

FINES AND PENALTIES - 2003

Our policy is to conduct our business activities in a manner consistent with sound health, safety, and environmental management practices, and to comply with all applicable laws and regulations. The results of Kodak's Title V Compliance Assurance System at year-end 2003 showed that out of 41,829 total opportunities for non-compliance only 165 deviations were identified, thus producing a 99.6 percent compliance record.

Given the increasingly strict nature of today's regulatory arena and the size of complexity of our operations, we believe our compliance record is very good, but there is still room for improvement.

Date Fine Paid	Agency	Location	Violation	Amount
June 24	NYDEC	Kodak Park Rochester, NY	Auto-ignition of acetone vapors in the rotary kiln incinerator during a routine maintenance shutdown, and a waste stream that lacked the assignment of a proper waste code. – RCRA violations of hazardous waste regulations. Violation occurred May 30, 2002	\$ 210,000
July 2	U.S. EPA	Kodak Park	Late in submitting a Form R Report on the use of trichloroethylene during 1998. – EPCRA Sect. 313 and 40 C.F.R. Part 372. Violation occurred June 16, 2002	\$ 4,551
July 11	NYDEC	Kodak Park	Effluent from the company's wastewater treatment facility exceeded limitations allowing the deposition of solids into the river. – Article 17 of the NYS Environmental Conservation Law, Title 6, and the State Pollutant Discharge Elimination System permit. Violation occurred from Aug. 1999 through Feb. 2003.	\$ 39,000
October 7	U.S. DOT	White City, OR	Improperly secured manway on a railroad tank car allowed vapor leak. – 49 C.F.R. 173.31(d)(1)(iv) and (d)(2). Violation occurred Feb. 10, 2003	\$ 5,000
December 12	NYDEC	Kodak Park	Equipment installed without a permit. Operations began without Best Available Control Technology. Equipment modification resulted in emissions increase. Violation occurred from 1981 to Nov. 25 2003. (Total fine is \$410,000. A second installment of \$100,000 is due Jan. 15, 2005. The remaining \$210,000 will be suspended provided Kodak complies with all requirements of a Consent Order.)	\$ 100,000

* NYDEC - New York State Department of Environmental Conservation
 U.S. EPA - United States Environmental Protection Agency
 U.S. DOT - United States Department of Transportation