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OFFERING MEMORANDUM

NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES

INEOS Quattro Finance 2 Plc

€525,000,000 8½% Senior Secured Notes due 2029
$400,000,000 9⅝% Senior Secured Notes due 2029
Guaranteed by INEOS Quattro Holdings Limited and certain of its subsidiaries

INEOS Quattro Finance 2 Plc, a public limited company incorporated under the laws of England and Wales (the "Issuer"), is offering €525,000,000 aggregate principal amount of its euro-denominated 8½% Senior Secured Notes due 2029 (the "Euro Notes") and $400,000,000 aggregate principal amount of its dollar-denominated 9⅝% Senior Secured Notes due 2029 (the "Dollar Notes" and, together with the Euro Notes, the "Notes"; and, collectively such Notes offerings, the "Offering"). The Issuer will pay interest on the Notes semi-annually in arrears on May 15 and November 15 of each year, commencing on May 15, 2024.

Prior to November 15, 2025, the Issuer may redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, plus the applicable make-whole premium. In addition, prior to November 15, 2025, the Issuer may redeem at its option up to 40% of the aggregate principal amount of each of the Euro Notes and the Dollar Notes with the net proceeds of certain equity offerings at 108.50% of the principal amount of the Euro Notes or at 109.625% of the principal amount of the Dollar Notes, as applicable, plus accrued interest, if at least 50% of the Euro Notes or the Dollar Notes, as applicable, remain outstanding. At any time on or after November 15, 2025, the Issuer may redeem all or a portion of the Notes at the prices specified herein.

Upon the occurrence of certain events constituting a change of control, the Issuer may be required to make an offer to purchase the Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Notes at a price equal to at 100% of their principal amount plus accrued interest.

The Notes will be senior secured obligations of the Issuer and will rank *pari passu* in right of payment to all of the Issuer's existing and future senior indebtedness, including, without limitation, the 2026 Senior Secured Notes and the Issuer's guarantee of the Senior Secured Credit Facilities, the 2027 Senior Secured Notes (as such terms are defined herein) and certain hedging obligations and cash management arrangements and will rank senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Notes, including its guarantee of the Existing Senior Notes (as defined herein). The Notes will be effectively senior to any existing and future secured indebtedness of the Issuer that is unsecured or secured by liens junior to the liens securing the Notes to the extent of the value of the collateral securing the Notes, including, without limitation, the Issuer's guarantee of the Existing Senior Notes, and will be effectively subordinated to any existing and future secured indebtedness of the Issuer that is secured by assets that do not secure the Notes, to the extent of the value of the assets securing such indebtedness.

The Notes will be jointly and severally guaranteed (the "Guarantees") on a senior secured basis (i) on the Issue Date, by INEOS Quattro Holdings Limited (the "Parent"), INEOS Quattro Finance 1 Plc (the "Existing Senior Notes Issuer"), INEOS Quattro Financing Limited (the "Company") and certain of the Company's subsidiaries (the "Initial Subsidiary Guarantors" and, together with the Parent, the Existing Senior Notes Issuer and the Company, the "Initial Guarantors") and (ii) after the Issue Date (subject to certain approvals and security principles) by certain of the Company's other subsidiaries (the "Subsequent Guarantors" and, together with the Initial Subsidiary Guarantors, the "Subsidiary Guarantors" and, together with the Company, the Parent and the Existing Senior Notes Issuer, the "Guarantors"). The Guarantees will rank *pari passu* in right of payment with all existing and future senior indebtedness of each Guarantor, including obligations under the Senior Secured Credit Facilities and the Existing Senior Secured Notes (as defined herein), and will rank senior in right of payment to all existing and future subordinated obligations of such Guarantor, including (other than in the case of the Parent and the Existing Senior Notes Issuer) its guarantee of the Existing Senior Notes. The Guarantees will be effectively subordinated to any existing and future secured indebtedness of such Guarantor that is secured by assets that do not secure the Guarantees, to the extent of the value of the assets securing such indebtedness, including the Existing Senior Notes and the guarantees thereof.

In addition, the Guarantees will be subject to contractual and legal limitations under relevant local laws and may be released under certain circumstances. See "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations*".

With respect to the Initial Collateral (as defined herein), on the Issue Date, and with respect to the Subsequent Collateral (as defined herein), after the Issue Date (subject to certain approvals and security principles), the Notes and the Guarantees will be secured on a first-priority basis in accordance with the Intercreditor Agreement, subject to certain permitted collateral liens, by security interests over certain shares, bank accounts, intercompany receivables, assets and real property of the Issuer and the Guarantors (together, the "Collateral"). See "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—Security*".

This offering memorandum includes more detailed information on the terms of the Notes, the Guarantees and the security interests as briefly described above, including redemption and repurchase prices, security, covenants and transfer restrictions, and thus, this offering memorandum should be read as a whole by any prospective purchaser in making a determination as to whether to invest in the Notes. See "*Description of the Notes*".

There is currently no public market for the Notes. This document constitutes a prospectus in respect of the admission of the Notes to the Official List and to trading on the Euro MTF Market. Application was made to the Luxembourg Stock Exchange for the approval of this document as a prospectus. Application has been made for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market. The Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2014/65/EU. This offering memorandum constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019.

Investing in the Notes involves risks that are described in the "*Risk Factors*" section beginning on page 26 of this offering memorandum.

Issue price for the Euro Notes: 100% plus accrued interest, if any, from November 14, 2023.
Issue price for the Dollar Notes: 100% plus accrued interest, if any, from November 14, 2023.

The Notes and the Guarantees have not been, and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. Accordingly, the Notes may be offered only in transactions that are exempt from registration under the Securities Act and the laws of any other relevant jurisdiction. The Notes are being offered and sold only to (i) qualified institutional buyers ("QIBs") pursuant to Rule 144A under the Securities Act

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("Rule 144A") and (ii) non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act ("Regulation S"). For further details about eligible offerees and resale restrictions, see "*Notice to Investors*".

Delivery of the Dollar Notes was made to investors in book-entry form through The Depository Trust Company ("DTC") and the Euro Notes were delivered to investors in book-entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"), in each case, on November 14, 2023. Interests in each global note will be exchangeable for the relevant definitive Notes only in certain limited circumstances. See "*Book-Entry; Delivery and Form*".

Joint Bookrunners

BNP PARIBAS	**Citigroup**	**Goldman Sachs Bank Europe SE** (*Joint Global Coordinator*) (*Dollar Notes Sole Physical Bookrunner*) (*Euro Notes Joint Physical Bookrunner*)	**HSBC** (*Euro Notes Joint Physical Bookrunner*)	**ING** (*Euro Notes Joint Physical Bookrunner*)	**J.P. Morgan** *(Joint Global Coordinator)*

China Construction Bank	**COMMERZBANK**	**Crédit Agricole CIB**	**First Abu Dhabi Bank**	**ICBC**	**KBC Bank**	**Mizuho**

The date of this Offering Memorandum is November 22, 2023.

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IMPORTANT INFORMATION

As used in this offering memorandum, unless the context otherwise requires, references to the "Issuer" are to INEOS Quattro Finance 2 Plc, references to the "Parent" are to INEOS Quattro Holdings Limited, references to the "Company" are to INEOS Quattro Financing Limited, a direct subsidiary of the Parent, references to "we," "us," "our" and the "Group" are to the Parent and its consolidated subsidiaries and standalone references to either "2021" and "2022" relate to the calendar year from January 1 to December 31 of said year unless otherwise stated.

You should rely only on the information contained in this offering memorandum. We have not, and BNP Paribas, Citigroup Global Markets Inc.; Citigroup Global Markets Limited; Goldman Sachs Bank Europe SE; HSBC Bank PLC; ING Bank N.V., London Branch; J.P. Morgan Securities plc; J.P. Morgan Securities LLC; China Construction Bank (Asia) Corporation Limited; Commerzbank Aktiengesellschaft; Commerz Markets LLC; Crédit Agricole Corporate and Investment Bank; First Abu Dhabi Bank P.J.S.C.; ICBC Standard Bank Plc; KBC Bank NV; Mizuho International plc; and Mizuho Securities USA LLC (the "Initial Purchasers") have not, authorized anyone to provide you with information that is different from the information contained herein. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum. Our business, financial condition, results of operations and prospects may have changed since that date.

This offering memorandum is not an offer to sell, or a solicitation of an offer to buy, any Notes by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. By purchasing Notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under the heading "*Notice to Investors*" in this offering memorandum. You should understand that you may be required to bear the financial risks of your investment for an indefinite period of time.

None of the Initial Purchasers, the Trustee, the Security Agent, the Paying Agents, the Registrars or the Transfer Agents or their affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or should be relied upon as, a promise or representation by the above persons as to the past or future.

You must comply with all applicable laws and regulations in force in any applicable jurisdiction and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the Notes under the laws and regulations in force in the jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor the Initial Purchasers or their affiliates will have any responsibility therefor.

Neither we, the Initial Purchasers, the Trustee, the Security Agent or their agents or affiliates are making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business, tax, regulatory or any other advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Notes.

The Notes and the related Guarantees have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes and the related Guarantees are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and within the United States to QIBs in reliance on Rule 144A. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

We have prepared this offering memorandum solely for use in connection with the offer of the Notes to qualified institutional buyers under Rule 144A under the Securities Act and to non-U.S. persons (within the meaning of Regulation S under the Securities Act) outside the United States under Regulation S under the Securities Act.

This offering memorandum is based on information provided by us and by other sources that we believe are reliable. We cannot assure you that information included herein is accurate or complete. This offering memorandum summarizes certain documents and other information and we refer you to them for a more complete understanding of the discussions in this offering memorandum. We will make copies of certain documents available to you upon request. In making an investment decision, you must rely on your own examination of our company, the terms of the Offering and the Notes, including the merits and risks involved.

By purchasing the Notes, you will be deemed to have acknowledged that you have reviewed this offering memorandum and have had an opportunity to request, and have received, all additional information that you need from

us. You should understand that you may be required to bear the financial risks of your investment for an indefinite period of time.

The information contained under the caption "Exchange Rate Information" includes extracts from information and data publicly released by official and other sources. While we accept responsibility for accurately summarizing the information concerning exchange rate information, we accept no further responsibility in respect of such information. The information set out in relation to sections of this offering memorandum describing clearing and settlement arrangements, including the section entitled "*Book-Entry, Delivery and Form*," is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream currently in effect. Neither we, the Initial Purchasers, the Trustee or their affiliates or agents will, nor will any of our agents, have responsibility for the performance of the respective obligations of DTC, Euroclear and Clearstream or their respective participants under the rules and procedures governing their operations, nor any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures. The information described in this paragraph that has been sourced from third parties has been accurately reproduced and as far as the Issuer is aware, and is able to ascertain from published information, no facts have been omitted that would render the reproduced information inaccurate or misleading.

We reserve the right to withdraw the Offering at any time and we and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to any prospective purchaser less than the full amount of Notes sought by such purchaser. The Initial Purchasers and certain related entities may acquire for their own account a portion of the Notes. See "*Plan of Distribution*".

None of the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission or any other regulatory authority has approved or disapproved these securities, nor has any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom.

STABILIZATION

IN CONNECTION WITH THE OFFERING, GOLDMAN SACHS BANK EUROPE SE (THE "STABILIZING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT SERIES OF NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT SERIES OF NOTES (THE "ISSUE DATE") AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT SERIES OF NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON ITS BEHALF) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

NOTICE TO U.S. INVESTORS

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgments that are described in this offering memorandum under the caption "*Notice to Investors*".

The Notes and the Guarantees have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and are subject to certain restrictions on transfer. In the United States, the Offering is being made only to "qualified institutional buyers" (as defined in Rule 144A). Prospective purchasers that are qualified institutional buyers are hereby notified that the Initial Purchasers of the Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the Offering is being made to non-U.S. persons in offshore transactions (each as defined in Regulation S). For a description of certain further restrictions on resale or transfer of the Notes, see "*Notice to Investors*".

THE NOTES MAY NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS OFFERING MEMORANDUM, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY NOTES TO THE PUBLIC.

NOTICE TO EEA INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a "qualified investor" as defined in the EU Prospectus Regulation. Consequently, no key information document required by Regulation (EU) 1286/2014 (as amended, the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

This offering memorandum has been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under Regulation (EU) 2017/1129 (the "EU Prospectus Regulation") from the requirement to publish a prospectus for offers of Notes. This offering memorandum is not a prospectus for the purposes of the EU Prospectus Regulation and any relevant implementing measure in each member state of the EEA. No prospectus is required in accordance with the EU Prospectus Regulation for this issue of Notes.

NOTICE TO U.K. INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

No key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of the securities in the United Kingdom will be made pursuant to an exemption under the under the UK Prospectus Regulation from a requirement to publish a prospectus for offers of securities. This offering memorandum is not a prospectus for the purpose of the UK Prospectus Regulation.

In the United Kingdom, this offering memorandum is only being distributed to and is only directed at persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this document or any of its contents. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Each Initial Purchaser: (a) has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor and (b) has complied and will comply with all applicable provisions of the FSMA in respect of anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

NOTICE TO BELGIAN INVESTORS

This offering memorandum relates to a private placement of the Notes and does not constitute an offer or solicitation to the public in Belgium to subscribe for or acquire the Notes. The Notes may be offered in Belgium solely to qualified investors within the meaning of the EU Prospectus Regulation and/or on the basis of any other exemption from an offer of securities to the public as referred to in Article 1(4) of the EU Prospectus Regulation.

The Offering has not been and will not be notified to, and this offering memorandum has not been, and will not be, notified to, or approved by, the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers*) pursuant to the Belgian laws and regulations applicable to the public offering of notes.

The Offering, and any materials relating to the Offering, may not be advertised to, the Notes are not intended to be offered, sold or otherwise made available to, and neither this offering memorandum nor any other information circular, brochure or similar documents may be distributed, directly or indirectly, to, and the Notes should not be offered, sold or otherwise made available in Belgium to any person qualifying as a consumer (*consument/consommateur*) within the meaning of the Belgian economic law code (*Wetboek van economisch recht/Code de droit économique*), as amended from time to time (the "Belgian Code of Economic Law").

NOTICE TO CANADIAN INVESTORS

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to Section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offering.

NOTICE TO FRENCH INVESTORS

This offering memorandum has not been prepared in the context of a public offering of financial securities in France within the meaning of the EU Prospectus Regulation and, therefore, has not been approved by, or registered or filed with the *Autorité des marchés financiers* (the French financial markets authority ("AMF")) and does not require a prospectus to be submitted for approval to the AMF.

Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France (*offre au public de titres financiers*) (other than to qualified investors and/or a restricted circle of investors acting for their own account), and neither this offering memorandum nor any offering or marketing materials relating to the Notes may be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France (other than to qualified investors and/or a restricted circle of investors acting for their own account).

The Notes may only be offered or sold in France to: (i) a restricted circle of investors acting for their own account (*cercle restreint d'investisseurs agissant pour compte propre*) in accordance with Articles L. 411-2 and D. 411-4 of the French *Code monétaire et financier* and/or to qualified investors (*investisseurs qualifiés*) as defined by Article 2(e) of the EU Prospectus Regulation. Prospective investors are informed that: (i) this offering memorandum has not been and will not be submitted for clearance to the AMF; (ii) in compliance with Article L.411-2 of the French *Code monétaire et financier*, the restricted circle of investors subscribing for the Notes should be acting for its own account and (iii) the direct and indirect distribution or sale to the public of the Notes acquired by them and the qualified investors may only be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1, L. 621-8 to L. 621-8-2 of the French *Code monétaire et financier* and applicable regulations thereunder.

Investors in France and persons into whose possession offering materials come must inform themselves about, and observe, any such restrictions.

NOTICE TO HONG KONG INVESTORS

The Notes may not be offered or sold in Hong Kong by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the "CWUMPO") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

No advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

NOTICE TO ITALIAN INVESTORS

No action has been or will be taken which could allow an offering to the public in the Republic of Italy within the meaning of Article 1, paragraph 1, letter (t) of the Italian Legislative Decree No. 58 of February 24, 1998, as amended (the "Italian Consolidated Financial Act") and, in particular, the Offering has not been cleared by the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") (the Italian securities exchange commission) pursuant to Italian securities legislation and will not be subject to formal review or clearance by CONSOB. Accordingly, the Notes may not be offered, sold or delivered directly or indirectly in the Republic of Italy, and neither this offering memorandum nor any other offering memorandum, prospectus, form of application, advertisement, other offering material or other documentation relating to the Notes may be issued, distributed or published in the Republic of Italy, either on the primary or on the secondary market, except: (a) to qualified investors (*investitori qualificati*) as defined pursuant to Article 2(e) of the Prospectus Regulation; or (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended, and any other applicable Italian laws and regulations.

The Notes may not be offered, sold or delivered and neither this offering memorandum nor any other material relating to the Notes, may be distributed or made available in the Republic of Italy unless such offer, sale or delivery of Notes or distribution or availability of copies of this offering memorandum or any other offering material or other documentation relating to the Notes in the Republic of Italy is made in compliance with the selling restrictions above and must be made as follows: (a) by *soggetti abilitati* (including investment firms, banks or financial intermediaries, as defined by Article 1, first paragraph, letter r, of the Italian Consolidated Financial Act) permitted to conduct such activities in Italy in accordance, as applicable, with the Italian Consolidated Banking Act as subsequently integrated and amended, the Italian Consolidated Financial Act, the Issuers' Regulation, the CONSOB Regulation on Intermediaries and any other applicable laws and regulations; and (b) in compliance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and any other applicable requirements or limitations which may be imposed from time to time by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Italian Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, and the implementing guidelines of the Bank of Italy issued on August 25, 2015, as amended on August 10, 2016 and November 2, 2020 and as further amended from time to time) and/or other competent Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer, sale, delivery or resale of the Notes by such investor occurs in compliance with applicable laws and regulations.

NOTICE TO KOREAN INVESTORS

A registration statement for the offering and sale of the Notes has not been and will not be filed under the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea), except as otherwise permitted under applicable Korean laws and regulations.

NOTICE TO MEXICAN INVESTORS

The Notes have not been and will not be registered with the National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, "CNBV"), and may not be offered, sold, traded publicly, or otherwise be the subject of brokerage activities in Mexico, except as provided by the private placement exemption set forth under Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*), pursuant to which the Notes may be offered in Mexico exclusively to institutional and qualified investors. The information contained in this offering memorandum is the exclusive responsibility of the Issuer and has not been reviewed or authorized by the CNBV. In making an investment decision, all investors, including any Mexican investors, who may acquire Notes from time to time, must rely on their own examination of the Issuer and the Guarantors, the terms of the Offering and this offering memorandum, including the merits and risks involved.

NOTICE TO NORWEGIAN INVESTORS

This offering memorandum is not a prospectus for the purpose of the Norwegian Securities Trading Act of June 29, 2007 No. 75 (the "Norwegian Securities Trading Act") or the EU Prospectus Regulation (as incorporated in the Norwegian Securities Trading Act) and, therefore, has not and will not be approved by, registered or filed with the Financial Supervisory Authority of Norway. Accordingly, the Notes shall not, directly or indirectly, be sold or offered to be sold in Norway or to residents of Norway, except that the Notes may be offered:

(a) to "qualified investors" pursuant to Article 2 (e) of the EU Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Initial Purchaser for any such offer; or

(c) in any other circumstances provided that no such offer of Notes shall result in a requirement for the registration, or the publication by the Issuer or the Initial Purchasers, of a prospectus pursuant to the Norwegian Securities Trading Act and ancillary regulations.

NOTICE TO SINGAPORE INVESTORS

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes may not be offered or sold or be made the subject of an invitation for subscription or purchase, and this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, may not be circulated or distributed, whether directly or indirectly, to persons in Singapore, other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "SFA")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

NOTIFICATION UNDER SECTION 309B OF THE SFA—In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

NOTICE TO SWEDISH INVESTORS

This offering memorandum relates to a private placement of the Notes and does not constitute an offer or solicitation to the public in Sweden to subscribe for or acquire the Notes. The Notes may be offered in Sweden solely to

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qualified investors (as defined in Article 2, paragraph e) of the EU Prospectus Regulation) and/or on the basis of any other exemption as referred to in Article 1, paragraph 4 of the EU Prospectus Regulation.

This offering memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the EU Prospectus Regulation. Neither the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) nor any other Swedish public body has examined, approved or registered this offering memorandum or will examine, approve or register this offering memorandum. Accordingly, this offering memorandum may not be made available, nor may the Notes otherwise be marketed and offered for sale, in Sweden other than in circumstances that constitute an exemption from the requirement to prepare a prospectus under the EU Prospectus Regulation.

NOTICE TO SWISS INVESTORS

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to the FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

The Notes are not intended to be offered, sold, marketed or otherwise made available to and shall not be offered, sold, marketed or otherwise made available to any private client in Switzerland other than in the context of a portfolio management agreement within the meaning of article 58(2) FinSA and article 83 of the Swiss Financial Services Ordinance. No key information document within the meaning of article 58 FinSA has been prepared with respect to the Notes.

