associated with our pension and other post-retirement benefit plans; and certain other items that are not included in the measure of segment profit or loss that is reported to and reviewed by our chief operating decision maker. These costs are included in *Corporate and eliminations*.

PolyOne has five reportable segments: (1) Global Color, Additives and Inks; (2) Global Specialty Engineered Materials; (3) Designed Structures and Solutions; (4) Performance Products and Solutions; and (5) PolyOne Distribution.

Segment information for the three and six months ended June 30, 2015 and 2014 is as follows:

(In millions)	Three Months Ended June 30, 2015			Three Months Ended June 30, 2014		
	Sales to External Customers	Total Sales	Operating Income	Sales to External Customers	Total Sales	Operating Income
Global Color, Additives and Inks	\$ 213.8	\$ 217.4	\$ 39.6	\$ 224.4	\$ 228.7	\$ 37.7
Global Specialty Engineered Materials	128.0	139.7	20.1	145.7	157.8	18.9
Designed Structures and Solutions	111.4	111.6	4.5	163.7	164.0	12.9
Performance Products and Solutions	170.7	190.3	16.3	187.7	211.2	17.6
PolyOne Distribution	263.2	266.8	19.1	284.0	287.0	17.3
Corporate and eliminations	—	(38.7)	(19.3)	—	(43.2)	(55.0)
Total	\$ 887.1	\$ 887.1	\$ 80.3	\$ 1,005.5	\$ 1,005.5	\$ 49.4

(In millions)	Six Months Ended June 30, 2015			Six Months Ended June 30, 2014		
	Sales to External Customers	Total Sales	Operating Income	Sales to External Customers	Total Sales	Operating Income
Global Color, Additives and Inks	\$ 419.8	\$ 425.9	\$ 73.4	\$ 439.9	\$ 448.3	\$ 68.1
Global Specialty Engineered Materials	258.6	281.6	43.2	292.7	315.2	37.2
Designed Structures and Solutions	230.1	230.7	7.7	337.2	337.6	24.1
Performance Products and Solutions	326.4	366.2	27.8	373.0	418.8	33.6
PolyOne Distribution	525.3	532.5	34.8	565.0	571.1	34.5
Corporate and eliminations	—	(76.7)	(36.5)	—	(83.2)	(91.7)
Total	\$ 1,760.2	\$ 1,760.2	\$ 150.4	\$ 2,007.8	\$ 2,007.8	\$ 105.8

(In millions)	Total Assets	
	June 30, 2015	December 31, 2014
Global Color, Additives and Inks	\$ 945.1	\$ 937.7
Global Specialty Engineered Materials	367.5	370.5
Designed Structures and Solutions	473.5	490.2
Performance Products and Solutions	261.3	265.5
PolyOne Distribution	232.0	214.2
Corporate and eliminations	413.3	433.1
Total assets	\$ 2,692.7	\$ 2,711.2

Note 12 — COMMITMENTS AND CONTINGENCIES

Environmental — We have been notified by federal and state environmental agencies and by private parties that we may be a potentially responsible party (PRP) in connection with the investigation and remediation of certain environmental sites. While government agencies frequently assert that PRPs are jointly and severally liable at these sites, in our experience, the interim and final allocations of liability costs are generally made based on the relative contribution of waste. We initiate corrective and preventive environmental projects of our own to ensure safe and lawful activities at our operations. We believe that compliance with current governmental regulations at all levels will not have a material adverse effect on our financial condition.

In September 2007, we were informed of rulings by the United States District Court for the Western District of Kentucky on several pending motions in the case of Westlake Vinyls, Inc. v. Goodrich Corporation, et al., which had been pending since 2003. The Court held that PolyOne must pay the remediation costs at the former Goodrich Corporation Calvert City facility (now largely owned and operated by Westlake Vinyls), together with certain defense costs of Goodrich Corporation. The rulings also provided that PolyOne can seek indemnification for contamination attributable to Westlake Vinyls.

The environmental obligation at the site arose as a result of an agreement between The B.F. Goodrich Company (n/k/a Goodrich Corporation) and our predecessor, The Geon Company, at the time of the initial public offering in 1993, by which the Geon Company became a public company, to indemnify Goodrich Corporation for environmental costs at the site. At the time, neither PolyOne nor The Geon Company ever owned or operated the facility. Following the Court rulings, the parties to the litigation entered into settlement negotiations and agreed to settle all claims regarding past environmental costs incurred at the site. The settlement agreement provides a mechanism to pursue allocations of future remediation costs at the Calvert City site to Westlake Vinyls. While we do not currently assume any allocation of costs in our current reserve, we will adjust our reserve, in the future, consistent with any such future allocation of costs.

A remedial investigation and feasibility study (RIFS) is underway at Calvert City. During the third quarter of 2013, we submitted a remedial investigation report to the United States Environmental Protection Agency (USEPA). The USEPA has required certain changes to the remedial investigation report, and development of a final report by the USEPA is ongoing. Further, we have undertaken steps to develop a feasibility study, including engaging a third party to perform ground water modeling at this site. We expect the remedial investigation report to be finalized in 2015. We continue to pursue available insurance coverage related to this matter and recognize gains as we receive reimbursement. No receivable has been recognized for future recoveries.

On March 13, 2013, PolyOne acquired Spartech. One of Spartech's subsidiaries, Franklin-Burlington Plastics, Inc. (Franklin-Burlington), operated a plastic resin compounding facility in Kearny, New Jersey, located adjacent to the Passaic River. The USEPA has requested that companies located in the area of the lower Passaic River, including Franklin-Burlington, cooperate in an investigation of contamination of the lower Passaic River. In response, Franklin-Burlington and approximately 70 other companies (collectively, the Cooperating Parties) agreed, pursuant to an Administrative Order of Consent with the USEPA, to assume responsibility for development of a RIFS of the lower Passaic River. The RIFS costs are exclusive of any costs that may ultimately be required to remediate the lower Passaic River area being studied or costs associated with natural resource damages that may be assessed. By agreeing to bear a portion of the cost of the RIFS, Franklin-Burlington did not admit to any liability or agree to bear any such remediation or natural resource damage costs.

In April 2014, the USEPA released a Focused Feasibility Study for public comment for a portion of the lower Passaic River. The Cooperating Parties, along with other interested parties, have submitted comments, and the USEPA is currently reviewing the comments. In February 2015, the Cooperating Parties submitted to the USEPA a remedial investigation report for the lower Passaic River. In March 2015, Franklin-Burlington, along with nine other PRPs, submitted a de minimis settlement petition to the USEPA, asserting the ten entities contributed little or no impact to the lower Passaic River and seeking a meeting to commence settlement discussions. In response, the USEPA stated that it views the issuance of a Record of Decision for the Focused Feasibility Study area, expected later in 2015, as the appropriate time for de minimis discussions.

In April 2015, the Cooperating Parties submitted a feasibility study. The feasibility study does not contemplate who is responsible for remediation nor does it determine how such costs will be allocated to PRPs. As of June 30, 2015, we have not accrued for remedial costs related to the lower Passaic River as we believe Franklin Burlington, based on the currently available information, contributed little to no contamination to the lower Passaic River and we are unable to estimate a liability, if any, given the uncertainties related to this matter, including the fact that the final remedial actions and scope, an allocation to Franklin-Burlington, if any, or a final resolution of the de minimis petition, have not yet been determined.

During the six months ended June 30, 2015 and 2014, PolyOne recognized \$3.5 million and \$1.8 million, respectively, of expense related to environmental remediation activities. During the six months ended June 30, 2015, we received \$0.5 million of insurance recoveries related to previously incurred environmental costs. These expenses and gains associated with these reimbursements are included within *Cost of sales* within our Condensed Consolidated Statements of Income.

Based on estimates that were prepared by our environmental engineers and consultants, our reserve balance was \$119.4 million at June 30, 2015 and \$121.1 million at December 31, 2014, for probable future environmental expenditures relating to remediation sites. The accruals represent our best estimate of the remaining probable remediation costs, based upon information and technology that is currently available and our view of the most likely remedy. Depending upon the results of future testing, completion and results of remedial investigation and feasibility studies, the ultimate remediation alternatives undertaken, changes in regulations, new information, newly discovered conditions and other factors, it is reasonably possible that we could incur additional costs in excess of the amount accrued at June 30, 2015. However, such additional costs, if any, cannot be currently estimated. Further, future available insurance recoveries associated with these costs have not been accrued.

Guarantee — On February 28, 2011, we sold our 50% equity interest in SunBelt Chlor Alkali Partnership (SunBelt) to Olin Corporation (Olin) for \$132.3 million in cash and the assumption by Olin of the obligations under our guarantee of senior secured notes issued by SunBelt. The remaining guarantee is \$18.3 million as of June 30, 2015. Unless the guarantee is formally assigned to Olin, we remain obligated under the guarantee, although Olin has agreed to indemnify us for amounts that we may be obligated to pay under the guarantee.

Note 13 — DERIVATIVE INSTRUMENTS

When translating results from foreign operations into U.S. dollars, we are subject to foreign exchange related risks in our operating results. We are also exposed to foreign exchange risk arising from intercompany transactions denominated in various foreign currencies that are subject to foreign exchange rate movement. To mitigate these risks, we enter into forward contracts. The counterparties to these instruments are financial institutions with strong credit ratings. PolyOne maintains control over the size of positions entered into with any one counterparty and regularly monitors the credit ratings of these institutions.

Derivative financial instruments are accounted for at fair value and recognized as assets or liabilities in the Condensed Consolidated Balance Sheets. These instruments are not designated as a hedge, and therefore, any gain or loss is immediately recognized in the Consolidated Statements of Income.

The increase in the notional amount of foreign currency forwards in 2015 is a result of the increased volatility in foreign exchange rates. The fair value of derivative financial instruments recorded in the Condensed Consolidated Balance Sheets are as follows:

(In millions)	June 30, 2015	
	Notional	Other current assets
Foreign currency forwards	\$ 36.6	\$ 0.1

(In millions)	December 31, 2014	
	Notional	Other current assets
Foreign currency forwards	\$ 5.1	\$ —

The effects of derivative instruments on our Condensed Consolidated Statements of Income are as follows:

(In millions)	Three Months Ended June 30,		Location
	2015	2014	
Foreign currency forwards - gains (losses)	\$ 0.1	\$ (0.1)	Other expense, net

(In millions)	Six Months Ended June 30,		Location
	2015	2014	
Foreign currency forwards - gains (losses)	\$ 1.1	\$ (0.1)	Other expense, net

Note 14 — EQUITY

Changes in equity for the three months ended June 30, 2015 and June 30, 2014 are as follows:

(In millions)	PolyOne Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2014	\$ 776.3	\$ 0.9	\$ 777.2
Net income	97.0	0.2	97.2
Other comprehensive income			
Translation adjustments	(14.6)	—	(14.6)
Unrecognized gain on available-for-sale securities	0.4	—	0.4
Total comprehensive income	82.8	0.2	83.0
Cash dividend declared	(17.8)	—	(17.8)
Repurchase of common shares	(42.8)	—	(42.8)
Share-based incentive plan activity	0.3	—	0.3
Balance at June 30, 2015	\$ 798.8	\$ 1.1	\$ 799.9
Balance at December 31, 2013	\$ 976.8	\$ 1.7	\$ 978.5
Net income (loss)	61.1	(0.4)	60.7
Other comprehensive income			
Translation adjustments	0.4	—	0.4
Total comprehensive income	61.5	(0.4)	61.1
Cash dividend declared	(15.0)	—	(15.0)
Repurchase of common shares	(119.9)	—	(119.9)
Share-based incentive plan activity	8.3	—	8.3
Balance at June 30, 2014	\$ 911.7	\$ 1.3	\$ 913.0

Changes in accumulated other comprehensive loss year-to-date as of June 30, 2015 and 2014 were as follows:

(In millions)	Cumulative Translation Adjustment	Pension and Other Post- Retirement Benefits	Unrealized Gain in Available-for-Sale Securities	Total
Balance at January 1, 2015	\$ (47.7)	\$ 5.2	\$ 0.2	\$ (42.3)
Translation adjustments	(14.6)	—	—	(14.6)
Unrecognized gain on available-for-sale securities	—	—	0.4	0.4
Balance at June 30, 2015	\$ (62.3)	\$ 5.2	\$ 0.6	\$ (56.5)
Balance at January 1, 2014	\$ (20.2)	\$ 5.2	\$ 0.2	\$ (14.8)
Translation adjustments	0.4	—	—	0.4
Balance at June 30, 2014	\$ (19.8)	\$ 5.2	\$ 0.2	\$ (14.4)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Business

We are a premier provider of specialized polymer materials, services and solutions with operations in specialty polymer formulations, color and additive systems, plastic sheet and packaging solutions and polymer distribution. We are also a highly specialized developer and manufacturer of performance enhancing additives, liquid colorants, and fluoropolymer and silicone colorants. Headquartered in Avon Lake, Ohio, we have employees at manufacturing sites and distribution facilities in North America, South America, Europe and Asia. We provide value to our customers through our ability to link our knowledge of polymers and formulation technology with our manufacturing and supply chain capabilities to provide value added solutions to designers, assemblers and processors of plastics (our customers). When used in this quarterly report on Form 10-Q, the terms "we," "us," "our", "PolyOne" and the "Company" mean PolyOne Corporation and its consolidated subsidiaries.

Highlights and Executive Summary

A summary of PolyOne's sales, operating income and net income attributable to PolyOne common shareholders follows:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Sales	\$ 887.1	\$ 1,005.5	\$ 1,760.2	\$ 2,007.8
Operating income	80.3	49.4	150.4	105.8
Net income from continuing operations	67.0	30.7	97.2	59.9
Net income attributable to PolyOne common shareholders	\$ 66.8	\$ 31.7	\$ 97.0	\$ 61.1

Results of Operations — *The three and six months ended June 30, 2015 compared to three and six months ended June 30, 2014:*

(Dollars in millions, except per share data)	Three Months Ended June 30,		Variances — Favorable (Unfavorable)		Six Months Ended June 30,		Variances — Favorable (Unfavorable)	
	2015	2014	Change	% Change	2015	2014	Change	% Change
Sales	\$ 887.1	\$ 1,005.5	\$ (118.4)	(11.8)%	\$ 1,760.2	\$ 2,007.8	\$ (247.6)	(12.3)%
Cost of sales	701.4	821.0	119.6	14.6 %	1,404.7	1,635.1	230.4	14.1 %
Gross margin	185.7	184.5	1.2	0.7 %	355.5	372.7	(17.2)	(4.6)%
Selling and administrative expense	105.4	135.1	29.7	22.0 %	205.1	266.9	61.8	23.2 %
Operating income	80.3	49.4	30.9	62.6 %	150.4	105.8	44.6	42.2 %
Interest expense, net	(16.2)	(15.7)	(0.5)	(3.2)%	(32.3)	(31.2)	(1.1)	(3.5)%
Other expense, net	(0.7)	(0.4)	(0.3)	(75.0)%	(1.4)	(1.4)	—	— %
Income from continuing operations before income taxes	63.4	33.3	30.1	90.4 %	116.7	73.2	43.5	59.4 %
Income tax benefit (expense)	3.6	(2.6)	6.2	238.5 %	(19.5)	(13.3)	(6.2)	(46.6)%
Net income from continuing operations	67.0	30.7	36.3	118.2 %	97.2	59.9	37.3	62.3 %
Income from discontinued operations, net of income taxes	—	0.8	(0.8)	(100.0)%	—	0.8	(0.8)	(100.0)%
Net income	67.0	31.5	35.5	112.7 %	97.2	60.7	36.5	60.1 %
Net (income) loss attributable to noncontrolling interests	(0.2)	0.2	(0.4)	(200.0)%	(0.2)	0.4	(0.6)	(150.0)%
Net income attributable to PolyOne common shareholders	\$ 66.8	\$ 31.7	\$ 35.1	110.7 %	\$ 97.0	\$ 61.1	\$ 35.9	58.8 %
Earnings per common share attributable to PolyOne common shareholders - Basic:								
Continuing Operations	\$ 0.75	\$ 0.33			\$ 1.09	\$ 0.64		
Discontinued operations	—	0.01			—	0.01		
Total	\$ 0.75	\$ 0.34			\$ 1.09	\$ 0.65		
Earnings per common share attributable to PolyOne common shareholders - Diluted:								
Continuing Operations	\$ 0.74	\$ 0.33			\$ 1.08	\$ 0.63		
Discontinued operations	—	0.01			—	0.01		
Total	\$ 0.74	\$ 0.34			\$ 1.08	\$ 0.64		

Sales

Sales decreased \$118.4 million, or 11.8%, in the second quarter of 2015 compared to the second quarter of 2014. Sales declined 5.2% primarily as a result of the ongoing integration of the legacy Spartech businesses. Sales further declined by 4.8% primarily driven by the lower hydrocarbon based raw material cost environment, which negatively impacted the Performance Products and Solutions and PolyOne Distribution segments. Additionally, unfavorable foreign exchange rates reduced sales by 2.7%. Partially offsetting these items was the acquisition of Accella Performance Materials (Accella), which increased sales by 0.9%.

Sales decreased \$247.6 million, or 12.3%, in the first half of 2015 compared to the first half of 2014. Sales declined 7.5% primarily as a result of the ongoing integration of the legacy Spartech businesses. Sales further declined by 3.0% primarily driven by the lower hydrocarbon based raw material cost environment, which negatively impacted the Performance Products and Solutions and PolyOne Distribution segments. Additionally, unfavorable foreign exchange rates impacted sales by 2.7%. Partially offsetting these items was the acquisition of Accella, which increased sales by 0.9%.

Cost of sales

As a percent of sales, cost of sales decreased from 81.7% in the second quarter of 2014 to 79.1% in the second quarter of 2015 and from 81.4% in the first half of 2014 to 79.8% in the first half of 2015. This is primarily a result of lower Spartech-related restructuring charges in 2015 along with improved mix within the Global Color, Additives and Inks and Global Specialty Engineered Materials specialty segments.

Selling and administrative expense

The decrease in selling and administrative expense of \$29.7 million during the three months ended June 30, 2015 compared to the three months ended June 30, 2014 was driven primarily by a \$10.8 million decrease in restructuring charges, a \$5.1 million reduction as a result of foreign currency, driven primarily by the weaker Euro, and the remaining balance is primarily due to restructuring benefits and lower compensation costs. The decrease in selling and administrative expense for the six months ended June 30, 2015 compared to the six months ended June 30, 2014 of \$61.8 million was driven primarily by a \$15.0 million decrease in restructuring charges, a \$9.4 million reduction as a result of foreign currency, driven primarily by the weaker Euro, and the remaining balance is primarily due to restructuring benefits and lower compensation costs.

Interest expense, net

Interest expense, net increased in the second quarter and first half of 2015, as compared to the second quarter and first half of 2014. This increase is driven by the increase in borrowings on our revolving credit facility during the second quarter and first half of 2015.

Income taxes

In the second quarter of 2015, we recognized an overall income tax benefit of \$3.6 million. The overall benefit was driven by a tax benefit of \$26.0 million from our plan to amend our U.S. federal income tax returns from 2005 through 2012 to use foreign tax credits. Excluding this item, our effective tax rate was 35.3%.

The effective tax rate for the second quarter of 2014 was 7.8%. The rate for the second quarter of 2014 was favorably impacted by a tax benefit of \$5.4 million associated with our investments in certain foreign affiliates, which resulted in a 16.2 percentage point reduction to our rate and a favorable adjustment of \$1.9 million related to the amendment of certain state returns, which resulted in a 5.7 percentage point reduction to our rate. These items favorably impacted our rate 21.9 percentage points for the second quarter of 2014.

The effective tax rate for the first half of 2015 was 16.7%. This rate was favorably impacted by a \$29.4 million benefit, which reduced our rate by 25.2 percentage points, as a result of our plan to amend U.S. Federal income tax returns from 2004 through 2012 to use foreign tax credits. Additionally, we recognized an unfavorable adjustment of \$7.9 million as a result of foreign court rulings during the first quarter of 2015 that affected tax positions taken in prior years and negatively impacted our rate 6.8 percentage points. These items resulted in a net favorable 18.4 percentage point impact to our rate in the first half of 2015.

The effective tax rate for the first half of 2014 was 18.2%. This rate was favorably impacted by the items noted above for the second quarter of 2014, which reduced our rate by 10.0 percentage points for the first half of 2014. Additionally, in the first quarter of 2014 we recognized a benefit of \$4.0 million related to settlements with U.S. and foreign tax authorities, which reduced our rate by 5.5 percentage points for the first half of 2014. These items favorably impacted our rate by 15.5 percentage points for the first half of 2014.

SEGMENT INFORMATION

Operating income is the primary measure that is reported to our chief operating decision maker for purposes of allocating resources to the segments and assessing their performance. Operating income at the segment level does not include: corporate general and administrative expenses that are not allocated to segments; intersegment sales and profit eliminations; charges related to specific strategic initiatives such as the consolidation of operations; restructuring activities, including employee separation costs resulting from personnel reduction programs, plant closure and phase-in costs; executive separation agreements; share-based compensation costs; asset impairments; environmental remediation costs and other liabilities for facilities no longer owned or closed in prior years; gains and losses on the divestiture of joint ventures and equity investments; actuarial gains and losses associated with our pension and other post-retirement benefit plans; and certain other items that are not included in the measure of segment profit or loss that is reported to and reviewed by our chief operating decision maker. These costs are included in *Corporate and eliminations*.

PolyOne has five reportable segments: (1) Global Color, Additives and Inks; (2) Global Specialty Engineered Materials; (3) Designed Structures and Solutions; (4) Performance Products and Solutions; and (5) PolyOne Distribution.

Our segments are further discussed in Note 11, *Segment Information*, to the accompanying consolidated financial statements.

Sales and Operating Income — *The three and six months ended June 30, 2015 compared to the three and six months ended June 30, 2014:*

(Dollars in millions)	Three Months Ended June 30,		Variances — Favorable (Unfavorable)		Six Months Ended June 30,		Variances — Favorable (Unfavorable)	
	2015	2014	Change	% Change	2015	2014	Change	% Change
Sales:								
Global Color, Additives and Inks	\$ 217.4	\$ 228.7	\$ (11.3)	(4.9)%	\$ 425.9	\$ 448.3	\$ (22.4)	(5.0)%
Global Specialty Engineered Materials	139.7	157.8	(18.1)	(11.5)%	281.6	315.2	(33.6)	(10.7)%
Designed Structures and Solutions	111.6	164.0	(52.4)	(32.0)%	230.7	337.6	(106.9)	(31.7)%
Performance Products and Solutions	190.3	211.2	(20.9)	(9.9)%	366.2	418.8	(52.6)	(12.6)%
PolyOne Distribution	266.8	287.0	(20.2)	(7.0)%	532.5	571.1	(38.6)	(6.8)%
Corporate and eliminations	(38.7)	(43.2)	4.5	10.4 %	(76.7)	(83.2)	6.5	7.8 %
Total Sales	\$ 887.1	\$ 1,005.5	\$ (118.4)	(11.8)%	\$ 1,760.2	\$ 2,007.8	\$ (247.6)	(12.3)%
Operating income:								
Global Color, Additives and Inks	\$ 39.6	\$ 37.7	\$ 1.9	5.0 %	\$ 73.4	\$ 68.1	\$ 5.3	7.8 %
Global Specialty Engineered Materials	20.1	18.9	1.2	6.3 %	43.2	37.2	6.0	16.1 %
Designed Structures and Solutions	4.5	12.9	(8.4)	(65.1)%	7.7	24.1	(16.4)	(68.0)%
Performance Products and Solutions	16.3	17.6	(1.3)	(7.4)%	27.8	33.6	(5.8)	(17.3)%
PolyOne Distribution	19.1	17.3	1.8	10.4 %	34.8	34.5	0.3	0.9 %
Corporate and eliminations	(19.3)	(55.0)	35.7	64.9 %	(36.5)	(91.7)	55.2	60.2 %
Total Operating Income	\$ 80.3	\$ 49.4	\$ 30.9	62.6 %	\$ 150.4	\$ 105.8	\$ 44.6	42.2 %
Operating income as a percentage of sales:								
Global Color, Additives and Inks	18.2%	16.5%	1.7	% points	17.2%	15.2%	2.0	% points
Global Specialty Engineered Materials	14.4%	12.0%	2.4	% points	15.3%	11.8%	3.5	% points
Designed Structures and Solutions	4.0%	7.9%	(3.9)	% points	3.3%	7.1%	(3.8)	% points
Performance Products and Solutions	8.6%	8.3%	0.3	% points	7.6%	8.0%	(0.4)	% points
PolyOne Distribution	7.2%	6.0%	1.2	% points	6.5%	6.0%	0.5	% points
Total	9.1%	4.9%	4.2	% points	8.5%	5.3%	3.2	% points

Global Color, Additives and Inks

Sales decreased \$11.3 million, or 4.9%, in the second quarter of 2015 compared to the second quarter of 2014 primarily due to unfavorable foreign exchange rate impacts of 7.0% and 6.1% primarily as a result of integration of the legacy Spartech businesses. Partially offsetting these decreases were sales increases of 4.1% due to the Accella acquisition and mix improvements of 4.1%. Sales decreased \$22.4 million, or 5.0%, in the first half of 2015 compared to the first half of 2014 primarily due to unfavorable foreign exchange rate impacts of 7.2% and 5.0% primarily as a result of integration of the legacy Spartech businesses. Partially offsetting these decreases were sales increases of 4.1% due to the Accella acquisition and mix improvements of 3.1%.