CERTAIN DEFINITIONS

Unless indicated otherwise in this offering memorandum or the context requires otherwise:

- "**2014 Term Loan Facilities Agreement**" refers to the credit agreement dated as of November 7, 2014 among, *inter alios*, INEOS Styrolution Group GmbH and INEOS Styrolution US Holding LLC as borrowers and guarantors, the other guarantors from time to time party thereto, the administrative agent named therein (currently J.P. Morgan SE) and the Security Agent, as amended and restated as of March 30, 2017 and as further amended and restated as of November 22, 2017 and January 31, 2020, as further amended on January 29, 2021 and April 3, 2023, and as further amended from time to time;

- "**2020 Term Loan Facilities Agreement**" refers to the credit agreement dated as of July 31, 2020, among, *inter alios*, INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) and INEOS US Petrochem LLC, as borrowers and guarantors, the other guarantors from time to time party thereto, the administrative agent named therein (currently J.P. Morgan SE) and the Security Agent, as amended as of December 21, 2020, January 29, 2021, February 8, 2021, March 14, 2023 and April 20, 2023, and as expected to be further amended by a joinder and amendment agreement to be dated on the Issue Date and as the same may be further amended from time to time;

- "**2026 Dollar Term Loan B Facility**" or "**2026 Dollar Term Loans**" refers to the $2,000.0 million term loan facility made available to INEOS US Petrochem LLC pursuant to the 2020 Term Loan Facilities Agreement, of which $1,960.0 million was outstanding as of June 30, 2023;

- "**2026 Euro Term Loan B Facility**" or "**2026 Euro Term Loans**" refers to the €1,500.0 million term loan facility made available to the INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) pursuant to the 2020 Term Loan Facilities Agreement;

- "**2026 Term Loan B Facilities**" or "**2026 Term Loans**" refers to the 2026 Dollar Term Loan B Facility and the 2026 Euro Term Loan B Facility;

- "**2026 Senior Notes**" refers to the €500,000,000 $3^{3}/_{4}$% Senior Notes due 2026 issued by INEOS Quattro Finance 1 Plc on January 29, 2021;

- "**2026 Senior Notes Indenture**" refers to the indenture dated as of January 29, 2021 among, *inter alios*, INEOS Quattro Finance 1 Plc, as the issuer, the Guarantors, as guarantors, and HSBC Corporate Trustee Company (UK) Limited, as trustee, pursuant to which the 2026 Senior Notes were issued;

- "**2026 Senior Secured Notes**" refers to the €800,000,000 $2^{1}/_{2}$% Senior Secured Notes due 2026 and the $500,000,000 $3^{3}/_{8}$% Senior Secured Notes due 2026 issued by INEOS Quattro Finance 2 Plc on January 29, 2021;

- "**2026 Senior Secured Notes Indenture**" refers to the indenture dated as of January 29, 2021 among, *inter alios*, INEOS Quattro Finance 2 Plc, as the issuer, the Guarantors, as guarantors, and HSBC Corporate Trustee Company (UK) Limited, as trustee, pursuant to which the 2026 Senior Secured Notes were issued;

- "**2027 Dollar Term Loan B Facility**" or "**2027 Dollar Term Loans**" refers to the $201 million term loan facility made available to INEOS Styrolution US Holding LLC pursuant to the 2014 Term Loan Facilities Agreement, of which $195.7 million was outstanding as of June 30, 2023;

- "**2027 Euro Term Loan B Facility**" or "**2027 Euro Term Loans**" refers to the €450 million term loan facility made available to the INEOS Styrolution Group GmbH pursuant to the 2014 Term Loan Facilities Agreement;

- "**2027 Senior Secured Notes**" refers to the €600,000,000 $2^{1}/_{4}$% Senior Secured Notes due 2027 issued by INEOS Styrolution Group GmbH on January 31, 2020;

- "**2027 Senior Secured Notes Indenture**" refers to the indenture dated as of January 31, 2020 among, inter alios, INEOS Styrolution Group GmbH, as the issuer, the Guarantors, as guarantors, and The Bank of New York Mellon, London Branch, as trustee, pursuant to which the 2027 Senior Secured Notes were issued;

- "**2027 Term Loan B Facilities**" or "**2027 Term Loans**" refers to the 2027 Dollar Term Loan B Facility and the 2027 Euro Term Loan B Facility;

- "**2030 Dollar Term Loan B Facility**" or "**2030 Dollar Term Loans**" refers to the $500.0 million term loan facility made available to INEOS US Petrochem LLC pursuant to the 2020 Term Loan Facilities Agreement;
- "**2030 Euro Term Loan B Facility**" or "**2030 Euro Term Loans**" refers to the €375.0 million term loan facility made available to the INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) pursuant to the 2020 Term Loan Facilities Agreement;
- "**2030 Term Loan B Facilities**" or "**2030 Term Loans**" refers to the 2030 Dollar Term Loan B Facility and the 2030 Euro Term Loan B Facility;
- "**AAGR**" refers to average annual growth rate, expressed as a percentage;
- "**Acetyls Business**" refers to our business segment described under the caption "*Business—Business Overview—The Acetyls Business*";
- "**Acquisitions**" refers to the BP Acquisition and the INOVYN Contribution;
- "**Aromatics Business**" refers to our business segment described under the caption "*Business—Business Overview—The Aromatics Business*";
- "**BASF**" refers to BASF SE and its consolidated subsidiaries;
- "**BP**" refers to bp p.l.c. and its consolidated subsidiaries;
- "**BP Acquisition**" refers to the purchase by the Group of BP's global Aromatics and Acetyls Businesses pursuant to the BP Acquisition Agreement;
- "**BP Acquisition Agreement**" refers to the acquisition agreement dated June 29, 2020 among, inter alios, BP and the Company, as amended on July 3, 2020, October 12, 2020 and December 29, 2020;
- "**Bridge Facilities**" refers to the $2,450 million and €870 million senior secured bridge facilities made available to INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) and INEOS US Petrochem LLC pursuant to the Bridge Facility Agreement, which were repaid in full and terminated on January 29, 2021;
- "**Bridge Facility Agreement**" refers to the bridge credit agreement dated as of July 31, 2020, as amended and restated from time to time, among, *inter alios*, INEOS Quattro Holdings UK Limited and INEOS US Petrochem LLC, as borrowers and guarantors, the other guarantors from time to time party thereto, J.P. Morgan AG as Administrative Agent and Barclays Bank PLC as Security Agent;
- "**CAGR**" refers to compound annual growth rate, expressed as a percentage;
- "**Clearstream**" refers to Clearstream Banking, *société anonyme*;
- "**CLP Regulation**" refers to the EU Classification, Labeling and Packaging Regulation;
- "**Collateral**" refers to the Initial Collateral and the Subsequent Collateral, collectively;
- "**Company**" refers to INEOS Quattro Financing Limited, a direct subsidiary of the Parent;
- "**Deloitte**" refers to Deloitte LLP (the "Auditors") registered to carry out audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales;
- "**Dollar Initial Purchasers**" refers to BNP Paribas; Citigroup Global Markets Inc.; Goldman Sachs Bank Europe SE; HSBC Bank PLC; ING Bank N.V., London Branch; J.P. Morgan Securities LLC; China Construction Bank (Asia) Corporation Limited; Commerz Markets LLC; Crédit Agricole Corporate and Investment Bank; First Abu Dhabi Bank P.J.S.C.; ICBC Standard Bank Plc; KBC Bank NV; and Mizuho Securities USA LLC;
- "**Dollar Term Loan A Facilities**" refers to the $350 million term loan facilities made available to INEOS Quattro Holdings UK Limited pursuant to the 2020 Term Loan Facilities Agreement;
- "**DTC**" refers to the Depository Trust Company;

- "**Eastman Transaction**" refers to the proposed purchase by the Group of the Eastman Texas City site from Eastman Chemical Company;
- "**ECHA**" refers to the European Chemicals Agency;
- "**EEA**" refers to the European Economic Area;
- "**Equity Bridge Contribution**" refers to the $1.0 billion contributed to the Group by the Parent's immediate shareholder (funded by the Vendor Loan Notes) and used to bridge the financing of the BP Acquisition; the Equity Bridge Contribution was repaid in the form of a dividend to the Company's shareholder;
- "**EU**" refers to the European Union;
- "**EU ETS**" refers to European Union Emissions Trading Scheme;
- "**Euro Initial Purchasers**" refers to BNP Paribas; Citigroup Global Markets Limited; Goldman Sachs Bank Europe SE; HSBC Bank PLC; ING Bank N.V., London Branch; J.P. Morgan Securities plc; China Construction Bank (Asia) Corporation Limited; Commerzbank Aktiengesellschaft; Crédit Agricole Corporate and Investment Bank; First Abu Dhabi Bank P.J.S.C.; ICBC Standard Bank Plc; KBC Bank NV; and Mizuho International plc;
- "**Euro Term Loan A Facilities**" refers to the €300 million term loan facility made available to INEOS Quattro Financing Limited pursuant to the 2020 Term Loan Facilities Agreement;
- "**Euroclear**" refers to Euroclear Bank SA/NV;
- "**Excluded Jurisdictions**" refers to Bermuda, Brazil, China, Hong Kong, the Czech Republic, India, Indonesia, Italy, Jordan, Malaysia, Poland, Romania, Saudi Arabia, Spain, Taiwan, Trinidad and Tobago and Turkey;
- "**Existing Indentures**" refers to the 2026 Senior Notes Indenture, the 2026 Senior Secured Notes Indenture and the 2027 Senior Secured Notes Indenture;
- "**Existing Notes**" refers to the Existing Senior Notes and the Existing Senior Secured Notes;
- "**Existing Term Loan B Facilities**" refers to the 2026 Term Loan B Facilities, the 2027 Term Loan B Facilities and the 2030 Term Loan B Facilities;
- "**Existing Term Loan B Facilities Agreements**" refers to the 2014 Term Loan Facilities Agreement and the 2020 Term Loan Facilities Agreement;
- "**Existing Senior Notes**" refers to the 2026 Senior Notes;
- "**Existing Senior Notes Issuer**" refers to INEOS Quattro Finance 1 Plc and not to any of its subsidiaries;
- "**Existing Senior Notes Proceeds Loan**" refers to the euro-denominated intercompany loan from the Existing Senior Notes Issuer to the Company representing the proceeds of the offering of the 2026 Senior Notes;
- "**Existing Senior Secured Notes**" refers to the 2026 Senior Secured Notes and the 2027 Senior Secured Notes;
- "**GHG**" refers to greenhouse gas;
- "**Group**", "**we**", "**us**" or "**our**" refers to the Parent and its consolidated subsidiaries;
- "**Guarantor**" or "**Guarantors**" refers to the Initial Guarantors and the Subsequent Guarantors, collectively;
- "**HSSE**" refers to health, safety, security and environmental;
- "**IFRS**" refers to the United Kingdom adopted international accounting standards;
- "**Indenture"** refers to the indenture governing the Notes to be dated the Issue Date, among, *inter alios*, the Issuer, the Guarantors and the Trustee;
- "**INEOS**" or "**INEOS Group**" refers to INEOS Limited and its consolidated subsidiaries;

- "**INEOS Industries**" refers to INEOS Industries Holdings Limited and not to any of its subsidiaries;
- "**Initial Collateral**" refers to the Collateral described under the caption "*—Brief Description of the Notes, the Guarantees and the Security—Security—General—The Initial Collateral*";
- "**Initial Guarantor**" or "**Initial Guarantors**" refers to INEOS Styrolution America LLC, INEOS Styrolution US Holding LLC, INEOS Quattro Holdings UK Limited, INEOS Acetyls UK Limited, INEOS Aromatics Belgium Holdings LLC (formerly, BP America Chembel Holding LLC), INEOS Aromatics Holding Company (formerly, BP Amoco Chemical Holding Company), INEOS Aromatics Holdings Limited (formerly, BP Aromatics Holdings Limited), INEOS Aromatics Indonesia Holdings Limited (formerly, BP Amoco Chemical Indonesia Limited), INEOS Aromatics Limited (formerly, BP Aromatics Limited), INEOS World-Wide Technical Services Limited (formerly, BP World-Wide Technical Services Limited), INEOS Acetyls Americas Limited (formerly, Exploration Service Company Limited), INEOS Acetyls International Limited, INEOS Acetyls Investments Limited (formerly, BP Chemicals Investments Limited), INEOS Acetyls (Korea) Limited (formerly, BP Chemicals (Korea) Limited), INEOS INOVYN Limited, INOVYN ChlorVinyls Holdings Limited, INOVYN ChlorVinyls Limited, INOVYN Enterprises Limited, INOVYN Europe Limited, INOVYN Finance Limited, INOVYN Group Treasury Limited, INOVYN Newco 2 Limited, Kerling Newco 1 Limited, Kerling Newco 2 Limited, INEOS US Chemicals Company (formerly BP Amoco Chemical Company), INEOS US Petrochem LLC, the Company, the Parent and the Existing Senior Notes Issuer, each of which will guarantee the obligations of the Issuer under the Notes on the Issue Date;
- "**Initial Purchasers**" refers to the Euro Initial Purchasers and the Dollar Initial Purchasers, collectively;
- "**INOVYN Business**" refers to our business segment described under the caption "*Business—Business Overview—The INOVYN Business*";
- "**INOVYN Securitization Program**" has the meaning given to such term under the caption "*Description of Other Indebtedness—The INOVYN Securitization Program*";
- "**INOVYN Senior Secured Term Loan B Facility**" means the €1,064.3 million term loan facility made available to INOVYN Finance plc pursuant to the INOVYN Senior Secured Term Loan B Facility Agreement, which was repaid in full and canceled on January 29, 2021;
- "**INOVYN Senior Secured Term Loan B Facility Agreement**" means the credit agreement dated as of May 13, 2016, among, inter alios, INOVYN Finance plc, as borrower, JP Morgan AG, as administrative agent and The Bank of New York Mellon, London Branch, as security agent, as amended and restated on November 10, 2016, May 10, 2017, November 14, 2017, November 9, 2018 and March 9, 2020;
- "**Intercreditor Agreement**" refers to the intercreditor agreement dated November 7, 2014, as amended and restated on September 30, 2016 and as further amended and restated on January 31, 2020 among, *inter alios*, the Parent, the Company, the administrative agent under each of the 2014 Term Loan Facilities Agreement and the 2020 Term Loan Facilities Agreement, the trustees under the Existing Indentures and the Security Agent, and to which the Trustee under the Indenture acceded on the Issue Date;
- "**Issue Date**" refers to November 14, 2023;
- "**Issuer**" refers to INEOS Quattro Finance 2 Plc and not to any of its subsidiaries;
- "**Korean Subsidiary**" refers to INEOS Styrolution Korea Ltd.;
- "**Lotte**" refers to Lotte INEOS Chemical Co. Ltd.;
- "**Mexican Subsidiary**" refers to INEOS Styrolution Mexicana, S.A. de C.V.;
- "**mn MT**" refers to million metric ton;
- "**New Dollar Term Loan B Facility**" refers to the $1,100 million term loan facility made available to INEOS US Petrochem LLC on the Issue Date pursuant to the 2020 Term Loan Facilities Agreement;
- "**New Euro Term Loan B Facility**" refers to the €875 million term loan facility made available to INEOS Quattro Holdings UK Limited on the Issue Date pursuant to the 2020 Term Loan Facilities Agreement;
- "**New Term Loan B Facilities**" or "**New Term Loans**" refers to the New Dollar Term Loan B Facility and the New Euro Term Loan B Facility, collectively;

- "**New Term Loan Borrowing**" refers to (i) the loans under the New Term Loan B Facilities and (ii) certain amendments to the 2020 Term Loans Facilities Agreement to reflect the New Term Loan B Facilities and the evolving needs of the Group;
- "**NexantECA**" refers to Nexant Ltd.;
- "**Notes Proceeds Loans**" refers to the euro- and U.S. dollar-denominated intercompany loans from the Issuer to INEOS Quattro Holdings UK Limited representing the proceeds of the offering of the Notes;
- "**NTP**" refers to the U.S. National Toxicity Program;
- "**OEM**" refers to original equipment manufacturer;
- "**Offering**" refers to the offering of the Notes hereby;
- "**Parent**" refers to INEOS Quattro Holdings Limited (formerly known as INEOS Styrolution Holding Limited);
- "**Parent Intermediate Holdco**" refers to any direct or indirect subsidiary of the Parent of which the Company is or becomes a direct or indirect subsidiary;
- "**REACH Regulation**" refers to the EU Regulation (EC) No 1907/2006 concerning the registration, evaluation, authorisation and restriction of chemicals, as amended;
- "**Securitization Programs**" refers to the Styrolution Securitization Program and the INOVYN Securitization Program;
- "**Security Agent**" refers to HSBC Corporate Trustee Company (UK) Limited, the security agent under the 2020 Term Loan Facilities Agreement, the 2014 Term Loan Facilities Agreement, the Existing Indentures and the Indenture;
- "**Senior Secured Credit Facilities**" refers to the Existing Term Loan B Facilities and the New Term Loan B Facilities;
- "**Seveso II Directive**" refers to the EU directive on the control of major accident hazards;
- "**Styrolution Business**" refers to our business segment described under the caption "*Business—Business Overview—The Styrolution Business*";
- "**Styrolution Securitization Program**" has the meaning given to such term under the caption "*Description of Other Indebtedness—The Styrolution Securitization Program*";
- "**Subsequent Guarantor**" or "**Subsequent Guarantors**" refers to (i) the Mexican Subsidiary, the Guarantee of which will not be effective for third parties until filed and recorded in the relevant registry, (ii) the Korean Subsidiary, which will guarantee the obligations of the Issuer under the Notes only if the Bank of Korea accepts the report to be filed with it by the Korean Subsidiary and (iii) INEOS Chlor Atlantik GmbH, INEOS Styrolution APAC Pte. Ltd., INEOS Styrolution Belgium NV, INEOS Styrolution Canada Ltd., INEOS Styrolution Europe GmbH, INEOS Styrolution Finance GmbH, INEOS Styrolution Group GmbH, INEOS Styrolution Investment GmbH, INEOS Styrolution Köln GmbH, INEOS Styrolution Ludwigshafen GmbH, INEOS Styrolution Switzerland SA, INOVYN Belgium SA, INOVYN Deutschland GmbH, INOVYN France SAS, INOVYN Manufacturing Belgium SA, INOVYN Norge AS, INOVYN Olefines France SAS, INOVYN Sverige AB, INOVYN Trade Services SA, INEOS Aromatics Belgium NV (formerly, BP Chembel NV) and INEOS Aromatics Asia Limited (formerly, BP Asia Limited);
- "**Subsequent Collateral**" refers to the Collateral described under the caption "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—Security—General—The Subsequent Collateral*";
- "**Subsidiary Guarantor**" or "**Subsidiary Guarantors**" refers to the Company's subsidiaries guaranteeing the obligations of the Issuer under the Notes;
- "**TCIR**" refers to total case incident rate;
- "**Tender Offer Notes**" refers to the notes purchased in connection with the Tender Offers;

- "**Tender Offers**" refers to the offers to purchase any and all of the 2026 Senior Secured Notes denominated in dollars, a portion of the 2026 Senior Secured Notes denominated in euros and a portion of the 2026 Senior Notes;

- "**Term Loan A Facilities**" refers to the Dollar Term Loan A Facilities and the Euro Term Loan A Facilities, collectively;

- "**Transactions**" has the meaning ascribed to such term under the caption "*The Transactions*";

- "**Transitional Services Agreement**" or "**TSA**" refers to the agreement dated as of December 31, 2020, among BP International Limited and BP Amoco Chemical Company, relating to the transitional services provided following the BP Acquisition, which was terminated in 2021;

- "**Trustee**" refers to HSBC Corporate Trustee Company (UK) Limited in its capacity as trustee under the Indenture;

- "**USEPA**" refers to the U.S. Environmental Protection Agency; and

- "**Vendor Loan Notes**" means the $1,000,000,000 aggregate principal amount of unsecured guaranteed vendor loan notes issued by INEOS Industries Limited on December 31, 2020 pursuant to a vendor loan note deed dated December 31, 2020 among, *inter alios*, INEOS Industries Limited, INEOS Holdings AG and BP International Limited, which was repaid by a shareholder of the Parent with the proceeds from a dividend from the Parent in connection with a repayment of the Equity Bridge Contribution by way of a dividend to the Parent.

Unless otherwise stated, references to capacities of our facilities refer to the actual capacities of such facilities, which may be more or less than the nameplate capacities due to the current operating conditions and asset configuration of each facility. References to capacities of other producers refer to nameplate capacities.

All references to "MT" are to metric tons.

We have provided definitions for some of the industry terms used in this offering memorandum in the "*Glossary of Selected Terms*" beginning on page G-1 of this offering memorandum.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

The Issuer does not prepare, and does not intend to prepare, consolidated financial statements. As a result, this offering memorandum instead presents consolidated financial and other data for the Parent and its subsidiaries. We have included and derived the financial information for the Parent and its subsidiaries discussed in this offering memorandum from the following:

- the unaudited interim condensed consolidated financial statements of the Parent and its subsidiaries as of and for the three and six months ended June 30, 2023 with unaudited comparative financial information for the three and six months ended June 30, 2022, and the notes thereto (the "Unaudited Interim Condensed Consolidated Financial Statements");

- the audited consolidated financial statements of the Parent and its subsidiaries as of and for the year ended December 31, 2022 (with unaudited comparative financial information as of and for the year ended December 31, 2021) and the notes thereto, prepared in accordance with IFRS and the requirements of the U.K. Companies Act 2006, which have been audited by Deloitte (the "2022 Audited Consolidated Financial Statements"), and the independent auditors' report thereon; and

- the audited consolidated financial statements of the Parent and its subsidiaries as of and for the year ended December 31, 2021 (with unaudited comparative financial information as of and for the year ended December 31, 2020) and the notes thereto, prepared in accordance with IFRS and the requirements of the U.K. Companies Act 2006, which have been audited by Deloitte (the "2021 Audited Consolidated Financial Statements"), and the independent auditors' report thereon. As the Acquisitions occurred on December 31, 2020, the unaudited comparative financial information for the year ended December 31, 2020 reflects only the results of the Styrolution Business and does not reflect the results of the INOVYN, Aromatics or Acetyls Businesses and is therefore not comparable. For this reason, we have otherwise not included consolidated financial information of the Parent and its subsidiaries as of and for the year ended December 31, 2020. For further information, see "*Business—Our History*."

We believe that non-disclosure of the Issuer's accounts would not be likely to mislead investors with regard to facts and circumstances that are essential for assessing the Notes.

The Unaudited Interim Condensed Consolidated Financial Statements, the 2022 Audited Consolidated Financial Statements and the 2021 Audited Consolidated Financial Statements are collectively referred to herein as the "Consolidated Financial Statements" and are presented in millions of euro. The 2022 Audited Consolidated Financial Statements and the 2021 Audited Consolidated Financial Statements are collectively referred to herein as the "Audited Consolidated Financial Statements". Unless otherwise indicated, the financial information relating to the Parent and its subsidiaries presented in this offering memorandum has been prepared in accordance with IFRS. The Unaudited Interim Condensed Consolidated Financial Statements were prepared in accordance with IAS 34 *Interim Financial Reporting*.

The Parent was incorporated on December 18, 2015 as a subsidiary of INEOS Industries Holdings Limited. Additionally, INEOS Styrolution Financing Limited which changed its name to INEOS Quattro Financing Limited on December 3, 2020, domiciled in the United Kingdom with its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, was formed as a subsidiary of the Parent on December 18, 2015.

The unaudited financial information for the 12 months ended June 30, 2023 included elsewhere in this offering memorandum is based on the Consolidated Financial Statements and is calculated by adding the unaudited financial information for the six months ended June 30, 2023 to the financial information for the year ended December 31, 2022 less the unaudited financial information for the six months ended June 30, 2022. The unaudited financial information for the 12 months ended June 30, 2023 has been prepared solely for the purpose of this offering memorandum, is not prepared in the ordinary course of our financial reporting and has not been audited or reviewed. It is not necessarily representative of our results of operations for any future period or our financial condition as of any future date. The financial information for the 12 months ended June 30, 2023 are non-IFRS measures.

This offering memorandum also includes certain unaudited consolidated financial information that has been adjusted, with respect to unaudited *pro forma* net debt, to give *pro forma* effect to the Transactions as if they had taken place on June 30, 2023, and, with respect to unaudited *pro forma* cash interest expense, to give effect to the Transactions and the borrowing of the 2030 Term Loan B Facilities as if they had taken place on July 1, 2022. The unaudited consolidated *pro forma* financial information has been prepared for illustrative purposes only and does not purport to represent what the actual consolidated financial position would have been if the Transactions had occurred on June 30, 2023, with respect to the unaudited *pro forma* net debt, or if the Transactions and the borrowing of the 2030 Term Loan

B Facilities had occurred on July 1, 2022, with respect to unaudited *pro forma* cash interest expense, nor does it purport to project our consolidated financial position or performance at any future date. The unaudited *pro forma* financial information set forth in this offering memorandum is based on available information and certain assumptions and estimates that we believe are reasonable but may differ from the actual amounts.

For the year ended December 31, 2022, some income in relation to utilities recharge was classified under cost of sales before exceptional items versus administrative expenses before exceptional items in the year ended December 31, 2021. As such, the financial information for these two line items may not be comparable across the two years.

Non-IFRS Financial Measures

This offering memorandum presents the non-IFRS financial measures "Adjusted EBITDA", "total gross debt" and "net debt". Adjusted EBITDA represents profit for the period adjusted for tax charge, net finance costs, profit on disposal of controlling stake in businesses, loss on disposal of equity accounted investments, profit on disposal of property, plant and equipment, impairment of investments, depreciation, amortization and impairment charges, exceptional cost of sales and exceptional administrative expenses. Exceptional items within cost of sales and administrative expenses refer to profits and losses, which because of their size or nature, are outside the normal course of business so are expected to be non-recurring. This may include the disposal of businesses, acquisition costs, the cost of restructuring acquired or existing businesses, the impact of one-off events such as legal settlements and other provisions or finance costs relating to call premia and write-off of unamortized debt issue costs following substantial modification or redemption of debt as exceptional items.

The reconciliation of the Parent and its subsidiaries' profit for the period to Adjusted EBITDA is as follows:

	For the year ended December 31,		For the six months ended June 30,		For the 12 months ended June 30,
	2021	2022	2022	2023	2023
			(in €million)		
Profit for the period	**1,576.1**	**1,964.9**	**1,124.7**	**73.9**	**914.1**
Tax charge	326.0	377.7	270.4	9.1	116.4
Profit before tax	**1,902.1**	**2,342.6**	**1,395.1**	**83.0**	**1,030.5**
Net finance costs	240.2	201.7	84.8	144.3	261.2
Profit on disposal of businesses	—	(710.3)	-	-	(710.3)
Loss on disposal of equity accounted investment	—	26.6	0.1	—	26.5
Profit on disposal of property, plant and equipment	(4.3)	(5.6)	(3.4)	(1.6)	(3.8)
Impairment of investments	1.0	—	—	—	—
Exceptional cost of sales[(1)]	140.6	—	—	—	—
Exceptional administrative expenses[(1)]	41.1	5.1	—	—	5.1
Depreciation, amortization and impairment charges	718.4	712.3	327.5	368.0	752.8
Adjusted EBITDA	**3,039.1**	**2,572.4**	**1,804.1**	**593.7**	**1,362.0**

(1) Exceptional items in the year ended December 31, 2021 included €140.6 million in exceptional cost of sales provisions all incurred by the INOVYN Business on exceptional provisions in relation to decommissioning, demolition, remediation associated with mercury contamination as well as obligations under the EU Water Directive and €41.1 million in exceptional administrative expenses in relation to manpower reorganizations and various IT related costs and acquisition related fees in respect of the newly acquired Aromatics and Acetyls Businesses. Exceptional items in the year ended December 31, 2022 included €5.1 million in exceptional administrative expenses in respect of manpower reorganizations and cancellation of projects started under BP ownership which are no longer being pursued. There are no exceptional items in the six months ended June 30, 2023. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate independently. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same or similar to these adjustments. Our presentation of Adjusted EBITDA should not be construed as inference that our future results will not be affected by unusual or non-recurring items. See "*Presentation of Financial and Other Information*". Although Adjusted EBITDA should not be considered a substitute measure for profit and net cash flow from operating activities, we believe that it provides useful information regarding our ability to meet future debt service requirements. Adjusted EBITDA may not be comparable to similarly titled measures used by other companies and differs from the definition of "Consolidated Adjusted EBITDA" under "*Description of the Notes—Certain Definitions*".

Adjusted EBITDA is not a measure of financial performance under IFRS. EBITDA-based measures are not measures of our financial performance or liquidity under IFRS. We believe that the presentation of EBITDA-based measures enhances an investor's understanding of our financial performance. However, EBITDA-based measures should not be considered in isolation or viewed as substitutes for profit from operating activities or net income or as a measure of operating performance, cash flows from operating activities or as a measure of our ability to meet cash needs, or any other measures of performance as defined by IFRS. These EBITDA-based measures, as used herein, are not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the method of calculation and differ from the definition of "Consolidated Adjusted EBITDA" under "*Description of the Notes—Certain*

Definitions". Management has used, and expects to use, EBITDA-based measures to assess operating performance and to make decisions about allocating resources among its various business units. In assessing our overall performance and the performance of each of our various business units, our management reviews EBITDA-based measures as a general indicator of performance compared to prior periods. Furthermore, management and employee bonuses can be linked to the EBITDA-based performance of the business and the region in which they work. These EBITDA-based measures exclude items that our management does not utilize in assessing operating performance. Our management believes it is useful to eliminate such items because it allows management to focus on what it considers to be a more meaningful indicator of operating performance and ability to generate cash flow from operations.

Total gross debt represents total interest-bearing loans and borrowings, prior to the deduction of issue costs. Net debt represents total interest-bearing loans and borrowings, prior to the deduction of issue costs, less cash and cash equivalents. For the avoidance of doubt, total gross debt and net debt exclude lease liabilities. The Company had €290.2 million, €289.3 million and €299.2 million of lease liabilities as of June 30, 2023, December 31, 2022 and December 31, 2021, respectively.

The information presented by Adjusted EBITDA, net debt and total gross debt is unaudited and has not been prepared in accordance with IFRS or any other accounting standards. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of the SEC; compliance with its requirements would require us to make changes to the presentation of this information.

Rounding

Certain numerical figures set out in this offering memorandum, including financial information presented in millions or thousands and percentages, have been subject to rounding adjustments and, as a result, the totals of such numerical figures in this offering memorandum may vary slightly from the actual arithmetic totals of such information.

In this offering memorandum, unless otherwise indicated: all references to the "EU" are to the European Union; all references to "euro" or "€" are to the lawful currency of the European Union; all references to the "U.K." are to the United Kingdom; all references to the "United States" or the "U.S." are to the United States of America; all references to "U.S.$," "U.S. dollars," "dollars" or "$" are to the lawful currency of the United States.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods set forth below, the period end, average, high and low Bloomberg Composite Rate (New York) expressed as U.S. dollars per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the financial statements and other financial information appearing elsewhere in this offering memorandum. We make no representation that the euro or U.S. dollar amounts referred to in this offering memorandum have been, could have been or could, in the future, be converted into U.S. dollars or euro, as the case may be, at any particular rate, if at all.

The Bloomberg Composite Rate (New York) of the euro on November 20, 2023 was $1.0940 per €1.00.

	U.S. dollars per €1.00			
Year ended December 31,	**Period end**	**Average[(1)]**	**High**	**Low**
2018	1.1469	1.1782	1.2509	1.1218
2019	1.1214	1.1179	1.1543	1.0900
2020	1.2217	1.1472	1.2298	1.0691
2021	1.1370	1.1798	1.2327	1.1199
2022	1.0705	1.0529	1.1455	0.9594

	U.S. dollars per €1.00			
Six months ended	**Period end**	**Average[(2)]**	**High**	**Low**
June 30, 2022	1.0484	1.1100	1.1681	1.0380
June 30, 2023	1.0909	1.0614	1.1062	0.9702

	U.S. dollars per €1.00			
Month of	**Period end**	**Average[(2)]**	**High**	**Low**
July 2023	1.0997	1.1058	1.1236	1.0854
August 2023	1.0843	1.0907	1.1006	1.0796
September 2023	1.0573	1.0672	1.0796	1.0503
October 2023	1.0575	1.0564	1.0670	1.0467
November 2023 (through November 20, 2023)	1.0940	1.0753	1.0940	1.0570

(1) The average of the closing Bloomberg Composite Rate on the last business day of each month during the relevant period.

(2) The average of the closing Bloomberg Composite Rate on each business day during the relevant period.

FORWARD-LOOKING STATEMENTS

This offering memorandum includes "forward-looking statements," within the meaning of the U.S. securities laws and the laws of certain other jurisdictions, based on our current expectations and projections about future events, including:

- the cyclical nature of our industries and their sensitivity to changes in capacity, demand and global economic factors;
- raw material availability and costs, as well as energy and supply arrangements, including arrangements with principal feedstock suppliers, and our ability to pass increases in raw material prices and other expenses on to our customers;
- operational and other industry risks, including the risk of environmental contamination;
- the substitutability of other products for our products and regulatory initiatives that may create incentives for the use of substitute products;
- outbreaks of COVID-19 or other pandemics or epidemics and the response (or lack of response) of governments thereto;
- wars and other armed conflicts;
- the highly competitive nature of our principal industries;
- business interruption risks resulting from the actions of third parties, including our joint ventures;
- demand levels in emerging markets and the ability of regional producers to satisfy such demand;
- our and our customers' ability to borrow or raise capital;
- our ability to maintain key customer relationships;
- political, economic and legal risks associated with doing business in emerging markets;
- risks related to our increased manufacturing footprint in China;
- current or future environmental requirements, including those related to waste management, water quality and air emissions, and the related costs of maintaining compliance and addressing liabilities;
- government safety regulations and/or public perceptions regarding our products, including those that relate to the potential classification of styrene as a carcinogen;
- existing and proposed government regulations to address climate change by reducing greenhouse gas emissions;
- our ability to comply with anti-corruption laws, economic and trade sanctions or other similar regulations;
- the adequacy of our insurance coverage;
- currency fluctuations and economic downturns in the countries in which we operate;
- our ability to implement our business, cost control and growth strategies;
- our response to environmental, social and governance risks;
- our ability to keep up with technological innovation and the increasing trend toward digitalization of our industry;
- our ability to implement and commercialize recycling solutions in our business;
- our ability to maintain an effective system of internal controls;
- risks related to the destruction, ineffectiveness or obsolescence of our information systems;
- risks related to cyber security;

- our ability to retain key personnel and to attract highly-skilled individuals;
- our ability to consummate future acquisitions, integrate acquired businesses or achieve expected synergies from consummated acquisitions;
- the enforceability and validity of our intellectual property rights and the confidentiality of our proprietary information and trade secrets;
- risks related to litigation and other proceedings, including product liability claims;
- changes in tax laws or their application or increases in tax authorities' scrutiny of transactions;
- our ability to make necessary contributions to pension plans;
- relationships with our workforce and service providers;
- our substantial indebtedness which may affect our ability to service our outstanding indebtedness and operate our business;
- our ability to comply with the terms and conditions under our Securitization Programs;
- interest rate risks;
- changes or uncertainty in respect of interest rate benchmarks; and
- other factors as described in this offering memorandum, including factors set forth under "*Risk Factors*".

All statements other than statements of historical facts included in this offering memorandum including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations are based on current expectations and projections about future events and may be deemed to be "forward-looking statements". These forward-looking statements are subject to a number of risks and uncertainties, including those identified under the "*Risk Factors*" section in this offering memorandum. Words such as "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "plan," "risk," "should," "will" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. The absence of such terminology does not necessarily mean that a statement is not forward-looking. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements contained in this offering memorandum may include, in particular (but are not limited to), the following: statements regarding our financial results for the quarter ended September 30, 2023, statements regarding our future cash flows and liquidity needs, statements regarding potential expansion plans, statements regarding expected future capacity of our facilities, statements regarding safety, statements regarding expectations of industry growth and demand and supply levels and utilization rates; statements regarding ISO certification targets and pledges made regarding levels of future recyclable content and other sustainability targets and statements regarding the expected future financial operating impacts of the Eastman Transaction and certain cost savings programs. In addition, from time to time we or our representatives, acting in respect of information provided by us, have made or may make forward-looking statements orally or in writing and these forward-looking statements may be included in but are not limited to press releases (including on our website), reports to our security holders and other communications. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Any forward-looking statement speaks only as of the date on which it is made and is not intended to give assurances as to future results. You should not place undue reliance on forward-looking statements, which speak only as of the date of this offering memorandum. We expressly disclaim any obligation or undertaking to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this offering memorandum, including those set forth under the section entitled "*Risk Factors*".

The risks described in the "*Risk Factors*" section in this offering memorandum are not exhaustive. Other sections of this offering memorandum describe additional factors that could adversely affect our business, financial condition or results of operations. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

TAX CONSIDERATIONS

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the consequences of purchasing, holding and disposing of the Notes, including, without limitation, the application of U.S. federal tax laws to their particular situations, as well as any consequences to them under the laws of any other taxing jurisdiction, and the consequences of purchasing the Notes at a price other than the initial issue price in the Offering. See "*Certain Tax Considerations*".

TRADEMARKS AND TRADE NAMES

We own or have rights to certain trademarks or trade names that we use in conjunction with the operation of our businesses. Each trademark, trade name or service mark of any other company appearing in this offering memorandum is the property of its respective holder.

HISTORICAL AND CURRENT MARKET AND INDUSTRY DATA

Historical and current market and industry data used throughout this offering memorandum were obtained from internal company analyses, consultants' reports and industry publications. In particular, information has been provided by industry consultant Nexant Ltd. ("NexantECA") and its affiliates. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of information contained therein is not guaranteed. This information has been accurately reproduced and as far as the Issuer is aware, and is able to ascertain from published information, no facts have been omitted that would render the reproduced information inaccurate or misleading. While we accept responsibility for the accurate extraction and reproduction of such market data, we have not independently verified such market data and cannot guarantee its accuracy or completeness. In addition, certain statements in this offering memorandum regarding the styrenics, PVC, caustic soda, chlorine derivatives (including chlorinated paraffins and epichlorohydrin) and aromatics and acetyls industries, our positions in such industries and our market share are based on internal company estimates, our experience and investigations of market conditions and our review of industry positions. In particular, due to the fragmented nature of certain product groups in the styrenics industry, the classification of these product groups is not verified by third-party market data. As such, information about such product groups is supported by Group information ascertained using the practices listed above. Our statements regarding product groups may therefore not align with the findings or published data of other industry participants. Where market data is available for certain product groups and there is no consensus between third-party data providers, we have exercised our judgment to determine the information we believe most accurately reflects the market, based on our experience and industry knowledge. We cannot assure you that any of the assumptions underlying those statements are accurate or correctly reflect our position in the industry. Similarly, internal company analyses, while believed by us to be reliable, have not been verified by any independent sources, and neither we nor any of the Initial Purchasers or their affiliates make any representation as to the accuracy or completeness of such information. While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the "*Risk Factors*" section in this offering memorandum.

This offering memorandum makes reference to certain information taken from a report prepared by NexantECA. This report was generally not prepared specifically for us and in most cases relates to general industry analysis. NexantECA conducted its analysis and prepared its report utilizing reasonable care and skill in applying methods of analysis consistent with normal industry practice. All results are based on information available at the time of review unless specifically noted otherwise. Changes in factors upon which the review was based could affect the results. Forecasts are inherently uncertain because of events or combinations of events that cannot reasonably be foreseen, including the actions of government, individuals, third parties and competitors.

This offering memorandum presents certain market ranking information, which has been prepared by NexantECA on the basis of capacity by owner. Such rankings treat joint ventures as separate owners from their joint venture partners and, in certain cases, if the joint venture partners' shares had been instead attributed to the individual partner, our rankings would have been lower.

Some of the information on which the NexantECA report is based has been provided by others. NexantECA has utilized such information without verification unless specifically noted otherwise. NexantECA accept no liability for errors or inaccuracies in information provided by others.

ESG RATINGS

Our exposure to Environmental, Social and Governance ("**ESG**") risks and the related management arrangements established to address or mitigate those risks have been and may be assessed by third-party organizations, among other ways, through ESG scores or ratings ("**ESG ratings**").

The ESG ratings are prepared pursuant to proprietary reference frameworks that may not be fully defined or explained, may not be standardized across those third-party organizations, and may not be recognized by all stakeholders. The Parent, INEOS Quattro Holdings Limited, received a low risk rating from Sustainalytics, an independent ESG research, ratings and data firm, placing the Parent within the top 3% of assessed commodity chemicals companies as of October 25, 2023. In addition, INEOS AG, one of our ultimate parent undertakings, received a gold rating from EcoVadis, covering not only the Group but also certain of its affiliates across wider INEOS and placing them, on a collective basis, within the top 8% of assessed companies as of December 3, 2022. Our Styrolution Business received a gold merit in an assessment of its corporate social responsibility program by EcoVadis in 2022. In addition, the corporate social responsibility program of our INOVYN Business achieved gold merit status for the fourth consecutive year in 2022 from EcoVadis (collectively, the "**ESG Risk Ratings**"). The ESG ratings are not investment advice and should not be considered to constitute or comprise part of an offer, solicitation or advice to buy or sell or otherwise invest in any securities.

This offering memorandum contains information developed by Sustainalytics and EcoVadis. Such information and data is proprietary to Sustainalytics and EcoVadis, as applicable, and/or their relevant third-party suppliers, are provided for informational purposes only and do not constitute an endorsement of any product or project, nor investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. The use of information developed by Sustainalytics is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers. Such website does not form a part, nor is incorporated by reference in, this offering memorandum and is not an active hyperlink. Sustainalytics and EcoVadis are not subject to any regulatory or other similar oversight in respect of their methodology or ratings determinations.

ESG ratings may vary amongst ESG ratings organizations as the methodologies and priorities used to determine ESG ratings may differ. The ESG Risk Ratings are not necessarily indicative of our current or future operating or financial performance, or our future ability to service the Notes. The ESG Risk Ratings are expressed as of the date on which they were initially issued and are subject to withdrawal, suspension or change at any time. Prospective investors must determine for themselves the relevance of such ESG Risk Ratings contained in this offering memorandum or elsewhere in making an investment decision. Each of the Initial Purchasers and their affiliates makes no representations as to the accuracy or validity of the ESG Risk Ratings and assumes no liability with respect to the consequences of any reliance that may be placed on this information. Please also refer to section "*Risk Factors— Risks Relating to Our Business and Industry— A failure to identify, manage and provide transparency regarding our exposure to environmental, social and governance ("ESG") related risks may have adverse implications for our business and our reputation and may adversely affect the value of the Notes. The third-party ESG Risk Ratings referenced in this offering memorandum may not accurately reflect our risks based on environmental, social and governance matters".* For more information regarding the assessment methodologies used to determine ESG ratings, please refer to the ESG ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this offering memorandum).

In addition, this offering memorandum includes our relative ESG position among other companies within our industry as ranked by Sustainalytics and EcoVadis. In certain cases, the rankings may be based on only publicly available information and in other cases may be based on information supplied by the relevant companies. As such, the quality of information in respect of each company included in our rankings may not be comparable and there may therefore be limitations on the utility of these rankings. Prospective investors should consider these limitations carefully.

SUMMARY

This summary highlights selected information contained elsewhere in this offering memorandum. It is not complete and does not contain all the information that you should consider before investing in the Notes. You should read the entire offering memorandum, including the more detailed information in the Consolidated Financial Statements and the related notes thereto included elsewhere in this offering memorandum, before making an investment decision. See "Risk Factors" for factors that you should consider before investing in the Notes and "Forward-Looking Statements" for information relating to the statements contained in this offering memorandum that are not historical facts. All references to the "Group," "we," "us" or "our" are to the Parent and its consolidated subsidiaries. The results and assets and liabilities of associates and joint ventures are incorporated in the Consolidated Financial Statements using the equity method of accounting. See "Operating and Financial Review and Prospects—Key Factors Affecting Our Businesses—Joint Ventures".

Overview

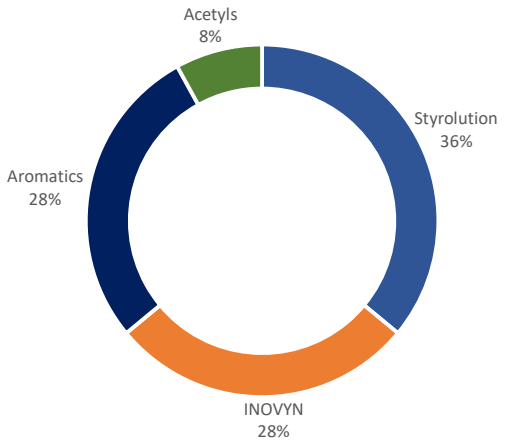
We are a leading global petrochemicals producer, marketer and merchant. Our business operates 45 manufacturing sites in 18 countries in the Americas, Europe and Asia. We have a strong global footprint and leading market positions with respect to our key products. Our business benefits from cost advantages as a result of operating large-scale, highly integrated facilities strategically located near major transportation routes and customer locations.

We operate our business through four business segments: the Styrolution Business, the INOVYN Business, the Aromatics Business and the Acetyls Business. The products we manufacture are derived from crude oil and natural gas and salt, and include styrene, vinyls, aromatic chemical compounds and organic compounds. Our products serve a broad and diverse range of end markets, including packaging, construction, automotive, electronics, household, textiles, agrochemicals and healthcare. We benefit from the cost advantages of operating large scale, well invested, highly integrated facilities strategically located near major transportation facilities and customer locations. We and our predecessors have invested significantly in our production facilities to ensure that they operate efficiently, resulting in integrated, and state of the art production units. We believe these investments allow us to operate at lower cost and higher utilization rates than most of our competitors, and enable us to maintain positive margins and cash flows even during downturns in industry cycles or customer demand.

In the year ended December 31, 2022, we generated €18,172.3 million in revenue with 45% generated from Europe, 24% from North America and 31% from Asia. In addition, our Adjusted EBITDA for the period was €2,572.4 million with 65% generated from Europe, 20% from North America and 15% from Asia. For the six-month period ended June 30, 2023, our revenue was €6,649.1 million and our Adjusted EBITDA was €593.7 million. For the twelve-month period ended June 30, 2023, our revenue was €15,145.9 million and our Adjusted EBITDA was €1,362.0 million

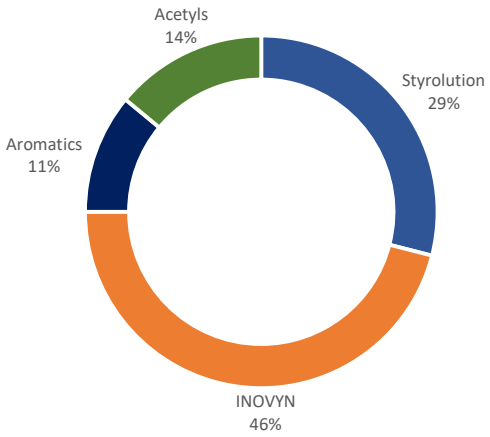
Over the past several years, we have implemented a range of strategic initiatives designed to lower our operating costs, increase our profitability and further enhance our market position. These include fixed asset investments to expand our capacity in higher value products, to enhance productivity at our existing facilities, and to reduce our fixed cost structure through headcount reductions, production line closures and system upgrades. In addition, we have shifted our product portfolio to focus on more differentiated products, exited low-margin businesses and implemented premium pricing strategies designed to improve our margins. We believe these initiatives provide us with a strong platform to drive growth, create significant operating leverage and position us to benefit from volume recovery in our end markets.