Operating income increased \$1.9 million in the second quarter of 2015 as compared to the second quarter of 2014 and \$5.3 million for the first half of 2015 as compared to the first half of 2014. These increases were driven primarily by improved mix and cost saving benefits from 2014 restructuring actions.

Global Specialty Engineered Materials

Sales decreased \$18.1 million, or 11.5%, in the second quarter of 2015 compared to the second quarter of 2014 primarily due to an unfavorable foreign exchange rate impact of 6.5%, while the remaining reduction is primarily a

result of integration of the legacy Spartech businesses and exiting unprofitable business in Brazil. Sales decreased \$33.6 million, or 10.7%, in the first half of 2015 compared to the first half of 2014. Sales decreased 6.6% as a result of integration of the legacy Spartech businesses along with exiting unprofitable business in Brazil and an unfavorable foreign exchange rate impact of 6.5%. Partially offsetting these items was improved mix of 2.4%.

Operating income increased \$1.2 million in the second quarter of 2015 as compared to the second quarter of 2014 and \$6.0 million for the first half of 2015 as compared to the first half of 2014. These increases were driven primarily by margin expansion from improved mix and lower selling, general and administrative expenses resulting from the closure of our Brazil facilities in June 2014.

Designed Structures and Solutions

Sales decreased \$52.4 million, or 32.0%, in the second quarter of 2015 compared to the second quarter of 2014 and \$106.9 million, or 31.7%, in the first half of 2015 compared to the first half of 2014 primarily as a result of ongoing integration of the legacy Spartech businesses.

Operating income decreased \$8.4 million in the second quarter of 2015 as compared to the second quarter of 2014 and \$16.4 million for the first half of 2015 as compared to the first half of 2014, driven primarily by the decline in sales and costs associated with improving quality, operational efficiency and on-time delivery.

Performance Products and Solutions

Sales decreased \$20.9 million, or 9.9%, in the second quarter of 2015 as compared to the second quarter of 2014. This decrease was a result of lower hydrocarbon based raw material costs which reduced sales 7.0% and integration of the legacy Spartech businesses which impacted sales 2.9%. Sales decreased \$52.6 million, or 12.6%, in the first half of 2015 compared to the first half of 2014. This decrease was a result of customer destocking in the first quarter of 2015 driven by the current lower hydrocarbon based raw material cost environment. Additionally, sales volume declined 6.2%, primarily a result of integration of the legacy Spartech businesses.

Operating income decreased \$1.3 million in the second quarter of 2015 as compared to the second quarter of 2014 and \$5.8 million for the first half of 2015 as compared to the first half of 2014 driven by decreased sales and unfavorable pricing and mix.

PolyOne Distribution

Sales decreased \$20.2 million, or 7.0%, in the second quarter of 2015 as compared to the second quarter of 2014. Sales declined 7.7%, driven primarily by lower selling prices associated with lower hydrocarbon based raw material costs. Volume increases of 0.7% partially offset this decrease. Sales decreased \$38.6 million, or 6.8%, in the first half of 2015 compared to the first half of 2014. This was due to customer destocking and lower selling price associated with lower hydrocarbon based raw material costs, which impacted sales by 5.2% while lower volumes driven by customer destocking in the first quarter reduced sales 1.5%.

Operating income increased \$1.8 million in the second quarter of 2015 as compared to the second quarter of 2014 as a result of volume increases and lower selling and administrative costs. Operating income increased \$0.3 million for the first half of 2015 as compared to the first half of 2014 as a result of lower selling and administrative costs.

Corporate and Eliminations

Corporate and eliminations decreased \$35.7 million in the second quarter of 2015 as compared to the second quarter of 2014. This was primarily due to lower restructuring charges of \$27.6 million and an \$11.4 million decrease in compensation costs.

Corporate and eliminations decreased \$55.2 million in the second half of 2015 as compared to the second half of 2014. This was primarily due to lower restructuring charges of \$34.9 million and a \$19.6 million decrease in compensation costs.

Liquidity and Capital Resources

Our objective is to finance our business through operating cash flow and an appropriate mix of debt and equity. By laddering our debt maturity structure, we seek to avoid concentrations of debt, reducing liquidity risk. We may from time to time seek to retire or purchase our outstanding debt with cash and/or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. We may also seek to repurchase our outstanding common shares. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

The following table summarizes our liquidity as of June 30, 2015 and December 31, 2014:

(In millions)	June 30, 2015	December 31, 2014
Cash and cash equivalents	\$ 236.8	\$ 238.6
Revolving credit availability	249.7	236.4
Liquidity	\$ 486.5	\$ 475.0

As of June 30, 2015, approximately 90% of the Company's cash and cash equivalents resided outside the United States. Repatriation of these funds could result in potential foreign and domestic taxes. To the extent foreign earnings previously treated as permanently reinvested were to be repatriated, the potential U.S. tax liability may be reduced by any foreign income taxes paid on these earnings. However, based on the Company's policy of permanent reinvestment, it is not practicable to determine the U.S. federal income tax liability, if any. Determination of the amount of unrecognized deferred tax liabilities and related foreign withholding taxes is not practicable due to the complexities associated with this hypothetical calculation and the Company's permanent reinvestment policy.

Cash Flows

The following describes the material components of cash flows from operating, investing and financing activities for the six months ended June 30, 2015 and 2014.

Operating Activities — In the six months ended June 30, 2015, net cash provided by operating activities was \$59.9 million as compared to net cash provided by operating activities of \$43.8 million for the six months ended June 30, 2014. The increase in net cash provided by operating activities of \$16.1 million was primarily driven by improved working capital of \$14.6 million and lower tax payments \$15.5 million. Partially offsetting these items were increased pension contributions of \$4.7 million.

Working capital as a percentage of sales, which we define as the average accounts receivable, plus average inventory, less average accounts payable, divided by sales, for the second quarter of 2015 decreased to 9.8% compared to 10.1% for the second quarter of 2014. Days sales outstanding for the second quarter of 2015 was 44.8 compared to 45.5 for the second quarter of 2014.

Investing Activities — Net cash used by investing activities during the six months ended June 30, 2015 of \$37.2 million reflects \$39.1 million of capital expenditures partially offset by proceeds from the sale of other assets of \$1.9 million.

Net cash used by investing activities during the six months ended June 30, 2014 of \$10.7 million reflects \$38.0 million of capital expenditures partially offset by the third and final earn-out payment from the sale of our 50% equity investment in SunBelt Chlor Alkali Partnership (Sunbelt) of \$26.8 million.

Financing Activities — Net cash used by financing activities for the six months ended June 30, 2015 of \$22.1 million reflects \$42.8 million of repurchases of our outstanding common shares and \$17.9 million of dividends paid. These cash outflows were partially offset by net borrowings of \$34.4 million under our revolving credit facility and a \$4.2 million benefit related to the exercise of employee equity awards.

Net cash used by financing activities for the six months ended June 30, 2014 of \$136.7 million reflects repurchases of \$119.9 million of our outstanding common shares, cash dividends paid of \$15.1 million and repayment of long-term debt of \$8.0 million. These cash outflows more than offset the tax benefit of \$6.3 million related to the exercise of employee equity awards.

Debt

As of June 30, 2015, debt totaled \$1,058.2 million. Aggregate maturities of debt for the current year, next five years and thereafter, are as follows:

(In millions)		
2015	\$	61.8
2016 & 2017		0.1
2018		79.4
2019		0.1
Thereafter		916.8
Aggregate maturities	\$	<u>1,058.2</u>

The Company maintains a senior secured revolving credit facility with a maturity date of March 1, 2018, which provides a maximum borrowing facility size of \$400.0 million, subject to a borrowing base with advances against certain U.S. and Canadian accounts receivable, inventory and other assets as specified in the agreement. We have the option to increase the availability under the facility to \$450.0 million, subject to meeting certain requirements and obtaining commitments for such increase. The senior secured revolving credit facility has a U.S. and a Canadian line of credit. Currently there are no borrowings on the Canadian portion of the facility. Advances under the U.S. portion of our revolving credit facility bear interest, at the Company's option, at a Base Rate or a LIBOR Rate plus an applicable margin. The Base Rate is a fluctuating rate equal to the greater of (i) the Federal Funds Rate plus one-half percent, (ii) the prevailing LIBOR Rate plus one percent, and (iii) the prevailing Prime Rate. The applicable margins varies based on the Company's daily average excess availability during the previous quarter. The weighted average interest rate under this facility for the three and six months ended June 30, 2015 was 2.42% and 2.40%, respectively.

As of June 30, 2015, we were in compliance with all covenants, had \$79.4 million outstanding borrowings and had availability of \$247.0 million under this facility.

The Company also has a credit line of \$16.0 million with Saudi Hollandi Bank with an interest rate equal to the Saudi Arabia Interbank Offered Rate (SAIBOR) plus a fixed rate of 0.85%. The credit line is being used to fund capital expenditures related to the manufacturing facility in Jeddah, Saudi Arabia and is subject to an annual renewal. As of June 30, 2015, letters of credit under the credit line were \$0.2 million and borrowings were \$13.1 million with an interest rate of 1.71%.

Guarantee

On February 28, 2011, we sold our 50% equity interest in SunBelt to Olin Corporation (Olin) for \$132.3 million in cash and the assumption by Olin of the obligations under our guarantee of senior secured notes issued by SunBelt. The amount of the guarantee is \$18.3 million as of June 30, 2015. Unless the guarantee is formally assigned to Olin, we remain obligated under the guarantee, although Olin has agreed to indemnify us for amounts that we may be obligated to pay under the guarantee.

Contractual Obligations

We have future obligations under various contracts relating to debt and interest payments, operating leases, pension and post-retirement benefit plans and purchase obligations. During the six months ended June 30, 2015, there were no material changes to these obligations as reported in our annual report on Form 10-K for the year ended December 31, 2014.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

In this quarterly report on Form 10-Q, statements that are not reported financial results or other historical information are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give current expectations or forecasts of future events and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. You can identify these statements by the fact that they do not relate strictly to historic or current facts. They use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance and/or sales. In particular, these include statements relating to future actions; prospective changes in raw material costs, product pricing or product demand; future performance; estimated capital expenditures; results of current and anticipated market conditions and market strategies; sales efforts; expenses; the outcome of contingencies such as legal proceedings and environmental liabilities; and financial results. Factors that could cause actual results to differ materially from those implied by these forward-looking statements include, but are not limited to:

- the effect on foreign operations of currency fluctuations, tariffs and other political, economic and regulatory risks;
- changes in polymer consumption growth rates and laws and regulations regarding the disposal of plastic materials in jurisdictions where we conduct business;
- changes in global industry capacity or in the rate at which anticipated changes in industry capacity come online in the industries in which we participate;
- fluctuations in raw material prices, quality and supply, and in energy prices and supply;
- production outages or material costs associated with scheduled or unscheduled maintenance programs;
- unanticipated developments that could occur with respect to contingencies such as litigation and environmental matters, including any developments that would require any increase in our costs and/or reserves for such contingencies;
- an inability to achieve or delays in achieving or achievement of less than the anticipated financial benefit from initiatives related to working capital reductions, cost reductions and employee productivity goals;
- an inability to raise or sustain prices for products or services;
- an inability to maintain appropriate relations with unions and employees;
- the speed and extent of an economic recovery, including the recovery of the housing markets;
- the financial condition of our customers, including the ability of customers (especially those that may be highly leveraged and those with inadequate liquidity) to maintain their credit availability;
- disruptions, uncertainty or volatility in the credit markets that may limit our access to capital;
- other factors affecting our business beyond our control, including, without limitation, changes in the general economy, changes in interest rates and changes in the rate of inflation;
- the amount and timing of repurchases, if any, of PolyOne common shares;
- our ability to pay regular quarterly cash dividends and the amounts and timing of any future dividends;
- our ability to realize anticipated savings and operational benefits from the realignment of assets, including the closure of manufacturing facilities; the timing of closings and shifts of production to new facilities related to asset realignments and any unforeseen loss of customers and/or disruptions of service or quality caused by such closings and/or production shifts; separation and severance amounts that differ from original estimates, amounts for non-cash charges related to asset write-offs and accelerated depreciation realignments of property, plant and equipment, that differ from original estimates;
- our ability to identify and evaluate acquisition targets and consummate acquisitions;
- the ability to successfully integrate acquired companies into our operations, retain the management teams of acquired companies, and retain relationships with customers of acquired companies, including, without limitation, Spartech and Accella;
- information systems failures and cyberattacks; and
- other factors described in our annual report on Form 10-K for the year ended December 31, 2014 under Item 1A, “Risk Factors.”

We cannot guarantee that any forward-looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. We undertake no obligation to publicly update forward-

looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. You are advised, however, to consult any further disclosures we make on related subjects in our reports on Forms 10-Q, 8-K and 10-K filed with the SEC. You should understand that it is not possible to predict or identify all risk factors. Consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to exposures to market risk as reported in our annual report on Form 10-K for the year ended December 31, 2014.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure controls and procedures

PolyOne's management, under the supervision of and with the participation of its Chief Executive Officer and its Chief Financial Officer, has evaluated the effectiveness of the design and operation of PolyOne's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of the end of the period covered by this quarterly report. Based upon this evaluation, PolyOne's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this quarterly report, its disclosure controls and procedures were effective.

Changes in internal control over financial reporting

There were no changes in PolyOne's internal control over financial reporting during the quarter ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

Information regarding certain legal proceedings can be found in Note 12, *Commitments and Contingencies*, to the consolidated financial statements and is incorporated by reference herein.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The table below sets forth information regarding repurchase of shares of our common shares during the period indicated.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program ⁽¹⁾
April 1 to April 30	—	\$ —	—	8,175,734
May 1 to May 31	586,729	39.63	586,729	7,589,005
June 1 to June 30	—	—	—	7,589,005
Total	586,729	\$ 39.63	586,729	

⁽¹⁾ On August 18, 2008, we announced that our Board of Directors approved a common shares repurchase program authorizing PolyOne to purchase up to 10.0 million of its common shares. On October 11, 2011 and October 24, 2012, we further announced that our Board of Directors had increased the common shares repurchase authorization by an additional 5.3 million and 13.2 million, respectively. As of June 30, 2015, approximately 7.6 million shares remain available for purchase under these authorizations. Purchases of common shares may be made by open market purchases or privately negotiated transactions and may be made pursuant to Rule 10b5-1 plans and accelerated share repurchases.

ITEM 6. Exhibits

Exhibits - Refer to the Exhibit Index attached, which is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

July 27, 2015

POLYONE CORPORATION

/s/ Bradley C. Richardson

Bradley C. Richardson
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Exhibit Description
10.1	First Amendment to Amended and Restated Credit Agreement, dated as of March 28, 2014, among the Company, PolyOne Canada Inc. and certain other subsidiaries of the Company, Wells Fargo Capital Finance, LLC, as administrative agent, and the lenders party thereto
10.2	Second Amendment to Amended and Restated Credit Agreement, dated as of June 3, 2015, among the Company, PolyOne Canada Inc. and certain other subsidiaries of the Company, Wells Fargo Capital Finance, LLC, as administrative agent, and the lenders party
10.3	Third Amendment to Amended and Restated Credit Agreement, dated as of June 30, 2015, among the Company, PolyOne Canada Inc. and certain other subsidiaries of the Company, Wells Fargo Capital Finance, LLC, as administrative agent, and the lenders party thereto
10.4	Amended and Restated PolyOne Corporation 2010 Equity and Performance Incentive Plan (Appendix B to the Registrant's definitive proxy statement on Schedule 14A filed on April 3, 2015, File No. 001-16091, and incorporated herein by reference and made a part hereof)
10.5	Amended and Restated PolyOne Corporation Senior Executive Annual Incentive Plan (Appendix C to the Registrant's definitive proxy statement on Schedule 14A filed on April 3, 2015, File No. 001-16091, and incorporated herein by reference and made a part hereof)
31.1	Certification of Robert M. Patterson, President and Chief Executive Officer, pursuant to SEC Rules 13a-14(a) and 15d-14(a), adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Bradley C. Richardson, Executive Vice President and Chief Financial Officer, pursuant to SEC Rules 13a-14(a) and 15d-14(a), adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Robert M. Patterson, President and Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Bradley C. Richardson, Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

**FIRST AMENDMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT**

This FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is entered into as of March 28, 2014, is by and among Wells Fargo Capital Finance, LLC, a Delaware limited liability company, in its capacity as agent pursuant to the Credit Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (in such capacity, "Agent"), the lenders party hereto (individually, each a "Lender" and collectively, "Lenders"), PolyOne Corporation, an Ohio corporation (the "Parent"), GLS International, Inc., an Illinois corporation ("GLS"), NEU Specialty Engineered Materials, LLC, an Ohio limited liability company ("NEU", and together with Parent and GLS, each individually a "US Borrower" and collectively, "US Borrowers"), PolyOne Canada Inc., a federally incorporated Canadian corporation ("PolyOne Canada" or "Canadian Borrower", and, together with US Borrowers, each individually a "Borrower" and collectively, "Borrowers"), PolyOne LLC, a Delaware limited liability company ("PO LLC"), Polymer Diagnostics, Inc., an Ohio corporation ("Polymer"), Conexus, Inc., a Nevada corporation ("Conexus"), M.A. Hanna Asia Holding Company, a Delaware corporation ("Hanna"), The ColorMatrix Corporation, an Ohio corporation ("CMC"), ColorMatrix Holdings, Inc., a Delaware corporation ("CM Holdings"), Chromatics, Inc., a Connecticut corporation ("Chromatics"), ColorMatrix Group, Inc., a Delaware corporation ("CM Group"), ColorMatrix – Brazil, LLC, an Ohio limited liability company ("CM Brazil"), Gayson Silicone Dispersions, Inc., an Ohio corporation ("Gayson"), and Glasforms, Inc., a California corporation ("Glasforms"), PolyOne Designed Structures and Solutions LLC, a Delaware limited liability ("PolyOne DSS"), Polymer Extruded Products, LLC, a New Jersey limited liability company ("Extruded Products"), Franklin-Burlington Plastics, Inc., a Delaware corporation ("Franklin"; and, together with each of PO LLC, Polymer, Conexus, Hanna, CMC, CM Holdings, Chromatics, CM Group, CM Brazil, Gayson, PolyOne DSS and Extruded Products, each individually a "US Guarantor" and collectively, "US Guarantors"), and PolyOne DSS Canada Inc., a federally incorporated Canadian corporation ("DSS Canada, Inc." and "Canadian Guarantor"; and together with the US Guarantors, each individually a "Guarantor" and collectively, "Guarantors").

WHEREAS, Borrowers, Guarantors, Agent and Lenders are parties to that certain Amended and Restated Credit Agreement dated as of March 1, 2013 (as amended, restated, modified or supplemented from time to time, the "Credit Agreement");

WHEREAS, subject to terms and conditions hereof, Agent, the Lenders party hereto, Borrowers and Guarantors desire to amend the Credit Agreement as more fully described below;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. For purposes of this Amendment, all terms used herein and not otherwise defined herein, including but not limited to, those terms used in the recitals hereto, shall have the respective meanings assigned thereto in the Credit Agreement.

2. Amendments. In reliance upon the representations and warranties of the Loan Parties set forth in Section 4 below and subject to the conditions to effectiveness set forth in Section 5 below, the Loan Agreement is hereby amended as follows:

(a) The definition of the term "Eligible Credit Insurance Accounts" contained in Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

"Eligible Credit Insurance Accounts" means Accounts (other than Eligible Foreign Accounts) that would otherwise be Eligible Accounts (other than for the Account Debtor of such Account not maintaining its chief executive office in the United States or not being organized under the laws of the United States or any State thereof) and are covered by credit insurance in form, substance, and amount, and by an insurer, reasonably satisfactory to Agent; provided, that, the aggregate amount of Accounts constituting Eligible Credit Insurance Accounts for purposes of the calculation of the Borrowing Base at any time will not exceed \$20,000,000.

(b) The definition of the term "Eligible Foreign Accounts" contained in Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

"Eligible Foreign Accounts" means Accounts that would otherwise be Eligible Accounts (other than for the Account Debtor of such Account not maintaining its chief executive office in the United States or not being organized under the laws of the United States or any state thereof) for which the Account Debtor is an Eligible Foreign Account Debtor; provided, that, (a) such Accounts are invoiced from the United States and payable in US Dollars, (b) such Eligible Foreign Account Debtor maintains a rating from S&P of BBB- or better and (c) the aggregate amount of Accounts constituting Eligible Foreign Accounts for purposes of the calculation of the Borrowing Base at any time will not exceed \$30,000,000, minus the aggregate amount of Accounts constituting Eligible Whirlpool Foreign Accounts at such time.

(c) The definition of the term "Eligible Whirlpool Foreign Accounts" contained in Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

"Eligible Whirlpool Foreign Accounts" means Accounts owing by a Whirlpool Foreign Affiliate to a US Loan Party that would otherwise be Eligible Accounts (other than for the Account Debtor of such Account not maintaining its chief executive office in the United States or not being organized under the laws of the United States or any state thereof); provided, that, (a) such Accounts are invoiced from the United States by a US Loan Party and payable in US Dollars, (b) such Accounts are paid to the applicable US Loan Party and promptly deposited by such US Loan Party into a Deposit Account in the United States maintained at Wells Fargo or another Lender, which Deposit Account is subject to a Control Agreement and is subject to the valid, enforcement and first priority perfected security interest of Agent, and (c) the aggregate amount of Accounts constituting Eligible Whirlpool Foreign Accounts for purposes of the calculation of the Borrowing Base at any time will not exceed \$15,000,000.

3. Reaffirmation and Confirmation. Each Loan Party party hereto hereby (i) ratifies, affirms, acknowledges and agrees that the Credit Agreement and the other Loan Documents represent the valid, enforceable (except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally) and collectible obligations of such Loan Party, (ii) reaffirms its obligations under each Loan Document to which it is a party, including, without limitation, any grant of security interest contained therein, in each case as amended, supplemented or modified prior to or as of the date hereof, and (iii) acknowledges and agrees that there are no existing claims, defenses, personal or otherwise, or rights of setoff whatsoever with respect to the Credit Agreement or any other Loan Document. Each Loan Party hereby agrees that this Amendment in no way acts as a release or relinquishment of the Liens and rights securing payments of the Obligations. The Liens and rights securing payment of the Obligations are hereby ratified and confirmed by each Loan Party in all respects.

4. Representations and Warranties. In order to induce Agent and Supermajority Lenders to enter into this Amendment, each Loan Party represents and warrants with and to Agent and Lenders as follows, which representations and warranties shall survive the execution and delivery hereof:

(a) all representations and warranties contained in the Loan Documents to which such Loan Party is a party are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality of dollar thresholds in the text thereof) on and as of the date of this Amendment (except to the extent any representation or warranty expressly related to an earlier date in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or dollar thresholds in the text thereof) on and as of such earlier date);

(b) no Default or Event of Default has occurred and is continuing; and

(c) this Amendment and the Loan Documents, as amended hereby, constitute legal, valid and binding obligations of such Loan Party and are enforceable against such Loan Party in accordance with their respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally.

5. Condition to Effectiveness. This Amendment shall become effective upon the satisfaction of the following conditions precedent:

(a) Agent shall have received a copy of this Amendment executed by Agent, Supermajority Lenders and the Loan Parties; and

(b) Borrowers shall have paid (or concurrently with the effectiveness of the Amendment shall pay) all Lender Group Expenses incurred in connection with the transactions evidenced by this Amendment for which Borrowers have received an invoice prior to the date hereof.

6. Miscellaneous.

(a) Expenses. Borrowers agree to pay on demand all reasonable costs and expenses of Agent and the Lenders (including reasonable attorneys' fees) incurred in connection with the preparation, negotiation, execution, delivery and administration of this Amendment and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith. All obligations provided herein shall survive any termination of this Amendment and the Credit Agreement as amended hereby.

(b) Choice of Law and Venue; Jury Trial Waiver; Reference Provision. Without limiting the applicability of any other provision of the Credit Agreement or any other Loan Document, the terms and provisions set forth in Section 12 of the Credit Agreement are expressly incorporated herein by reference.

(c) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment. This Amendment to the extent signed and delivered by means of a facsimile machine or other electronic transmission (including "pdf"), shall be treated in all manner and respects and for all purposes as an original Amendment and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party hereto shall raise the use of a facsimile machine or other electronic transmission to deliver a signature or the fact that any signature or this Amendment was transmitted or communicated through the use of a facsimile machine or other electronic transmission as a defense to the formation or enforceability of a contract and each such party forever waives any such defense. Receipt by telecopy or electronic mail of any executed signature page to this Amendment shall constitute effective delivery of such signature page.

7. Release.

(a) Release. In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Borrower and each other Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and Lenders, and their successors and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, each Lender and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, controversies, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which such Borrower or such Loan Party or any of its successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment for or on account of, or in relation to, or in any way in connection with any of the Credit Agreement, or any of the other Loan Documents or transactions thereunder or related thereto.

(b) Complete Defense. Each Borrower and each other Loan Party understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Release Unconditional. Each Borrower and each other Loan Party agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized and delivered as of the date first above written.

U.S. BORROWERS:

POLYONE CORPORATION

/s/ Daniel O'Bryon
Name: Daniel O'Bryon
Title: Vice President, Treasurer

GLS INTERNATIONAL, INC.

/s/ Woodrow W. Ban
Name: Woodrow W. Ban
Title: Secretary

NEU SPECIALTY ENGINEERED
MATERIALS, LLC

/s/ Woodrow W. Ban
Name: Woodrow W. Ban
Title: Assistant Secretary

CANADIAN BORROWER:

POLYONE CANADA INC.

/s/ Woodrow W. Ban
Name: Woodrow W. Ban
Title: Secretary

GUARANTORS:

M.A. HANNA ASIA HOLDING COMPANY

/s/ Woodrow W. Ban
Name: Woodrow W. Ban
Title: Assistant Secretary

POLYONE LLC

/s/ Woodrow W. Ban

Name: Woodrow W. Ban

Title: Manager

CONEXUS, INC.

POLYMER DIAGNOSTICS, INC.

COLORMATRIX GROUP, INC.

COLORMATRIX HOLDINGS, INC.

THE COLORMATRIX CORPORATION

CHROMATICS, INC.

GAYSON SILICONE DISPERSIONS, INC.

/s/ Woodrow W. Ban

Name: Woodrow W. Ban

Title: Secretary

COLORMATRIX - BRAZIL, LLC

By The ColorMatrix Corporation, its sole member

/s Woodrow W. Ban

Name: Woodrow W. Ban

Title: Secretary

GLASFORMS, INC.

/s/ Woodrow W. Ban

Name: Woodrow W. Ban

Title: Assistant Secretary

POLYONE DESIGNED STRUCTURES AND SOLUTIONS LLC

/s/Woodrow W. Ban

Name: Woodrow W. Ban

Title: Secretary

FRANKLIN-BURLINGTON PLASTICS, INC.

/s/ Woodrow W. Ban

Name: Woodrow W. Ban

Title: Secretary

POLYMER EXTRUDED PRODUCTS, LLC

/s/ Woodrow W. Ban

Name: Woodrow W. Ban

Title: Secretary

POLYONE DSS CANADA INC.

/s/ Woodrow W. Ban

Name: Woodrow W. Ban

Title: Secretary

WELLS FARGO CAPITAL FINANCE, LLC, as Agent and a Lender

/s/ Melissa Provost

Name: Melissa Provost

Title: Vice President

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA, as a
Lender

/s/ Trevor Tysick

Name: Trevor Tysick

Title: AVP

BANK OF AMERICA, N.A., as a Syndication Agent and a Lender

/s/ Charles Fairchild

Name: Charles Fairchild

Title: Vice President

BANK OF AMERICA, N.A., CANADA BRANCH, as a Lender

/s/ Medina Sales De Andrade

Name: Medina Sales De Andrade

Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, as a Syndication Agent and a Lender

/s/ Christopher Fudge

Name: Christopher Fudge

Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, CANADA BRANCH, as a
Lender

/s/ Paul Rodgers

Name: Paul Rodgers

Title: VP & Principal Officer

CITIBANK, N.A., as a Lender

/s/ Matthew Paquin

Name: Matthew Paquin

Title: Vice President and Director

HSBC BANK USA, N.A., as a Lender

/s/ Frank M. Eassa

Name: Frank M. Eassa

Title: Vice President

KEYBANK NATIONAL ASSOCIATION, as a Documentation Agent and a Lender

/s/ Paul Steiger

Name: Paul Steiger

Title: Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Documentation Agent and a Lender

/s/ Kathleen Garland

Name: Kathleen Garland

Title: Assistant Vice President

PNC BANK CANADA BRANCH, as a Lender

/s/ Wendy Whitcher

Name: Wendy Whitcher

Title: Vice President

THE HUNTINGTON BANK, as a Lender

/s/ Elizabeth Murray

Name: Elizabeth Murray

Title: Senior Vice President

RBS CITIZENS BUSINESS CAPITAL, a division of RBS Citizens, N.A., as
a Lender

/s/ James Zamborsky

Name: James Zamborsky

Title: Vice President

**SECOND AMENDMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT**

This SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is entered into as of June 3, 2015, is by and among Wells Fargo Capital Finance, LLC, a Delaware limited liability company, in its capacity as agent pursuant to the Credit Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (in such capacity, "Agent"), the lenders party hereto (individually, each a "Lender" and collectively, "Lenders"), PolyOne Corporation, an Ohio corporation (the "Parent"), GLS International, Inc., an Illinois corporation ("GLS"), NEU Specialty Engineered Materials, LLC, an Ohio limited liability company ("NEU"), and together with Parent and GLS, each individually a "US Borrower" and collectively, "US Borrowers"), PolyOne Canada Inc., a federally incorporated Canadian corporation ("PolyOne Canada" or "Canadian Borrower", and, together with US Borrowers, each individually a "Borrower" and collectively, "Borrowers"), PolyOne LLC, a Delaware limited liability company ("PO LLC"), Polymer Diagnostics, Inc., an Ohio corporation ("Polymer"), Conexus, Inc., a Nevada corporation ("Conexus"), M.A. Hanna Asia Holding Company, a Delaware corporation ("Hanna"), The ColorMatrix Corporation, an Ohio corporation ("CMC"), ColorMatrix Holdings, Inc., a Delaware corporation ("CM Holdings"), Chromatics, Inc., a Connecticut corporation ("Chromatics"), ColorMatrix Group, Inc., a Delaware corporation ("CM Group"), ColorMatrix – Brazil, LLC, an Ohio limited liability company ("CM Brazil"), Gayson Silicone Dispersions, Inc., an Ohio corporation ("Gayson"), Glasforms, Inc., a California corporation ("Glasforms"), PolyOne Designed Structures and Solutions LLC, a Delaware limited liability ("PolyOne DSS"), Franklin-Burlington Plastics, Inc., a Delaware corporation ("Franklin"; and, together with each of PO LLC, Polymer, Conexus, Hanna, CMC, CM Holdings, Chromatics, CM Group, CM Brazil, Gayson and PolyOne DSS, each individually a "US Guarantor" and collectively, "US Guarantors"), and PolyOne DSS Canada Inc., a federally incorporated Canadian corporation ("DSS Canada, Inc." and "Canadian Guarantor"; and together with the US Guarantors, each individually a "Guarantor" and collectively, "Guarantors").

WHEREAS, Borrowers, Guarantors, Agent and Lenders are parties to that certain Amended and Restated Credit Agreement dated as of March 1, 2013 (as amended, restated, modified or supplemented from time to time, the "Credit Agreement");

WHEREAS, the Loan Parties have requested, and Agent and the Lenders have agreed, subject to terms and conditions hereof, to amend the Credit Agreement as more fully described below;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. For purposes of this Amendment, all terms used herein and not otherwise defined herein, including but not limited to, those terms used in the recitals hereto, shall have the respective meanings assigned thereto in the Credit Agreement.

2. Amendments. In reliance upon the representations and warranties of the Loan Parties set forth in Section 4 below and subject to the conditions to effectiveness set forth in Section 5 below, the Credit Agreement is hereby amended as follows:

(a) Section 6.7 of the Credit Agreement is hereby amended by (i) deleting the reference to "clause (r)" set forth in sub-clause (v) thereof and inserting a reference to "clause (t)" in lieu thereof; (ii) deleting the word "or" at the end of clause (vii) thereof and inserting a comma in lieu thereof, (iii) deleting the period at the end of clause (viii) thereof and inserting the word "or" in lieu thereof, and (iv) adding the following new clause (ix) immediately thereafter:

(ix) any restrictions imposed by any agreement related to Refinancing Indebtedness constituting Permitted Indebtedness, to the extent such restrictions are not more restrictive, taken as a whole, than the restrictions contained in this Agreement and in any event permit Liens on the Collateral to secure the Obligations.

(b) Section 6.15 of the Credit Agreement is hereby amended and restated in its entirety as follows:

6.15 2020 Notes and Current Notes. Permit or give rise to any Indebtedness or obligation that will require the granting of a Lien to holders of the 2020 Notes, the Current Notes, any Refinancing Indebtedness with respect to the 2020 Notes, the Current Notes or any subsequent Refinancing Indebtedness relating thereto.

(c) The definition of the term "Existing Note Secured Debt Limit" contained in Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

"Existing Note Secured Debt Limit" means, (a) at any time prior to any refinancing of the 2020 Notes in accordance with the terms of the Agreement, the amount of any Indebtedness that may be secured by Permitted Liens (as defined in the 2020 Note Indenture) up to the amounts set forth in clause (i) of such definition thereof (it being understood that as of the Closing Date, the only such limitation that is applicable to the Indebtedness under the Agreement is set forth in Section 4.12 of the 2020 Note Indenture), and (b) at any time on or after the refinancing of the 2020 Notes in accordance with the terms of the Agreement (or any subsequent Refinancing Indebtedness relating thereto), any similar limit in any documentation evidencing such Refinancing Indebtedness which either (i) restricts the amount of Indebtedness or other obligations that may be secured by Permitted Liens or (ii) which, upon incurring Indebtedness or other obligations in excess of a certain amount, would require the granting of a Lien to the holders of such Refinancing Indebtedness.

(d) Clause (f) of the definition of the term "Unrestricted Subsidiary" contained in Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

(f) such Subsidiary shall have been or will promptly be designated an "unrestricted subsidiary" (or otherwise not be subject to the covenants) under the 2015 Notes, the 2020 Notes, the Current Notes and any Refinancing Indebtedness with respect to any of the foregoing (or any subsequent Refinancing Indebtedness relating thereto), if applicable, and

3. Reaffirmation and Confirmation. Each Loan Party party hereto hereby (i) ratifies, affirms, acknowledges and agrees that the Credit Agreement and the other Loan Documents represent the valid, enforceable (except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally) and collectible obligations of such Loan Party, (ii) reaffirms its obligations under each Loan Document to which it is a party, including, without limitation, any grant of security interest contained therein, in each case as amended, supplemented or modified prior to or as of the date hereof, and (iii) acknowledges and agrees that there are no existing claims, defenses, personal or otherwise, or rights of setoff whatsoever with respect to the Credit Agreement or any other Loan Document. Each Loan Party hereby agrees that this Amendment in no way acts as a release or relinquishment of the Liens and rights securing payments of the Obligations. The Liens and rights securing payment of the Obligations are hereby ratified and confirmed by each Loan Party in all respects.

4. Representations and Warranties. In order to induce Agent and Required Lenders to enter into this Amendment, each Loan Party represents and warrants with and to Agent and Lenders as follows, which representations and warranties shall survive the execution and delivery hereof:

(a) all representations and warranties contained in the Loan Documents to which such Loan Party is a party are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality of dollar thresholds in the text thereof) on and as of the date of this Amendment (except to the extent any representation or warranty expressly related to an earlier date in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or dollar thresholds in the text thereof) on and as of such earlier date);

(b) no Default or Event of Default has occurred and is continuing; and

(c) this Amendment and the Loan Documents, as amended hereby, constitute legal, valid and binding obligations of such Loan Party and are enforceable against such Loan Party in accordance with their respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally.

5. Condition to Effectiveness. This Amendment shall become effective upon the satisfaction of the following conditions precedent:

(a) Agent shall have received a copy of this Amendment executed by Agent, Required Lenders and the Loan Parties; and

(b) Borrowers shall have paid (or concurrently with the effectiveness of the Amendment shall pay) all Lender Group Expenses incurred in connection with the transactions evidenced by this Amendment for which Borrowers have received an invoice prior to the date hereof.

6. Miscellaneous.

(a) Expenses. Borrowers agree to pay on demand all reasonable costs and expenses of Agent and the Lenders (including reasonable attorneys' fees) incurred in connection with the preparation, negotiation, execution, delivery and administration of this Amendment and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith. All obligations provided herein shall survive any termination of this Amendment and the Credit Agreement as amended hereby.

(b) Choice of Law and Venue; Jury Trial Waiver; Reference Provision. Without limiting the applicability of any other provision of the Credit Agreement or any other Loan Document, the terms and provisions set forth in Section 12 of the Credit Agreement are expressly incorporated herein by reference.

(c) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment. This Amendment to the extent signed and delivered by means of a facsimile machine or other electronic transmission (including "pdf"), shall be treated in all manner and respects and for all purposes as an original Amendment and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party hereto shall raise the use of a facsimile machine or other electronic transmission to deliver a signature or the fact that any signature or this Amendment was transmitted or communicated through the use of a facsimile machine or other electronic transmission as a defense to the formation or enforceability of a contract and each such party forever waives any such defense. Receipt by telecopy or electronic mail of any executed signature page to this Amendment shall constitute effective delivery of such signature page.

7. Release.

(a) Release. In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Borrower and each other Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and Lenders, and their successors and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, each Lender and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, controversies, damages and

any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which such Borrower or such Loan Party or any of its successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment for or on account of, or in relation to, or in any way in connection with any of the Credit Agreement, or any of the other Loan Documents or transactions thereunder or related thereto.

(b) Complete Defense. Each Borrower and each other Loan Party understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Release Unconditional. Each Borrower and each other Loan Party agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized and delivered as of the date first above written.

U.S. BORROWERS:

POLYONE CORPORATION

/s/ Scott J. Leffler

Name: Scott J. Leffler

Title: Vice President and Treasurer

GLS INTERNATIONAL, INC.

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

NEU SPECIALTY ENGINEERED
MATERIALS, LLC

/s/ Robert K. James

Name: Robert K. James

Title: Assistant Secretary

CANADIAN BORROWER:

POLYONE CANADA INC.

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

GUARANTORS:

M.A. HANNA ASIA HOLDING COMPANY

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

POLYONE LLC

/s/ Robert K. James

Name: Robert K. James

Title: Manager

CONEXUS, INC.

POLYMER DIAGNOSTICS, INC.

COLORMATRIX GROUP, INC.

COLORMATRIX HOLDINGS, INC.

THE COLORMATRIX CORPORATION

CHROMATICS, INC.

GAYSON SILICONE DISPERSIONS, INC.

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

COLORMATRIX - BRAZIL, LLC

By The ColorMatrix Corporation, its sole member

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

GLASFORMS, INC.

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

POLYONE DESIGNED STRUCTURES AND SOLUTIONS LLC

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

FRANKLIN-BURLINGTON PLASTICS, INC.

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

POLYONE DSS CANADA INC.

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

WELLS FARGO CAPITAL FINANCE, LLC, as Agent and a Lender

/s/ Melissa Provost

Name: Melissa Provost

Title: Vice President

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA, as a
Lender

/s/ Carmela Massari

Name: Carmela Massari

Title: Senior Vice President

BANK OF AMERICA, N.A., as a Lender

/s/ Charles Fairchild

Name: Charles Fairchild

Title: Vice President

BANK OF AMERICA, N.A., CANADA BRANCH, as a Lender

/s/ Sylwia Durkiewicz

Name: Sylwia Durkiewicz

Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, as a Lender

/s/ David Lawrence

Name: David Lawrence

Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, CANADA BRANCH, as a Lender

/s/ John P. Rebob

Name: John P. Rebob

Title: VP & Principal Officer

CITIBANK, N.A., as a Lender

/s/ Matthew Paquin

Name: Matthew Paquin

Title: Vice President and Director

HSBC BANK USA, N.A., as a Lender

/s/ Frank M. Eassa

Name: Frank M. Eassa

Title: Senior Vice President

KEYBANK NATIONAL ASSOCIATION, as a Lender

/s/ Paul H.Steiger

Name: Paul H. Steiger

Title: Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Lender

/s/ Carrie Light

Name: Carrie Light

Title: Vice President

PNC BANK CANADA BRANCH, as a Lender

/s/ Michael Etienne

Name: Michael Etienne

Title: Senior Vice President

THE HUNTINGTON BANK, as a Lender

/s/ Dennis Hatvany

Name: Dennis Hatvany

Title: Senior Vice President

CITIZENS BUSINESSCAPITAL, a Division of CITIZENS ASSET
FINANCE. INC., a wholly owned Subsidiary of CITIZENS BANKS, N.A., a
National Banking Association, fka RBS CITIZENS. NATIONAL
ASSOCIATION, successor by merger to CHARTER ONE BANK, NA

/s/ James G. Zamborsky

Name: James G. Zamborsky

Title: Vice President

**THIRD AMENDMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT**

This THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is entered into as of June 30, 2015, is by and among Wells Fargo Capital Finance, LLC, a Delaware limited liability company, in its capacity as agent pursuant to the Credit Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (in such capacity, "Agent"), the lenders party hereto (individually, each a "Lender" and collectively, "Lenders"), PolyOne Corporation, an Ohio corporation (the "Parent"), GLS International, Inc., an Illinois corporation ("GLS"), NEU Specialty Engineered Materials, LLC, an Ohio limited liability company ("NEU", and together with Parent and GLS, each individually a "US Borrower" and collectively, "US Borrowers"), PolyOne Canada Inc., a federally incorporated Canadian corporation ("PolyOne Canada" or "Canadian Borrower", and, together with US Borrowers, each individually a "Borrower" and collectively, "Borrowers"), PolyOne LLC, a Delaware limited liability company ("PO LLC"), Polymer Diagnostics, Inc., an Ohio corporation ("Polymer"), Conexus, LLC, a Nevada limited liability company, f/k/a Conexus, Inc., a Nevada corporation ("Conexus"), M.A. Hanna Asia Holding Company, a Delaware corporation ("Hanna"), The ColorMatrix Corporation, an Ohio corporation ("CMC"), ColorMatrix Holdings, Inc., a Delaware corporation ("CM Holdings"), Chromatics, Inc., a Connecticut corporation ("Chromatics"), ColorMatrix Group, Inc., a Delaware corporation ("CM Group"), ColorMatrix – Brazil, LLC, an Ohio limited liability company ("CM Brazil"), Gayson Silicone Dispersions, Inc., an Ohio corporation ("Gayson"), Glasforms, Inc., a California corporation ("Glasforms"), PolyOne Designed Structures and Solutions LLC, a Delaware limited liability ("PolyOne DSS"), Franklin-Burlington Plastics, Inc., a Delaware corporation ("Franklin"; and, together with each of PO LLC, Polymer, Conexus, Hanna, CMC, CM Holdings, Chromatics, CM Group, CM Brazil, Gayson and PolyOne DSS, each individually a "US Guarantor" and collectively, "US Guarantors"), and PolyOne DSS Canada Inc., a federally incorporated Canadian corporation ("DSS Canada, Inc." and "Canadian Guarantor"; and together with the US Guarantors, each individually a "Guarantor" and collectively, "Guarantors").

WHEREAS, Borrowers, Guarantors, Agent and Lenders are parties to that certain Amended and Restated Credit Agreement dated as of March 1, 2013 (as amended, restated, modified or supplemented from time to time, the "Credit Agreement");

WHEREAS, subject to terms and conditions hereof, Agent, the Lenders party hereto, Borrowers and Guarantors desire to amend the Credit Agreement as more fully described below;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. For purposes of this Amendment, all terms used herein and not otherwise defined herein, including but not limited to, those terms used in the recitals hereto, shall have the respective meanings assigned thereto in the Credit Agreement.

2. Amendments. In reliance upon the representations and warranties of the Loan Parties set forth in Section 4 below and subject to the conditions to effectiveness set forth in Section 5 below, the Loan Agreement is hereby amended as follows:

(a) Section 2.3(e) of the Credit Agreement is hereby amended by (i) renumbering subclauses (iv) and (v) thereof as clauses (v) and (vi) thereof, respectively, and (ii) adding the following new clause (iv) in appropriate numeric order:

(iv) **Proceeds of Life Insurance Policies.** Within one (1) Business Day of the date of receipt by any Loan Party, any of its Subsidiaries, or Agent of any proceeds of any Eligible Life Insurance Policy, whether such proceeds are received as a result of the death of a Person covered thereby, the surrender and termination of such policy, a policy loan taken out under such policy, or otherwise, 100% of such proceeds shall be used *first* to prepay the outstanding principal amount of the Obligations and *second*, subject to the terms of any applicable Life Insurance Assignment, any additional proceeds shall be returned to the Borrowers. The provisions of this Section 2.3(e)(iv) shall not be deemed to constitute consent to any action otherwise prohibited by the terms and conditions of this Agreement.

(b) Section 4.18 of the Credit Agreement is hereby amended and restated in its entirety as follows:

4.18 Patriot Act; Anti-Corruption Laws. To the extent applicable, each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "Patriot Act"); and (c) the Proceeds of Crime Money Laundering and Terrorist Finance Act (Canada) and the regulations promulgated thereunder. No part of the proceeds of the loans made hereunder will be used by any Loan Party or any of their Affiliates, directly or indirectly, (i) for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the FCPA, or (ii) in any other manner that would cause a violation in any material respect of any applicable anti-bribery laws. No Loan Party nor any of its Subsidiaries, nor to the knowledge of any Loan Party, any director or officer, or any employee, agent or Affiliate of, any Loan Party or any of its Subsidiaries, has taken any action, directly or indirectly, that would result in a violation in any material respect by such persons of any applicable anti-bribery law. Furthermore, each Loan Party and, to the knowledge of each Loan Party, its Affiliates have conducted their businesses in compliance in all material respects with the UK Bribery Act, the FCPA and similar laws, rules or regulations, in each case, to the extent applicable to the Loan Parties and, in their reasonable business judgment, have instituted and maintain policies and procedures designed to ensure continued compliance therewith.

(c) Section 4.23 of the Credit Agreement is hereby amended and restated in its entirety as follows:

4.23 OFAC. No Loan Party nor any of its Subsidiaries is in violation of any Sanctions applicable to the Loan Parties. No Loan Party nor any of its Subsidiaries, nor to the knowledge of any Loan Party, any director or officer, or any employee, agent or Affiliate of, any Loan Party or any of its Subsidiaries (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Entities, (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities, or (d) is located, organized or a resident of a country or territory that is, or whose government is, the subject of Sanctions. No proceeds of any Revolving Loan (including any Swing Loan, Protective Advance or Overadvance) or any Letter of Credit will be used by a Loan Party (i) to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including without limitation any Person participating in Revolving Loans or Letters of Credit).