Revenue by business segment (2022)



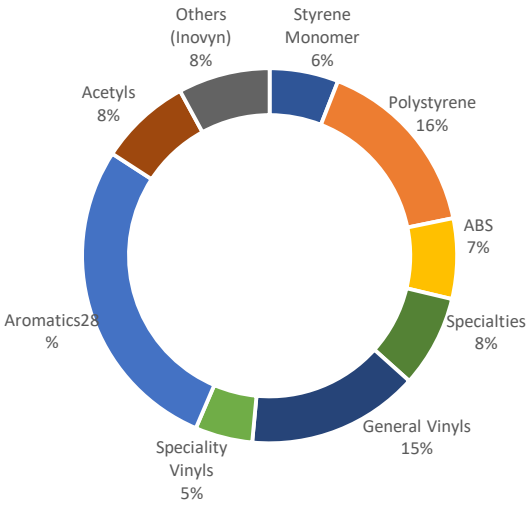
€18,172.3 million

Adjusted EBITDA by business segment (2022)



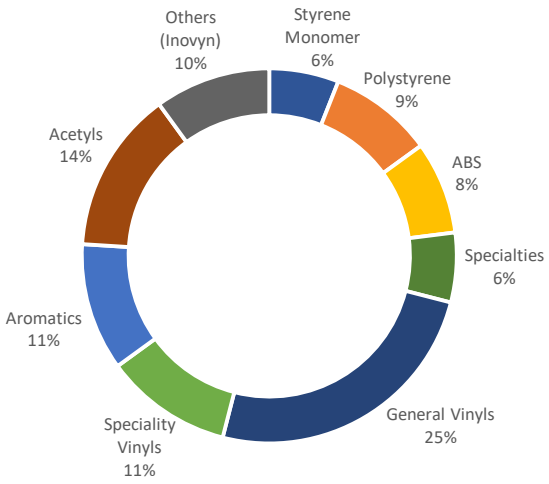
€2,572.4 million

Revenue by product group (2022)



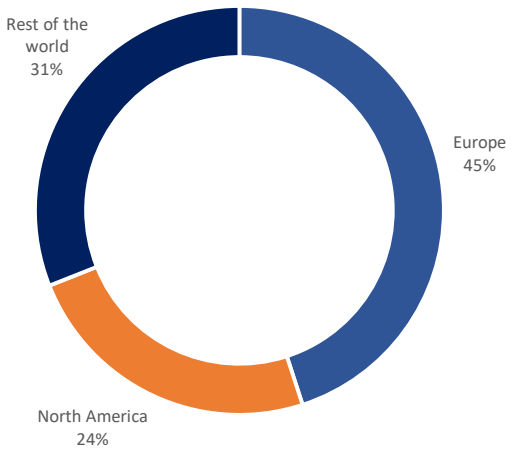
€18,172.3 million

Adjusted EBITDA by product group (2022)



€2,572.4 million

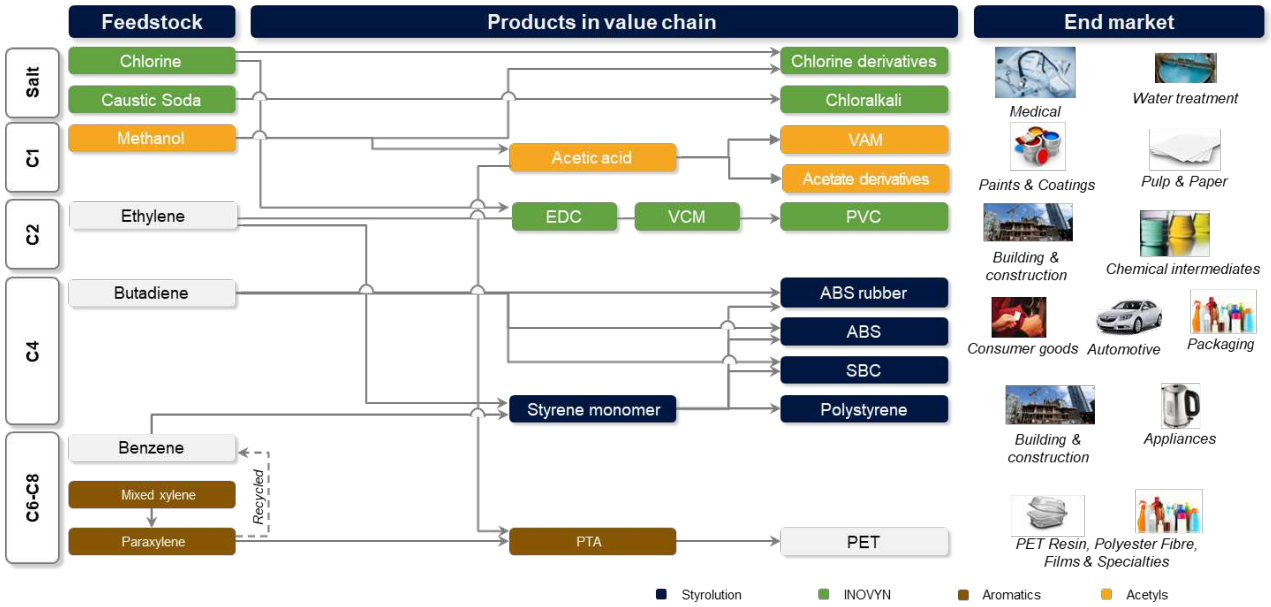
Revenue by geography[(1)] (2022)



€18,172.3 million

Based on location of customer.

The following presents our main products across the petrochemicals value chain:



Source: Company information.

The Styrolution Business

We sell a comprehensive mix of products that includes both commodity (SM) and standard (PS and ABS Standard) products as well as Styrenic Specialties (ABS Specialties, SAN, SBC, SMMA and copolymers) in our Styrolution Business. Our products are used in a wide variety of focus industries, such as electronics, healthcare, household, packaging, construction and automotive. We currently operate a total of 16 manufacturing facilities across 9 countries within our Styrolution Business.

The INOVYN Business

In our INOVYN Business, we produce general PVC, which is used in a number of industries, including the building and construction, electronics and packaging industries; specialty vinyls, including Emulsion PVC products and specialty Suspension PVC products, which have higher specifications than general purpose PVC; organic chlorine derivatives, which are used throughout the chemical industry, including chlorinated paraffins, chlorinated solvents, allylics and epichlorohydrin; chlor-alkali chemicals, including caustic soda, caustic potash, chlorine and chlorine by-products, brine and water, salt and hydrochloric acid; and hydrogen. We are also actively seeking to produce clean hydrogen. Our INOVYN Business currently operates 15 manufacturing operations in 8 countries.

The Aromatics Business

In our Aromatics Business, we produce a variety of aromatic chemical compounds, including paraxylene ("PX"), purified terephthalic acid ("PTA"), benzene and metaxylene. Our compounds may be used in the production of a variety of products, including, among others, polyester fibres, PET resins, and polyester film and used in a variety of end markets such as textiles, upholstery, household items, food packaging, flexible films and industrial products.

Our Aromatics Business currently has a total of six operating sites in Europe, the United States and Asia, including sites operated by us and sites operated by joint ventures in which we hold an ownership interest.

The Acetyls Business

Our Acetyls Business produces a variety of organic compounds, including acetic acid, acetic anhydride, methanol, ethyl acetate and vinyl acetate, which are used in a variety of end market applications including, among others, building and construction materials, paints and coatings, automotive glass, polyester fibre, PET bottles, surface coatings, inks and solvents, cigarette filters, washing powders, wood acetylation and herbicides and pesticides.

Our Acetyls Business currently has a total of eight sites in seven countries (two in the Americas, one in Europe and five in Asia), including sites operated by us and sites operated by joint ventures in which we hold an ownership interest.

Our Competitive Strengths

We believe that the factors set forth below provide us with competitive advantages in the markets in which we operate.

Leading global positions throughout the petrochemicals value chain

We are a leading global producer, marketer and merchant seller of SM, PS, ABS Standard, Styrenic Specialties, PVC, Emulsion PVC, caustic soda, chlorine derivatives (such as HCI and ECH), PTA, PX and acetic acid. We believe that our global manufacturing scale, wide range of chemical products and deep customer base has allowed us to achieve and maintain leading market positions with respect to our key products.

Based on production capacity at December 31, 2022 as determined by NexantECA on a marketer basis and internal estimates:

- **SM**: We are the third largest producer of SM globally, with an estimated share of production capacity of 5.3%. We are the largest SM producer in North America and the sixth largest producer of SM in Europe.
- **PS**: We are the largest producer of PS globally, with an estimated share of production capacity of 12.8%.
- **ABS**: We are the largest producer of ABS in Europe, accounting for an estimated 47% of European ABS capacity, the third largest producer of ABS globally, accounting for an estimated 8.6% of global ABS capacity, and the second largest producer of ABS in North America, accounting for an estimated 36% of North American ABS production capacity. We are also the tenth largest producer of ABS in Asia (not taking into account the 600-kilotonne ABS plant under construction in Ningbo, China as part of our joint venture with Sinopec).
- **Styrenic Specialties**: We believe that we are the largest global producer of Styrenic Specialties, based on internal estimates.
- **PVC, Caustic Soda and Chlorine Derivatives**: We are the largest producer of suspension PVC, emulsion PVC, caustic soda, allyl chloride and chlorinated paraffins in Europe.
- **ECH and Caustic Potash**: We are the second largest producer of ECH and caustic potash in Europe.
- **Specialty PVC**: We are the world's largest producer of specialty PVC, which includes specialty suspension PVC grades and emulsion PVC.
- **PTA, PX and MX**: We are the largest producer of PTA in the United States and the second largest in Europe with an estimated share of global production capacity of 7%, the largest producer of PX in the United States, with an estimated share of U.S. production capacity of 26%, the second largest producer of PX in Europe, with an estimated share of European production capacity of 20%, and the largest and only one of two producers of MX.
- **Acetic Acid**: We are the second largest global producer of acetic acid, with an estimated share of global production capacity of 13% and the largest producer of acetic anhydride in Europe with an estimated capacity share of 51%.

Highly integrated diversified and complementary product portfolio

We sell a comprehensive mix of products that have extensive applications across a wide variety of industries, with broad geographical reach. We believe that our diversity of products, applications and end markets help minimize our exposure to individual markets, industries, customers and geographic regions and provide a strong natural hedge against economic downturns as the supply and demand cycles tend to vary between our four business segments. In addition, the diversity of the feedstocks used in our four business segments also provides a natural hedge against feedstock price or supply shocks. We operate 45 production facilities across 18 countries, serving more than 5,000 customers. Many of these facilities benefit from up- and/or down-stream integration with producers of our feedstock chemicals and utilities, as well as customers for our products, including INEOS Group affiliates, joint venture partners and third parties.

Geographically diversified with significant presence in key growth markets

Having a strong global presence and revenue sources split among numerous geographic markets, we believe that we are well diversified and display strengths across geographies, with Europe, North America and Asia representing 45%, 24% and 31%, respectively, of our revenue in the year ended December 31, 2022.

With our global reach and a significant production footprint in Europe, North America, and Asia in our Styrolution Business and our joint ventures in Asia and United States operating in our Acetyls Business, we are able to tap into high growth markets, such as Asia, and benefit from current feedstock and energy cost advantages in North America. Similarly, our facilities in our Aromatics Business are low-cost producers across each of our key regions. In addition, as the largest producer of suspension PVC, emulsion PVC, caustic soda and chlorinated paraffins in Europe and the second largest producer of ECH and caustic potash in Europe, in each case based on production capacity as of December 31, 2022, according to NexantECA, we are able to leverage our purchasing power and well-invested infrastructure to maintain a low cost profile and offer competitive prices to our customers, which, in turn, supports the growth of our market position.

Our 45 production facilities across 18 countries are generally strategically located in or near countries with significant demand for our products, thereby reducing transportation costs. Many of our production facilities also benefit from close proximity to advantaged feedstock, giving us an advantage over our competitors. Our new joint venture with Sinopec reinforces our significantly enhanced presence in China and the Eastman Texas City site acquisition further strengthens our footprint in North America.

Market leading technologies with a focus on specialty product offerings

We place significant efforts on research and development and aim to be at the forefront of technological advances in order to support our product innovation initiatives and satisfy our customers' evolving demands. We believe our efforts have resulted in technological advances that allow us to introduce new products tailored to our customers' needs with a particular focus on specialty products, which tend to have more stable demand.

In addition to innovation in specialties products in our Styrolution and INOVYN Businesses, we also have market-leading technologies in respect of processes that have lowered our fixed and variable costs of production and enabled us to be a low-cost producer in each of our business units. For example, the PTA technology platform used in the newer Zhuhai plant has reduced equipment count by 30% from the previous generation of technological design. These technological design advancements have also lowered variable costs by up to $60 per MT and reduced GHG emissions by 65%, water discharge by 75% and solid waste disposal by 95%.

Furthermore, our research and development efforts have also led to innovation and monetization of recycled material, including SM and PET (not only colorless PET, but also pilot plants to recycle currently unrecyclable PET waste, such as black food trays and colored bottles), and the development of bio-attributed PVC.

Low cost production footprint and well-invested asset base

Our world-class facilities are distributed across all major regions. We believe that many of our facilities are considered industry benchmark facilities. We benefit from the cost advantages of operating large-scale, integrated facilities strategically located near major transportation routes and customer locations. The size and scope of our manufacturing operations allow us to benefit from economies of scale in purchasing, production, distribution, marketing, research and development and the application of best practices throughout our facilities and across the Group. We and our predecessors have made significant investments in our production facilities to enhance their efficiency. We believe these investments allow us to operate at lower cost and higher utilization rates than most of our competitors and help us maintain positive margins and cash flows even during industry downturns or periods of decreased customer demand.

Experienced management team with a strong track record and industry expertise

Our senior management team has been operating INEOS and our predecessors for over 20 years and has a demonstrated track record of achieving profitable growth in the chemicals industry, successfully integrating large acquisitions, dramatically reducing the fixed cost base, and deleveraging the business following such acquisitions. James A. Ratcliffe, our controlling shareholder, and the other existing shareholders have a long and successful record of investing in the chemicals industry. Across the wider INEOS group, including our ultimate parent company and its other subsidiaries, our shareholders have completed 41 significant acquisitions since the formation of INEOS in 1998. Each of these acquisitions has been integrated effectively and has achieved significant cost savings in the acquired businesses. Our management team has extensive experience in the chemicals industry, including working for leading companies such as ICI, DuPont, Dow, Degussa and BP, and a proven ability to increase productivity, reduce costs and control capital

expenditures and working capital. We believe the experience of our management team is a distinct competitive advantage.

For example, both our Styrolution and INOVYN Businesses are the result of the combination of legacy INEOS businesses with those of the former joint venture partners (BASF, in the case of our Styrolution Business, and Solvay, in the case of our INOVYN Business). We successfully managed the integration of the legacy INEOS and BASF businesses and the legacy INEOS and Solvay businesses, respectively, and streamlined internal structures to allow our management teams to use their industry knowledge and best practices in order to respond to market opportunities, and take advantage of benefits of scale. Similarly, in the first 18 months since the acquisition of the Aromatics and Acetyls Businesses from BP, our management team has achieved more than $150 million in fixed cost savings, primarily in the areas of management reorganization, IT landscape, removal of BP shared services centers and man-power costs and also achieved significant variable cost improvements. This has been facilitated by the operational independence of the two businesses since their acquisition, leading to greater accountability and control over the businesses' assets and greater focus, understanding and agility in the face of the challenging market conditions.

Leading sustainability platform

We are dedicated to ongoing improvements in sustainability and have placed significant focus on the development of a circular economy for plastics to reduce our environmental footprint. As a member of the INEOS Group of companies, we have committed to achieving the ambitious targets that were set by our parent company for 2025 and 2030. This includes, amongst others, a pledge to incorporate recycled material into our products and ensure 100% of our polymer products can be recycled. For further details, refer to the section "*—Sustainability*". To date, we have more than 30 product grades that contain recycled or renewable material. We believe that our sustainable product range maintains the same performance level as conventional products.

Our sustainable product portfolio offers easily workable, drop-in solutions, as well as more tailored options, to address our customers' two major challenges: litter reduction through products with recycled content and lower CO_2 footprints with bio-attributed products with renewable content. These include our Terluran ECO range of mechanically recycled ABS, which offers drop-in performance with up to 70% recycled content. Polystyrene offers real circularity potential and is one of the best products for food-contact to food-contact recycling even if recycled mechanically. Only PS and PET have this functionality today. This is enabled by a very low contamination uptake in the waste stream that allows polystyrene to undergo multiple mechanical recycling cycles while still performing at equal quality levels as conventional products.

As well as developing recycled product ranges, we are rapidly expanding our range of polymers and chemicals made from renewable materials. We introduced BIOVYN™—the world's first bio-attributed PVC—in 2019, and we now offer bio-attributed versions of many of our other products, including styrene (Styrolux ECO, Styroflex ECO, K-Resin, ECO, NAS ECO, Luran ECO, Luran S ECO, Novodur ECO, Novodur HH ECO), and epichlorohydrin (REODRIN™).

Resilient cash generation

We believe that our application and market diversity reduce the effect of industry cyclicality on our results. In addition, we believe that we benefit from the fact that the supply and demand dynamics of the cycles relating to our petrochemical products are fairly independent, which also helps mitigate some of the cyclicality in the industry. Our position as a low-cost producer allows us to generate robust cash flows even in downturns while following disciplined and focused capital expenditure for growth and further cost reduction. We have also continued to employ a prudent financial management policy. Our liquidity position since the first quarter of 2022, as measured by cash balances plus undrawn working capital facility amounts, has remained steady, while our operating cash flow over the same period has remained broadly stable as well.

Our Strategy

Our principal objectives are to increase the value of the business by generating strong, sustainable and growing cash flows across industry cycles and to maintain our position as a leading global supplier of petrochemicals. To achieve these objectives, we adopted the following key strategies:

Achieve cost savings and realize synergies

Overhead cost reviews are undertaken on a regular basis at all our main sites. We will continue to implement a number of cost-saving initiatives in the fields of procurement, operations and selling, and general and administrative expenses, in order to reduce our fixed and variable cost base and to improve our manufacturing efficiency.

Across the wider INEOS Group, our shareholders have historically succeeded in reducing costs at our acquired businesses by making rapid reductions in underlying fixed costs and implementing an efficient corporate and management structure. Historically, INEOS has been conservative in their approach on cost savings and thus overachieves. They have achieved significant fixed cost reductions in businesses that they have acquired, delivering on average a reduction of approximately 25% of inherited fixed costs in the four-year period post-acquisition. Immediately after the formation of each of our Styrolution Business and our INOVYN Business, we appointed a dedicated team to identify and pursue cost savings opportunities, and since the formation of our Styrolution Business and our INOVYN Business we have realized more than €300 million and €220 million of cost savings on an annualized basis, respectively. We have achieved similar cost savings within the Aromatics and Acetyls Businesses by, among other things, redirecting acetic acid sales from the Hull, U.K. site from the low-margin deep sea export market to co-located and easy access INEOS affiliates at higher-margin market rates; making improvements to variable costs and increased production capacity at the Hull site and the Merak, Indonesia PTA site; and securing favorable mixed xylene contract terms at the Geel site under a ten-year supply contract. Together, these and other initiatives since our acquisition of the Aromatics and Acetyls Businesses have allowed us to realize more than $150 million of cost savings on an annualized basis.

Generate strong cash flow to reduce leverage

We intend to focus on improving cash flow generation by maximizing the utilization of assets, leveraging existing resources and following focused capital expenditure and cost reduction plans. We intend to apply some of the excess cash flow generated from these initiatives to repay debt. We believe that the combination of improved cash flow and EBITDA, along with a reduction in debt will result in reduced leverage levels.

Focus capital investments on high-return projects

Our capital expenditure plan is focused on delivering efficiency improvements on high-return projects. We believe that our technology, personnel and production facilities will allow us to increase our profitability and cash flows while focusing on investments in projects with attractive payback economics. We will also continue to implement de-bottlenecking projects at our facilities in order to increase our production capacity, particularly when the incremental capacity can be achieved without significant additional fixed costs or capital expenditures. As a recent example, we are in the final stages of building 600 kilotonnes of new ABS Standard capacity in Ningbo, China, in a joint venture with Sinopec. The facility is adjacent to our existing Styrolution PS site in Ningbo and further improves our ABS position in inland China, the largest ABS Standard market in the world.

In addition, on August 30, 2023, we signed a shareholder agreement with Sinopec, subject to regulatory approval, for the formation of a second 50:50 joint venture to build a new 300-kilotonne ABS plant in Tianjin, China, which we believe will further enhance our strong vertical integration and reinforce our presence in China. The plant, which is currently under construction, will be based on our world leading Terluran® ABS technology and is planned to come on stream in April 2025.

Maximize utilization of assets

As a low-cost producer, we aim to operate our facilities at high capacities and operating rates. Historically, this has allowed our four Businesses to maintain positive margins and to generate cash flows (even if reduced) during downturns in industry cycles or customer demand, unlike some of our competitors who we believe have higher production costs. We intend to achieve growth in production volume by improving utilization rates within the defined availability of an asset, improving availability of an asset by minimizing planned and unplanned facility downtime and improving capacity of an asset through de-bottlenecking projects. Our management team has a long track record of improving utilization rates on assets.

Maintain lean corporate structure and incentivize management and employees

Consistent with the INEOS Capital philosophy, we operate under a simple and decentralized, flat organizational structure that minimizes corporate bureaucracy. We believe that a simple and decentralized organizational structure is cost effective and allows our management team the freedom to use their industry knowledge to respond to market opportunities. We also offer compensation arrangements that incentivize our employees. We believe that we can increase the value of our business when our employees share in the value they create. Management and employee bonuses are also linked to the EBITDA-based performance of the business and region in which they work.

Access advantaged feedstock and energy opportunities

We maintain an asset base capable of exploiting feedstock opportunities around the world, providing us with access to a broad range of advantaged feedstock and energy opportunities. We intend to continue exploiting the

advantageous pricing of feedstock and energy resulting from expanding global shale gas production. For example, we already purchase approximately 150 kilotonnes per annum of US-sourced ethylene from an INEOS Group affiliate as a feedstock in our Rheinberg and Jemeppe facilities. In addition, our supply agreement with an upstream European refinery gives us access to low-cost feedstock in our Geel PX plant in Belgium.

We will continue to exploit opportunities to lower our energy costs in key areas of our production, particularly in electricity generation and usage. For example, a significant percentage of the energy supplied to our INOVYN Business's Runcorn site is being delivered from an "Energy from Waste" plant operated by Runcorn TPS, in which we hold a 25% economic interest and a 60% voting interest. The energy produced by this plant benefits from environmental incentives and is significantly below market prices, thereby strengthening our cost advantages at this site. We also take the opportunity, when advantageous, to enter into electricity fixed price supply contracts and derivative swap contracts at some of our key energy intensive sites, rather than simply purchasing at the prevailing spot price.

Maintain and grow our leadership positions to enhance our competitiveness

Building on our management's track record of implementing synergies and cost savings, we will continue to implement a series of operational efficiencies and strategic business growth initiatives to retain our market leading positions in Europe, North America and Asia. We also aim to be the industry leader for product and process innovation. For example, we intend to leverage our INOVYN Business's know-how in developing specialty PVC products in order to maintain our position as the world's largest producer of specialty PVC. We will continue to replace our lowest margin general purpose PVC sales with higher value specialty PVC sales. This will mainly be achieved by capital expenditure projects focused on the conversion of general purpose PVC capacity to specialty PVC capacity. In addition, we are emphasizing the development, and increasing the scale, of our high-margin and less cyclical Specialties and ABS Standard grades in our Styrolution Business, including expanding our ABS and ASA capacity in the Americas through the construction of a new 100-kilotonne capacity ASA polymer plant in Bayport, Texas, United States.

In addition, on August 30, 2023, we signed a shareholder agreement with Sinopec for the formation of a second 50:50 joint venture to build a new 300-kilotonne ABS plant in Tianjin, China. The plant, which is currently under construction, will be based on our world-leading Teluran® ABS technology and is planned to come on stream in April 2025. We believe that our well-invested profile of low-cost facilities will allow us to retain our cost advantage and continue to be a supplier of choice and leading innovator in the markets where we operate.

Dedication to sustainability

We aim to operate and develop our business in a way that balances our current and future needs, taking into account relevant economic, environmental and social factors, so that we can sustain and further grow our business for the long term. We strongly believe that sustainable business management and practices will contribute to our long-term business success and strengthen our leading position in the market.

We also believe sustainability is a lever for growth and will enable us to tap into new and emerging business opportunities. As a result, sustainability is a consideration in all our processes. As a member of the INEOS Group, we are committed to achieving the ambitious targets set by the INEOS Group for 2025 and 2030, which include, amongst others, a pledge to ensure 100% of our polymer products can be recycled, as well as an INEOS-wide pledge to incorporate at least 325 kilotonnes per year of recycled material into products. For further details, refer to the section "*Business—Sustainability*".

Technology leadership

We believe that technology leadership can help us achieve a sustainable cost leadership position. We seek to optimize the overall effectiveness of our asset base by making appropriate investments in maintenance, turnarounds, capital equipment and variable cost improvements, in conjunction with personnel training and site and plant benchmarking, in order to achieve state-of-the-art facilities capable of operating 24 hours a day, seven days a week at high standards of safety and reliability. We intend to further develop our intellectual property and unpatented proprietary know-how in order to advance our product innovation and deliver further process improvements that preserve our preferential cost position relative to our competitors.

Our History

Our company is the result of the combination of four leading petrochemicals businesses: INEOS Styrolution, INOVYN, and the Aromatics and Acetyls businesses acquired from BP. The combination of the businesses of INEOS Styrolution, INOVYN, the BP Aromatics and Acetyls businesses, created a global leader with broad geographical and product diversity, a balanced portfolio and world class manufacturing platforms.

While the Group was formed in December 2020, some parts of our business are more than 100 years old and our INEOS heritage of both the Styrolution Business and the INOVYN Business is longstanding.

In 2011, the Styrolution Business inherited, with a few exceptions, the global styrenics activities of BASF and INEOS and was initially formed by INEOS and BASF as a 50:50 joint venture. The heritage businesses combined a rich history in innovation and leadership in the styrenics industry and had a record of achieving efficiencies and cost competitiveness, going back over 80 years. For example, the BASF heritage business was responsible for the first styrene monomer synthesis and polystyrene polymerization in 1929 and 1930.

In 2014, INEOS signed a share purchase agreement with BASF SE and BASF Antwerpen NV, as sellers, for the acquisition of BASF's 50% share in INEOS Styrolution Holding GmbH (formerly Styrolution Holding GmbH). Upon consummation of such acquisition, the Styrolution Business became wholly owned by INEOS Industries, but continued to be operated and financed on a standalone basis.

In 2015, the INOVYN Business began as a joint venture between INEOS and Solvay, which had a combined legacy of over 150 years of innovation and leadership in several fields, including polyvinyl chloride. The formation of the joint venture created a leading player in the global PVC market by bringing together the Kerling business of INEOS, which had a track record of acquiring and growing profitably a portfolio of PVC assets with running cost-efficient operations, and the Solvay business, which had a track record of product leadership and research and innovation, particularly in the specialty PVC market.

In 2016, following the consummation of the Solvay exit, INEOS Group Investments Limited became INOVYN Limited's sole shareholder and hence, sole owner of the modern INOVYN Business.

In 2020, we acquired BP's global Aromatics and Acetyls businesses, including properties, loose plant and equipment, feedstock and product inventory, contracts, licenses, intellectual property and information technology systems ("BP Petrochemicals") and formed "INEOS Quattro". The total purchase price for BP Petrochemicals was $5 billion. BP's Aromatics business was developed and grown organically as part of the Amoco Chemicals portfolio, a leader in developing PTA which grew the business through deploying leading proprietary PTA chemical process technology originally in the U.S. followed by Europe and then China. BP's Acetyls business was developed and grown as part of the BP Chemicals portfolio after the acquisition of the acetic acid technology from Monsanto in the 1970s, starting with the facility at Hull, U.K. and growing through JV partnerships in Asia and Trinidad and Tobago, and a marketing partnership with Eastman in the U.S.

Today, we operate our Aromatics Business and Acetyls Business as two separate segments, along with the Styrolution Business and the INOVYN Business.

The Transactions

We intend to use the proceeds from the Offering to purchase a portion of the 2026 Senior Notes in the applicable Tender Offer, to finance a portion of the purchase price of the Eastman Transaction and to pay related fees and expenses. In addition, we intend use the proceeds from the Offering, along with the proceeds from the borrowings under the New Term Loan B Facilities, to repay a portion of the amounts outstanding under the 2026 Term Loan B Facilities, to purchase a portion of the 2026 Senior Secured Notes in the applicable Tender Offers (together with the purchase of a portion of the 2026 Senior Notes, the "Repayment") and to pay related fees and expenses. See "*Use of Proceeds*".

On the Issue Date, we (i) incurred the loans under the New Term Loan B Facilities and (ii) made certain amendments to the 2020 Term Loans Facilities Agreement to reflect the New Term Loan B Facilities and the evolving needs of the Group (the "New Term Loan Borrowing").

The Offering, the New Term Loan Borrowing, the Repayment and the payment of related fees and expenses are collectively referred to herein as the "Transactions".

We are carrying out the Transactions in order to extend our debt maturity profile and improve our liquidity. Please see "*Description of Other Indebtedness*".

RECENT DEVELOPMENTS

Trading Statement

Based on management's preliminary analysis and certain estimates, management expects that Adjusted EBITDA for the Group for the three-month period ended September 30, 2023 was approximately 47% lower compared to Adjusted EBITDA of €313 million for the corresponding period in 2022 and approximately 22% lower compared to Adjusted EBITDA of €212 million for the three-month period ended June 30, 2023. Based on management's preliminary analysis and certain estimates, management expects that revenue for the Group for the three-month period ended September 30, 2023 was approximately 36% lower compared to revenue of €4,642 million for the corresponding period in 2022 and approximately 5% lower compared to revenue of €3,148 million for the three-month period ended June 30, 2023. Market sentiment has continued to be impacted by high inflation rates and high energy costs, particularly in Europe. In response to the challenging market conditions the Group has implemented a number of measures to conserve cash during this period. The Group has implemented policies to control all discretionary fixed costs across the businesses and all capital projects have been reviewed to defer or reduce discretionary expenditure and scheduled turnarounds where it is prudent to do so.

Management estimates that Adjusted EBITDA for the Styrolution Business for the three-month period ended September 30, 2023 was approximately 22% lower compared to Adjusted EBITDA of €76 million for the corresponding period in 2022. Management estimates that revenue for the Styrolution Business for the three-month period ended September 30, 2023 was approximately 36% lower compared to revenue of €1,684 million for the corresponding period in 2022. Polymer market demand was soft due to general economic uncertainty, weak durable demand and some customers postponing orders. These conditions were prevalent in all regions and across most of our industry sectors. High energy prices, inflation and increasing interest rates weakened overall market sentiment. Volumes and margins significantly improved for polymers in Asia compared to the three-month period ended June 30, 2023, as more discipline returned in the markets after the capacity increases seen in China. SM margins were strong in EMEA and Americas due to outages in the market.

Management estimates that Adjusted EBITDA for the INOVYN Business for the three-month period ended September 30, 2023 was approximately 58% lower compared to Adjusted EBITDA of €182 million for the corresponding period in 2022. Management estimates that revenue for the INOVYN Business for the three-month period ended September 30, 2023 was approximately 39% lower compared to revenue of €1,249 million for the corresponding period in 2022.The results were impacted by general purpose and specialty PVC margin reductions and lower caustic soda pricing, partially offset by lower electricity and gas costs. Our portfolio of assets continued to be run at low operating rates during the quarter. Weak demand in the domestic European market for general purpose PVC, combined with ample supply of competitively priced imports, resulted in further erosion of spreads over ethylene. Export general purpose PVC margins have also deteriorated with the continuation of reduced domestic demand in Asia and the US, forcing low-cost producers from these regions into export markets. Margins on specialty PVC remain healthy, particularly for our high technical specification products, albeit at lower levels than the comparative quarter. The caustic soda European contract price for the three-month period ended September 30, 2023 settled at a 42% reduction compared to the corresponding period in 2022, due to weak demand and ample supply. Sales of excess caustic soda tonnes into export markets reached 19% of total volumes compared to 1% in three-month period ended June 30, 2022. European energy markets have stabilized with electricity and natural gas prices consistently trading at lower levels than the prior year, although prices are still high compared to the first half of 2021 and prior.

Management estimates that Adjusted EBITDA for the Aromatics Business for the three-month period ended September 30, 2023 was €19 million compared to Adjusted EBITDA of €(1) million for the corresponding period in 2022. Management estimates that revenue for the Aromatics Business for the three-month period ended September 30, 2023 was approximately 33% lower compared to revenue of €1,425 million for the corresponding period in 2022. Overall PTA sales volumes were lower for Global Aromatics in the three-month period ended September 30, 2023 compared to the same period last year. The US region saw the largest decline in volumes where pressure from imports was driven by a regional disconnect in the cost of production and the weaker local US demand environment. Europe sales levels were flat compared to the three-month period ended September 30, 2022 as the combined headwinds of local competitiveness versus imports and reduced demand in the West have not yet abated. Asian sales volumes were impacted by a scheduled turnaround at the Merak site. PTA unit margins were under pressure in all regions as a result of pricing pressure from driving sales volumes in a long market.

Management estimates that Adjusted EBITDA for the Acetyls Business for the three-month period ended September 30, 2023 was approximately 80% lower compared to Adjusted EBITDA of €56 million for the corresponding period in 2022. Management estimates that revenue for the Acetyls Business for the three-month period ended September 30, 2023 was approximately 35% lower compared to revenue of €305 million for the corresponding period in 2022. Demand in Europe remained low for both acetic acid and acetic anhydride with customers under strong pressure from cheap Asian imports in their respective markets. The US market continued to see demand well below historical

norms, but the market was steady. Asian demand also remained stable, supported by rising Chinese prices, together with industry turnarounds and unplanned outages in the region.

Management estimates that net debt at the end of September 2023 was approximately 1% lower compared to net debt of €5,175 million at the end of September 2022. Management estimates that cash balances at the end of September 2023 were approximately 42% higher compared to €1,453 million at the end of September 2022, and availability under undrawn securitization facilities at the end of September 2023 was approximately 39% lower compared to €840 million at the end of September 2022. Management estimates that the ratio of net debt to Adjusted EBITDA was approximately 4.2 times Adjusted EBITDA as of and for the twelve months ended September 30, 2023.

The information as of and for the three-month period ended September 30, 2023 is based solely on preliminary internal information used by management. This information is preliminary and based on a number of assumptions that are subject to inherent uncertainties and may change. It may not be indicative of the actual financial quarterly results or financial condition as of quarter end and may not be indicative of any other period. See "*Forward-Looking Statements*".

Eastman Transaction

In September 2023, the Group agreed with Eastman Chemical Company to acquire the Eastman Texas City site, including the 600kt acetic acid plant and all associated third-party activities on the site, for a purchase price of $490.0 million, consisting of approximately $413.0 million at closing and the remainder in equal installments on the first and second anniversaries of the closing (the "Eastman Transaction"). The final purchase price is subject to working capital and other customary adjustments at closing. The Eastman Transaction is expected to be completed in the fourth quarter of 2023, subject to regulatory approvals and satisfaction of other customary closing conditions. A portion of the purchase price for the Eastman Transaction is intended to be financed with the proceeds from the Offering.

Under our current marketing arrangement with Eastman Chemical Company, the Acetyls Business receives 63% of profits related to acetic acid production from the Eastman Texas City site and Eastman Chemical Company receives the remaining 37% of profits. We estimate that the Adjusted EBITDA attributable to the share of the profits from the acetic acid plant at the Eastman Texas City site that the Group does not already account for was approximately $40.3 million for the year ended December 31, 2022 and $35.4 million in the twelve months ended June 30, 2023 (based on payments made to Eastman in the six months ended June 30, 2023 and 50% of the payments made in 2022). This does not include the incremental Adjusted EBITDA that we expect to generate from the other activities on the site, including from third party tenants and debottlenecking and cost management and optimization projects.

Debt Tender Offers

On October 30, 2023, we launched offers to purchase for cash (together, the "Tender Offers" and the notes offered to be purchased, the "Tender Offer Notes") (i) any and all of the U.S. dollar-denominated $3^3/_8$% 2026 Senior Secured Notes (the "USD Tender Offer") and (ii) a portion of the euro-denominated $2^1/_2$% 2026 Senior Secured Notes and the euro-denominated $3^3/_4$% 2026 Senior Notes held pursuant to Regulation S by non-U.S. persons outside the United States. The Tender Offers expired on November 8, 2023, and pursuant to their terms we purchased $353.8 million in aggregate principal amount of $3^3/_8$% 2026 Senior Secured Notes at a purchase price of 95.0%, €417.9 million in aggregate principal amount of $2^1/_2$% 2026 Senior Secured Notes at a purchase price of 94.0% and €127.8 million in aggregate principal amount of $3^3/_4$% 2026 Senior Notes at a purchase price of 90.5%. The Tender Offers settled on November 14, 2023.

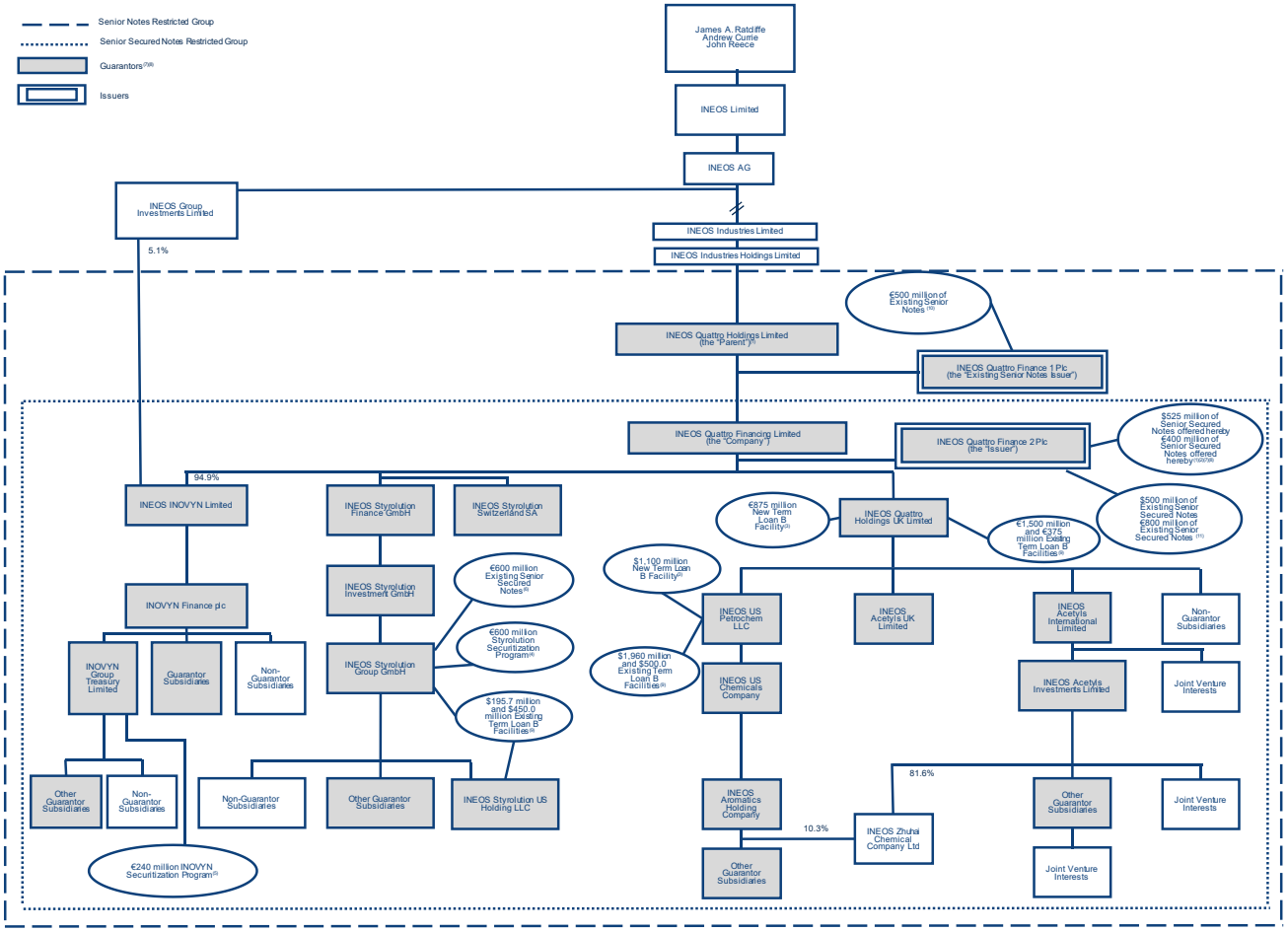
This offering memorandum does not relate to the Tender Offers, which were only made upon the terms and subject to the conditions set out in the Offers to Purchase.

Other Recent Developments

The majority partner in our 37%-owned methanol joint venture in Trinidad and Tobago recently elected not to renew the joint venture's natural gas supply contract with NGC, the national gas company of Trinidad and Tobago, during the 2024-2026 supply period due to the change in terms offered by NGC. The current contract with NGC expires in 2024 and the plant will be idled thereafter. While it will be maintained in anticipation of a potential resumption of operations should a new supply contract be reached between the joint venture and NGC for subsequent supply periods, there is no guarantee that our joint venture partner and we will be able to reach a satisfactory supply arrangement with NGC in the future. Our interest in the methanol joint venture contributed approximately €44.6 million to our Adjusted EBITDA for the twelve months ended June 30, 2023 and we received cash dividends from the joint venture of approximately €43.9 million during that period. The carrying value of our interest in the methanol joint venture was €73.0 million as of June 30, 2023.

Summary Corporate and Financing Structure

The following diagram summarizes our corporate structure and principal outstanding financing arrangements after giving *pro forma* effect to the Transactions. See "*The Transactions*". For a summary of the debt obligations referenced in this diagram, see "*Description of the Notes*" and "*Description of Other Indebtedness*".



(1) The Parent will guarantee the Notes on a senior secured basis jointly and severally with the Company, the Subsidiary Guarantors and the Existing Senior Notes Issuer. The obligations of each Guarantor will be subject to various limitations. See "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations*" and "*Description of the Notes—Brief Description of the Notes, the Guarantors and the Security—Security*".

(2) The Notes will be senior secured obligations of INEOS Quattro Finance 2 Plc. On the Issue Date, the Notes will be guaranteed on a senior secured basis by the Parent, the Existing Senior Notes Issuer, the Company and the Initial Subsidiary Guarantors (collectively, the "Initial Guarantors"). On the Issue Date, the Notes will be secured on a first priority basis (but after certain obligations owed to agents and other creditor representatives), subject to certain permitted collateral liens, by security interests over certain shares, bank accounts, intercompany receivables, assets and real property of the Issuer and the Initial Guarantors. Within 90 days after the Issue Date, the Notes will be guaranteed on a senior secured basis by the Subsequent Guarantors and will be secured on a first priority basis (but after certain obligations owed to agents and other creditor representatives), subject to certain permitted collateral liens, by security interests over certain shares, bank accounts, intercompany receivables, assets and real property of the Subsequent Guarantors. The Guarantees granted by, and the Liens over the shares of, the Mexican Subsidiary will not be effective before third parties until filed and recorded in the relevant registries to the extent the Guarantees are granted over specific assets or property owned by the Mexican Subsidiary or over the shares representing its capital stock. The Guarantee from INEOS Styrolution Korea Ltd. (our "Korean Subsidiary") will be subject to the filing of a report by our Korean Subsidiary with the Bank of Korea. The Bank of Korea may request that our Korean Subsidiary submits such documents as may be necessary or desirable to determine whether to accept the report. This additional information can include financial statements of the issuer of the principal debt obligation, as well as documentation demonstrating the commercial benefit of the transaction for our Korean Subsidiary. The Bank of Korea may require that the amount of the Guarantee be limited to the value of the corporate benefit received by our Korean Subsidiary. After submission of a report to the Bank of Korea, under normal circumstances it may take up to five business days for the Bank of Korea to grant its acceptance thereof. If the Bank of Korea does not accept the report, our Korean Subsidiary will not provide a Guarantee of the Notes, even though it provides a guarantee under the Existing Indentures and the Existing Term Loan B Facilities Agreements and may still provide a guarantee under the New Term Loan B Facilities. See "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security*".

(3) On the Issue Date, the borrowings under the New Term Loan B Facilities, together with the proceeds of the Offering of the Notes, will be used (i) to repay a portion of the amounts outstanding under the 2026 Term Loan B Facilities and purchase a portion of the 2026 Senior Secured Notes in the Tender Offers and (ii) to pay certain fees and expenses related to the Transactions. See "*The Transactions*" and "*Use of Proceeds*".

(4) As of June 30, 2023, the Styrolution Securitization Program had a total capacity of €600.0 million. Based on the number of receivables included in the program as of that date, we had a maximum borrowing limit of €352 million. See "*Description of Other Indebtedness—The Styrolution Securitization Program*".

(5) As of June 30, 2023, the INOVYN Securitization Program had a total capacity of €240.0 million. Based on the number of receivables included in the program as of that date, we had a maximum borrowing limit of €225 million. See "*Description of Other Indebtedness—The INOVYN Securitization Program*".

(6) On January 31, 2020, INEOS Styrolution Group GmbH issued €600,000,000 2 1/4% Senior Secured Notes due 2027 (the "2027 Senior Secured Notes"). The 2027 Senior Secured Notes are senior secured obligations of INEOS Styrolution Group GmbH and rank pari passu in right of payment to all of INEOS Styrolution Group GmbH's existing and future senior indebtedness, including the 2026 Senior Secured Notes, the Notes, the New Term Loan B Facilities and the Existing Term Loan B Facilities. The 2027 Senior Secured Notes are jointly and severally guaranteed by the Guarantors and secured on a first priority basis by security interests in the Collateral (and subject to and in accordance with the agreed security principles).

(7) Together, the Issuer and the Guarantors represented 93.3% of our Adjusted EBITDA in the six months ended June 30, 2023 and held 95.0% of our combined consolidated total assets as of June 30, 2023 (in each case, prior to giving effect to pro forma adjustments and calculated in a consistent manner as the covenants in the 2020 Term Loan B Facilities Agreement, i.e., excluding the receivables sold to the securitization special purpose vehicles under the Securitization Programs and the Adjusted EBITDA and assets of our subsidiaries in the Excluded Jurisdictions). Our subsidiaries in the Excluded Jurisdictions represented 13.3% of our total assets and 2.6% of our Adjusted EBITDA as of and for the six months ended June 30, 2023 (in each case, excluding the Adjusted EBITDA and assets of the securitization special purpose vehicles under the Securitization Programs). See "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations".*

(8) On the Issue Date in the case of the Initial Guarantors and, in the case of the Collateral to be pledged by the Subsequent Guarantors within 90 days after the Issue Date, the Notes and the Guarantees will be secured in accordance with the priorities set forth in the Intercreditor Agreement, subject to certain permitted collateral liens, by security interests over certain shares, bank accounts, intercompany receivables, assets and real property of the Issuer and the Guarantors, as described in "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—Security".* The Guarantee from the Korean Subsidiary will be subject to the filing of a report by our Korean Subsidiary with the Bank of Korea. The Bank of Korea may request that our Korean Subsidiary submit such documents as may be necessary or desirable to determine whether to accept the report. This additional information can include financial statements of the issuers of the principal debt obligation, as well as documentation demonstrating the commercial benefit of the transaction for our Korean Subsidiary. The Bank of Korea may require that the amount of the Guarantee be limited to the value of the corporate benefit received by our Korean Subsidiary. After submission of a report to the Bank of Korea, under normal circumstances it may take up to five business days for the Bank of Korea to grant its acceptance thereof. If the Bank of Korea does not accept the report, our Korean Subsidiary will not provide a Guarantee of the Notes, even though it provides a guarantee under the Existing Indentures and the Existing Term Loan B Facilities Agreements, including in respect of the New Term Loan B Facilities. Our Korean Subsidiary accounted for €16.0 million of the Parent's consolidated Adjusted EBITDA in the six months ended June 30, 2023 and €479.3 million of the Parent's consolidated total assets as of June 30, 2023.