(d) Section 5.6 of the Credit Agreement is hereby amended by (i) adding a new sub-clause (a), together with a header entitled "Property, Business Interruption and Liability Insurance.", immediately before the first paragraph thereof, and (ii) adding a new sub-clause (b) immediately after sub-clause (a) as follows:

(b) **Life Insurance.** At Borrowers' expense, maintain each Life Insurance Policy. If any Borrower fails to maintain any such insurance, to the extent any such insurance has not been paid for in full, Agent may pay the premiums thereon or otherwise arrange for such insurance, but at such Borrower's expense and without any responsibility on Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Notwithstanding anything in any Life Insurance Assignment to the contrary, Borrowers agree that any such payments made by Agent at Borrowers' expense shall constitute Obligations chargeable to the Loan Account hereunder and bear interest at a per annum rate equal to the Base Rate plus the Applicable Margin for Base Rate Loans. Borrowers shall give Agent prompt notice of the death of any Person covered by any Life Insurance Policy. Agent shall have the sole right to file claims under any Life Insurance Policy, to collect the net proceeds of any such policy, to surrender any such policy, to obtain policy loans thereon from the insurer, to receive, receipt and give acquittance for any payments that may be payable thereunder (including without limitation, the right to collect and receive all distributions or shares of surplus, dividend deposits or additions to such policy made or apportioned thereto, and to exercise any and all options contained in such policy with respect thereto), to exercise all nonforfeiture rights under such policy, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policy. Borrowers shall take all action requested by Agent and necessary to cause each Life Insurance Policy to be at all times subject to an effective Life Insurance Assignment.

(e) Article 6 of the Credit Agreement is hereby amended to add the following new Section 6.16 in appropriate numeric order:

6.16 Eligible Life Insurance Policies.

(a) Create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable for any Indebtedness or any other advances made against any Life Insurance Policy (except as permitted under clause (a) of the definition of Permitted Indebtedness),

(b) without at least thirty (30) days' prior written notice to Agent (or such shorter period as agreed to by Agent in writing) and provided that no Default or Event of Default under Section 8.1, Section 8.6 or Section 8.7 has occurred and is continuing or would be caused thereby, directly or indirectly, amend, modify, or change (or permit the amendment, modification or other change in any manner of) any of the terms or provisions of any Life Insurance Policy, or

(c) without at least thirty (30) days' prior written notice to Agent (or such shorter period as agreed to by Agent in writing) and provided that no Default or Event of Default under Section 8.1, Section 8.6 or Section 8.7 has occurred and is continuing or would be caused thereby, directly or indirectly, elect or cause to be elected, any mode of optional settlement under any Life Insurance Policy, terminate or cancel, or cause to be terminated or cancelled, any Life Insurance Policy, or surrender or cause to be surrendered, any Life Insurance Policy, or

(d) without at least thirty (30) days' prior written notice to Agent (or such shorter period as agreed to by Agent in writing) and provided that (i) no Default or Event of Default under Section 8.1, Section 8.6 or Section 8.7 has occurred and is continuing or would be caused thereby, and (ii) Borrowers have prepaid to Agent outstanding Obligations such that no Overadvance shall exist at the time of such release, request that any key person life insurance policy shall no longer constitute a "Life Insurance Policy" hereunder or under any other Loan Document and that the Agent release or terminate any Life Insurance Assignment executed in connection therewith.

(f) Article 15 of the Credit Agreement is hereby amended to add the following new Section 15.21 in appropriate numeric order:

15.21 Release of Life Insurance Policies.

So long as the Loan Parties are in compliance with Section 6.16(d), the Lenders hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent to release any Lien on any Life Insurance Policy upon at least thirty (30) days (or such shorter period as agreed to by Agent in writing) written notice from Parent that any key person life insurance policy shall not constitute a "Life Insurance Policy" hereunder or under any other Loan Document and in connection therewith, Agent shall release or terminate any Life Insurance Assignment executed in connection

with such Life Insurance Policy and take such further actions as reasonably requested by Parent, at the Borrowers' sole cost and expense.

(g) The definition of the term "Permitted Indebtedness" contained in Schedule 1.1 to the Credit Agreement is hereby amended by amending and restating clause (j) thereof in its entirety as follows:

(j) Indebtedness consisting of insurance premium financing in the ordinary course of business, except with respect to any Life Insurance Policy,

(h) The definition of the term "Sanctioned Entity" contained in Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

"Sanctioned Entity" means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, or (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a country sanctions program administered and enforced by the United States government, including without limitation OFAC and the U.S. Department of State, the Canadian government, the United National Security Council, the European Union or the Hong Kong Monetary Authority.

(i) The definition of the term "Sanctioned Person" contained in Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

"Sanctioned Person" means any person named on the list of Specially Designated Nationals maintained by OFAC or any analogous list maintained by the U.S. Department of State, the Canadian government, the United National Security Council, the European Union or the Hong Kong Monetary Authority.

(j) The definition of the term "US Borrowing Base" contained in Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

"US Borrowing Base" means, at any time, the amount equal to

(a) eighty-five percent (85%) of the amount of Eligible Accounts of each US Loan Party, plus

(b) the least of (A) seventy percent (70%) multiplied by the Value of Eligible Inventory of each US Loan Party, (B) eighty-five percent (85%) of the Net Recovery Percentage multiplied by the Value of such Eligible Inventory or (C) sixty percent (60%) of the US Maximum Credit, plus

(c) during the Acquired Business Availability Period, the lesser of (A) the sum of (i) sixty percent (60%) of the amount of Eligible Acquired Business Accounts of the applicable US Loan Party, plus (ii) fifty percent (50%) of the Net Recovery Percentage (determined pursuant to the most recent acceptable appraisal received by Agent in accordance with the requirements of the Agreement as to the pre-existing Inventory of US Loan Parties) of the applicable US Loan Party multiplied by the

Value of Eligible Acquired Business Inventory or (B) ten percent (10%) of the lesser of (i) the Maximum Credit or (ii) the Borrowing Base, plus

(d) the lesser of (i) \$50,000,000 and (ii) ninety percent (90%) of the CSV of Eligible Life Insurance Policies, minus

(e) the aggregate amount of reserves applicable to US Loan Parties, if any, established by Agent under Sections 2.1(e) and (f) of the Agreement.

(k) The definition of the term "Loan Documents" contained in Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

"Loan Documents" means the Agreement, any US Borrowing Base Certificate, any Canadian Borrowing Base Certificate, the Controlled Account Agreements, the Control Agreements, any Copyright Security Agreement, the Fee Letter, the Guaranty, any Intercompany Subordination Agreement, the Letters of Credit, any Mortgages, any Additional Documents, any Additional Second Lien Documents, any Patent Security Agreement, the Security Agreement, any Trademark Security Agreement, the Life Insurance Assignments, any perfection certificate, any note or notes executed by any Borrower in connection with the Agreement and payable to any member of the Lender Group, any Canadian Security Document, any letter of credit application entered into by any Borrower in connection with the Agreement, and any other agreement entered into, now or in the future, by Parent or any of its Subsidiaries in connection with the Agreement.

(l) Schedule 1.1 to the Credit Agreement is hereby amended to add the following defined terms in appropriate alphabetical order:

"Approved Form" with respect to any Life Insurance Policy, means that the form and substance of such Life Insurance Policy is (a) a 65 Whole Life Policy the same in all material respects as the sample 65 Whole Life Policy attached as an exhibit to the most recent Northwestern Mutual Side Letter that has been approved by Agent, (b) a 90 Whole Life Policy the same in all material respects as the sample 90 Whole Life Policy attached as an exhibit to the most recent Northwestern Mutual Side Letter that has been approved by Agent, (c) a Whole Life with Extra Life Protection Policy the same in all material respects as the sample Whole Life with Extra Life Protection Policy attached as an exhibit to the most recent Northwestern Mutual Side Letter that has been approved by Agent, (d) a Whole Life with Adjustable Term Protection Policy the same in all material respects as the sample Whole Life with Adjustable Term Protection Policy attached as an exhibit to the most recent Northwestern Mutual Side Letter that has been approved by Agent, or (e) another form of policy that has been approved by Agent and is attached as an exhibit to the most recent Northwestern Mutual Side Letter.

"CSV" means, on each date of determination, the amount, as determined for each Eligible Life Insurance Policy, equal to the cash surrender value of such Eligible Life Insurance Policy.

"Eligible Life Insurance Policies" means Life Insurance Policies that are not excluded from being Eligible Life Insurance Policies as a result of the failure to satisfy any of the criteria set forth below. Eligible Life Insurance Policies shall not include any Life Insurance Policy:

- (a) which is not in full force and effect with all premiums due having been paid in full;
- (b) which is not owned by a US Loan Party;
- (c) the beneficiary of which is not a US Loan Party;
- (d) which covers the life of any Person other than an officer or employee of a US Loan Party;
- (e) which is not in an Approved Form;
- (f) which has not been collaterally assigned by the applicable US Loan Party to Agent to secure repayment of the Obligations pursuant to a Life Insurance Assignment in form and substance reasonably satisfactory to Agent, and which has been executed by the issuing life insurance company (or for which evidence of recordation with the issuing life insurance company has been provided in form and substance satisfactory to Agent);
- (g) which is subject to a currently effective assignment by any US Loan Party to any other Person;
- (h) which is not referenced in a currently effective Northwestern Mutual Side Letter;
- (i) the existence and cash surrender value of which have not been certified in the most recent US Borrowing Base Certificate; or
- (j) which has any policy loans or advances outstanding against such Life Insurance Policy.

The criteria for Eligible Life Insurance Policies set forth above may only be changed and any new criteria for Eligible Life Insurance Policies may only be established by Agent based on either (i) an event, condition or other circumstance arising after the Third Amendment Effective Date, or (ii) an event, condition or other circumstance existing on the Third Amendment Effective Date to the extent that such event, condition or circumstance has not been identified by a Borrower to Agent prior to the Third Amendment Effective Date (except to the extent that it may have been identified but Agent, in consultation with Borrowers, has intentionally elected not to establish a reserve with respect thereto as of the Third Amendment Effective Date), in either case under clause (i) or (ii) which adversely affects or could reasonably be expected to adversely affect the cash surrender value or loanable or otherwise realizable value of the Life Insurance Policies, as determined by Agent in its Permitted Discretion. Any Life Insurance Policy that is not an Eligible Life

Insurance Policy shall nevertheless be part of the Collateral. For avoidance of doubt, any Life Insurance Policy determined ineligible under more than one clause above shall be calculated without duplication.

"FCPA" means the United States Foreign Corrupt Practices Act of 1977, as amended.

"Life Insurance Assignments" means, collectively, (a) that certain Assignment of Life Insurance Policy as Collateral dated as of June 22, 2015 by Parent in favor of Agent with respect to the Eligible Life Insurance Policies in effect as of the Third Amendment Effective Date, and (b) any other agreements, instruments and documents reasonably acceptable to Agent pursuant to which Agent has been granted a Lien on the rights of a US Loan Party under any Eligible Life Insurance Policy.

"Life Insurance Policies" means, collectively, each key person life insurance policy that Parent has elected to subject to a Life Insurance Assignment and that is listed on Schedule E-2 (as the such Schedule E-2 may be updated from time to time by Parent) and issued by The Northwestern Mutual Life Insurance Company; provided, however, that any key person life insurance policy that has been released pursuant to Section 15.21 shall not constitute a Life Insurance Policy hereunder.

"Northwestern Mutual Side Letter" means that certain letter from The Northwestern Mutual Life Insurance Company to Agent dated as of April 28, 2015 regarding certain information with respect to the Life Insurance Policies, and any renewals, replacements or updates thereof, in each case in form and substance reasonably acceptable to Agent.

"Sanctions" means any economic or trade sanctions (including without limitation any country or list based sanctions) imposed, administered or enforced from time to time by the United States government, including without limitation OFAC and the U.S. Department of State, the Canadian government, the United National Security Council, the European Union or the Hong Kong Monetary Authority.

"Third Amendment Effective Date" means June 30, 2015.

"UK Bribery Act" means the United Kingdom Bribery Act 2010, as amended.

(m) Exhibit B-1 to the Credit Agreement is hereby amended and restated in its entirety as set forth on Exhibit B-1 attached hereto.

(n) A new Schedule E-2 is hereby added to the Credit Agreement in appropriate alphabetical and numeric order as set forth on Schedule E-2 attached hereto.

(o) Schedule A-3 to the Credit Agreement is hereby amended and restated in its entirety as set forth on Schedule A-3 attached hereto

(p) Schedule 5.2 to the Credit Agreement is hereby amended and restated in its entirety as set forth on Schedule 5.2 attached hereto.

3. Reaffirmation and Confirmation. Each Loan Party party hereto hereby (i) ratifies, affirms, acknowledges and agrees that the Credit Agreement and the other Loan Documents represent the valid, enforceable (except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally) and collectible obligations of such Loan Party, (ii) reaffirms its obligations under each Loan Document to which it is a party, including, without limitation, any grant of security interest contained therein, in each case as amended, supplemented or modified prior to or as of the date hereof, and (iii) acknowledges and agrees that there are no existing claims, defenses, personal or otherwise, or rights of setoff whatsoever with respect to the Credit Agreement or any other Loan Document. Each Loan Party hereby agrees that this Amendment in no way acts as a release or relinquishment of the Liens and rights securing payments of the Obligations. The Liens and rights securing payment of the Obligations are hereby ratified and confirmed by each Loan Party in all respects.

4. Representations and Warranties. In order to induce Agent and Supermajority Lenders to enter into this Amendment, each Loan Party represents and warrants with and to Agent and Lenders as follows, which representations and warranties shall survive the execution and delivery hereof:

(a) all representations and warranties contained in the Loan Documents to which such Loan Party is a party are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality of dollar thresholds in the text thereof) on and as of the date of this Amendment (except to the extent any representation or warranty expressly related to an earlier date in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or dollar thresholds in the text thereof) on and as of such earlier date);

(b) no Default or Event of Default has occurred and is continuing; and

(c) this Amendment and the Loan Documents, as amended hereby, constitute legal, valid and binding obligations of such Loan Party and are enforceable against such Loan Party in accordance with their respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally.

5. Conditions to Effectiveness. This Amendment shall become effective upon the satisfaction of the following conditions precedent:

(a) Agent shall have received a copy of this Amendment executed by Agent, Supermajority Lenders and the Loan Parties, together with each other agreement, instrument and document identified on the Closing Checklist attached hereto as Exhibit A, in each case executed by the Loan Parties and other Persons party thereto (as applicable) and each in form and substance reasonably satisfactory to Agent; and

(b) Borrowers shall have paid (or concurrently with the effectiveness of the Amendment shall pay) all Lender Group Expenses incurred in connection with the transactions evidenced by this Amendment for which Borrowers have received an invoice prior to the date hereof.

6. Miscellaneous.

(a) Expenses. Borrowers agree to pay on demand all reasonable costs and expenses of Agent and the Lenders (including reasonable attorneys' fees) incurred in connection with the preparation, negotiation, execution, delivery and administration of this Amendment and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith. All obligations provided herein shall survive any termination of this Amendment and the Credit Agreement as amended hereby.

(b) Choice of Law and Venue; Jury Trial Waiver; Reference Provision. Without limiting the applicability of any other provision of the Credit Agreement or any other Loan Document, the terms and provisions set forth in Section 12 of the Credit Agreement are expressly incorporated herein by reference.

(c) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment. This Amendment to the extent signed and delivered by means of a facsimile machine or other electronic transmission (including "pdf"), shall be treated in all manner and respects and for all purposes as an original Amendment and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party hereto shall raise the use of a facsimile machine or other electronic transmission to deliver a signature or the fact that any signature or this Amendment was transmitted or communicated through the use of a facsimile machine or other electronic transmission as a defense to the formation or enforceability of a contract and each such party forever waives any such defense. Receipt by telecopy or electronic mail of any executed signature page to this Amendment shall constitute effective delivery of such signature page.

7. Release.

(a) Release. In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Borrower and each other Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and Lenders, and their successors and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, each Lender and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, controversies, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which such Borrower or such Loan Party or any of its successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of

any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment for or on account of, or in relation to, or in any way in connection with any of the Credit Agreement, or any of the other Loan Documents or transactions thereunder or related thereto.

(b) Complete Defense. Each Borrower and each other Loan Party understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Release Unconditional. Each Borrower and each other Loan Party agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized and delivered as of the date first above written.

U.S. BORROWERS:

POLYONE CORPORATION

/s/ Scott J. Leffler

Name: Scott J. Leffler

Title: Vice President and Treasurer

GLS INTERNATIONAL

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

NEU SPECIALTY ENGINEERED
MATERIALS, LLC

/s/ Robert K. James

Name: Robert K. James

Title: Assistant Secretary

CANADIAN BORROWER:

POLYONE CANADA INC.

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

GUARANTORS:

M.A. HANNA ASIA HOLDING COMPANY

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

POLYONE LLC

/s/ Robert K. James

Name: Robert K. James

Title: Manager

CONEXUS, INC.

POLYMER DIAGNOSTICS, INC.

COLORMATRIX GROUP, INC.

COLORMATRIX HOLDINGS, INC.

THE COLORMATRIX CORPORATION

CHROMATICS, INC.

GAYSON SILICONE DISPERSIONS, INC

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

COLORMATRIX - BRAZIL, LLC

By The ColorMatrix Corporation, its sole member

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

GLASFORMS, INC.

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

POLYONE DESIGNED STRUCTURES AND SOLUTIONS
LLC

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

FRANKLIN-BURLINGTON PLASTICS, INC.

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

POLYONE DSS CANADA INC.

/s/ Robert K. James

Name: Robert K. James

Title: Secretary

WELLS FARGO CAPITAL FINANCE, LLC, as Agent and a
Lender

/s/ Melissa Provost

Name: Melissa Provost

Title: Vice President

WELLS FARGO CAPITAL FINANCE CORPORATION
CANADA, as a Lender

/s/ Trevor Tysick

Name: Trevor Tysick

Title: Assistant Vice President

BANK OF AMERICA, N.A., as a Lender

/s/ Charles Fairchild

Name: Charles Fairchild

Title: Vice President

BANK OF AMERICA, N.A., CANADA BRANCH, as a Lender

/s/ Sylwia Durkiewicz

Name: Sylwia Durkiewicz

Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, as a Lender

/s/ David Lawrence

Name: David Lawrence

Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, CANADA
BRANCH, as a Lender

/s/ John P. Rehob

Name: John P. Rehob

Title: Vice President & Principal Officer

CITIBANK, N.A., as a Lender

/s/ Matthew Paquin

Name: Matthew Paquin

Title: Vice President and Director

HSBC BANK USA, N.A., as a Lender

/s/ Frank M. Eassa

Name: Frank M. Eassa

Title: Senior Vice President

KEYBANK NATIONAL ASSOCIATION, as a Lender

/s/ Paul H. Steiger

Name: Paul H. Steiger

Title: Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Lender

/s/ Carrie Light

Name: Carrie Light

Title: Vice President

PNC BANK CANADA BRANCH, as a Lender

/s/ James Bruce

Name: James Bruce

Title: Vice President

THE HUNTINGTON BANK, as a Lender

/s/ Dennis Hatvany

Name: Dennis Hatvany

Title: Senior Vice President

CITIZENS BUSINESSCAPITAL, a Division of CITIZENS ASSET FINANCE. INC., a wholly owned Subsidiary of CITIZENS BANKS, N.A., a National Banking Association, fka RBS CITIZENS. NATIONAL ASSOCIATION, successor by merger to CHARTER ONE BANK, NA

/s/ James G. Zamborsky

Name: James G. Zamborsky

Title: Vice President

Exhibit A

Closing Checklist

[attach]

CLOSING checklist

Third Amendment to Amended and Restated Revolving Loan Facility by

Wells Fargo Capital Finance, LLC

as Administrative Agent

to

PolyOne Corporation, GLS International, Inc., NEU Specialty Engineered Materials, LLC and PolyOne Canada Inc.

Closing Date: June 30, 2015

I. Closing Documents:

A. Loan and Security Documents:

1. Third Amendment to Amended and Restated ABL Credit Agreement, together with Schedules and Exhibits attached thereto
2. Life Insurance deliveries:
 - (a) Assignment of Life Insurance as Collateral
 - (b) Side Letter from the Northwestern Mutual Life Insurance Company, together with policy forms

B. Corporate Due Diligence:

3. Omnibus Officer's Certificate for each Loan Party with respect to:

Certified Certificate of Incorporation or Formation (as applicable)
Bylaws or Limited Liability Company Agreement (as applicable)
Resolutions
Incumbency of Officers

C. Other Items:

4. Sample life insurance policies

D. Post-Closing:

5. Evidence of recordation of item 2(a) with Northwestern Mutual Life Insurance Company

Exhibit B-1 to the Credit Agreement

[attach]

Signature Page to Third Amendment to Amended and Restated Credit Agreement



Summary Page Borrowing Base Certificate

Date

A/R As of:

Name

PolyOne Corporation

Inventory As of:

The undersigned, PolyOne Corporation (“Borrower”), pursuant to that certain Credit Agreement dated as of March 1, 2013 (as amended, restated, modified, supplemented, refinanced, renewed, or extended from time to time, the “Credit Agreement”), entered into among Borrower, the lenders signatory thereto from time to time and Wells Fargo Capital Finance, LLC, a Delaware limited liability company as the arranger and administrative agent (in such capacity, together with its successors and assigns, if any, in such capacity, “Agent”), hereby certifies to Agent that the following items, calculated in accordance with the terms and definitions set forth in the Credit Agreement for such items are true and correct, and that Borrower is in compliance with and, after giving effect to any currently requested Advances, will be in compliance with, the terms, conditions, and provisions of the Credit Agreement.

Accounts Receivable			
	US	Canada	Consolidated
Accounts Receivable Balance per Aging Report Assigned To Wells Fargo Capital Finance	—	—	—
Less Ineligibles (detailed on page 2)	—	—	—
Net Eligible Accounts Receivable	—	—	—
Accounts Receivable Availability before Sublimit(s)	—	—	—
Net Available Accounts Receivable after Sublimit(s)	—	—	—

Inventory			
	US	Canada	Consolidated
Inventory Balance Assigned To Wells Fargo Capital Finance	—	—	—
Less Ineligibles (detailed on page 3)	—	—	—
Eligible Inventory	—	—	—
Inventory Availability before Sublimit(s)	—	—	—
Available Inventory after 50% of Maximum Credit Sublimit(s)	—	—	—

Summary			
Cash surrender value of key person life insurance policies	As of		
Advance rate	90%		
CSVLI availability, limited to	50,000,000.00		
Availability before Credit Line & Reserves			
Reserves	(PCIAC)	(PCIBA)	
Reserve for 2015 Debentures			—
Rent Reserve			—
3rd Party Warehouse Reserve		—	—
Reserve for Sunbelt Series G Notes Guarantee			—
Total Reserves			—
Total Availability after Reserves			—
Total Credit Line	400,000,000.00	400,000,000.00	400,000,000.00
Suppressed Availability	—	—	—
Availability before Loan Balance	—	—	—
Letter of Credit Balance	As of:		—
Loan Ledger Balance	As of:		—
Cash in-transit			—
Adjusted Loan Balance			—
Net Availability			—

Additionally, the undersigned hereby certifies and represents and warrants to the Lender Group on behalf of Borrower that (i) as of the date hereof, each representation or warranty contained in or pursuant to any Loan Document, any agreement, instrument, certificate, document or other writing furnished at any time under or in connection with any Loan Document, and as of the effective date of any advance, continuation or conversion requested above is true and correct in all material respects (except to the extent any representation or warranty expressly related to an earlier date), (ii) each of the covenants and agreements contained in any Loan Document have been performed (to the extent required to be performed on or before the date hereof or each such effective date), (iii) no Default or Event of Default has occurred and is continuing on the date hereof, nor will any

thereof occur after giving effect to the request above, and (iv) all of the foregoing is true and correct as of the effective date of the calculations set forth above and that such calculations have been made in accordance with the requirements of the Credit Agreement.

Authorized Signer

- List of attachments with this Borrowing Base Certificate:**
- Page 2 - Accounts Receivable Availability Detail
 - Page 2a - Accounts Receivable Summary
 - Page 2b - Accounts Receivable Concentrations
 - Page 2c - Accounts Receivable Dilution
 - Page 3 - Inventory Availability Detail
 - Page 3a - Inventory Availability Detail
 - Page 3b - Inventory Availability Summary

Accounts Receivable Availability Detail

Name: PolyOne Corporation

Report based on Aging dated:

		Loan ID #:	0	0	0	
		Division Name:	US PolyOne	Color Matrix	Canada PolyOne (USD)	Total
Aging Spreads:						
	Future			—		—
	0 - 30 DOI					—
	31 - 60 DOI					—
	61 - 90 DOI					—
	91 - 120 DOI					—
	121+ DOI					—
A/R Aging Balance:						—
Ineligibles:						
ERS	Past Due-> 121 DOI; > 61 DPD					—
ERS	Past Due Credits					—
ERS	CrossAge					—
ERS	Intercompany					—
ERS	Foreign				—	—
ERS	Government			—	—	—
ERS	COD					—
ERS	Debit Memo			—	—	—
ERS	Customer Deposits			—	—	—
ERS	Employee Sales	—	—	—	—	—
ERS	Progress Billing	—	—	—	—	—
ERS	Extended Terms		—		—	—
ERS	Finance Charges	—	—		—	—
ERS	Guaranteed	—	—		—	—
ERS	Coop Advertising	—	—		—	—
ERS	Samples	—	—		—	—
ERS	Consignment Sales	—	—		—	—
ERS	Bill & Hold	—	—		—	—
ERS	Bankrupt/Doubtful	—	—		—	—
ERS	Contra					—
ERS	Other1-Shortpays				—	—
ERS	Other2-Foreign (prior to insurance review)					—
Formula	Other3-Eligible foreign credit ins add-back		—		—	—
ERS	Other4-Whirlpool Mexico not billed in USD	—	—		—	—
ERS	Other5	—	—		—	—
Formula	Other6->30MM Foreign Sub of US Entities	—	—		—	—
ERS TB	Unbilled Sales/Credits (GL#120300)					—
ERS TB	Rebates (GL#120500, #2015, #120550)		—			—
Manual	Deferred Revenue (GL#460100 & GL#344450)					—
Manual	FOB Destination Ineligible	—				—
ERS TB	Unapplied Cash (GL#12120)					—
Manual	Whirlpool Foreign Cap exceeding \$15MM	—				—
Manual	Manual7					—
Manual	Concentration Cap					—
ERS TB	PST/GST (GL#340150-#340210, GL#23101,23103,23105)-Reserve grossed up					—
Manual	Canadian WEPA-03/31/2015 366,000.00-Reserve grossed up					—
Manual	Wisconsin Wage Lien-Reserve grossed up					—
Manual	Dilution Ineligible (grossed up)	—	—		—	—
Total Ineligible A/R:			—	—	—	—
Eligible A/R			—	—	—	—
Advance Rate			85%	85%	85%	

A/R Availability before Sublimit(s)	<div></div> <div>—</div>	<div></div> <div>—</div>	<div></div> <div>—</div>	<div></div> <div>—</div>
Line Limit or Sublimit(s)	<div></div>	<div></div>	<div></div>	<div></div>
Net A/R Availability	<div></div> <div>—</div>	<div></div> <div>—</div>	<div></div> <div>—</div>	<div></div> <div>—</div>

Accounts Receivable Availability Summary

Name: PolyOne Corporation

Report based on Aging dated:

POST TO LUCAS

Loan ID #: PCIA0
Pool Name: US PolyOne (USD) Canada PolyOne (USD) Total

Aging Spreads:

Future	—	—	—
1 - 30 DOI	—	—	—
31 - 60 DOI	—	—	—
61 - 90 DOI	—	—	—
91 - 120 DOI	—	—	—
121+ DOI	—	—	—

A/R Aging Balance:

Ineligibles:			
ERS	Past Due-> 121 DOI; > 61 DPD	—	—
ERS	Past Due Credits	—	—
ERS	CrossAge	—	—
ERS	Intercompany	—	—
ERS	Foreign	—	—
ERS	Government	—	—
ERS	COD	—	—
ERS	Debit Memo	—	—
ERS	Customer Deposits	—	—
ERS	Employee Sales	—	—
ERS	Progress Billing	—	—
ERS	Extended Terms	—	—
ERS	Finance Charges	—	—
ERS	Guaranteed	—	—
ERS	Coop Advertising	—	—
ERS	Samples	—	—
ERS	Consignment Sales	—	—
ERS	Bill & Hold	—	—
ERS	Bankrupt/Doubtful	—	—
ERS	Contra	—	—
ERS	Other1-Shortpays	—	—
ERS	Other2-Foreign (prior to insurance review)	—	—
ERS	Other3-Eligible foreign credit ins add-back	—	—
ERS	Other4-Whirlpool Mexico not billed in USD	—	—
ERS	Other5	—	—
ERS	Other6->30MM Foreign Sub of US Entities	—	—
Manual	Unbilled Sales/Credits (GL#120300)	—	—
Manual	Rebates (GL#120500, #2015, #120550)	—	—
Manual	Deferred Revenue (GL#460100 & GL#344450)	—	—
Manual	FOB Destination Ineligible	—	—
Manual	Unapplied Cash (GL#12120)	—	—
Manual	Whirlpool Foreign Cap exceeding \$15MM	—	—
Manual	Manual7	—	—
Manual	Concentration Cap	—	—
Manual	PST/GST (GL#340150-#340210, GL#23101,23103,23105)-Reserve grossed up	—	—
Manual	Canadian WEPA-03/31/2015 366,000.00-Reserve grossed up	—	—
Manual	Wisconsin Wage Lien-Reserve grossed up	—	—
Manual	Dilution Ineligible (grossed up)	—	—

Total Ineligible A/R:

Eligible A/R	—	—	—
Advance Rate	85%	85%	
A/R Availability before Sublimit(s)	—	—	—

Line Limit or Sublimit(s)

--	--	--

Net A/R Availability

--	--	--

—	—	—
---	---	---

FYI - Total Eligible Receivables to US Based Multinational Corporations with a BBB- rating or better

--

AR CONCENTRATIONS

PolyOne Corporation

As of: _____

Consolidated												Ineligibles			Eligible A/R	Conc Cap	Conc IE	% of Balance
#	Customer Name Calc	% or \$ Allowed of Eligible AR	% of Eligible	% of AR	Total	Future	0 - 30 DOI	31 - 60 DOI	61 - 90 DOI	91 - 120 DOI	121+ DOI	ERS	Adjustments	Total				
1		15%	#N/A	#N/A		—								—	—	—	—	
2		10%	#N/A	#N/A		—							—	—	—	—	—	
3		10%	#N/A	#N/A		—								—	—	—	—	
4		10%	#N/A	#N/A		—								—	—	—	—	
5		10%	#N/A	#N/A		—								—	—	—	—	
6		10%	#N/A	#N/A		—								—	—	—	—	
7		10%	#N/A	#N/A		—								—	—	—	—	
8		10%	#N/A	#N/A		—								—	—	—	—	
9		10%	#N/A	#N/A		—								—	—	—	—	
10		10%	#N/A	#N/A		—				—				—	—	—	—	
Total Analyzed			#N/A	#N/A	—	—	—	—	—	—	—	—	—	—	—		—	

CONSOLIDATED TOTAL AR	#N/A	—	—	—	—	—	—	—	—
-----------------------	------	---	---	---	---	---	---	---	---

Remaining AR	#N/A	—	—	—	—	—	—	—	—
--------------	------	---	---	---	---	---	---	---	---

Ineligible AR Prior to Concentration Ineligible	—
---	---

Net Eligible AR Prior to Concentration Ineligible	—
---	---

Concentration Caps or Limits per LSA:

Names (Customer_Name_Calc)	% or Dollar Cap
WHIRLPOOL	15%
All Others	10%

WHIRLPOOL FOREIGN CAP @ 15MM CALC

Filter: customer_name_calc = 'WHIRLPOOL' and NOT match(country_calc,'USA','Canada')

Total AR	0.00
Past Due	0.00
Past Due Credits	0.00
Debit Memo	0.00
Contra	0.00
Other1	0.00
Other4- Not payable in USD	0.00
Eligible Foreign Receivables	0.00
Max Allowed	15,000,000.00
Ineligible	—

AR DILUTION

Per Field Exam

<i>Dilution Calculation Detail:</i>	<i>US PolyOne</i>	<i>Color Matrix</i>	<i>Canada PolyOne (USD)</i>
<i>Allowed Dilution</i>	5.0%	5.0%	5.0%
<i>Current Dilution (per Field Exam - Consolidated)</i>	0.0%	0.0%	0.0%
<i>Dilution Reserve %</i>	0.0%	0.0%	0.0%
<i>Eligible Receivables</i>	—	—	—
<i>Dilution Ineligible</i>	—	—	—
<i>Dilution Ineligible (grossed up)</i>	—	—	—
Lookback period per LSA	12	12	12
Field exam cutoff date			

Name: PolyOne Corporation

--

Appraisal Review													
As of:													
	US - RM	US - WIP	US - FG	US - Stores	US - In-transit	Spartech - RM	Spartech - WIP	Spartech - FG	Spartech - Supplies	Spartech - In-transit	Color Matrix - RM	Color Matrix - WIP	Color Matrix - EQUIP & FG
Eligible Inventory per Appraisal	—	—	—	—	—	—	—	—	—	—	—	—	—
Appraised NOLV %	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
85%	% of NOLV												

Appraised Value	—	—	—	—	—	—	—	—	—	—	—	—	—
Appraisal Reserve	—	—	—	—	—	—	—	—	—	—	—	—	—
Appraisal Ineligible (grossed up)	—	—	—	—	—	—	—	—	—	—	—	—	—

Inventory Availability Detail

Name: PolyOne Corporation

Based on the Inventory Perpetual dated:

Loan ID #:		PCIB4	PCIB5	PCIB6	PCIB7	PCIB4	PCIB5	PCIB6	PCIB7	Total
Inventory Category:		PolyOne Canada - RM (USD)	PolyOne Canada - WIP (USD)	PolyOne Canada - FG (USD)	PolyOne Canada - In-transit (USD)	Spartech Canada - RM (USD)	Spartech Canada - WIP (USD)	Spartech Canada - FG (USD)	Spartech Canada - In-transit (USD)	
ERS	ERS Perpetual Inventory Total:									
ERS	ERS Trial Balance Adjustments:									
Manual	Manual Inventory Total:									
Total Gross Inventory:										
ERS	Foreign									
ERS	Tolling									
ERS	Outside Processors/Offsite									
ERS	Consigned/Vendor Owned									
ERS	Packaging/Labels									
ERS	Offgrade, Scrap, Rework									
ERS	Semi-Finished									
ERS	R&D									
ERS	Locations < \$100M									
ERS	Ineligible10									
Manual	WIP									
Manual	Stores/Supplies									
ERS	Slow Moving (GL# 148530, 148510, TB 13994/95)									
ERS	TB Test Count Variances									
Manual	Regrind Reserve (GL#13991)									
Manual	Dow branded inventory									
Manual	Producer Services Reserve									
Manual	Addl Resin Cost Capitalization									
Manual	LCM/Labor Overhead Reserve (GL#13992/99)									
Manual	CSC COGS for Accrued									
Manual	Block for Unknowns									
Manual	Manual12									
Manual	Manual13									
Manual	Manual14									
Manual	Manual15									
Manual	Reserve grossed up as Ineligible									
Manual	Appraisal Reserve (grossed up)									
Total Ineligible Inventory:		—	—	—	—	—	—	—	—	—
Eligible Inventory		—	—	—	—	—	—	—	—	—
Advance Rate		70.00%	0.00%	70.00%	70.00%	70.00%	0.00%	70.00%	70.00%	#DIV/0!
Availability before Sublimit		—	—	—	—	—	—	—	—	—
Sublimits										
Net Inventory Availability		—	—	—	—	—	—	—	—	—

Appraisal Review									
As of:		PolyOne Canada - RM (USD)	PolyOne Canada - WIP (USD)	PolyOne Canada - FG (USD)	PolyOne Canada - In-transit (USD)	Spartech Canada - RM (USD)	Spartech Canada - WIP (USD)	Spartech Canada - FG (USD)	Spartech Canada - In-transit (USD)
Eligible Inventory per Appraisal		—	—	—	—	—	—	—	—
Appraised NOLV %									
85% % of NOLV									
Appraised Value		—	—	—	—	—	—	—	—
Appraisal Reserve		—	—	—	—	—	—	—	—

3a - Inventory Detail (16-30)

Inventory Availability Summary

Name: PolyOne Corporation

Based on the Inventory Perpetual dated:

Inventory Category:		US Total	Canada (USD) Total	Consolidated (USD)
ERS Perpetual Inventory Total:		—	—	—
ERS Trial Balance Adjustments:		—	—	—
Manual Inventory Total:		—	—	—
Total Gross Inventory:		—	—	—
ERS	Foreign	—	—	—
ERS	Tolling	—	—	—
ERS	Outside Processors/Offsite	—	—	—
ERS	Consigned/Vendor Owned	—	—	—
ERS	Packaging/Labels	—	—	—
ERS	Offgrade, Scrap, Rework	—	—	—
ERS	Semi-Finished	—	—	—
ERS	R&D	—	—	—
ERS	Locations < \$100M	—	—	—
ERS	Ineligible10	—	—	—
Manual	WIP	—	—	—
Manual	Stores/Supplies	—	—	—
ERS TB	Slow Moving (GL# 148530, 148510, 13994/95)	—	—	—
ERS TB	Test Count Variances	—	—	—
Manual	Regrind Reserve (GL#13991)	—	—	—
Manual	Dow branded inventory	—	—	—
Manual	Producer Services Reserve	—	—	—
Manual	Addl Resin Cost Capitalization	—	—	—
ERS TB	LCM/Labor Overhead Reserve (GL#13992/99)	—	—	—
Manual	CSC COGS for Accrued	—	—	—
Manual	Block for Unknowns	—	—	—
Manual	Accrued Royalties GL 324020	—	—	—
Manual	Manual13	—	—	—
Manual	Manual14	—	—	—
Manual	Manual15	—	—	—
Manual	Reserve grossed up as Ineligible	—	—	—
Manual	Appraisal Reserve (grossed up)	—	—	—
Total Ineligible Inventory:		—	—	—
Eligible Inventory		—	—	—
Advance Rate		70.00%	70.00%	#DIV/0!
Availability before Sublimit		—	—	—
Sublimits		240,000,000.00	30,000,000.00	240,000,000.00
Net Inventory Availability		—	—	—

Inventory Availability by Posting Pools

Name: PolyOne Corporation

Based on the Inventory Perpetual dated:

Loan ID #:		PCIA2	PCIA3	PCIA4	PCIA5	PCIA6	PCIAD	PCIAE	PCIAF	PCIB4	PCIB5	PCIB6	PCIB7	
Inventory Category:		US - RM	US - WIP	US - FG	US - Stores	US - In-transit	Color Matrix - RM	Color Matrix - WIP	Color Matrix - EQUIP & FG	PolyOne Canada - RM (USD)	PolyOne Canada - WIP (USD)	PolyOne Canada - FG (USD)	PolyOne Canada - In-transit (USD)	Consolidated (USD)
ERS Perpetual Inventory Total:														
ERS Trial Balance Adjustments:														
Manual Inventory Total:														
Total Gross Inventory:														
ERS	Foreign													
ERS	Tolling													
ERS	Outside Processors/Offsite													
ERS	Consigned/Vendor Owned													
ERS	Packaging/Labels													
ERS	Offgrade, Scrap, Rework													
ERS	Semi-Finished													
ERS	R&D													
ERS	Locations < \$100M													
ERS	Ineligible10													
Manual	WIP													
Manual	Stores/Supplies													
ERS	Slow Moving (GL# 148530, 148510, TB 13994/95)													
ERS	TB Test Count Variances													
Manual	Regrind Reserve (GL#13991)													
Manual	Dow branded inventory													
Manual	Producer Services Reserve													
Manual	Addl Resin Cost Capitalization													
ERS	LCM/Labor Overhead													
TB	Reserve (GL#13992/99)													
Manual	CSC COGS for Accrued													
Manual	Block for Unknowns													
Manual	Accrued Royalties GL 324020													
Manual	Manual13													
Manual	Manual14													
Manual	Manual15													
Manual	Reserve grossed up as Ineligible													
Manual	Appraisal Reserve (grossed up)													
Total Ineligible Inventory:														
Eligible Inventory														
Advance Rate		70.00%	0.00%	70.00%	0.00%	70.00%	70.00%	0.00%	70.00%	70.00%	0.00%	70.00%	70.00%	#DIV/0!
Availability before Sublimit		—	—	—	—	—	—	—	—	—	—	—	—	—
Sublimits														
Net Inventory Availability		—	—	—	—	—	—	—	—	—	—	—	—	—

In-Transit Inventory Availability Summary

Name: PolyOne Corporation

Based on the Inventory Perpetual dated:

Inventory Category:		US Total	Canada Total	Consolidated Total (USD)
ERS Perpetual Inventory Total:		—	—	—
ERS Trial Balance Adjustments:		—	—	—
Manual Inventory Total:		—	—	—
Total Gross Inventory:		—	—	—
ERS	Foreign	—	—	—
ERS	Tolling	—	—	—
ERS	Outside Processors/Offsite	—	—	—
ERS	Consigned/Vendor Owned	—	—	—
ERS	Packaging/Labels	—	—	—
ERS	Offgrade, Scrap, Rework	—	—	—
ERS	Semi-Finished	—	—	—
ERS	R&D	—	—	—
ERS	Locations < \$100M	—	—	—
ERS	Ineligible10	—	—	—
Manual	WIP	—	—	—
Manual	Stores/Supplies	—	—	—
ERS TB	Slow Moving (GL# 148530, 148510, 13994/95)	—	—	—
ERS TB	Test Count Variances	—	—	—
Manual	Regrind Reserve (GL#13991)	—	—	—
Manual	Dow branded inventory	—	—	—
Manual	Producer Services Reserve	—	—	—
Manual	Addl Resin Cost Capitalization	—	—	—
ERS TB	LCM/Labor Overhead Reserve (GL#13992/99)	—	—	—
Manual	CSC COGS for Accrued	—	—	—
Manual	Block for Unknowns	—	—	—
Manual	Accrued Royalties GL 324020	—	—	—
Manual	Manual13	—	—	—
Manual	Manual14	—	—	—
Manual	Manual15	—	—	—
Manual	Reserve grossed up as Ineligible	—	—	—
Manual	Appraisal Reserve (grossed up)	—	—	—
Total Ineligible Inventory:		—	—	—
Eligible Inventory		—	—	—
Advance Rate		70.00%	70.00%	70.00%
Availability before Sublimit		—	—	—
Sublimits				15,000,000.00
Net Inventory Availability		—	—	—

Reserve needed: —

Accounts Receivable Comparison

Name: PolyOne Corporation

Report based on Aging dated:

Aging Spreads:

		Change	% Change	Comments
Future	—	—	0.0%	
1 - 30 DOI	—	—	0.0%	
31 - 60 DOI	—	—	0.0%	
61 - 90 DOI	—	—	0.0%	
91 - 120 DOI	—	—	0.0%	
121+ DOI	—	—	0.0%	

A/R Aging Balance:

Ineligibles:

ERS	Past Due-> 121 DOI; > 61 DPD	—		—	
ERS	Past Due Credits	—		—	
ERS	CrossAge	—		—	0.0%
ERS	Intercompany	—		—	0.0%
ERS	Foreign	—		—	0.0%
ERS	Government	—		—	0.0%
ERS	COD	—		—	0.0%
ERS	Debit Memo	—		—	0.0%
ERS	Customer Deposits	—		—	0.0%
ERS	Employee Sales	—		—	0.0%
ERS	Progress Billing	—		—	0.0%
ERS	Extended Terms	—		—	0.0%
ERS	Finance Charges	—		—	0.0%
ERS	Guaranteed	—		—	0.0%
ERS	Coop Advertising	—		—	0.0%
ERS	Samples	—		—	0.0%
ERS	Consignment Sales	—		—	0.0%
ERS	Bill & Hold	—		—	0.0%
ERS	Bankrupt/Doubtful	—		—	0.0%
ERS	Contra	—		—	0.0%
ERS	Other1-Shortpays	—		—	0.0%
ERS	Other2-Foreign (prior to insurance review)	—		—	0.0%
Formula	Other3-Eligible foreign credit ins add-back	—		—	0.0%
ERS	Other4-Whirlpool Mexico not billed in USD	—		—	0.0%
Formula	Other6->30MM Foreign Sub of US Entities	—		—	0.0%
ERS TB	Unbilled Sales/Credits (GL#120300)	—		—	0.0%
ERS TB	Rebates (GL#120500, #2015, #120550)	—		—	0.0%
Manual	Deferred Revenue (GL#460100 & GL#344450)	—		—	0.0%
Manual	FOB Destination Ineligible	—		—	0.0%
ERS TB	Unapplied Cash (GL#12120)	—		—	0.0%
Manual	Whirlpool Foreign Cap exceeding \$15MM	—		—	0.0%
Manual	Concentration Cap	—		—	0.0%
ERS TB	PST/GST (GL#340150-#340210, GL#23101,23103,23105)-Reserve grossed up	—		—	0.0%
Manual	Canadian WEPA-03/31/2015 366,000.00-Reserve grossed up	—		—	0.0%
Manual	Wisconsin Wage Lien-Reserve grossed up	—		—	0.0%
Manual	Dilution Ineligible (grossed up)	—		—	0.0%

Total Ineligible A/R:

Eligible A/R

A/R Availability before Sublimit(s)

Line Limit or Sublimit(s)

-		-
---	--	---

Page AR Comparison

Inventory Comparison

Name: PolyOne Corporation

Based on the Inventory Perpetual dated:				Change	% Change	Comments
ERS Inventory Total:		—		—	0.0%	
ERS Trial Balance Adjustments:		—				
Manual Inventory Total:		—		—	0.0%	
Total Gross Inventory:		—		—	0.0%	
ERS	Foreign	—		—	0.0%	
ERS	Tolling	—		—	0.0%	
ERS	Outside Processors/Offsite	—		—	0.0%	
ERS	Consigned/Vendor Owned	—		—	0.0%	
ERS	Packaging/Labels	—		—	0.0%	
ERS	Offgrade, Scrap, Rework	—		—	0.0%	
ERS	Semi-Finished	—		—	0.0%	
ERS	R&D	—		—	0.0%	
ERS	Locations < \$100M	—		—	0.0%	
ERS	Ineligible10	—		—	0.0%	
Manual	WIP	—		—	0.0%	
Manual	Stores/Supplies	—		—	0.0%	
ERS TB	Slow Moving (GL# 148530, 148510, 13994/95)	—		—	0.0%	
ERS TB	Test Count Variances	—		—	0.0%	
Manual	Regrind Reserve (GL#13991)	—		—	0.0%	
Manual	Dow branded inventory	—		—	0.0%	
Manual	Producer Services Reserve	—		—	0.0%	
Manual	Addl Resin Cost Capitalization	—		—	0.0%	
ERS TB	LCM/Labor Overhead Reserve (GL#13992/99)	—		—	0.0%	
Manual	CSC COGS for Accrued	—		—	0.0%	
Manual	Block for Unknowns	—		—	0.0%	
Manual	Accrued Royalties GL 324020	—		—	0.0%	
Manual	Manual13	—		—	0.0%	
Manual	Manual14	—		—	0.0%	
Manual	Manual15	—		—	0.0%	
Manual	Reserve grossed up as Ineligible	—		—	0.0%	
Manual	Reserve grossed up as Ineligible	—		—	0.0%	
Manual	Reserve grossed up as Ineligible	—		—	0.0%	
Manual	Appraisal Reserve (grossed up)	—		—	0.0%	
Total Ineligible Inventory:		—		—	0.0%	
Eligible Inventory		—		—	0.0%	
Availability before Sublimit		—		—	0.0%	
Sublimits		240,000,000.00	240,000,000.00			
Net Inventory Availability		—		—	0.0%	

Schedule A-3 to the Credit Agreement

AUTHORIZED PERSONS

Giuseppe Di Salvo

John Hornickel

Lisa Kunkle

Scott Leffler

Jason Peterson

Bradley Richardson

Signature Page to Third Amendment to Amended and Restated Credit Agreement

Schedule E-2 to the Credit Agreement

Eligible Life Insurance Policies

[attach list]