(9) Represents the $195.7 million and €450 million 2027 Term Loan B Facilities which are senior secured obligations of INEOS Styrolution US Holding LLC and INEOS Styrolution Group GmbH, respectively, the €1,500.0 million 2026 Euro Term Loan B Facility and €375.0 million 2030 Euro Term Loan B Facility, which are senior secured obligations of INEOS Quattro Holdings UK Limited and the $1,960.0 million 2026 Dollar Term Loan B Facility and $500.0 million 2030 Dollar Term Loan B Facility, which is a senior secured obligations of INEOS US Petrochem LLC, all of which rank *pari passu* in right of payment to all of the relevant borrowers' existing and future senior indebtedness, including the Notes, the New Term Loan B Facilities and the Existing Senior Secured Notes. The Existing Term Loan B Facilities are jointly and severally guaranteed by the Guarantors and secured on a first priority basis by security interests in the Collateral (and subject to and in accordance with the agreed security principles). A portion of the 2026 Term Loan B Facilities will be repaid in connection with the Transactions.

(10) Represents the €500.0 million aggregate principal amount of 3 3/4% 2026 Senior Notes. We intend to repurchase a portion of the 2026 Senior Notes in the applicable Tender Offer.

(11) Represents the €800.0 million aggregate principal amount of 2 1/2% 2026 Senior Secured Notes and the $500.0 million aggregate principal amount of 3 3/8% 2026 Senior Secured Notes. We will repurchase all of the U.S. dollar-denominated 3 3/8% 2026 Senior Secured Notes tendered in the applicable Tender Offer. We intend to repurchase a portion of the euro-denominated 2 1/2% 2026 Senior Secured Notes in the applicable Tender Offer.

In addition, the Group also has (i) several short term committed and uncommitted credit facilities with different local banks to fund our working capital requirements up to a total aggregate amount of €238.4 million equivalent in China, Malaysia, Singapore, South Korea, Thailand, and the United Kingdom and (ii) letter of credit facilities in China, Malaysia, Indonesia, Mexico, Singapore, South Korea, Thailand, and the United Kingdom. As of June 30, 2023, there was €190.9 million available under such facilities (after taking into account a reduction in the available amounts due to the use of certain bank acceptances in China of €47.5 million). As of June 30, 2023, the drawn amount under all letter of credit facilities was €35.0 million equivalent. See "*Description of Other Indebtedness—Other Financing—Working Capital, Letter of Credit and Bank Guarantee Facilities*" and "*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Financing Arrangements*". In January 2022, our then Unrestricted Subsidiary (and currently 50%-owned joint venture), INEOS Styrolution SINOPEC Advanced Materials (Ningbo) Pte Ltd ("SAM"), entered into a 10-year RMB 3,300 million term loan facility, which is currently guaranteed, on an unsecured basis, by the Company. See "*Description of Other Indebtedness—Other Financing—Renminbi Facility*". In September 2022, our then Unrestricted Subsidiary SAM entered into a €6.5 million term loan facility, and later, in January 2023, entered into a second term loan facility providing for €77.6 million. These facilities are guaranteed by each of INEOS Styrolution America LLC, INEOS Styrolution Polymers (Foshan) Company Limited and INEOS Styrolution Polymers (Ningbo) Company Limited. See "*Description of Other Indebtedness—Other Financing—Export Credit Financing Guarantees*". Our Chinese and Thai subsidiaries, among others, will not guarantee the Notes. As of June 30, 2023, our non-Guarantor subsidiaries had €nil in total indebtedness (excluding the Securitization Programs). Any additional debt that our non-Guarantor subsidiaries incur in accordance with the Indenture will rank structurally senior to the Notes and the Guarantees.

Principal Shareholders and Our Relationships with INEOS Limited

The Issuer is a wholly-owned subsidiary of the Parent. The Parent is a wholly-owned subsidiary of INEOS Industries. INEOS Industries is controlled by INEOS AG. INEOS Limited holds 100% of the share capital of INEOS AG. INEOS Limited became the ultimate parent undertaking of the Group on December 1, 2016. See also "*Management*" and "*Certain Relationships and Related Party Transactions*".

James A. Ratcliffe, Andrew Currie and John Reece control INEOS Industries (and therefore the Parent) through their shareholdings in INEOS Limited. Messrs. Ratcliffe, Currie and Reece, through INEOS AG, also control (i) INEOS Group Holdings SA, which produces a range of chemicals including petrochemicals, (ii) INEOS Industries Limited, a portfolio of businesses, including the Group, INEOS Olefins & Polymers UK and INEOS Upstream Limited, an oil and gas exploration, production and transportation business, (iii) INEOS Enterprises Holdings Limited, a portfolio of businesses, including Pigments, Composites and Solvents and (iv) INEOS Technologies (Holdings) Ltd., which operates an electrolysis technology business.

Various service agreements and service-level agreements exist between us and members of the INEOS Group. These agreements cover services such as information technology, office use, management services and project services. Such services are rendered on a cost-plus basis. We also have several purchase agreements with the INEOS Group governing the purchase of raw materials.

We have entered into a number of significant transactions and arrangements with the INEOS Group and related parties, and the Indenture will permit us to continue to do so in the future. In general, all outstanding balances with the INEOS Group and related parties are priced based on contractual arrangements and are settled in cash within two months of the reporting date. None of the balances are secured. The sales to and purchases from the INEOS Group and related parties are conducted on an arm's-length basis.

See "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—The interests of our principal shareholders and of the INEOS Group may conflict with your interests*", "*Management*", "*Principal Shareholders*" and "*Certain Relationships and Related Party Transactions*".

THE OFFERING

The following is a brief summary of some of the terms of the Offering. For a more complete description of the terms of the Notes, see "*Description of the Notes*".

Issuer	INEOS Quattro Finance 2 Plc, a public limited company incorporated under the laws of England and Wales
Notes Offered	€525.0 million aggregate principal amount of $8^1/_2$% Senior Secured Notes due 2029
	$400.0 million aggregate principal amount of $9^5/_8$% Senior Secured Notes due 2029
Issue Date	November 14, 2023
Issue Price:	
Euro Notes	100% (plus accrued and unpaid interest from the Issue Date, if any).
Dollar Notes	100% (plus accrued and unpaid interest from the Issue Date, if any).
Interest Rate:	
Euro Notes	8.500% per annum. Interest on the Euro Notes will accrue from the Issue Date.
Dollar Notes	9.625% per annum. Interest on the Dollar Notes will accrue from the Issue Date.
Maturity Date	March 15, 2029
Interest Payment Dates	Interest on the Notes is payable semi-annually in arrears on May 15 and November 15 of each year, commencing May 15, 2024.
Denominations	Each Euro Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.
	Each Dollar Note will have a minimum denomination of $200,000 and integral multiples of $1,000 in excess thereof.
Ranking of the Notes	The Notes will:

- be senior obligations of the Issuer secured on a first-priority basis (but after certain obligations owed to agents and other creditor representatives) by the Collateral (together with the New Term Loan B Facilities, the Existing Term Loan B Facilities, the Existing Senior Secured Notes and certain hedging obligations and cash management arrangements);
- rank *pari passu* in right of payment with all existing and future indebtedness of the Issuer that is not subordinated to the Notes, including, without limitation, the 2026 Senior Secured Notes and the Issuer's guarantees of the 2027 Senior Secured Notes, New Term Loan B Facilities, the Existing Term Loan B Facilities and certain hedging obligations and cash management arrangements;
- be guaranteed on a senior secured basis by the Guarantors;
- rank effectively senior to all existing and future indebtedness of the Issuer that is unsecured or that is secured by liens junior to the liens securing the Notes to the extent of the value of the Collateral, including the Issuer's guarantee of the 2026 Senior Notes;
- be effectively subordinated to all existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes to the extent of the value of the assets securing such Indebtedness;

- rank senior in right of payment to all existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes, including the Issuer's guarantee of the 2026 Senior Notes; and

- be structurally subordinated to all liabilities (including trade payables) and preferred stock of each subsidiary of the Issuer that is not a Guarantor, including the Securitization Programs, drawings under certain working capital facilities and lease liabilities of the Issuer's non-Guarantor subsidiaries.

Guarantees..... Together, the Issuer and the Guarantors represented 93.3% of our Adjusted EBITDA in the six months ended June 30, 2023 and held 95.0% of our combined consolidated total assets as of June 30, 2023 (in each case, prior to giving effect to pro forma adjustments and calculated in a consistent manner as the covenants in the 2020 Term Loan B Facilities Agreement, *i.e.*, excluding the receivables sold to the securitization special purpose vehicles under the Securitization Programs and the Adjusted EBITDA and assets of our subsidiaries in the Excluded Jurisdictions). Our subsidiaries in the Excluded Jurisdictions represented 13.3% of our total assets and 2.6% of our Adjusted EBITDA as of and for the six months ended June 30, 2023 (in each case, excluding the Adjusted EBITDA and assets of the securitization special purpose vehicles under the Securitization Programs). On the Issue Date, the Notes will be jointly and severally guaranteed by the Parent, the Company and certain of the Company's subsidiaries (collectively, the "Initial Guarantors"). Within 90 days after the Issue Date, the Notes will be guaranteed by certain other subsidiaries of the Company (the "Subsequent Guarantors"). The Guarantees granted by the Mexican Subsidiary will not be effective before third parties until filed and recorded in the relevant registry to the extent the Guarantees are granted over specific assets or property owned by the Mexican Subsidiary or over the shares representing its capital stock.

The Guarantees from our Korean Subsidiary will be subject to the filing of a report by our Korean Subsidiary with the Bank of Korea. The Bank of Korea may request that our Korean Subsidiary submit such documents as may be necessary or desirable to determine whether to accept the report. This additional information can include financial statements of the issuers of the principal debt obligation, as well as documentation demonstrating the commercial benefit of the transaction for our Korean Subsidiary. The Bank of Korea may require that the amount of the Guarantees be limited to the value of the corporate benefit received by our Korean Subsidiary. After submission of a report to the Bank of Korea, under normal circumstances it may take up to five business days for the Bank of Korea to grant its acceptance thereof. If the Bank of Korea does not accept the report, our Korean Subsidiary will not provide a Guarantee of the Notes, even though it provides a guarantee under the Existing Indentures and the Existing Term Loan B Facilities Agreements, including in respect of the New Term B Facilities. Our Korean Subsidiary accounted for €16.0 million of the Parent's Adjusted EBITDA in the six months ended June 30, 2023 and €479.3 million of the Parent's consolidated total assets as of June 30, 2023.

The Guarantors will also guarantee the New Term Loan B Facilities, the Existing Term Loan B Facilities, the Existing Senior Secured Notes, the Existing Senior Notes and certain hedging obligations and cash management obligations. Certain of the Guarantors also guarantee a 10-year RMB 3,300 million term loan facility (the "Renminbi Facility") and two term loan facilities with an aggregate principal amount of €84.1 million (the "Export Credit Facilities"). See "*Description of Other Indebtedness—Other Financing*". The obligations of each Guarantor will be subject to various limitations. See "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations*" and "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Corporate benefit, capital maintenance laws and other limitations on the Guarantees and the security interests may adversely affect the validity and enforceability of the Guarantees and the security interests over the Collateral*". The Guarantees will be subject to the terms of the Intercreditor Agreement. See "*Description of Other Indebtedness—Intercreditor Agreement*".

The Guarantees will be subject to release under certain circumstances. See "*Description of the Notes—Brief Description of the Notes, The Guarantees and the Security—The Guarantees—Release of the Guarantees*".

As of June 30, 2023, our non-Guarantor subsidiaries had €nil million in total indebtedness (excluding the Securitization Programs). Any additional debt that our non-Guarantor subsidiaries incur in accordance with the Indenture will rank structurally senior to the Notes and the Guarantees. The Guarantees will be subject to contractual and legal limitations and may be released under certain circumstances. See "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—The Notes and each Guarantee will be structurally subordinated to the liabilities of non-Guarantor subsidiaries and will only be secured to the extent of the value of the assets that have been granted as security for the Notes*," "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Your rights as a creditor may not be the same under relevant insolvency laws in Germany and other jurisdictions as under U.S. or other insolvency laws. Corporate benefit, capital maintenance and other limitations on the Guarantees and the security interests may adversely affect the validity and enforceability of the Guarantees of the Notes and the security interests and will limit the amount that can be recovered under the Guarantees and the security interests granted by the Issuer and its subsidiaries*" and "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—The Guarantees—Release of the Guarantees*".

Ranking of the Guarantees ..... Each Guarantee will:

- be joint and several and will be the general senior obligation of the applicable Guarantor;
- be *pari passu* in right of payment with all existing and future indebtedness of the applicable Guarantor that is not subordinated to such Guarantee (including borrowings and guarantees under the New Term Loan B Facilities, the Existing Senior Secured Notes, the Existing Term Loan B Facilities and certain hedging obligations and certain cash management arrangements) and, in respect of the Guarantees by the Existing Senior Notes Issuer and the Parent, the Existing Senior Notes and the Parent's guarantee of the Existing Senior Notes, respectively;
- rank senior in right of payment to all existing and future subordinated indebtedness of the applicable Guarantor, including (other than in the case of the Parent and the Existing Senior Notes Issuer) that Guarantor's guarantee of the Existing Senior Notes;
- rank effectively senior to all existing and future indebtedness of the applicable Guarantor that is unsecured or secured by liens junior to the liens securing the Notes to the extent of the value of the Collateral, including the Existing Senior Notes and the guarantees thereof;
- be effectively subordinated to all existing and future indebtedness of the applicable Guarantor that is secured by property or assets that do not secure the Guarantee, to the extent of the value of the property and assets securing such Indebtedness;
- be secured by first-priority liens (together with the New Term Loan B Facilities, the Existing Term Loan B Facilities, the Existing Senior Secured Notes, certain hedging obligations and certain cash management arrangements) over the Collateral; and
- be structurally subordinated to all liabilities (including trade payables) and preferred stock of each subsidiary of the applicable Guarantor that is not a Guarantor.

Security	On the Issue Date, subject to the terms of the security documents, the Notes and the Guarantees (together with the New Term Loan B Facilities, the Existing Term Loan B Facilities, the Existing Senior Secured Notes and certain hedging obligations and cash management arrangements) will be secured on a first-priority basis (but after certain obligations owed to agents and other creditor representatives), subject to certain permitted collateral liens, by the Initial Collateral. References to first-priority security interests include security interests that were created subsequent in time and thus subsequent in *in rem* ranking, but are contractually *pari passu* with prior ranking security and entitled to equal treatment with other prior security secured creditors pursuant to the Intercreditor Agreement. Within 90 days after the Issue Date, the Notes will be secured on a first-priority basis (but after certain obligations owed to agents and other creditor representatives), subject to certain permitted collateral liens, by security interests over certain shares, bank accounts, intercompany receivables, assets and real property of the Subsequent Guarantors. If the Bank of Korea does not accept our report, as discussed above, the Korean Subsidiary will not provide a Guarantee of the Notes and its assets will not secure the Notes or any Guarantee. The Notes will be secured on a *pari passu* basis with the New Term Loan B Facilities, the Existing Term Loan B Facilities, the Existing Senior Secured Notes and certain hedging obligations and cash management arrangements and will be treated as such for purposes of the application of proceeds from the enforcement of such Collateral. The Collateral does not include certain assets, property and rights, including certain receivables assets. See "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—Security*". The security interests over the Collateral may be released under certain circumstances. See "*Description of Other Indebtedness—Intercreditor Agreement*" and "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—Security—Release of Security".*
Intercreditor Agreement.....	The liens securing the Notes will be first-priority liens on the Collateral that also secure obligations under the Existing Term Loan B Facilities Agreements and the Existing Senior Secured Notes, certain hedging obligations and certain cash management arrangements and certain other future indebtedness permitted to be incurred under the Indenture. Such liens will be evidenced by security documents for the benefit of the creditors under such secured obligations. Certain security interests securing the Notes will, as a matter of local law, be granted as junior ranking security interests in relation to the security granted in respect of the Existing Term Loan B Facilities Agreements and the Existing Senior Secured Notes. Nevertheless, the Intercreditor Agreement provides that as a contractual matter among Senior Secured Creditors (as defined in the Intercreditor Agreement), the Notes will be secured on a *pari passu* basis with the New Term Loan B Facilities, Existing Term Loan B Facilities, the Existing Senior Secured Notes, certain hedging obligations and certain cash management arrangements and will be treated as such, including for purposes of the application of proceeds from the enforcement of such Collateral, in each case, subject to local law considerations and the definitive documentation governing such obligations. The Intercreditor Agreement also subjects such obligations to loss sharing. Certain existing senior-ranking liens securing the Existing Term Loan B Facilities and the Existing Senior Secured Notes will remain in place and will extend to secure the Notes and the New Term Loan B Facilities. In some jurisdictions, the security documents creating the existing senior-ranking liens securing the Existing Term Loan B Facilities and the Existing Senior Secured Notes will be amended and/or confirmed to extend such liens (or to confirm that these liens extend) to the Notes and the New Term Loan B Facilities or junior ranking security interests will be granted. In certain jurisdictions, the existing senior-ranking liens securing the Existing Term Loan B Facilities will remain in place, and new liens over the same Collateral will be created in these jurisdictions

to secure the Notes and the New Term Loan B Facilities. In such jurisdictions where new liens are created, the ranking of these new liens relative to the existing liens will, as a matter of general law, depend on a number of factors, such as the nature of the liens, the order of creation of the liens, compliance with the jurisdiction's perfection requirements with respect to the liens and the order of giving notices with respect to the liens, and accordingly without the Intercreditor Agreement, the new liens would be likely to rank after the existing liens. However, the Intercreditor Agreement provides that, as a contractual matter, the liens securing the Notes, the Existing Term Loan B Facilities, the Existing Senior Secured Notes and the New Term Loan B Facilities will rank *pari passu* and will be treated as having equal priority, including with respect to the application of proceeds from the enforcement of any Collateral to the extent secured by the same Collateral. See "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—Security*".

In addition, the Intercreditor Agreement provides that a simple majority in aggregate amount of all senior secured debt (including the Notes, any additional Notes, the Existing Term Loan B Facilities, the Existing Senior Secured Notes, the New Term Loan B Facilities, certain hedging obligations and any other *pari passu* senior secured notes or credit facilities that are permitted to be issued under the Indenture and that the trustees or lenders in respect thereof accede to the Intercreditor Agreement, but excluding certain cash management arrangements and, for the avoidance of doubt, any second lien debt obligations) under the Intercreditor Agreement can instruct the Security Agent, in the first instance, with respect to enforcement of the security. For a description of security enforcement and other intercreditor provisions, see "*Description of Other Indebtedness—Intercreditor Agreement*".

Sharing of Collateral..... In certain circumstances, the Issuer may secure specified indebtedness permitted to be incurred by the covenant described in "*Description of the Notes—Certain Covenants—Limitations on Indebtedness*" by granting liens upon any or all of the Collateral on an equal basis with the liens securing the Notes.

Optional Redemption..... Prior to November 15, 2025, the Issuer will be entitled at its option to redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount thereof, plus the applicable make-whole premium described under the caption "*Description of the Notes—Optional Redemption*" and accrued and unpaid interest to, but not including, the redemption date.

On or after November 15, 2025, the Issuer will be entitled at its option to redeem all or a portion of the Notes at the redemption prices set forth under "*Description of the Notes—Optional Redemption*" plus accrued and unpaid interest to the redemption date.

Prior to November 15, 2025, the Issuer will be entitled at its option on one or more occasions to redeem each of the Euro Notes and the Dollar Notes in an aggregate principal amount not to exceed 40% of the aggregate principal amount of the Euro Notes or the Dollar Notes, as applicable, with the net cash proceeds from certain equity offerings at a redemption price equal to 108.50% of the aggregate principal amount of the Euro Notes or 109.625% of the aggregate principal amount of the Dollar Notes, as applicable, plus accrued and unpaid interest to, but not including, the redemption date; so long as at least 50% of the aggregate principal amount of the Euro Notes or Dollar Notes, as applicable, remains outstanding immediately after the occurrence of such redemption and each such redemption occurs within 90 days of the relevant equity offering.

Change of Control..... Upon the occurrence of certain events constituting a change of control, the Issuer may be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount of such Notes on the date of purchase plus accrued and unpaid interest to, but not including, the date of purchase. See "*Description of the Notes—Purchase of Notes Upon a Change of Control*".

Additional Amounts	Any payments made by or on behalf of the Issuer, any Surviving Entity or any Guarantor in respect of the Notes or with respect to any Guarantee will be made without withholding or deduction for Taxes in any Relevant Taxing Jurisdiction (as such terms are defined in "*Description of the Notes—Payment of Additional Amounts*") unless required by law or by the official interpretation or administration of law, or by an applicable certification, identification, information or other reporting requirement or agreement, if entering into or complying with such requirement or agreement is required by law or by a taxing authority as a precondition to relief or exemption from such Tax. Subject to certain exceptions and limitations, if the Issuer, any Guarantor or any Surviving Entity is required by law to withhold or deduct such taxes with respect to a payment on any Note, the Issuer, the relevant Surviving Entity or the relevant Guarantor will pay the Additional Amounts (as defined in "*Description of the Notes—Payment of Additional Amounts*") as may be necessary to ensure that the net amount received after such withholding or deduction will be not less than the amount that would have been received if such Taxes had not been required to be withheld or deducted. See "*Description of the Notes—Payment of Additional Amounts*".
Redemption for Taxation Reasons	In the event of certain developments affecting taxation or certain other circumstances, the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to, but not including, the date of redemption. See "*Description of the Notes—Redemption Upon Changes in Withholding Taxes*".
Certain Covenants	The Indenture will restrict the ability of the Company and its restricted subsidiaries to: • incur or guarantee additional debt or issue preferred stock; • pay dividends and make other restricted payments; • create or incur liens; • make certain investments; • agree to limitations on the ability of our subsidiaries to make distributions; • engage in sales of assets and subsidiary stock; • enter into transactions with affiliates; and • transfer all or substantially all of our assets or enter into merger or consolidation transactions. Each of the covenants is subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants*".
Transfer Restrictions	The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "*Notice to Investors*".
Use of Proceeds	The proceeds from the sale of the Notes will be used as set forth in "*Use of Proceeds*".
No Established Market for the Notes	The Notes will be new securities for which there is currently no existing market. Although certain of the Initial Purchasers have informed us that they intend to make markets in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that liquid markets for the Notes will develop or be maintained.