Northwestern Mutual Insurance Summary as of 5/31/2015

	(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
No. of					Policy	Issue	Ins.	Annual Premium		Total	Cash			
Policies	Plan	Policy Type	Policy Owner	Policy Beneficiary	Number	Date	Plan	Amount	Pd To Date	Death Benefit	Surrender	Loan Indebtedness	Principal Interest	Rate
1	1	65 Life	PolyOne Corp.	PolyOne Corp.	7294242	12/1/1976	Pd Up Life	0.00	n/a	449,305	387,764.81	0.00	0.00	6.15%
2	1	65 Life	PolyOne Corp.	PolyOne Corp.	7767666	12/1/1978	Pd Up Life	0.00	n/a	88,381	76,275.67	0.00	0.00	6.15%
3	1	65 Life	PolyOne Corp.	PolyOne Corp.	8236571	12/1/1980	Pd Up Life	0.00	n/a	225,563	194,668.19	0.00	0.00	6.15%
4	1	65 Life	PolyOne Corp.	PolyOne Corp.	6355378	12/1/1970	Pd Up Life	0.00	n/a	828,437	807,174.60	0.00	0.00	6.00%
5	1	65 Life	PolyOne Corp.	PolyOne Corp.	6918609	12/1/1974	Pd Up Life	0.00	n/a	85,278	83,089.28	0.00	0.00	6.00%
6	1	65 Life	PolyOne Corp.	PolyOne Corp.	7304078	12/1/1976	Pd Up Life	0.00	n/a	155,416	151,427.14	0.00	0.00	6.15%
7	1	EOL	PolyOne Corp.	PolyOne Corp.	9798563	12/1/1985	OL EOL	924.05	12/1/2015	117,383	62,936.44	0.00	0.00	6.15%
8	1	Adj CL	PolyOne Corp.	PolyOne Corp.	13399562	6/1/1995	Adj CL	28,902.37	6/1/2015	1,404,224	789,410.62	0.00	0.00	8.00%
9	1	EOL	PolyOne Corp.	PolyOne Corp.	9804415	12/1/1985	OL EOL	1,612.69	12/1/2015	168,866	106,848.44	0.00	0.00	6.15%
10	1	65 Life	PolyOne Corp.	PolyOne Corp.	10574504	12/1/1987	Pd Up Life	0.00	n/a	23,353	16,171.02	0.00	0.00	8.00%
11	1	65 Life	PolyOne Corp.	PolyOne Corp.	11070883	6/1/1989	Pd Up Life	0.00	n/a	154,666	108,150.65	0.00	0.00	8.00%
12	1	65 Life	PolyOne Corp.	PolyOne Corp.	11624207	12/1/1990	Pd Up Life	0.00	n/a	25,767	17,842.61	0.00	0.00	8.00%
13	1	65 Life	PolyOne Corp.	PolyOne Corp.	6961852A	12/1/1974	Pd Up Life	0.00	n/a	39,891	29,311.02	0.00	0.00	6.00%
14	1	65 Life	PolyOne Corp.	PolyOne Corp.	7317464A	12/1/1976	Pd Up Life	0.00	n/a	61,064	44,868.46	0.00	0.00	6.15%
15	1	65 Life	PolyOne Corp.	PolyOne Corp.	7322483	12/1/1976	Pd Up Life	0.00	n/a	193,030	141,834.14	0.00	0.00	6.15%
16	1	65 Life	PolyOne Corp.	PolyOne Corp.	7766628	12/1/1978	Pd Up Life	0.00	n/a	43,174	31,723.30	0.00	0.00	6.15%
17	1	65 Life	PolyOne Corp.	PolyOne Corp.	10651468	12/1/1987	Pd Up Life	0.00	n/a	143,420	103,129.98	0.00	0.00	8.00%
18	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9813097	12/1/1985	IWL 90	4,554.66	12/1/2015	339,213	219,244.64	0.00	0.00	5.00%
19	1	65 Life	PolyOne Corp.	PolyOne Corp.	10572825	12/1/1987	Pd Up Life	0.00	n/a	278,975	196,928.54	0.00	0.00	8.00%
20	1	65 Life	PolyOne Corp.	PolyOne Corp.	11070687	6/1/1989	Pd Up Life	0.00	n/a	178,409	127,131.31	0.00	0.00	8.00%
21	1	65 Life	PolyOne Corp.	PolyOne Corp.	11623682	12/1/1990	Pd Up Life	0.00	n/a	284,511	200,836.40	0.00	0.00	8.00%
22	1	90 Life	PolyOne Corp.	PolyOne Corp.	12228740	6/1/1992	90 Life	2,441.57	6/1/2015	100,777	56,481.01	0.00	0.00	8.00%
23	1	Adj CL	PolyOne Corp.	PolyOne Corp.	12810649	12/1/1993	Adj CL	6,899.99	12/1/2015	430,382	268,947.61	0.00	0.00	8.00%
24	1	65 Life	PolyOne Corp.	PolyOne Corp.	6354044	12/1/1970	Pd Up Life	0.00	n/a	163,371	136,942.35	0.00	0.00	6.00%
25	1	65 Life	PolyOne Corp.	PolyOne Corp.	6626970	12/1/1972	Pd Up Life	0.00	n/a	47,575	39,878.76	0.00	0.00	6.00%
26	1	65 Life	PolyOne Corp.	PolyOne Corp.	6941202	12/1/1974	Pd Up Life	0.00	n/a	44,353	37,177.98	0.00	0.00	6.00%
27	1	65 Life	PolyOne Corp.	PolyOne Corp.	7295669	12/1/1976	Pd Up Life	0.00	n/a	82,984	69,559.61	0.00	0.00	6.15%
28	1	65 Life	PolyOne Corp.	PolyOne Corp.	7760432	12/1/1978	Pd Up Life	0.00	n/a	235,395	197,314.96	0.00	0.00	6.15%
29	1	65 Life	PolyOne Corp.	PolyOne Corp.	8224946	12/1/1980	Pd Up Life	0.00	n/a	134,317	112,588.43	0.00	0.00	6.15%
30	1	65 Life	PolyOne Corp.	PolyOne Corp.	11072760	6/1/1989	Pd Up Life	0.00	n/a	60,387	41,407.52	0.00	0.00	8.00%
31	1	65 Life	PolyOne Corp.	PolyOne Corp.	11623723	12/1/1990	Pd Up Life	0.00	n/a	180,068	122,238.02	0.00	0.00	8.00%
32	1	65 Life	PolyOne Corp.	PolyOne Corp.	12810626	12/1/1993	Pd Up Life	0.00	n/a	101,441	68,862.58	0.00	0.00	8.00%
33	1	65 Life	PolyOne Corp.	PolyOne Corp.	6356267	12/1/1970	Pd Up Life	0.00	n/a	222,057	189,857.03	0.00	0.00	6.00%

Northwestern Mutual Insurance Summary as of 5/31/2015

	(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
No. of					Policy	Issue	Ins.	<u>Annual Premium</u>		Total	Cash			
Policies	Plan	Policy Type	Policy Owner	Policy Beneficiary	Number	Date	Plan	Amount	Pd To Date	Death Benefit Amount	Surrender Value	Loan Principal	Interest	Indebtedness Rate
34	1	65 Life	PolyOne Corp.	PolyOne Corp.	6618111	12/1/1972	Pd Up Life	0.00	n/a	218,109	186,481.52	0.00	0.00	6.00%
35	1	65 Life	PolyOne Corp.	PolyOne Corp.	6915909	12/1/1974	Pd Up Life	0.00	n/a	81,788	69,928.12	0.00	0.00	6.00%
36	1	65 Life	PolyOne Corp.	PolyOne Corp.	7322472	12/1/1976	Pd Up Life	0.00	n/a	130,570	111,636.34	0.00	0.00	6.15%
37	1	65 Life	PolyOne Corp.	PolyOne Corp.	7766627	12/1/1978	Pd Up Life	0.00	n/a	165,404	141,419.15	0.00	0.00	6.15%
38	1	65 Life	PolyOne Corp.	PolyOne Corp.	8224899	12/1/1980	Pd Up Life	0.00	n/a	280,634	239,939.91	0.00	0.00	6.15%
39	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9851550	12/1/1985	IWL 90	5,173.92	12/1/2015	339,906	218,634.99	0.00	0.00	5.00%
40	1	65 Life	PolyOne Corp.	PolyOne Corp.	6653217	12/1/1972	Pd Up Life	0.00	n/a	402,528	347,394.73	0.00	0.00	6.00%
41	1	65 Life	PolyOne Corp.	PolyOne Corp.	6952196	12/1/1974	Pd Up Life	0.00	n/a	91,792	79,219.47	0.00	0.00	6.00%
42	1	65 Life	PolyOne Corp.	PolyOne Corp.	7325315	12/1/1976	Pd Up Life	0.00	n/a	148,089	127,805.62	0.00	0.00	6.15%
43	1	65 Life	PolyOne Corp.	PolyOne Corp.	7772780	12/1/1978	Pd Up Life	0.00	n/a	151,007	130,323.94	0.00	0.00	6.15%
44	1	65 Life	PolyOne Corp.	PolyOne Corp.	8289509	12/1/1980	Pd Up Life	0.00	n/a	199,408	172,095.59	0.00	0.00	6.15%
45	1	65 Life	PolyOne Corp.	PolyOne Corp.	14974169	6/1/1989	65 Life	2,558.85	6/1/2015	170,298	86,594.77	0.00	0.00	8.00%
46	1	65 Life	PolyOne Corp.	PolyOne Corp.	14974181	12/1/1993	65 Life	3,602.53	12/1/2015	162,568	78,652.19	0.00	0.00	8.00%
47	1	65 Life	PolyOne Corp.	PolyOne Corp.	14974186	6/1/1989	65 Life	2,721.71	6/1/2015	183,742	93,527.15	0.00	0.00	8.00%
48	1	65 Life	PolyOne Corp.	PolyOne Corp.	14974195	6/1/1989	65 Life	1,899.88	6/1/2015	130,999	66,808.95	0.00	0.00	8.00%
49	1	65 Life	PolyOne Corp.	PolyOne Corp.	14976337	6/1/1989	65 Life	1,771.23	6/1/2015	117,945	60,000.52	0.00	0.00	8.00%
50	1	65 Life	PolyOne Corp.	PolyOne Corp.	14977897	12/1/1990	65 Life	1,745.37	12/1/2015	102,530	51,034.45	0.00	0.00	8.00%
51	1	EOL	PolyOne Corp.	PolyOne Corp.	9831761	12/1/1985	OL EOL	744.09	12/1/2015	91,172	50,156.84	0.00	0.00	6.15%
52	1	65 Life	PolyOne Corp.	PolyOne Corp.	10573149	12/1/1987	Pd Up Life	0.00	n/a	185,976	113,425.36	0.00	0.00	8.00%
53	1	65 Life	PolyOne Corp.	PolyOne Corp.	11070753	6/1/1989	Pd Up Life	0.00	n/a	248,253	153,135.35	0.00	0.00	8.00%
54	1	65 Life	PolyOne Corp.	PolyOne Corp.	11624145	12/1/1990	Pd Up Life	0.00	n/a	182,717	111,437.73	0.00	0.00	8.00%
55	1	65 Life	PolyOne Corp.	PolyOne Corp.	9831877A	12/1/1985	Pd Up Life	0.00	n/a	346,654	266,467.30	0.00	0.00	6.15%
56	1	65 Life	PolyOne Corp.	PolyOne Corp.	6352403	12/1/1970	Pd Up Life	0.00	n/a	494,189	414,243.65	0.00	0.00	6.00%
57	1	65 Life	PolyOne Corp.	PolyOne Corp.	6618157	12/1/1972	Pd Up Life	0.00	n/a	138,409	116,018.47	0.00	0.00	6.00%
58	1	65 Life	PolyOne Corp.	PolyOne Corp.	6915844	12/1/1974	Pd Up Life	0.00	n/a	135,597	113,661.36	0.00	0.00	6.00%
59	1	65 Life	PolyOne Corp.	PolyOne Corp.	7294245	12/1/1976	Pd Up Life	0.00	n/a	279,212	234,043.65	0.00	0.00	6.15%
60	1	65 Life	PolyOne Corp.	PolyOne Corp.	7782685	12/1/1978	Pd Up Life	0.00	n/a	365,371	306,264.64	0.00	0.00	6.15%
61	1	65 Life	PolyOne Corp.	PolyOne Corp.	8224065	12/1/1980	Pd Up Life	0.00	n/a	109,517	91,800.34	0.00	0.00	6.15%
62	1	IWL 90	PolyOne Corp.	PolyOne Corp.	10262698	12/1/1985	IWL 90	534.07	12/1/2015	26,476	20,748.52	0.00	0.00	5.00%
63	1	65 Life	PolyOne Corp.	PolyOne Corp.	7782693A	12/1/1978	Pd Up Life	0.00	n/a	70,644	48,551.49	0.00	0.00	6.15%
64	1	65 Life	PolyOne Corp.	PolyOne Corp.	8260034A	12/1/1980	Pd Up Life	0.00	n/a	426,561	293,162.47	0.00	0.00	6.15%
65	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9909657	12/1/1985	IWL 90	2,562.19	12/1/2015	219,088	141,167.83	0.00	0.00	5.00%
66	1	65 Life	PolyOne Corp.	PolyOne Corp.	10573188	12/1/1987	Pd Up Life	0.00	n/a	234,851	156,206.15	0.00	0.00	8.00%
67	1	65 Life	PolyOne Corp.	PolyOne Corp.	11070804	6/1/1989	Pd Up Life	0.00	n/a	203,340	136,649.02	0.00	0.00	8.00%

Northwestern Mutual Insurance Summary as of 5/31/2015

	(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
No. of					Policy	Issue	Ins.	<u>Annual Premium</u>		Total Death Benefit	Cash Surrender	<u>Loan Indebtedness</u>		
Policies	Plan	Policy Type	Policy Owner	Policy Beneficiary	Number	Date	Plan	Amount	Pd To Date	Amount	Value	Principal	Interest	Rate
68	1	65 Life	PolyOne Corp.	PolyOne Corp.	11624346	12/1/1990	Pd Up Life	0.00	n/a	253,133	168,366.03	0.00	0.00	8.00%
69	1	90 Life	PolyOne Corp.	PolyOne Corp.	12228759	6/1/1992	90 Life	2,682.21	6/1/2015	125,412	65,035.78	0.00	0.00	8.00%
70	1	65 Life	PolyOne Corp.	PolyOne Corp.	12810598	12/1/1993	Pd Up Life	0.00	n/a	194,654	129,469.97	0.00	0.00	8.00%
71	1	65 Life	PolyOne Corp.	PolyOne Corp.	10572807	12/1/1987	Pd Up Life	0.00	n/a	184,047	117,342.37	0.00	0.00	8.00%
72	1	65 Life	PolyOne Corp.	PolyOne Corp.	11070879	6/1/1989	Pd Up Life	0.00	n/a	134,018	84,522.75	0.00	0.00	8.00%
73	1	65 Life	PolyOne Corp.	PolyOne Corp.	11623763	12/1/1990	Pd Up Life	0.00	n/a	158,369	100,970.92	0.00	0.00	8.00%
74	1	65 Life	PolyOne Corp.	PolyOne Corp.	12810491	12/1/1993	65 Life	3,500.00	12/1/2015	221,175	81,643.27	0.00	0.00	8.00%
75	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9923713	12/31/1985	IWL 90	4,939.03	12/31/2015	250,349	192,460.97	0.00	0.00	5.00%
76	1	65 Life	PolyOne Corp.	PolyOne Corp.	10572994	12/1/1987	Pd Up Life	0.00	n/a	161,236	130,963.31	0.00	0.00	8.00%
77	1	65 Life	PolyOne Corp.	PolyOne Corp.	6357023	12/1/1970	Pd Up Life	0.00	n/a	517,636	497,762.50	0.00	0.00	6.00%
78	1	65 Life	PolyOne Corp.	PolyOne Corp.	6942637	12/1/1974	Pd Up Life	0.00	n/a	90,016	86,560.03	0.00	0.00	6.00%
79	1	65 Life	PolyOne Corp.	PolyOne Corp.	7304101	12/1/1976	Pd Up Life	0.00	n/a	116,321	111,855.11	0.00	0.00	6.15%
80	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9831902	12/1/1985	IWL 90	4,051.91	12/1/2015	301,156	194,612.96	0.00	0.00	5.00%
81	1	65 Life	PolyOne Corp.	PolyOne Corp.	10573058	12/1/1987	Pd Up Life	0.00	n/a	265,679	162,035.62	0.00	0.00	8.00%
82	1	65 Life	PolyOne Corp.	PolyOne Corp.	11070932	6/1/1989	Pd Up Life	0.00	n/a	156,086	94,115.47	0.00	0.00	8.00%
83	1	65 Life	PolyOne Corp.	PolyOne Corp.	11620786	12/1/1990	Pd Up Life	0.00	n/a	104,646	63,822.81	0.00	0.00	8.00%
84	1	65 Life	PolyOne Corp.	PolyOne Corp.	12810395	12/1/1993	Pd Up Life	0.00	n/a	67,950	41,442.19	0.00	0.00	8.00%
85	1	65 Life	PolyOne Corp.	PolyOne Corp.	6368029	12/1/1970	Pd Up Life	0.00	n/a	464,833	404,835.92	0.00	0.00	6.00%
86	1	65 Life	PolyOne Corp.	PolyOne Corp.	6645312	12/1/1972	Pd Up Life	0.00	n/a	78,957	68,765.84	0.00	0.00	6.00%
87	1	65 Life	PolyOne Corp.	PolyOne Corp.	6958796	12/1/1974	Pd Up Life	0.00	n/a	56,194	48,940.91	0.00	0.00	6.00%
88	1	65 Life	PolyOne Corp.	PolyOne Corp.	7330244	12/1/1976	Pd Up Life	0.00	n/a	159,977	139,328.40	0.00	0.00	6.15%
89	1	65 Life	PolyOne Corp.	PolyOne Corp.	7787340	12/1/1978	Pd Up Life	0.00	n/a	356,622	310,591.97	0.00	0.00	6.15%
90	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9835822	12/1/1985	IWL 90	1,704.16	12/1/2015	80,164	67,726.51	0.00	0.00	5.00%
91	1	65 Life	PolyOne Corp.	PolyOne Corp.	6367659	12/1/1970	Pd Up Life	0.00	n/a	546,236	480,003.75	0.00	0.00	6.00%
92	1	65 Life	PolyOne Corp.	PolyOne Corp.	6632640	12/1/1972	Pd Up Life	0.00	n/a	63,057	55,411.20	0.00	0.00	6.00%
93	1	65 Life	PolyOne Corp.	PolyOne Corp.	6937672	12/1/1974	Pd Up Life	0.00	n/a	63,540	55,835.64	0.00	0.00	6.00%
94	1	65 Life	PolyOne Corp.	PolyOne Corp.	7301987	12/1/1976	Pd Up Life	0.00	n/a	156,109	137,180.46	0.00	0.00	6.15%
95	1	65 Life	PolyOne Corp.	PolyOne Corp.	7766630	12/1/1978	Pd Up Life	0.00	n/a	211,417	185,782.25	0.00	0.00	6.15%
96	1	65 Life	PolyOne Corp.	PolyOne Corp.	8230406	12/1/1980	Pd Up Life	0.00	n/a	80,322	70,582.79	0.00	0.00	6.15%
97	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9831943	12/1/1985	IWL 90	770.30	12/1/2015	34,043	29,407.42	0.00	0.00	5.00%
98	1	65 Life	PolyOne Corp.	PolyOne Corp.	10652052	7/6/1988	Pd Up Life	0.00	n/a	1,441,802	1,044,377.76	0.00	0.00	8.00%
99	1	65 Life	PolyOne Corp.	PolyOne Corp.	11071181	6/1/1989	Pd Up Life	0.00	n/a	658,707	477,960.65	0.00	0.00	8.00%
100	1	Adj CL	PolyOne Corp.	PolyOne Corp.	11623483	12/1/1990	Adj CL	31,124.78	12/1/2015	1,744,130	1,276,382.80	0.00	0.00	8.00%
101	1	65 Life	PolyOne Corp.	PolyOne Corp.	6352812	12/1/1970	Pd Up Life	0.00	n/a	247,775	217,731.77	0.00	0.00	6.00%

Northwestern Mutual Insurance Summary as of 5/31/2015

	(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
No. of					Policy	Issue	Ins.	Annual Premium		Total Death Benefit	Cash Surrender	Loan Indebtedness		
Policies	Plan	Policy Type	Policy Owner	Policy Beneficiary	Number	Date	Plan	Amount	Pd To Date	Amount	Value	Principal	Interest	Rate
102	1	65 Life	PolyOne Corp.	PolyOne Corp.	6943690	12/1/1974	Pd Up Life	0.00	n/a	221,956	195,043.37	0.00	0.00	6.00%
103	1	65 Life	PolyOne Corp.	PolyOne Corp.	7294215	12/1/1976	Pd Up Life	0.00	n/a	176,628	155,211.48	0.00	0.00	6.15%
104	1	65 Life	PolyOne Corp.	PolyOne Corp.	7760807	12/1/1978	Pd Up Life	0.00	n/a	274,890	241,559.01	0.00	0.00	6.15%
105	1	65 Life	PolyOne Corp.	PolyOne Corp.	8223165	12/1/1980	Pd Up Life	0.00	n/a	630,533	554,079.56	0.00	0.00	6.15%
106	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9831957	12/1/1985	IWL 90	4,904.80	12/1/2015	228,167	197,201.89	0.00	0.00	5.00%
107	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9831977	12/1/1985	IWL 90	1,940.73	12/1/2015	212,328	100,584.30	0.00	0.00	5.00%
108	1	65 Life	PolyOne Corp.	PolyOne Corp.	10574760	12/1/1987	65 Life	1,294.62	12/1/2015	115,888	56,951.20	0.00	0.00	8.00%
109	1	65 Life	PolyOne Corp.	PolyOne Corp.	11070987	6/1/1989	65 Life	1,108.71	6/1/2015	86,760	40,891.77	0.00	0.00	8.00%
110	1	65 Life	PolyOne Corp.	PolyOne Corp.	11624019	12/1/1990	65 Life	2,674.27	12/1/2015	169,133	80,890.34	0.00	0.00	8.00%
111	1	65 Life	PolyOne Corp.	PolyOne Corp.	6359216	12/1/1970	Pd Up Life	0.00	n/a	237,641	208,826.53	0.00	0.00	6.00%
112	1	65 Life	PolyOne Corp.	PolyOne Corp.	6618220	12/1/1972	Pd Up Life	0.00	n/a	58,172	51,118.52	0.00	0.00	6.00%
113	1	65 Life	PolyOne Corp.	PolyOne Corp.	6915806	12/1/1974	Pd Up Life	0.00	n/a	45,892	40,327.50	0.00	0.00	6.00%
114	1	65 Life	PolyOne Corp.	PolyOne Corp.	7299113	12/1/1976	Pd Up Life	0.00	n/a	145,893	128,203.17	0.00	0.00	6.15%
115	1	65 Life	PolyOne Corp.	PolyOne Corp.	7760440	12/1/1978	Pd Up Life	0.00	n/a	356,951	313,669.95	0.00	0.00	6.15%
116	1	65 Life	PolyOne Corp.	PolyOne Corp.	8230368	12/1/1980	Pd Up Life	0.00	n/a	346,154	304,182.10	0.00	0.00	6.15%
117	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9831998	12/1/1985	IWL 90	2,310.09	12/1/2015	98,747	85,227.01	0.00	0.00	5.00%
118	1	65 Life	PolyOne Corp.	PolyOne Corp.	6355497	12/1/1970	Pd Up Life	0.00	n/a	449,766	380,835.26	0.00	0.00	6.00%
119	1	65 Life	PolyOne Corp.	PolyOne Corp.	6618130	12/1/1972	Pd Up Life	0.00	n/a	158,741	134,412.49	0.00	0.00	6.00%
120	1	65 Life	PolyOne Corp.	PolyOne Corp.	6927134	12/1/1974	Pd Up Life	0.00	n/a	132,643	112,314.25	0.00	0.00	6.00%
121	1	65 Life	PolyOne Corp.	PolyOne Corp.	7299110	12/1/1976	Pd Up Life	0.00	n/a	259,863	220,036.62	0.00	0.00	6.15%
122	1	65 Life	PolyOne Corp.	PolyOne Corp.	7766593	12/1/1978	Pd Up Life	0.00	n/a	566,477	479,659.24	0.00	0.00	6.15%
123	1	65 Life	PolyOne Corp.	PolyOne Corp.	8235477	12/1/1980	Pd Up Life	0.00	n/a	915,961	775,581.62	0.00	0.00	6.15%
124	1	Adj CL	PolyOne Corp.	PolyOne Corp.	10589990	12/1/1987	Adj CL	12,417.96	12/1/2015	752,406	604,888.80	0.00	0.00	8.00%
125	1	65 Life	PolyOne Corp.	PolyOne Corp.	7292468	12/1/1976	Pd Up Life	0.00	n/a	538,282	441,521.63	0.00	0.00	6.15%
126	1	65 Life	PolyOne Corp.	PolyOne Corp.	7761958	12/1/1978	Pd Up Life	0.00	n/a	146,076	119,817.71	0.00	0.00	6.15%
127	1	65 Life	PolyOne Corp.	PolyOne Corp.	8230428	12/1/1980	Pd Up Life	0.00	n/a	148,707	121,975.76	0.00	0.00	6.15%
128	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9803022	12/1/1985	IWL 90	797.58	12/1/2015	43,290	32,886.72	0.00	0.00	5.00%
129	1	65 Life	PolyOne Corp.	PolyOne Corp.	6920985	12/1/1974	Pd Up Life	0.00	n/a	282,948	217,497.53	0.00	0.00	6.00%
130	1	65 Life	PolyOne Corp.	PolyOne Corp.	7294248	12/1/1976	Pd Up Life	0.00	n/a	136,471	104,903.04	0.00	0.00	6.15%
131	1	65 Life	PolyOne Corp.	PolyOne Corp.	7751588A	12/1/1978	Pd Up Life	0.00	n/a	75,685	58,177.83	0.00	0.00	6.15%
132	1	65 Life	PolyOne Corp.	PolyOne Corp.	7760798	12/1/1978	Pd Up Life	0.00	n/a	162,825	125,160.93	0.00	0.00	6.15%
133	1	65 Life	PolyOne Corp.	PolyOne Corp.	8218620A	12/1/1980	Pd Up Life	0.00	n/a	57,470	44,176.26	0.00	0.00	6.15%
134	1	65 Life	PolyOne Corp.	PolyOne Corp.	8224022	12/1/1980	Pd Up Life	0.00	n/a	211,880	162,868.72	0.00	0.00	6.15%
135	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9832009	12/1/1985	IWL 90	1,943.98	12/1/2015	128,265	89,655.22	0.00	0.00	5.00%