Listing and Trading	Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade the Notes on the Euro MTF Market thereof.
Governing Law	The Indenture, the Notes and the Guarantees will be governed by New York law. The Intercreditor Agreement is governed by New York law. The security documents are governed by the applicable local law of the jurisdiction under which the security interests are granted as described under "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—Security*".
Trustee	HSBC Corporate Trustee Company (UK) Limited.
Paying Agent, Registrar and Transfer Agent for the Dollar Notes	HSBC Bank USA, National Association.
Paying Agent, Registrar and Transfer Agent for the Euro Notes	HSBC Bank PLC.
Security Agent	HSBC Corporate Trustee Company (UK) Limited.

Risk Factors

Investing in the Notes involves substantial risks. You should consider carefully all the information in this offering memorandum and, in particular, you should evaluate the specific risk factors set forth in the "*Risk Factors*" section in this offering memorandum before making a decision whether to invest in the Notes.

SUMMARY HISTORICAL FINANCIAL AND OTHER INFORMATION

The summary financial information as of June 30, 2023 and for each of the six-month periods ended June 30, 2023 and June 30, 2022 is derived from the Unaudited Interim Condensed Consolidated Financial Statements prepared in accordance with IAS 34 Interim Financial Reporting and included elsewhere in this offering memorandum. The summary financial information as of and for the years ended December 31, 2022 and 2021 is derived from the 2022 Audited Consolidated Financial Statements and the 2021 Audited Consolidated Financial Statements, respectively, each prepared in accordance with IFRS and included elsewhere in this offering memorandum. This information should be read in conjunction with "Certain Definitions," "Presentation of Financial and Other Information," "Risk Factors," "Use of Proceeds," "Capitalization," "Selected Historical Financial Information," "Operating and Financial Review and Prospects," and the Consolidated Financial Statements and the notes thereto included elsewhere in this offering memorandum. The Audited Consolidated Financial Statements have been prepared in accordance with IFRS. The Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The information below is not necessarily indicative of the results of future operations.

The summary unaudited financial information for the 12 months ended June 30, 2023 is based on the Consolidated Financial Statements and is calculated by adding the unaudited financial information for the six months ended June 30, 2023 to the difference between the financial information for the year ended December 31, 2022 and the unaudited financial information for the six months ended June 30, 2022. The unaudited financial information for the 12 months ended June 30, 2023 has been prepared solely for the purpose of this offering memorandum, is not prepared in the ordinary course of our financial reporting. It is not necessarily representative of our results of operations for any future period or our financial condition as of any future date.

We present below the non-IFRS financial measure Adjusted EBITDA in respect of the Parent and its subsidiaries. We believe that the presentation of EBITDA-based measures enhances an investor's understanding of our financial performance. However, EBITDA-based measures should not be considered in isolation or viewed as substitutes for income from operations or profit as a measure of operating performance, cash flows from operating activities as a measure of our ability to meet cash needs or any other measures of performance as defined by IFRS. Adjusted EBITDA, as used herein, is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the method of calculation.

The tables below also include certain unaudited consolidated financial information that has been adjusted, with respect to unaudited pro forma net debt, to give pro forma effect to the Transactions as if they had taken place on June 30, 2023, and, with respect to unaudited pro forma cash interest expense, to give effect to the Transactions and the borrowing of the 2030 Term Loan B Facilities as if they had taken place on July 1, 2022. The unaudited consolidated pro forma financial information has been prepared for illustrative purposes only and does not purport to represent what the actual consolidated financial position would have been if the Transactions had taken place on June 30, 2023, with respect to unaudited pro forma net debt, or if the Transactions and the borrowing of the 2030 Term Loan B Facilities had occurred on July 1, 2022, with respect to unaudited pro forma cash interest expense, nor does it purport to project our consolidated financial position at any future date. The unaudited pro forma financial information set forth in this offering memorandum is based on available information and certain assumptions and estimates that we believe are reasonable but may differ from the actual amounts.

You should read the information summarized below in conjunction with the information contained in "Presentation of Financial and Non-IFRS Information," "Use of Proceeds," "Capitalization," "Operating and Financial Review and Prospects," and the consolidated financial statements and the related notes to the financial statements of the Parent included elsewhere in this offering memorandum.

Summary Consolidated Statement of Income Information

	For the year ended December 31,		For the six months ended June 30,		For the 12 months ended
	2021	2022	2022	2023	June 30, 2023
			(in €million)		
Revenue	**14,932.2**	**18,172.3**	**9,675.5**	**6,649.1**	**15,145.9**
Cost of sales before exceptional items	(11,821.5)	(15,171.7)	(7,640.6)	(5,820.8)	(13,351.9)
Exceptional cost of sales	(140.6)	—	—	—	—
Total cost of sales	(11,962.1)	(15,171.7)	(7,640.6)	(5,820.8)	**(13,351.9)**
Gross profit	**2,970.1**	**3,000.6**	**2,034.9**	**828.3**	**1,794.0**
Distribution costs	(814.5)	(901.9)	(475.2)	(331.2)	(757.9)
Administrative expenses before exceptional items	(440.0)	(474.8)	(252.5)	(288.7)	(511.0)
Exceptional administrative expenses	(41.1)	(5.1)	—	—	(5.1)

Total administrative expenses	(481.1)	(479.9)	(252.5)	(288.7)	(516.1)
Operating profit	**1,674.5**	**1,618.8**	**1,307.2**	**208.4**	**520.0**
Share of profit of associates and joint ventures using the equity method	462.0	233.6	169.4	17.3	81.5
Dividends received from other investments	2.5	2.6	—	—	2.6
Impairment of investments	(1.0)	—	—	—	—
Loss on disposal of equity accounted investments	—	(26.6)	(0.1)	—	(26.5)
Profit on disposal of controlling stake in businesses	—	710.3	—	—	710.3
Profit on disposal of property, plant and equipment	4.3	5.6	3.4	1.6	3.8
Profit before net finance costs	**2,142.3**	**2,544.3**	**1,479.9**	**227.3**	**1,291.7**
Finance income	101.8	89.6	70.5	74.3	93.4
Finance costs before exceptional items	(273.1)	(287.0)	(151.0)	(218.6)	(354.6)
Exceptional finance costs	(68.9)	(4.3)	(4.3)	—	—
Total finance costs	(342.0)	(291.3)	(155.3)	(218.6)	(354.6)
Net finance costs	(240.2)	(201.7)	(84.8)	(144.3)	(261.2)
Profit before tax	**1,902.1**	**2,342.6**	**1,395.1**	**83.0**	**1,030.5**
Tax charge	(326.0)	(377.7)	(270.4)	(9.1)	(116.4)
Profit for the period	**1,576.1**	**1,964.9**	**1,124.7**	**73.9**	**914.1**

Summary Condensed Consolidated Statement of Cash Flows Information

	For the year ended December 31,		For the six months ended June 30,	
	2021	2022	2022	2023
	(in €million)			
Net cash flows generated from / (used in)				
Operating activities	1,825.2	1,872.1	935.1	642.8
Investing activities	(458.9)	(269.3)	(61.9)	(105.2)
Financing activities	(927.9)	(1,375.9)	(880.8)	86.4

Summary Condensed Consolidated Statement of Financial Position Information

	As of December 31,		As of June 30,
	2021	2022	2023
	(in €million)		
Property, plant and equipment	4,972.2	4,722.8	4,597.2
Intangible assets and goodwill	2,265.2	2,187.1	2,054.3
Cash and cash equivalents	1,291.3	1,530.1	2,139.1
Total assets	14,385.7	14,741.4	14,091.7
Total equity[1]	3,312.6	4,648.6	3,616.0
Net interest-bearing loans and borrowings[2][3]	6,570.3	6,341.0	7,107.9

Other Financial and Operating Data

	As of or for the year ended December 31,		As of or for the six months ended June 30,		As of or for the twelve months ended June 30,
	2021	2022	2022	2023	2023
	(in €million, except for percentages)				
Adjusted EBITDA[4]	3,039.1	2,572.4	1,804.1	593.7	1,362.0
Depreciation and amortization	718.4	712.3	327.5	368.0	752.8
Total Cash Capital Expenditures[5]	750.2	869.4	332.4	209.0	746.0

(1) Total equity includes non-controlling interests.

(2) Net interest-bearing loans and borrowings represents current and non-current interest-bearing loans and borrowings after the deduction of the amount of issue costs. Under IFRS, debt issuance costs are deducted from the related debt amounts for the purposes of statement of financial position presentation and are amortized using the effective interest method.

(3) Net debt represents net interest-bearing loans and borrowings, plus issue costs, less cash and cash equivalents. A reconciliation of net interest-bearing loans and borrowings to net debt as of December 31, 2021 and 2022 and June 30, 2023 is presented in the table below:

	As of December 31,		
	2021	2022	As of June 30, 2023
		(in €million)	
Net interest-bearing loans and borrowings[2]	6,570.3	6,341.0	7,107.9
Issue costs	69.9	50.7	57.8
Total gross debt[6]	6,640.2	6,391.7	7,165.7
less cash and cash equivalents	(1,291.3)	(1,530.1)	(2,139.1)
Net debt	**5,348.9**	**4,861.6**	**5,026.6**

(4) Adjusted EBITDA represents profit for the period adjusted for tax charge, net finance costs, profit on disposal of controlling stake in businesses, loss on disposal of equity accounted investments, profit on disposal of property, plant and equipment, impairment of investments, depreciation, amortization and impairment charges, exceptional cost of sales and exceptional administrative expenses. Exceptional items within cost of sales and administrative expenses refer to profits and losses, which because of their size or nature, are outside the normal course of business so are expected to be non-recurring. This may include the disposal of businesses, acquisition costs the cost of restructuring acquired or existing businesses, the impact of one-off events such as legal settlements and other provisions or finance costs relating to call premia and write-off of unamortized debt issue costs following substantial modification or redemption of debt as exceptional items. Exceptional items in the year ended December 31, 2021 included €140.6 million in exceptional cost of sales provisions in relation to decommissioning, demolition, remediation associated with mercury contamination as well as obligations under the EU Water Directive, €41.1 million in exceptional administrative expenses in relation to manpower reorganizations and various IT related costs and acquisition related fees in respect of the newly acquired Aromatics and Acetyls Businesses and €68.9 million in exceptional finance costs in respect of the write-off of unamortized debt issue costs associated with debt that was repaid and a charge from a related party in respect of funding provided for the acquisition of the Aromatics and Acetyls Businesses. Exceptional items in the year ended December 31, 2022 included €5.1 million in exceptional administrative expenses in respect of manpower reorganizations and €4.3 million in exceptional finance costs in respect of the write-off of unamortized debt issue costs associated with debt that was repaid. Exceptional items in the six months ended June 30, 2022 were €4.3 million in exceptional finance costs in respect of the write-off of unamortized debt issue costs associated with debt that was repaid. There are no exceptional items in the six months ended June 30, 2023. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate independently. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same or similar to these adjustments. Our presentation of Adjusted EBITDA should not be construed as inference that our future results will not be affected by unusual or non-recurring items. See "*Presentation of Financial and Other Information—Non-IFRS Financial Measures*", which includes a reconciliation of the Parent and its subsidiaries' profit for the period to Adjusted EBITDA. Although Adjusted EBITDA should not be considered a substitute measure for profit and net cash flow from operating activities, we believe that it provides useful information regarding our ability to meet future debt service requirements. Adjusted EBITDA may not be comparable to similarly titled measures used by other companies and differs from the definition of "Consolidated Adjusted EBITDA" under "*Description of the Notes—Certain Definitions*".

For a reconciliation of the Parent and its consolidated subsidiaries' results from profit for the period to Adjusted EBITDA, see "*Presentation of Financial and Other Information—Non-IFRS Financial Measures*".

(5) Represents the sum of cash expenditures on acquisition of property, plant and equipment as recorded on the consolidated statement of cash flows. See "*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Expenditures*".

(6) Total gross debt represents net interest-bearing loans and borrowings, prior to the deduction of issue costs. A reconciliation of total gross debt to net debt as of December 31, 2021 and 2022 and June 30, 2023 is presented in the table in note (3) above. For the avoidance of doubt, total gross debt and net debt exclude lease liabilities. The Company had €290.2 million, €289.3 million and €299.2 million of lease liabilities as of June 30, 2023, December 31, 2022 and December 31, 2021, respectively.

Other Financial Information

	Pro forma as of and for the twelve months ended June 30, 2023
	(in € million, except ratios)
Pro forma net debt[1]	5,412.0
Pro forma net senior secured debt[1][3]	4,997.2
Pro forma net interest expense[2]	446.0
Adjusted EBITDA	1,362.0
Ratio of pro forma net debt to Adjusted EBITDA	4.0x
Ratio of pro forma net senior secured debt to Adjusted EBITDA	3.7x
Ratio of Adjusted EBITDA to pro forma net interest expense[4]	3.1x

(1) Pro forma net debt represents total gross debt less cash and cash equivalents after giving *pro forma* effect to the Transactions. Pro forma net senior secured debt represents total gross debt less cash and cash equivalents, the principal amount of the Existing Senior Notes, loans from related parties and other loans after giving *pro forma* effect to the Transactions. The following table presents a reconciliation of pro forma total gross debt to pro forma net debt and pro forma net senior secured debt:

	As of June 30, 2023
	(in €million)
Pro forma total gross debt	7,551.1
less Pro forma cash and cash equivalents	(2,139.1)
Pro forma net debt	**5,412.0**
less Existing Senior Notes, adjusted for the applicable Tender Offer	(372.2)
less Loans from related parties	(42.5)
less Other loans	(0.1)
Pro forma net senior secured debt	**4,997.2**

(2) Pro forma net interest expense represents pro forma interest expense net of pro forma interest income assuming that the Transactions and the borrowing of the 2030 Term Loan B Facilities had occurred on July 1, 2022.

(2) Ratio of Adjusted EBITDA to pro forma net interest expense represents Adjusted EBITDA divided by pro forma net interest expense.

RISK FACTORS

Risks Relating to Our Business and Industry

Our industries are cyclical, and global economic factors, including risks associated with a recession and our consumers' access to credit, as well as changing market capacity, demand and prices may negatively affect our products' prices, reduce our operating margins and impair our cash flows.

Our revenue is primarily attributable to the sale of SM, PS, ABS, PVC, caustic soda, chlorine, PTA, acetic acid and acetic anhydride. Certain of our products, including SM, certain grades of PS and ABS, PVC, ECH, caustic soda, PTA, acetic acid and acetic anhydride, are commodity chemicals. The prices and margins of these commodity chemicals have historically been cyclical and sensitive to relative changes in, among other factors, global and regional capacity, supply and demand levels, the availability and price of raw materials and feedstocks and general economic conditions. Across these industries, cycles are generally characterized by periods of high demand or decreased supply, leading to high operating rates and margins, followed by periods of oversupply resulting primarily from either significant capacity additions or lower demand, leading in turn to reduced operating rates and lower margins. A combination of unforeseen geopolitical developments, including Russia's invasion of Ukraine and the Israel-Hamas war and the associated effects on the global economy, and economic developments, including the severe downturn in the Chinese sector, have created challenging market conditions. Market sentiment has continued to be impacted by high inflation rates and high energy costs, particularly in Europe. In recent years, some sectors built up significant excess capacity, increasing competitive pressures and driving prices down.

Historically, prices of many of our raw materials have fluctuated significantly as a result of factors such as general global economic prospects, fluctuations in oil prices and production constraints on the part of our suppliers. While we attempt to match raw material price increases with corresponding product price increases, our ability to pass on increases in the cost of raw materials to our customers is, to a large extent, dependent upon market conditions. There may be periods in which we are not able to recover increases in the cost of raw materials immediately due to our contractual arrangements or to weaknesses in demand for, or oversupply of, our products. Under unfavorable market conditions, it may take a number of months to recover the raw material cost increases.

Supply and demand across our businesses is driven by product prices, global and regional capacity, the availability and price of substitute products, as well as general economic conditions, including GDP growth and growth of core industries that consume our products. Demand is also impacted by changes in consumer spending and confidence because many of our products are used as inputs in the manufacturing of consumer end products in the electronics, healthcare, household, automotive, construction and packaging sectors. Adverse economic conditions can affect consumer and business spending generally, which would result in decreased demand for goods that incorporate our products and have an adverse effect on our results of operations. As a result, our financial results are substantially dependent upon the overall economic conditions in the U.S., the European Union, China and the rest of Asia. An extended recession in any of these locations or globally—or public perceptions that result in declining economic conditions—could substantially decrease the demand for our products and adversely affect our business. Furthermore, the packaging industry has experienced decline in recent years, particularly in Europe and North America, as recycling and sustainability concerns have risen and led to single use plastic restrictions in multiple jurisdictions. See "*—The availability of substitute products and regulatory initiatives that may encourage the use of substitute products may adversely affect demand for certain of our products and overall revenue and operations".* Our results could be materially adversely affected if we are unable to adapt to changes in consumer preferences and increase our presence in other end user sectors. See "*—We may be unable to implement our business, cost control and growth strategies*".

The markets for many of our products are cyclical and exposed to external factors. These markets experience periods of tight supply followed by capacity expansions resulting in pressure on margins. Products are global and move between regions, creating arbitrage opportunities and putting pressure on margins due to exposure between regions with differing feedstock environments, lower transportation costs or competitive positions.

Additionally, economic downturns and crises may occur in the future, with adverse effects on the economies of the countries in which we do business and on our end user sectors, resulting in knock-on impacts on industry volumes and margins. Such downturns have been and may be caused or exacerbated by, among other things, bank crises, cyber incidents, global health crises, political tensions, war, strikes, riots, civil commotion, violent weather conditions or other natural disasters. Actual events involving limited liquidity, defaults, non-performance or other adverse developments in the financial services industry, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems.

An inability to anticipate industry cycles with proper forecast systems (including reliable IT resources), to allocate market research and R&D resources strategically in response thereto or to manage our inventory adequately

could lead us to fail to meet high customer demand in up-cycles, incur significant overstock costs in down-cycles, lose our competitive advantage and erode our market share. Industry cyclicality and volatility may affect prices across our businesses and may negatively impact our ability to forecast cash requirements, which could result in liquidity shortages and poorer operating margins and cash flows. This, in turn, may adversely affect our overall business, financial condition and results of operations.

Our business may be negatively affected by increases in raw material prices and other expenses that we are unable to pass on to our customers, volatility in raw material and energy prices, our inability to retain or replace our key suppliers and supply chain disruptions.

Our margins are largely a function of the relationship between the prices that we are able to charge for our products and the costs of the feedstocks, raw materials and energy we require to make these products. We require, among other materials and key feedstocks, ethylene, benzene, energy, naphtha, salt, mixed xylene isomers, paraxylene, methane, carbon monoxide and methanol. As a result, our margins depend significantly on the price of these feedstocks and raw materials, which have historically been volatile and many of which, including benzene, ethylene, naphtha, xylenes and methanol, have, in turn, correlated closely to prices of crude oil further up in the production chain. In recent years price and cost volatility has accelerated significantly, driven by events outside of our control, and this heightened volatility may continue.

Feedstock prices may also be affected by changes in energy prices. For example, anti-fracking sentiment relating to increased shale gas production in North America and public perception of the impact of oil and gas production on the environment could have an impact on the future availability of shale gas. As a result, increasing energy costs could partially or fully set off expected decreases in ethylene prices in the region. Depending on market conditions, we may or may not be able to pass energy and feedstock price increases on to our customers.

Climate change and regulations related to climate change may also result in higher raw material and energy costs, higher operating costs or supply chain disruptions due to extreme weather events, extreme temperatures, increased demand for limited resources or renewable fuel mandates, which may also impact profitability and customer retention. See "*—Existing and proposed regulations to address climate change through reductions of greenhouse gas emissions and restrictions on other air emissions, may cause us to incur significant additional operating and capital expenses or adversely affect demand for our products".*

Additionally, our margins are affected by our ability to negotiate prices that are favorable compared to market averages. They are also driven by our plant, utilities and logistics costs, including electricity costs. Across each of our businesses, we buy electricity under a number of long-term contracts with multiple suppliers, some of which will expire in the next few years. Many of these long-term contracts do not have fixed prices and will fluctuate over the term of the agreement. Changes in regulations and governmental policy may also drive certain fluctuations in the prices of our inputs. While we attempt to match raw material and energy price increases with corresponding product price increases, our ability to pass on increases in the cost of raw materials and energy to our customers is, to a large extent, dependent upon our contractual arrangements and market conditions. There may be periods of time in which we are not able to recover increases in the cost of raw materials and energy due to our contractual pricing arrangements or to weakness in demand for, or oversupply of, our products. Specifically, timing differences in pricing between raw material and energy prices, which may change daily, and product prices, which in many cases are negotiated only monthly or less often, sometimes with an additional lag in effective dates for increases, have had and may continue to have a negative effect on profitability. Even in periods during which raw material and energy prices decline, we may suffer decreasing profits if raw material and energy price reductions occur at a slower rate than decreases in the selling prices of our products.

Significant volatility in raw material and energy costs tends to place pressure on product margins and working capital needs as sales price increases could lag behind raw material cost increases. Conversely, when raw material and energy costs decrease, customers may seek relief in the form of lower sales prices. Even where we are able to pass on raw material and energy price increases to our customers, timing differences between when we purchase raw materials and energy and when we sell our products have had and may continue to have a negative effect on our results of operations. We currently trade commodity paper to reduce volatility risk on some feedstock commodities. However, our current and future use of derivative instruments may not successfully reduce volatility risks. In addition, some of our customers take advantage of fluctuating prices by building inventories when they expect product prices to increase and reducing inventories when they expect product prices to decrease. Further, volatility in costs and pricing can result in commercial disputes with customers and suppliers with respect to interpretations of complex contractual arrangements. Significant adverse resolution of any such disputes could also reduce our profitability.

If our suppliers are negatively affected by events beyond our control, including unforeseen public health crises, terrorist attacks, wars and other armed conflicts, including Hamas's attack against Israel and the ensuing war, and political instabilities they could become unable to provide products and services as agreed, leading to follow-on

consequences for our relationships with our customers, subcontractors and other third parties. See "*—Wars and other armed conflicts—The ongoing military actions between Russia and Ukraine and between Israel and Hamas could adversely affect our business, financial condition and results of operations*". In addition, sanctions imposed on Russia in connection with its conflict with Ukraine, Nordstream pipeline explosions and limitations on LNG imports can put severe pressure on gas supply, which we rely on for our production. Russia provides a significant proportion of European gas supply and is one of the largest global producers, putting pressure on regional and global markets. While this has been mitigated so far by the warm 2022/2023 winter, an increase of European LNG import capacity, high storage levels and increased usage of coal, we cannot rule out future disruptions as demand increases.

Furthermore, during periods of high raw material prices, feedstock unavailability due to third-party *force majeure* events or otherwise, oversupply of a particular product and/or lack of demand for any product, we may reduce production, idle a line, or discontinue production of certain materials. This could cause us to incur expenses relating to the idling and the restart of these facilities in addition to any losses incurred as a result of low demand or feedstock unavailability. In any given period, reduced demand or feedstock unavailability, and the ensuing facility idling or reduced production, could prevent us from meeting minimum, or break-even, production rates, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Certain of our plants rely on one or a limited number of feedstock suppliers. In certain cases, such feedstock is delivered to our plants via pipeline with no possibility of switching to alternative delivery models (*e.g.* vessel or truck) or to another supplier by pipeline and therefore we rely on a sole supplier. In some cases, we have to date been unable to identify potential alternative sources for single-supplier materials. Without our own extensive investments in import logistics facilities and our own tanks, we cannot solve this single-source situation.