Northwestern Mutual Insurance Summary as of 5/31/2015

	(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
No. of					Policy	Issue	Ins.	Annual Premium		Total	Cash			
Policies	Plan	Policy Type	Policy Owner	Policy Beneficiary	Number	Date	Plan	Amount	Pd To Date	Death Benefit	Surrender	Loan	Indebtedness	
										Amount	Value	Principal	Interest	Rate
136	1	65 Life	PolyOne Corp.	PolyOne Corp.	10573081	12/1/1987	Pd Up Life	0.00	n/a	325,700	246,360.08	0.00	0.00	8.00%
137	1	65 Life	PolyOne Corp.	PolyOne Corp.	11071026	6/1/1989	Pd Up Life	0.00	n/a	413,495	315,226.89	0.00	0.00	8.00%
138	1	Adj CL	PolyOne Corp.	PolyOne Corp.	11623644	12/1/1990	Adj CL	4,344.59	12/1/2015	489,981	370,464.34	0.00	0.00	8.00%
139	1	90 Life	PolyOne Corp.	PolyOne Corp.	12228525	6/1/1992	90 Life	3,865.94	6/1/2015	136,147	83,848.62	0.00	0.00	8.00%
140	1	Adj CL	PolyOne Corp.	PolyOne Corp.	12810230	12/1/1993	Adj CL	10,800.00	12/1/2015	587,902	400,602.38	0.00	0.00	8.00%
141	1	65 Life	PolyOne Corp.	PolyOne Corp.	12814338	12/1/1987	Pd Up Life	0.00	n/a	208,073	132,660.57	0.00	0.00	8.00%
142	1	65 Life	PolyOne Corp.	PolyOne Corp.	12814351	12/1/1988	Pd Up Life	0.00	n/a	485,780	309,717.51	0.00	0.00	8.00%
143	1	90 Life	PolyOne Corp.	PolyOne Corp.	12814363	6/1/1989	90 Life	5,412.08	6/1/2015	379,153	195,756.60	0.00	0.00	8.00%
144	1	Adj CL	PolyOne Corp.	PolyOne Corp.	12814421	12/1/1990	Adj CL	2,141.61	12/1/2015	340,927	217,204.82	0.00	0.00	8.00%
145	1	65 Life	PolyOne Corp.	PolyOne Corp.	6356792	12/1/1970	Pd Up Life	0.00	n/a	213,120	183,929.48	0.00	0.00	6.00%
146	1	65 Life	PolyOne Corp.	PolyOne Corp.	6618110	12/1/1972	Pd Up Life	0.00	n/a	52,900	45,654.41	0.00	0.00	6.00%
147	1	65 Life	PolyOne Corp.	PolyOne Corp.	6933387	12/1/1974	Pd Up Life	0.00	n/a	196,942	169,967.35	0.00	0.00	6.00%
148	1	65 Life	PolyOne Corp.	PolyOne Corp.	7304084	12/1/1976	Pd Up Life	0.00	n/a	293,701	253,473.51	0.00	0.00	6.15%
149	1	65 Life	PolyOne Corp.	PolyOne Corp.	7776662	12/1/1978	Pd Up Life	0.00	n/a	213,958	184,652.71	0.00	0.00	6.15%
150	1	65 Life	PolyOne Corp.	PolyOne Corp.	8230312	12/1/1980	Pd Up Life	0.00	n/a	181,271	156,442.76	0.00	0.00	6.15%
151	1	65 Life	PolyOne Corp.	PolyOne Corp.	7771159	12/1/1978	Pd Up Life	0.00	n/a	404,548	292,574.06	0.00	0.00	6.15%
152	1	65 Life	PolyOne Corp.	PolyOne Corp.	8235509	12/1/1980	Pd Up Life	0.00	n/a	158,058	114,309.48	0.00	0.00	6.15%
153	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9832017	12/1/1985	IWL 90	1,166.66	12/1/2015	83,130	53,526.01	0.00	0.00	8.00%
154	1	65 Life	PolyOne Corp.	PolyOne Corp.	10573103	12/1/1987	Pd Up Life	0.00	n/a	153,519	108,369.11	0.00	0.00	8.00%
155	1	90 Life	PolyOne Corp.	PolyOne Corp.	11071221	6/1/1989	90 Life	6,806.62	6/1/2015	296,239	170,936.51	0.00	0.00	8.00%
156	1	Adj CL	PolyOne Corp.	PolyOne Corp.	11621435	12/1/1990	Adj CL	5,706.75	12/1/2015	156,386	110,231.98	0.00	0.00	8.00%
157	1	65 Life	PolyOne Corp.	PolyOne Corp.	11633204	12/1/1990	Pd Up Life	0.00	n/a	104,967	66,923.55	0.00	0.00	8.00%
158	1	65 Life	PolyOne Corp.	PolyOne Corp.	12810202	12/1/1993	Pd Up Life	0.00	n/a	82,922	52,868.36	0.00	0.00	8.00%
159	1	65 Life	PolyOne Corp.	PolyOne Corp.	7370146	12/1/1976	Pd Up Life	0.00	n/a	214,604	164,962.61	0.00	0.00	6.15%
160	1	65 Life	PolyOne Corp.	PolyOne Corp.	7760800	12/1/1978	Pd Up Life	0.00	n/a	45,072	34,646.11	0.00	0.00	6.15%
161	1	65 Life	PolyOne Corp.	PolyOne Corp.	8224648	12/1/1980	Pd Up Life	0.00	n/a	89,190	68,558.90	0.00	0.00	6.15%
162	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9908545	12/1/1985	IWL 90	3,894.52	12/1/2015	221,156	159,861.07	0.00	0.00	5.00%
163	1	65 Life	PolyOne Corp.	PolyOne Corp.	10573192	12/1/1987	Pd Up Life	0.00	n/a	156,703	118,530.44	0.00	0.00	8.00%
164	1	65 Life	PolyOne Corp.	PolyOne Corp.	11071244	6/1/1989	Pd Up Life	0.00	n/a	255,579	191,808.58	0.00	0.00	8.00%
165	1	Adj CL	PolyOne Corp.	PolyOne Corp.	11624322	12/1/1990	Adj CL	2,644.66	12/1/2015	174,382	131,744.68	0.00	0.00	8.00%
166	1	65 Life	PolyOne Corp.	PolyOne Corp.	6355112	12/1/1970	Pd Up Life	0.00	n/a	240,790	201,837.21	0.00	0.00	6.00%
167	1	65 Life	PolyOne Corp.	PolyOne Corp.	6564907	12/1/1972	Pd Up Life	0.00	n/a	45,594	38,218.22	0.00	0.00	6.00%
168	1	65 Life	PolyOne Corp.	PolyOne Corp.	6934479	12/1/1974	Pd Up Life	0.00	n/a	149,291	125,140.07	0.00	0.00	6.00%
169	1	65 Life	PolyOne Corp.	PolyOne Corp.	7294232	12/1/1976	Pd Up Life	0.00	n/a	192,761	161,577.90	0.00	0.00	6.15%

Northwestern Mutual Insurance Summary as of 5/31/2015

	(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
No. of					Policy	Issue	Ins.	<u>Annual Premium</u>		Total Death Benefit	Cash Surrender	<u>Loan Indebtedness</u>		
Policies	Plan	Policy Type	Policy Owner	Policy Beneficiary	Number	Date	Plan	Amount	Pd To Date	Amount	Value	Principal	Interest	Rate
170	1	65 Life	PolyOne Corp.	PolyOne Corp.	7760804	12/1/1978	Pd Up Life	0.00	n/a	214,504	179,803.51	0.00	0.00	6.15%
171	1	65 Life	PolyOne Corp.	PolyOne Corp.	8230440	12/1/1980	Pd Up Life	0.00	n/a	225,891	189,348.43	0.00	0.00	6.15%
172	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9832028	12/1/1985	IWL 90	2,063.83	12/1/2015	109,953	86,421.79	0.00	0.00	5.00%
173	1	Adj CL	PolyOne Corp.	PolyOne Corp.	10573214	12/1/1987	Adj CL	3,887.15	12/1/2015	358,698	287,839.17	0.00	0.00	8.00%
174	1	90 Life	PolyOne Corp.	PolyOne Corp.	11071009	6/1/1989	90 Life	7,410.12	6/1/2015	280,186	211,837.46	0.00	0.00	8.00%
175	1	Adj CL	PolyOne Corp.	PolyOne Corp.	11623635	12/1/1990	Adj CL	3,428.58	12/1/2015	304,622	253,482.92	0.00	0.00	8.00%
176	1	65 Life	PolyOne Corp.	PolyOne Corp.	6927272	12/1/1974	Pd Up Life	0.00	n/a	198,967	159,313.63	0.00	0.00	6.00%
177	1	65 Life	PolyOne Corp.	PolyOne Corp.	7304073	12/1/1976	Pd Up Life	0.00	n/a	149,431	119,649.96	0.00	0.00	6.15%
178	1	65 Life	PolyOne Corp.	PolyOne Corp.	7770325	12/1/1978	Pd Up Life	0.00	n/a	230,645	184,678.32	0.00	0.00	6.15%
179	1	65 Life	PolyOne Corp.	PolyOne Corp.	7787336A	12/1/1978	Pd Up Life	0.00	n/a	87,151	69,782.13	0.00	0.00	6.15%
180	1	65 Life	PolyOne Corp.	PolyOne Corp.	8224032	12/1/1980	Pd Up Life	0.00	n/a	254,575	203,839.16	0.00	0.00	6.15%
181	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9915341	12/31/1985	IWL 90	1,261.89	12/31/2015	78,229	57,716.14	0.00	0.00	8.00%
182	1	65 Life	PolyOne Corp.	PolyOne Corp.	10573250	12/1/1987	Pd Up Life	0.00	n/a	288,122	227,801.93	0.00	0.00	8.00%
183	1	65 Life	PolyOne Corp.	PolyOne Corp.	11071121	6/1/1989	Pd Up Life	0.00	n/a	438,126	343,989.88	0.00	0.00	8.00%
184	1	Adj CL	PolyOne Corp.	PolyOne Corp.	11620927	12/1/1990	Adj CL	2,791.00	12/1/2015	236,351	186,717.24	0.00	0.00	8.00%
185	1	90 Life	PolyOne Corp.	PolyOne Corp.	12228565	6/1/1992	90 Life	3,197.82	6/1/2015	93,709	59,814.34	0.00	0.00	8.00%
186	1	Adj CL	PolyOne Corp.	PolyOne Corp.	12810135	12/1/1993	Adj CL	7,173.93	12/1/2015	321,999	232,411.91	0.00	0.00	8.00%
187	1	65 Life	PolyOne Corp.	PolyOne Corp.	6927633A	12/1/1974	Pd Up Life	0.00	n/a	197,098	163,475.76	0.00	0.00	6.00%
188	1	65 Life	PolyOne Corp.	PolyOne Corp.	7317833A	12/1/1976	Pd Up Life	0.00	n/a	191,171	158,559.83	0.00	0.00	6.15%
189	1	65 Life	PolyOne Corp.	PolyOne Corp.	8230346A	12/1/1980	Pd Up Life	0.00	n/a	323,798	268,562.46	0.00	0.00	6.15%
190	1	65 Life	PolyOne Corp.	PolyOne Corp.	8243091A	12/1/1980	Pd Up Life	0.00	n/a	317,932	263,697.12	0.00	0.00	6.15%
191	1	65 Life	PolyOne Corp.	PolyOne Corp.	8271029A	12/1/1980	Pd Up Life	0.00	n/a	78,140	64,810.38	0.00	0.00	6.15%
192	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9831920A	12/1/1985	IWL 90	7,983.76	12/1/2015	474,105	368,548.25	0.00	0.00	8.00%
193	1	90 Life	PolyOne Corp.	PolyOne Corp.	10061795	6/1/1986	90 Life	11,684.50	6/1/2015	666,441	512,080.31	0.00	0.00	8.00%
194	1	65 Life	PolyOne Corp.	PolyOne Corp.	10574379	12/1/1987	Pd Up Life	0.00	n/a	2,266,503	1,864,444.04	0.00	0.00	8.00%
195	1	90 Life	PolyOne Corp.	PolyOne Corp.	11071053	6/1/1989	90 Life	63,015.00	6/1/2015	2,489,450	1,845,620.88	0.00	0.00	8.00%
196	1	Adj CL	PolyOne Corp.	PolyOne Corp.	11623232	12/1/1990	Adj CL	10,752.92	12/1/2015	996,639	819,704.56	0.00	0.00	8.00%
197	1	90 Life	PolyOne Corp.	PolyOne Corp.	12228546	6/1/1992	90 Life	21,893.98	6/1/2015	603,773	424,747.79	0.00	0.00	8.00%
198	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9832036	12/1/1985	IWL 90	7,717.33	12/1/2015	399,063	325,152.40	0.00	0.00	5.00%
199	1	Adj CL	PolyOne Corp.	PolyOne Corp.	10573254	12/1/1987	Adj CL	3,810.00	12/1/2015	338,043	280,204.45	0.00	0.00	8.00%
200	1	90 Life	PolyOne Corp.	PolyOne Corp.	11071041	6/1/1989	90 Life	2,113.16	6/1/2015	70,592	55,453.25	0.00	0.00	8.00%
201	1	Adj CL	PolyOne Corp.	PolyOne Corp.	11623042	12/1/1990	Adj CL	3,209.32	12/1/2015	173,385	147,434.51	0.00	0.00	8.00%
202	1	65 Life	PolyOne Corp.	PolyOne Corp.	8223910A	12/1/1980	Pd Up Life	0.00	n/a	207,208	159,277.42	0.00	0.00	6.15%
203	1	65 Life	PolyOne Corp.	PolyOne Corp.	8236545	12/1/1980	Pd Up Life	0.00	n/a	682,129	524,341.48	0.00	0.00	6.15%

Northwestern Mutual Insurance Summary as of 5/31/2015

	(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
No. of					Policy	Issue	Ins.	Annual Premium		Total	Cash			
Policies	Plan	Policy Type	Policy Owner	Policy Beneficiary	Number	Date	Plan	Amount	Pd To Date	Death Benefit	Surrender	Loan	Indebtedness	
										Amount	Value	Principal	Interest	Rate
204	1	IWL 90	PolyOne Corp.	PolyOne Corp.	9832046	12/1/1985	IWL 90	2,323.69	12/1/2015	152,576	106,359.17	0.00	0.00	5.00%
205	1	65 Life	PolyOne Corp.	PolyOne Corp.	10652011	12/1/1987	Pd Up Life	0.00	n/a	315,269	238,470.05	0.00	0.00	8.00%
206	1	65 Life	PolyOne Corp.	PolyOne Corp.	11071077	6/1/1989	Pd Up Life	0.00	n/a	582,132	443,786.88	0.00	0.00	8.00%
207	1	Adj CL	PolyOne Corp.	PolyOne Corp.	11620871	12/1/1990	Adj CL	4,324.08	12/1/2015	487,628	368,684.53	0.00	0.00	8.00%
208	1	90 Life	PolyOne Corp.	PolyOne Corp.	12228469	6/1/1992	90 Life	4,037.00	6/1/2015	141,921	87,361.13	0.00	0.00	8.00%
209	1	Adj CL	PolyOne Corp.	PolyOne Corp.	12809947	12/1/1993	Adj CL	11,700.00	12/1/2015	636,997	434,051.61	0.00	0.00	8.00%
210	2	EOL	PolyOne Corp.	PolyOne Corp.	10131256	12/1/1985	OL EOL	2,343.02	12/1/2015	210,956	136,355.47	0.00	0.00	6.15%
211	2	65 Life	PolyOne Corp.	PolyOne Corp.	10574353	12/1/1987	Pd Up Life	0.00	n/a	45,800	32,330.24	0.00	0.00	8.00%
212	2	65 Life	PolyOne Corp.	PolyOne Corp.	11070791	6/1/1989	Pd Up Life	0.00	n/a	315,026	224,482.32	0.00	0.00	8.00%
213	2	65 Life	PolyOne Corp.	PolyOne Corp.	8236617	12/1/1980	Pd Up Life	0.00	n/a	281,614	213,327.99	0.00	0.00	6.15%
214	2	65 Life	PolyOne Corp.	PolyOne Corp.	6511513	12/1/1971	Pd Up Life	0.00	n/a	159,133	144,907.57	0.00	0.00	6.00%
215	2	65 Life	PolyOne Corp.	PolyOne Corp.	7317459	12/1/1976	Pd Up Life	0.00	n/a	99,623	90,717.37	0.00	0.00	6.15%
216	2	65 Life	PolyOne Corp.	PolyOne Corp.	8289452	12/1/1980	Pd Up Life	0.00	n/a	63,829	58,123.11	0.00	0.00	6.15%
217	2	65 Life	PolyOne Corp.	PolyOne Corp.	6927320	12/1/1974	Pd Up Life	0.00	n/a	192,666	148,099.22	0.00	0.00	6.00%
218	2	65 Life	PolyOne Corp.	PolyOne Corp.	7325308	12/1/1976	Pd Up Life	0.00	n/a	43,147	33,166.39	0.00	0.00	6.15%
219	2	65 Life	PolyOne Corp.	PolyOne Corp.	7759726	12/1/1978	Pd Up Life	0.00	n/a	44,729	34,382.46	0.00	0.00	6.15%
220	2	65 Life	PolyOne Corp.	PolyOne Corp.	8230322	12/1/1980	Pd Up Life	0.00	n/a	64,841	49,842.22	0.00	0.00	6.15%
221	2	EOL	PolyOne Corp.	PolyOne Corp.	9835745	12/1/1985	OL EOL	1,278.29	12/1/2015	113,217	78,936.59	0.00	0.00	6.15%
222	2	65 Life	PolyOne Corp.	PolyOne Corp.	6355898	12/1/1970	Pd Up Life	0.00	n/a	167,397	148,407.27	0.00	0.00	6.00%
223	2	65 Life	PolyOne Corp.	PolyOne Corp.	7313144	12/1/1976	Pd Up Life	0.00	n/a	117,270	103,966.74	0.00	0.00	6.15%
224	2	65 Life	PolyOne Corp.	PolyOne Corp.	8223899	12/1/1980	Pd Up Life	0.00	n/a	67,351	59,710.62	0.00	0.00	6.15%
225	2	EOL	PolyOne Corp.	PolyOne Corp.	9835771	12/1/1985	OL EOL	3,259.03	12/1/2015	107,620	85,647.09	0.00	0.00	6.15%
226	2	65 Life	PolyOne Corp.	PolyOne Corp.	7773689	12/1/1978	Pd Up Life	0.00	n/a	346,124	309,581.17	0.00	0.00	6.15%
227	2	65 Life	PolyOne Corp.	PolyOne Corp.	8236641	12/1/1980	Pd Up Life	0.00	n/a	66,876	59,815.42	0.00	0.00	6.15%
228	2	65 Life	PolyOne Corp.	PolyOne Corp.	8241097	12/1/1980	Pd Up Life	0.00	n/a	224,586	162,423.34	0.00	0.00	6.15%
229	2	65 Life	PolyOne Corp.	PolyOne Corp.	12814433	12/1/1987	65 Life	227.00	12/1/2015	18,543	9,129.97	0.00	0.00	8.00%
230	2	65 Life	PolyOne Corp.	PolyOne Corp.	12814492	6/1/1989	65 Life	562.20	6/1/2015	41,869	20,554.28	0.00	0.00	8.00%
231	2	EOL	PolyOne Corp.	PolyOne Corp.	9813338	12/1/1985	OL EOL	2,510.31	12/1/2015	235,043	148,943.12	0.00	0.00	6.15%
232	2	65 Life	PolyOne Corp.	PolyOne Corp.	11624366	12/1/1990	65 Life	188.80	12/1/2015	11,902	4,913.68	0.00	0.00	8.00%
233	2	65 Life	PolyOne Corp.	PolyOne Corp.	12816149	12/1/1993	65 Life	600.01	12/1/2015	33,460	13,379.94	0.00	0.00	8.00%
234	2	65 Life	PolyOne Corp.	PolyOne Corp.	11627884	12/1/1990	Pd Up Life	0.00	n/a	25,795	13,933.44	0.00	0.00	8.00%
235	2	65 Life	PolyOne Corp.	PolyOne Corp.	12810716	12/1/1993	Pd Up Life	0.00	n/a	30,455	16,450.58	0.00	0.00	8.00%
236	2	65 Life	PolyOne Corp.	PolyOne Corp.	10586187	12/1/1987	Pd Up Life	0.00	n/a	265,485	183,837.72	0.00	0.00	8.00%
237	2	65 Life	PolyOne Corp.	PolyOne Corp.	11072644	6/1/1989	Pd Up Life	0.00	n/a	109,621	75,167.40	0.00	0.00	8.00%

Northwestern Mutual Insurance Summary as of 5/31/2015

	(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
No. of					Policy	Issue	Ins.	Annual Premium		Total	Cash			
Policies	Plan	Policy Type	Policy Owner	Policy Beneficiary	Number	Date	Plan	Amount	Pd To Date	Death Benefit Amount	Surrender Value	Loan Principal	Interest	Indebtedness Rate
238	2	65 Life	PolyOne Corp.	PolyOne Corp.	11629971	12/1/1990	Pd Up Life	0.00	n/a	16,670	11,543.31	0.00	0.00	8.00%
239	2	65 Life	PolyOne Corp.	PolyOne Corp.	12810695	12/1/1993	Pd Up Life	0.00	n/a	26,870	18,606.40	0.00	0.00	8.00%
240	2	EOL	PolyOne Corp.	PolyOne Corp.	9814428	12/1/1985	OL EOL	1,902.50	12/1/2015	163,424	100,367.28	0.00	0.00	6.15%
241	2	65 Life	PolyOne Corp.	PolyOne Corp.	10574298	12/1/1987	Pd Up Life	0.00	n/a	42,421	28,797.23	0.00	0.00	8.00%
242	2	65 Life	PolyOne Corp.	PolyOne Corp.	11071079	6/1/1989	Pd Up Life	0.00	n/a	204,084	137,149.01	0.00	0.00	8.00%
243	2	65 Life	PolyOne Corp.	PolyOne Corp.	12810733	12/1/1993	Pd Up Life	0.00	n/a	31,431	21,336.74	0.00	0.00	8.00%
244	2	65 Life	PolyOne Corp.	PolyOne Corp.	6944180	12/1/1974	Pd Up Life	0.00	n/a	155,577	139,151.60	0.00	0.00	6.00%
245	2	65 Life	PolyOne Corp.	PolyOne Corp.	7751587	12/1/1978	Pd Up Life	0.00	n/a	72,027	64,422.58	0.00	0.00	6.15%
246	2	EOL	PolyOne Corp.	PolyOne Corp.	9887411	12/1/1985	OL EOL	784.79	12/1/2015	118,925	53,773.41	0.00	0.00	6.15%
247	2	65 Life	PolyOne Corp.	PolyOne Corp.	10574570	12/1/1987	65 Life	245.16	12/1/2015	19,292	9,088.08	0.00	0.00	8.00%
248	2	EOL	PolyOne Corp.	PolyOne Corp.	9831688	12/1/1985	OL EOL	694.91	12/1/2015	104,738	47,347.01	0.00	0.00	6.15%
249	2	65 Life	PolyOne Corp.	PolyOne Corp.	10574626	12/1/1987	65 Life	243.55	12/1/2015	19,137	9,014.62	0.00	0.00	8.00%
250	2	65 Life	PolyOne Corp.	PolyOne Corp.	8260076	12/1/1980	Pd Up Life	0.00	n/a	302,789	261,316.75	0.00	0.00	6.15%
251	2	65 Life	PolyOne Corp.	PolyOne Corp.	6491030	12/1/1971	Pd Up Life	0.00	n/a	173,829	172,132.54	0.00	0.00	6.00%
252	2	65 Life	PolyOne Corp.	PolyOne Corp.	8230241	12/1/1980	Pd Up Life	0.00	n/a	258,845	187,199.87	0.00	0.00	6.15%
253	2	EOL	PolyOne Corp.	PolyOne Corp.	9831719	12/1/1985	OL EOL	667.94	12/1/2015	65,309	42,111.97	0.00	0.00	6.15%
254	2	65 Life	PolyOne Corp.	PolyOne Corp.	6370421	12/1/1970	Pd Up Life	0.00	n/a	147,073	125,746.28	0.00	0.00	6.00%
255	2	65 Life	PolyOne Corp.	PolyOne Corp.	6359858	12/1/1970	Pd Up Life	0.00	n/a	157,731	129,377.63	0.00	0.00	6.00%
256	2	65 Life	PolyOne Corp.	PolyOne Corp.	6941415	12/1/1974	Pd Up Life	0.00	n/a	63,281	51,905.75	0.00	0.00	6.00%
257	2	65 Life	PolyOne Corp.	PolyOne Corp.	7299121	12/1/1976	Pd Up Life	0.00	n/a	78,942	64,751.57	0.00	0.00	6.15%
258	2	65 Life	PolyOne Corp.	PolyOne Corp.	7788411	12/1/1978	Pd Up Life	0.00	n/a	79,851	65,497.16	0.00	0.00	6.15%
259	2	65 Life	PolyOne Corp.	PolyOne Corp.	8249295	12/1/1980	Pd Up Life	0.00	n/a	95,372	78,228.14	0.00	0.00	6.15%
260	2	65 Life	PolyOne Corp.	PolyOne Corp.	10574844	12/1/1987	Pd Up Life	0.00	n/a	296,277	188,896.56	0.00	0.00	8.00%
261	2	65 Life	PolyOne Corp.	PolyOne Corp.	11071165	6/1/1989	Pd Up Life	0.00	n/a	100,769	63,553.21	0.00	0.00	8.00%
262	2	EOL	PolyOne Corp.	PolyOne Corp.	9835800	12/1/1985	OL EOL	999.72	12/1/2015	119,758	67,567.45	0.00	0.00	6.15%
263	2	65 Life	PolyOne Corp.	PolyOne Corp.	6359116	12/1/1970	Pd Up Life	0.00	n/a	160,805	141,307.06	0.00	0.00	6.00%
264	2	65 Life	PolyOne Corp.	PolyOne Corp.	6936600	12/1/1974	Pd Up Life	0.00	n/a	65,874	57,886.64	0.00	0.00	6.00%
265	2	65 Life	PolyOne Corp.	PolyOne Corp.	7299116	12/1/1976	Pd Up Life	0.00	n/a	83,968	73,786.71	0.00	0.00	6.15%
266	2	65 Life	PolyOne Corp.	PolyOne Corp.	7792055	12/1/1978	Pd Up Life	0.00	n/a	74,810	65,739.13	0.00	0.00	6.15%
267	2	65 Life	PolyOne Corp.	PolyOne Corp.	8270077	12/1/1980	Pd Up Life	0.00	n/a	147,458	129,578.41	0.00	0.00	6.15%
268	2	65 Life	PolyOne Corp.	PolyOne Corp.	6624189	12/1/1972	Pd Up Life	0.00	n/a	154,667	130,962.87	0.00	0.00	6.00%
269	2	65 Life	PolyOne Corp.	PolyOne Corp.	7317465	12/1/1976	Pd Up Life	0.00	n/a	118,040	99,949.29	0.00	0.00	6.15%
270	2	65 Life	PolyOne Corp.	PolyOne Corp.	7767175	12/1/1978	Pd Up Life	0.00	n/a	66,912	56,657.12	0.00	0.00	6.15%
271	2	65 Life	PolyOne Corp.	PolyOne Corp.	8236580	12/1/1980	Pd Up Life	0.00	n/a	49,773	42,144.83	0.00	0.00	6.15%

Northwestern Mutual Insurance Summary as of 5/31/2015

	(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
No. of					Policy	Issue	Ins.	<u>Annual Premium</u>		Total	Cash	<u>Loan Indebtedness</u>		
Policies	Plan	Policy Type	Policy Owner	Policy Beneficiary	Number	Date	Plan	Amount	Pd To Date	Death Benefit Amount	Surrender Value	Principal	Interest	Rate
272	2	65 Life	PolyOne Corp.	PolyOne Corp.	6956185	12/1/1974	Pd Up Life	0.00	n/a	152,934	122,454.83	0.00	0.00	6.00%
273	2	65 Life	PolyOne Corp.	PolyOne Corp.	7782699	12/1/1978	Pd Up Life	0.00	n/a	97,401	77,989.34	0.00	0.00	6.15%
274	2	65 Life	PolyOne Corp.	PolyOne Corp.	8249249	12/1/1980	Pd Up Life	0.00	n/a	51,173	40,974.42	0.00	0.00	6.15%
275	2	EOL	PolyOne Corp.	PolyOne Corp.	9831741	12/1/1985	OL EOL	1,044.08	12/1/2015	84,036	61,767.56	0.00	0.00	6.15%
276	2	EOL	PolyOne Corp.	PolyOne Corp.	9831805	12/1/1985	OL EOL	1,027.37	12/1/2015	130,874	70,173.98	0.00	0.00	6.15%
277	2	65 Life	PolyOne Corp.	PolyOne Corp.	8236592	12/1/1980	Pd Up Life	0.00	n/a	322,574	261,502.45	0.00	0.00	6.15%
278	2	EOL	PolyOne Corp.	PolyOne Corp.	9831646	12/1/1985	OL EOL	839.83	12/1/2015	103,119	56,723.41	0.00	0.00	6.15%
279	2	65 Life	PolyOne Corp.	PolyOne Corp.	6357375	12/1/1970	Pd Up Life	0.00	n/a	161,944	146,140.17	0.00	0.00	6.00%
280	2	65 Life	PolyOne Corp.	PolyOne Corp.	6936560	12/1/1974	Pd Up Life	0.00	n/a	60,578	54,666.30	0.00	0.00	6.00%
281	2	65 Life	PolyOne Corp.	PolyOne Corp.	6360937	12/1/1970	Pd Up Life	0.00	n/a	181,259	166,598.73	0.00	0.00	6.00%
282	2	65 Life	PolyOne Corp.	PolyOne Corp.	6938911	12/1/1974	Pd Up Life	0.00	n/a	55,443	50,958.76	0.00	0.00	6.00%
283	2	65 Life	PolyOne Corp.	PolyOne Corp.	7772776	12/1/1978	Pd Up Life	0.00	n/a	212,685	153,816.40	0.00	0.00	6.15%
284	2	65 Life	PolyOne Corp.	PolyOne Corp.	8241395	12/1/1980	Pd Up Life	0.00	n/a	53,178	38,458.98	0.00	0.00	6.15%
285	2	65 Life	PolyOne Corp.	PolyOne Corp.	12814499	12/1/1987	65 Life	172.30	12/1/2015	13,724	5,998.70	0.00	0.00	8.00%
286	2	65 Life	PolyOne Corp.	PolyOne Corp.	7343954	12/1/1976	Pd Up Life	0.00	n/a	256,450	217,146.70	0.00	0.00	6.15%
287	2	65 Life	PolyOne Corp.	PolyOne Corp.	7753952	12/1/1978	Pd Up Life	0.00	n/a	60,097	50,886.59	0.00	0.00	6.15%
288	2	65 Life	PolyOne Corp.	PolyOne Corp.	8235178	12/1/1980	Pd Up Life	0.00	n/a	56,561	47,892.51	0.00	0.00	6.15%
289	2	65 Life	PolyOne Corp.	PolyOne Corp.	11627926	12/1/1990	Pd Up Life	0.00	n/a	328,360	213,881.88	0.00	0.00	8.00%
290	2	65 Life	PolyOne Corp.	PolyOne Corp.	12811359	6/1/1989	Pd Up Life	0.00	n/a	45,311	29,826.98	0.00	0.00	8.00%
291	2	65 Life	PolyOne Corp.	PolyOne Corp.	6359745	12/1/1970	Pd Up Life	0.00	n/a	207,403	183,874.94	0.00	0.00	6.00%
292	2	65 Life	PolyOne Corp.	PolyOne Corp.	6943008	12/1/1974	Pd Up Life	0.00	n/a	47,550	42,155.86	0.00	0.00	6.00%
293	2	65 Life	PolyOne Corp.	PolyOne Corp.	7772798	12/1/1978	Pd Up Life	0.00	n/a	101,598	90,072.59	0.00	0.00	6.15%
294	2	65 Life	PolyOne Corp.	PolyOne Corp.	7782250A	12/1/1978	Pd Up Life	0.00	n/a	82,859	73,459.37	0.00	0.00	6.15%
295	2	65 Life	PolyOne Corp.	PolyOne Corp.	11071229	6/1/1989	Pd Up Life	0.00	n/a	588,967	411,836.87	0.00	0.00	8.00%
296	2	Adj CL	PolyOne Corp.	PolyOne Corp.	12813211	12/1/1993	Adj CL	1,018.12	12/1/2015	53,594	33,444.07	0.00	0.00	8.00%
297	2	65 Life	PolyOne Corp.	PolyOne Corp.	7753966	12/1/1978	Pd Up Life	0.00	n/a	222,664	175,981.62	0.00	0.00	6.15%
298	2	65 Life	PolyOne Corp.	PolyOne Corp.	8224586	12/1/1980	Pd Up Life	0.00	n/a	46,152	36,476.05	0.00	0.00	6.15%
299	2	65 Life	PolyOne Corp.	PolyOne Corp.	6953286A	12/1/1974	Pd Up Life	0.00	n/a	171,398	153,302.26	0.00	0.00	6.00%
300	2	65 Life	PolyOne Corp.	PolyOne Corp.	7317828	12/1/1976	Pd Up Life	0.00	n/a	85,175	76,182.46	0.00	0.00	6.15%
301	2	65 Life	PolyOne Corp.	PolyOne Corp.	7767172	12/1/1978	Pd Up Life	0.00	n/a	58,709	52,510.67	0.00	0.00	6.15%
302	2	65 Life	PolyOne Corp.	PolyOne Corp.	8236653	12/1/1980	Pd Up Life	0.00	n/a	66,130	59,148.17	0.00	0.00	6.15%
303	2	65 Life	PolyOne Corp.	PolyOne Corp.	12810813	12/1/1993	Pd Up Life	0.00	n/a	217,124	135,430.71	0.00	0.00	8.00%
304	2	65 Life	PolyOne Corp.	PolyOne Corp.	8249182	12/1/1980	Pd Up Life	0.00	n/a	365,049	315,049.14	0.00	0.00	6.15%
305	2	EOL	PolyOne Corp.	PolyOne Corp.	9831784	12/1/1985	OL EOL	1,311.14	12/1/2015	64,834	51,852.38	0.00	0.00	6.15%

Northwestern Mutual Insurance Summary as of 5/31/2015

	(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
No. of					Policy	Issue	Ins.	<u>Annual Premium</u>		Total	Cash			
Policies	Plan	Policy Type	Policy Owner	Policy Beneficiary	Number	Date	Plan	Amount	Pd To Date	Death Benefit Amount	Surrender Value	<u>Loan Indebtedness</u>	Principal Interest	Rate
306	2	65 Life	PolyOne Corp.	PolyOne Corp.	6362776	12/1/1970	Pd Up Life	0.00	n/a	170,714	140,026.84	0.00	0.00	6.00%
307	2	65 Life	PolyOne Corp.	PolyOne Corp.	6918493	12/1/1974	Pd Up Life	0.00	n/a	63,751	52,291.27	0.00	0.00	6.00%
308	2	65 Life	PolyOne Corp.	PolyOne Corp.	7299778	12/1/1976	Pd Up Life	0.00	n/a	68,171	55,916.73	0.00	0.00	6.15%
309	2	65 Life	PolyOne Corp.	PolyOne Corp.	7788405	12/1/1978	Pd Up Life	0.00	n/a	65,749	53,930.11	0.00	0.00	6.15%
310	2	65 Life	PolyOne Corp.	PolyOne Corp.	8280995	12/1/1980	Pd Up Life	0.00	n/a	84,190	69,056.20	0.00	0.00	6.15%
311	2	EOL	PolyOne Corp.	PolyOne Corp.	9835863	12/1/1985	OL EOL	1,308.92	12/1/2015	100,618	76,369.26	0.00	0.00	6.15%
312	2	EOL	PolyOne Corp.	PolyOne Corp.	9847185	12/1/1985	OL EOL	1,116.23	12/1/2015	126,858	64,081.20	0.00	0.00	6.15%
313	2	65 Life	PolyOne Corp.	PolyOne Corp.	6965280	12/1/1974	Pd Up Life	0.00	n/a	179,493	151,984.06	0.00	0.00	6.00%
314	2	65 Life	PolyOne Corp.	PolyOne Corp.	7776657	12/1/1978	Pd Up Life	0.00	n/a	111,592	94,489.51	0.00	0.00	6.15%
315	2	65 Life	PolyOne Corp.	PolyOne Corp.	8241136	12/1/1980	Pd Up Life	0.00	n/a	84,166	71,266.80	0.00	0.00	6.15%
316	2	65 Life	PolyOne Corp.	PolyOne Corp.	12810832	12/1/1993	Pd Up Life	0.00	n/a	218,256	142,164.11	0.00	0.00	8.00%
317	2	EOL	PolyOne Corp.	PolyOne Corp.	10121015	12/1/1985	Whole Life	1,162.31	12/1/2015	138,018	76,920.84	0.00	0.00	8.00%
318	2	65 Life	PolyOne Corp.	PolyOne Corp.	10586137	12/1/1987	Pd Up Life	0.00	n/a	37,347	23,295.12	0.00	0.00	8.00%
319	2	65 Life	PolyOne Corp.	PolyOne Corp.	11071192	6/1/1989	Pd Up Life	0.00	n/a	117,547	72,509.10	0.00	0.00	8.00%
320	2	65 Life	PolyOne Corp.	PolyOne Corp.	7767179	12/1/1978	Pd Up Life	0.00	n/a	300,194	251,631.38	0.00	0.00	6.15%
321	2	65 Life	PolyOne Corp.	PolyOne Corp.	8236551	12/1/1980	Pd Up Life	0.00	n/a	73,418	61,541.11	0.00	0.00	6.15%
322	2	65 Life	PolyOne Corp.	PolyOne Corp.	6355223	12/1/1970	Pd Up Life	0.00	n/a	189,932	157,532.18	0.00	0.00	6.00%
323	2	65 Life	PolyOne Corp.	PolyOne Corp.	6941483	12/1/1974	Pd Up Life	0.00	n/a	56,112	46,540.05	0.00	0.00	6.00%
324	2	65 Life	PolyOne Corp.	PolyOne Corp.	7304082	12/1/1976	Pd Up Life	0.00	n/a	53,565	44,427.54	0.00	0.00	6.15%
325	2	65 Life	PolyOne Corp.	PolyOne Corp.	7782250C	12/1/1978	Pd Up Life	0.00	n/a	119,424	99,051.89	0.00	0.00	6.15%
326	2	65 Life	PolyOne Corp.	PolyOne Corp.	7784726	12/1/1978	Pd Up Life	0.00	n/a	82,642	68,544.40	0.00	0.00	6.15%
327	2	EOL	PolyOne Corp.	PolyOne Corp.	9920643	12/1/1985	OL EOL	1,245.42	12/1/2015	93,053	71,677.21	0.00	0.00	6.15%
328	2	65 Life	PolyOne Corp.	PolyOne Corp.	6938713	12/1/1974	Pd Up Life	0.00	n/a	140,533	109,566.51	0.00	0.00	6.00%
329	2	65 Life	PolyOne Corp.	PolyOne Corp.	7304095	12/1/1976	Pd Up Life	0.00	n/a	50,775	39,586.72	0.00	0.00	6.15%
330	2	65 Life	PolyOne Corp.	PolyOne Corp.	7767168	12/1/1978	Pd Up Life	0.00	n/a	56,410	43,980.04	0.00	0.00	6.15%
331	2	65 Life	PolyOne Corp.	PolyOne Corp.	8234782	12/1/1980	Pd Up Life	0.00	n/a	90,812	70,801.54	0.00	0.00	6.15%
332	2	65 Life	PolyOne Corp.	PolyOne Corp.	11089532	6/1/1989	Pd Up Life	0.00	n/a	272,223	207,528.52	0.00	0.00	8.00%
333	2	65 Life	PolyOne Corp.	PolyOne Corp.	11644854	12/1/1990	Pd Up Life	0.00	n/a	22,131	16,998.76	0.00	0.00	8.00%
334	2	65 Life	PolyOne Corp.	PolyOne Corp.	8249278	12/1/1980	Pd Up Life	0.00	n/a	337,712	273,774.45	0.00	0.00	6.15%
										72,306,147	55,316,235.43	0.00	0.00	

Schedule 5.2 to the Credit Agreement

[attach]

Schedule 5.2

Provide Agent (and if so requested by Agent, with copies for each Lender) with each of the documents set forth below at the following times in form reasonably satisfactory to Agent:

Monthly (no later than the 10th day of each month), unless (i) either (A) Excess Availability is less than 15% of the Maximum Credit or (b) US Excess Availability is less than 12.5% of the Maximum Credit or (ii) a Default or an Event of Default has occurred and is continuing, then weekly	<p>(a) US Borrowing Base Certificate and a Canadian Borrowing Base Certificate, and</p> <p>(b) Inventory system/perpetual reports specifying the cost and the wholesale market value of each Borrower's and its Subsidiaries' Inventory, by category, with additional detail showing additions to and deletions therefrom (delivered electronically in an acceptable format, if Borrowers have implemented electronic reporting).</p>
Monthly (no later than the 10th day of each month)	<p>(c) a detailed aging, by total, of each Borrower's Accounts, together with a reconciliation and supporting documentation for any reconciling items noted (delivered electronically in an acceptable format, if Borrowers have implemented electronic reporting),</p> <p>(d) a detailed calculation of those Accounts that are not eligible for the US Borrowing Base or Canadian Borrowing Base, if Borrowers have not implemented electronic reporting,</p> <p>(e) a detailed Inventory system/perpetual report together with a reconciliation to each Borrower's general ledger accounts (delivered electronically in an acceptable format, if Borrowers have implemented electronic reporting),</p> <p>(f) with respect to Inventory, such information with respect to the lower of cost or market as Agent may request,</p> <p>(g) a detailed calculation of Inventory categories that are not eligible for the US Borrowing Base or the Canadian Borrowing Base, if Borrowers have not implemented electronic reporting,</p> <p>(h) a summary aging, by vendor, of each Borrower's and its Subsidiaries' accounts payable and any book overdraft (delivered electronically in an acceptable format, if Borrowers have implemented electronic reporting) and an aging, by vendor, of any held checks,</p> <p>(i) a detailed report regarding each Borrower's and its Subsidiaries' cash and Cash Equivalents, including an indication of which amounts constitute Qualified Cash,</p> <p>(j) a detailed report identifying and calculating (i) Canadian PST (i.e. provincial sales tax) and Canadian GST (i.e. goods and service tax) and (ii) to the extent applicable, Canadian HST (i.e. harmonized sales tax),</p> <p>(k) a monthly Account roll-forward, in a format acceptable to Agent in its discretion, tied to the beginning and ending account receivable balances of each Borrower's general ledger, and</p> <p>(l) a detailed report of the current cash surrender value of each Eligible Life Insurance Policy.</p>

Monthly (no later than the 30th day of each month)	(m) a reconciliation of Accounts, trade accounts payable, and Inventory of each Borrower's general ledger accounts to its monthly financial statements including any book reserves related to each category.
Quarterly (no later than the 30th day of each quarter)	<p>(n) a report regarding each Borrower's and its Subsidiaries' accrued, but unpaid, VAT, and</p> <p>(o) a report setting forth the following information with respect to the operations in Canada: (i) number of employees in Canada broken down between sales people and non-sales people, (ii) accrued payroll expenses, (iii) accrued employee expenses, (iv) post-retirement healthcare benefits, (v) post-retirement employee benefits and (vi) other post-employee benefits.</p>
Upon the request of Agent (but not more frequently than annually)	(p) an updated version of the Northwestern Mutual Side Letter executed by The Northwestern Mutual Life Insurance Company.
Promptly, but in any event within 3 Business Days after any Loan Party has any knowledge thereof	(q) notice of the cancellation of, termination of or other material change to, any Eligible Life Insurance Policy.
Promptly after any Loan Party has any knowledge thereof	(r) notice of the death of any Person covered by any Eligible Life Insurance Policy.

On or prior to the issuance thereof	(s) copies of any Life Insurance Policies issued or to be issued to any US Loan Party on or after the Second Amendment Effective Date.
Upon the request of Agent	<p>(t) an In Force Policy Data Review issued by The Northwestern Mutual Life Insurance Company with respect to each Life Insurance Policy,</p> <p>(u) to the extent any Life Insurance Policy would be materially different from any Life Insurance Policy type as of the Second Amendment Effective Date, samples of each Life Insurance Policy type issued to any of the US Loan Parties,</p> <p>(v) copies of any or all Life Insurance Policies issued to any of the US Loan Parties (to the extent available), and</p> <p>(w) any other available information reasonably requested by Agent relating to the Life Insurance Policies.</p>

CERTIFICATION

I, Robert M. Patterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PolyOne Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 27, 2015

/s/ Robert M. Patterson

Robert M. Patterson
President and Chief Executive Officer

CERTIFICATION

I, Bradley C. Richardson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PolyOne Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 27, 2015

/s/ Bradley C. Richardson

Bradley C. Richardson

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of PolyOne Corporation (the “Company”) for the period ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert M. Patterson, President and Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Robert M. Patterson

Robert M. Patterson
President and Chief Executive Officer

July 27, 2015

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of PolyOne Corporation (the “Company”) for the period ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Bradley C. Richardson, Executive Vice President and Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Bradley C. Richardson

Bradley C. Richardson

Executive Vice President and Chief Financial Officer

July 27, 2015

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.