In addition, all of our joint ventures in Asia are co-located on partner sites and are dependent upon the partner for the supply of utilities, feedstocks and other services which allow the plant to operate. We have been unable to identify potential alternative sources for the supply of these utilities, feedstocks and services, in the event that the joint venture partner is unable to supply them, without having to undertake extensive investments, which may not be possible. For example, the methanol joint venture in Trinidad and Tobago receives its gas supply from NGC, the national gas company of Trinidad and Tobago. The ability of this joint venture to maintain operations relies on continued supply and the ability to renew the terms of the contract on terms that are viable. The contract with NGC for the methanol joint venture expires in 2024 and will not be renewed during the 2024-2026 supply period following a decision taken by our joint venture partner. While plant will be maintained in anticipation of a potential resumption of operations should a new supply contract be reached between the joint venture and NGC for subsequent supply periods, there is no guarantee that we and our joint partner will be able to enter into a new agreement with NGC with viable terms.

If any of our suppliers is subject to a major production disruption or is unable or unwilling to meet its obligations under present supply agreements or decides to terminate any credit line that it has granted to us or is otherwise unable to meet our quality, quantity and cost requirements, we may face supply interruptions or be forced to pay higher prices to obtain the necessary raw materials, and we may not be able to increase the prices of our finished products. Moreover, our efforts to secure alternative sources for our feedstocks, raw materials and other products could fail, and we could incur significant costs and our results of operations could be adversely affected as a result. Therefore, increases in raw material prices or interruptions of credit or supply or our inability to negotiate supplier contract extensions on favorable terms could increase pressure on our margins and reduce our cash flows, which could adversely affect our business, financial condition and results of operations. In addition, we may be unable to fill our customers' orders on a timely and cost-effective basis or in the required quantities, which could result in order cancellations, decreased revenues or loss of market share and damage to our reputation.

We have not entered into formal written contractual or volume arrangements with certain suppliers. Accordingly, we have no contractual remedy if we suffer economic loss as a result of a cessation of supply or change in the terms of supply by such parties. These business relationships could therefore terminate at any time. In addition, most of our supplier contracts will be expiring in the next two to three years. If one of the suppliers with whom we source a large percentage of our materials decides not to continue to engage in business with us or increase the fees that they charge, we may suffer material disruptions to continuity of supply and our ability to meet demand.

Our facilities are subject to operational and other industry risks, including the risk of environmental contamination, which could have a material adverse effect on our operating results.

Our operations are subject to hazards inherent in chemicals and plastics manufacturing and the related generation, use, storage, transportation and disposal of feedstocks, products and wastes, including but not limited to:

- pipeline leaks and ruptures;

- fires and explosions;
- accidents;
- severe weather and natural disasters (including hurricanes and other high-wind events, floods, droughts, unusually low temperatures and freezes or other adverse weather, which events could become more common as a result of climate change);
- mechanical and equipment failures (including due to inadequate maintenance);
- unplanned production or power outages (including blackouts) and unscheduled downtimes;
- transportation interruptions and accidents;
- unpermitted discharges or releases of toxic or hazardous substances or gases;
- other health, safety, security and environmental hazards; and
- sabotage or terrorist attacks (including due to access to facilities by unauthorized personnel due to insufficient security checks).

These hazards can cause, and have caused from time to time, personal injury and loss of life, catastrophic damage to, or destruction of, property and equipment and environmental contamination or other damages, and may result in a suspension of operations and the imposition of civil and criminal penalties, including penalties and damage awards.

We may incur significant costs to address any incidents or accidents, including to resolve claims or enforcement proceedings that are brought against us in connection with such an incident or accident, which can impact our operating results, even if most or all of the costs of such events are covered by insurance. These hazards have in the past resulted, and may in the future result in the declaration of events of *force majeure* in our various businesses, which can last for months and also lead to curtailment of production and reduced volumes supplied to customers until such events of *force majeure* are lifted. In addition, such hazards have in the past impacted, and may in the future impact, our suppliers or transportation links, which again can lead to curtailment of our production and sales to customers. Our ability to operate our site facilities in certain areas (including the U.S. Gulf Coast and Zhuhai) could also be impacted by increasingly extreme weather events relating to climate change. We may also face lost revenue or higher expenses directly or indirectly related to climate change events (*e.g.* higher insurance costs, uninsured losses, diminished customer retention or new opportunities in areas subject to extreme weather or resource availability constraints). The costs to address such operational risks or hazards, including the loss or shutdown over an extended period of operations at any of our major operating facilities could have a material adverse effect on our business, financial condition and results of operations.

The availability of substitute products and regulatory initiatives that may encourage the use of such substitute products may adversely affect demand for certain of our products and overall revenue and operations.

Substitutes may affect the sale of our commodity products (including SM, PS and ABS) and our customers' products (including PET) and production advances for competing products or price changes in raw materials and products could result in declining demand for our products as our customers switch to substitute products. In many cases, switching costs are relatively low as modern conversion lines can generally be switched between polymers. As a result, it is difficult to protect our market position for these products by product differentiation. Additionally, we risk undermining our competitive position and favoring substitution every time we are forced to increase the price of our commodity chemicals. Significant substitutions in our markets may have a material adverse effect on our business, financial condition and results of operations. In addition, PVC in particular, has attracted significant attention from environmental advocacy groups and government regulators, and some EU member states and the European Parliament have sought to increasingly regulate its use, marketing, distribution, recycling and disposal. Because many regulations relating to PVC affect our operations and the type of PVC products we produce, restrictions on PVC manufacture, use or disposal could have a material adverse effect on our business, financial condition, results of operations and cash flows. Such regulations could also adversely affect perceptions of and demand for our products even if they do not impact the manufacture of our products directly. In addition, factors such as environmental and health concerns relating to the consumer use of PVC or chlorine-containing products have in the past caused, and could in the future cause, a shift in market demand toward alternative polymer-based products and certain natural products such as timber, metals and natural fibers. We may find that our competitors who specialize in such alternative products are in a more advantageous commercial position if further consumer substitutions should take place. Should substantial customer substitution occur, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, the increase in

availability of recycled versions of our customers' products (such as PET) has the potential to moderate growth or even reduce demand for virgin product, which would in turn reduce demand for our products.

In addition, globally we are seeing a trend whereby various jurisdictions have adopted or proposed legislation or regulatory initiatives banning, taxing, or otherwise regulating plastics, including single-use plastics which has and will continue to affect the demand for our Styrenics commodity products, in particular PS, by requiring or encouraging our customers to use substitutes that are less affected by such laws and regulations. For example, Directive (EU) 2019/904 on the reduction of the impact of certain plastic products on the environment of the European Parliament (the "EU Parliament") and the Council of the European Union (the "EU Council") (the "Single-Use Plastics Directive") impacts the use of certain plastic products, including styrene-based plastics and synthetic rubber products produced by our customers using our products, in particular PS. The Single-Use Plastics Directive may cause our customers to become subject to restrictions on placing on the market of certain single-use plastic products, extended producer responsibility schemes requiring producers to cover the costs of collecting, transporting, treating and cleaning up single-use plastics, obligations to finance consumer awareness campaigns and product marking requirements, among other requirements. EU Member States were required to transpose the Single-Use Plastics Directive into national law by July 3, 2021, with the deadlines for implementing certain provisions phased in during 2023 and 2024. The scope of such implementing laws and regulations may generally be broader than the scope of the Single-Use Plastics Directive. As a result, the Single-Use Plastics Directive and national implementing laws and regulations may significantly increase the production costs and regulatory burden of our customers, decreasing demand for our commodity products used in plastics production. In India, the central government announced a nationwide ban on certain single-use plastics, which took effect from July 1, 2022. Furthermore, in Mexico, certain local governments have approved legislation that limits the use of single-use plastics in cities such as Mexico City, where such limitations have been in force and effect since January 2020. In the U.S., numerous states have also approved laws or restrictions on single-use plastics or foam products, and there has been a significant increase in such laws and regulations in recent years. We expect that more jurisdictions will continue to adopt such bans, taxes, and other laws and regulations over time, and that existing laws and regulations will become more stringent over time. If demand for our products were to decrease due to such regulatory measures and their impacts on our customers, our business, financial condition and results of operations could be materially adversely affected.

Outbreaks of disease—The Group's operations and financial results have been negatively impacted by the outbreak of COVID-19, and the outbreak of other contagious diseases may have a material adverse effect on our business, results of operations financial condition and cash flows.

Around the world, governments have been taking measures since 2020 in response to the COVID-19 outbreak, including imposing quarantines, vaccine requirements and travel restrictions and closures of various institutions; additional measures may also be imposed in response to new variants of the SARS-CoV-2 virus that causes COVID-19. The effects of the COVID-19 pandemic, including such governmental actions, have resulted in significant disruptions and uncertainty in economic activity around the world.

The adverse impacts the Group has or may experience due to COVID-19 or future contagious diseases or global health pandemics include, but are not limited to:

- infections and quarantining of the Group's employees in areas in which the Group operates;
- the Group's ability to satisfy the terms of its contracts with customers in a timely or appropriate manner;
- cancellations, delays or downsizing of projects by the Group's customers;
- our customers, service providers or suppliers experiencing financial distress, filing for bankruptcy protection or insolvency, going out of business, or suffering disruptions in their businesses;
- weaker demand in all regions for some of our core products;
- logistical complexities in, and disruptions to, personnel travel and equipment and supply delivery to certain locations;
- the need to introduce measures to reduce the Group's costs and capital expenditure including reduction of its global workforce, implementation of a hiring and salary freeze and executive pay cuts, a review and deferral of the timing of planned turnarounds and a reduction in non-essential capital expenditures;
- increased risk of impairments as a result of the effects of the COVID-19 pandemic on the Group's profitability;

- liquidity challenges, including the inability to refinance debt, obtain additional financing or sell assets on commercially reasonable terms, if at all, exhaustion of borrowing capacity and the need to implement liquidity preservation measures, as well as impacts related to delayed customer payments and payment defaults associated with customer liquidity issues and bankruptcies;

- structural shifts in the global economy and its demand for petrochemical products as a result of changes in the way people work, travel and interact, or in connection with a global recession or depression;

- the risk that the Group's insurance coverage is not likely to cover losses associated with pandemics like COVID-19 under its policies; and

- cybersecurity issues, as digital technologies may become more vulnerable and experience a higher rate of cyberattacks in the environment of remote connectivity due to stay-at-home orders.

Although we have experienced no significant impact from the COVID-19 pandemic in 2021 and 2022 and do not currently expect any impact in 2023 and beyond, the Group's operations and financial results were negatively impacted by the COVID-19 pandemic in 2020 and any worsening of the current situation or the occurrence of new disruptions could have an adverse effect on our business, liquidity, financial condition and results of operations.

The COVID-19 pandemic has had significant impacts on the financial markets. The associated principal risks to us as a result of this volatility in the financial markets include weaker currencies and the liquidity risk associated with potential increases in borrowing costs and the availability of debt financing. The economic impact of COVID-19 and of any future contagious diseases will depend on the continuing spread of the outbreak and the responses of the authorities and the global community. Although the Group has taken various measures as of the date of this offering memorandum to address the impacts of COVID-19, we can give no assurance that these or other measures implemented in the future will be sufficient. The COVID-19 situation and any resurgence thereof is dynamic, and updates on travel restrictions, shutdowns of non-essential businesses and shelter-in-place/stay-at-home orders are continually evolving. The extent of the COVID-19 outbreak's continued effects and any future pandemic's impact on the Group's operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak and other variants and the government measures implemented in response, or whether widespread shutdowns return, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. To the extent the COVID-19 pandemic or any future pandemic adversely affects our business, prospects, financial condition and results of operations, it may also have the effect of heightening other risks described in this offering memorandum.

Wars and other armed conflicts—The ongoing military actions between Russia and Ukraine and between Israel and Hamas could adversely affect our business, financial condition and results of operations.

On February 24, 2022, Russian military forces launched a military action against Ukraine, which has resulted in sustained conflict and disruption in the region. We do not have operations in Belarus, Russia or Ukraine, and revenue generated in these countries is not material to the Group. To date we have not experienced any material disruption to our operations from the ongoing military action between Russia and Ukraine. However, the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable. This conflict could lead to significant market and other disruptions, including significant volatility in energy and other commodity prices. It could also lead to significant disruptions to financial markets and the supply chain and changes in consumer or purchaser preferences, as well as increases in cyberattacks and espionage.

See "*—Our industries are cyclical, and global economic factors, including risks associated with economic recessions and our consumers' access to credit, as well as changing market capacity, demand and prices may negatively affect our products' prices, reduce our operating margins and impair our cash flows".*

Russia's annexation of Crimea, recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine and subsequent military action against Ukraine have led to sanctions being levied by the United States, the European Union, the United Kingdom, Canada, Switzerland, Japan and other countries against Russia, Belarus, the Crimea, Zaporizhzhia and Kherson regions of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic, including, among others, the removal of certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment system, which can significantly hinder the ability to transfer funds in and out of Russia. The situation is rapidly evolving as a result of the conflict in Ukraine, and the United States, the European Union, the United Kingdom and other countries or jurisdictions may implement additional sanctions, export controls or other measures against Russia or other countries, regions, officials, individuals or industries in the respective territories. Such sanctions and other measures, as well as any potential responses from Russia or other countries to such sanctions, tensions and military actions, could adversely affect the global economy and financial markets and could adversely affect our business, financial condition and results of operations. For further details

on sanctions see "*—We are exposed to the risk of violations of anti-corruption laws, economic and trade sanctions or other similar regulations*".

On October 7, 2023, Hamas terrorists infiltrated Israel's southern border from Gaza and conducted a series of attacks on civilian and military targets. Following the attack, Israel's security cabinet declared war against Hamas and launched a military campaign against Hamas-led Palestinian militant groups. We do not have operations in Israel or Gaza and revenue generated in these regions is not material to the Group. To date we have not experienced any material disruption to our operations from the ongoing military action between Israel and Hamas. However, the length, impact and outcome of the ongoing military conflict in the Middle East is highly unpredictable and there can be no assurances that further unforeseen events related to this conflict will not have a material adverse effect on our operations in the future.

We are actively monitoring the situations in Ukraine and the Middle East and assessing their impact on our business. Energy prices remain significantly higher than they were before the Russian invasion of Ukraine and we cannot guarantee that we will be able to successfully pass these higher prices on to customers. We have no way to predict the progress or outcome of the conflicts in Ukraine and the Middle East or their impact in these regions as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military actions, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and our business for an unknown period of time. Any of the abovementioned factors could affect our business, financial condition and results of operations. Any such disruptions may also magnify the impact of other risks described in this offering memorandum.

Significant competition in our principal industries may adversely affect our competitive position, revenue and overall operations.

The principal industries in which we operate are highly competitive. Customers who purchase commodity products have the ability to switch suppliers with relative ease, and customers who purchase specialty products may have the ability to choose among several approved suppliers; as a result, customers may be able to switch suppliers without much notice and without incurring significant costs. We also face increasing competition from Middle Eastern, North American and Asian producers. Producers in the Middle East and North America benefit from low-priced ethylene feedstock due to an abundant crude oil and natural gas supply and lower energy costs. In many of our industries, Asian producers are some of the world's largest and are able to exploit significant economies of scale. We are exposed to the competitive characteristics of several different geographic markets and industries. Competition in most of our industries, due to the commodity nature of many of our products, is based primarily on price and the ability to utilize economies of scale and, to a lesser extent, on regional trade flows. In addition, we expect new state-of-the-art capacities with low cost bases to trigger higher degrees of price competition among existing and new suppliers. To a lesser extent, we also compete based on supply reliability and customer service. Our principal competitors vary from business to business and range from large global and regional producers and subsidiaries or divisions of large chemical companies to numerous smaller regional producers. Some of our competitors are larger and more vertically integrated than we are and therefore may be able to manufacture products more economically than we can. While we aim to operate as a low-cost producer in our industries and are focused on reducing our fixed and variable cost base across our production chain, there may be improvements in the cost competitiveness of other manufacturers relative to us or in the performance properties of substitutable products, which could adversely affect the demand for, and prices of, our products, as well as our profitability. In addition, we operate in a regulated industry, and certain of our competitors may be better positioned with respect to applicable requirements, or able to respond to changes in regulation more quickly or effectively than we are. For instance, the EU Emissions Trading System ("EU ETS") regulations governing greenhouse gas ("GHG") emissions have been implemented at the national level in several EU member states, and the EU member states in which we operate may require us to purchase more emissions allowances than our competitors located in other EU member states, thereby driving up our costs or putting us at a competitive disadvantage. The UK Emissions Trading Scheme, which replaced the EU ETS in the United Kingdom, operates on a similar basis and is relevant for our UK operations. Moreover, certain of our products compete with other materials in the marketplace, some of which may follow different economic cycles and become more competitive. Our businesses could be adversely affected by regulations applicable to our products, negative public perceptions of our products or the substitution of our products. In addition to future trade agreements entered into by the U.S., the European Union, Norway, the UK or China, tariffs on imports from the jurisdictions in which we manufacture our products could also lead to increased competition from imports and lower domestic prices.

Our business and operations are subject to business interruption risks due to the actions of third parties, which could have a material adverse effect on our business, reputation, financial condition and results of operations.

Due to the nature of our business, we are at risk of business interruption due to the actions of third parties. Our operations depend upon timely deliveries of adequate supplies of raw materials and are therefore vulnerable to disruptions in the supply or transportation of feedstocks, including benzene, ethylene, acrylonitrile, butadiene, energy, naphtha, salt, mixed xylene isomers and paraxylene, methane and methanol. Any delays may affect our ability to

maintain our operations at anticipated production levels. For example, many of our vendors and subcontractors have operations that are also subject to health, safety, security and environment ("HSSE") risks associated with the use, storage and transport of hazardous materials. Any future HSSE-related incidents affecting our vendors and subcontractors may result in significant regulatory actions, fines and other penalties, including restrictions, prohibitions or sanctions on their operations which could impair their ability to perform their contracts with us or could otherwise subject us to claims or liability, all of which could have a material adverse effect on our business, reputation, financial condition and results of operations. In addition, if any facilities experience damage or temporary closures due to any number of incidents, events or hazards caused by third parties, including protests, or if we suffer product quality issues due to contaminated feedstock received from our suppliers, our reputation, business, financial condition and results of operations may be adversely affected.

Our operations also depend upon our access to essential utilities, services and rights, such as electricity, waste water services, cooling water supply, drinking water supply, raw, treated and polished water supplies, steam supply, feedstock supply tanks, land use rights, abstraction rights, discharge rights, pipeline easements, other modes of product and raw materials transportation and natural gas, nitrogen, oxygen, carbon monoxide, synthesis gas, instrument air supply, and processing of by-products and waste as gases, liquids or solids. Any interruptions to the provision of such utilities to our plants may likewise affect our ability to maintain our operations at anticipated production levels or force us to halt production at the affected plant. A prolonged outage of a critical utility may also result in a controlled shutdown of the affected plant or parts of such plant and associated loss of production. In particular, severe damage to a dedicated power station generating steam for plant consumption could have a significant impact on our operations, as damage to steam boilers can take significant time and cost to fix and temporary back-up solutions are not easily available. Some of our operations are dependent on other industrial operators, such that a prolonged interruption in their operations could have an impact on our operations.

Across many of our sites and joint ventures, utilities and raw materials are often supplied by third parties. Given the nature of the sites, the ability to change suppliers is limited and an interruption has in the past had, and may in the future have, adverse consequences on the business including the declaration of *force majeure* events that may last for many months. This could lead to losses of sales, reputational harm and production facility idleness and have a material adverse affect on our business. For example, adverse weather in the Gulf Coast in 2021 led to our declaration of a *force majeure* event due to power outages in the region. See "*—Our facilities are subject to operational risks, which could have a material adverse effect on our operating results*".

In addition, low water levels on major transport waterways, such as the Rhine River or the Mississippi River, or service interruptions due to flooding or freezing of waterways located near our or our suppliers' facilities have in the past adversely affected, and may in the future adversely affect, certain of our operations that rely on supplies delivered by barge or ship, such as the supply of mixed xylenes to our site in Gelsenkirchen and methanol to our site in Hull. Such conditions could also adversely affect our shipments to customers. Any significant shortages in the supply of raw materials, including due to transportation services interruptions or amendments to laws and regulations affecting such supply or services could disrupt our operations and increase our costs, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Where we lack the equipment or infrastructure to support our own logistical requirements, we are also dependent on the availability of adequate third-party carriers to deliver our products to our customers. Potential shortages or unavailability of trusted transportation providers, missed deliveries or disruption of trucking, railroad or sea shipping services due to weather-related problems, mechanical difficulties, strikes, lockouts and other events have in the past and could in the future temporarily impair our ability to deliver our products to our customers at competitive rates or at all, which could cause reputational damage and inflate transportation costs. We are also subject to the risk of theft of, tampering with or use of our shipments for smuggling purposes by third parties, for example during transit in railcars, which could lead to loss or delay of such shipments or reputational harm to our business or subject us to liability. In certain cases, this could lead to breaches of supply agreements and loss of customer business, which may have a material adverse effect on our results of operations and cash flows.

Furthermore, in certain of our joint ventures, including our interest in the Feyzin cracker and the methanol joint venture in Trinidad and Tobago, we maintain only a minority interest. Under these arrangements, our joint venture partners control the operations of the joint ventures and may make strategic decisions that may adversely affect us. For example, our partner in our methanol joint venture in Trinidad and Tobago recently decided to idle the plant in September 2024 when the current natural gas supply contract expires. In addition, many of our joint ventures are jointly controlled by us and the applicable joint venture partner. In such cases (even when we own a majority interest), we may be unable to implement certain plans at the joint venture without the agreement of our joint venture partner.

Our growth strategy at our businesses depends in part on the ability of our businesses to take advantage of growing demand for our products in emerging markets. We may be unable to execute this strategy if emerging markets do not grow as expected or if regional producers in such markets are able to satisfy the increased demand.

A significant component of our growth strategy generally, and our Asian operations specifically, relies on our ability to expand our presence in the growing Asian market and emerging economies where demand for our products is high and capacities are not always available locally. While these markets are expected to grow, they also represent regions of capacity additions where new plants will take advantage of advantaged feedstock positions. Thus we could be adversely effected by advantaged new entrants into these markets, capacity additions that outstrip demand and any decline in the economic performance of the Asian market which would depress growth in the demand for our products, and in turn place further stress on our plants as compared to incumbents and new entrants. If these markets do not grow as expected it could affect our long term development plan. In addition, even if the economies of emerging markets continue to grow as we expect, we may be unable to penetrate these markets. If regional producers are able to meet the growing demand and/or compete directly against us on the basis of our core competitive strengths described elsewhere in this offering memorandum, the resulting pressure on our margins would adversely affect our business, financial condition and results of operations.

Adverse conditions in the credit and capital markets, or other business-related factors, may limit or prevent our and our customers' ability to borrow or raise capital.

While we believe we have facilities in place that will allow us to borrow or otherwise raise funds as needed, adverse conditions in the credit and financial markets could prevent us from obtaining financing in the future. Worsening credit and financial markets may also affect one or more of our major suppliers, which may terminate a credit line granted to us. Furthermore, even if financial markets are stable, we may be unable to obtain access to credit on attractive terms or at all if we suffer a rating downgrade, if we are too highly leveraged or if lenders believe that our business model is too dependent on volatile commodities or any other source of uncertainty.

Our ability to invest in our businesses and refinance debt obligations could require access to the credit and capital markets and sufficient bank credit lines to support cash requirements. If we are unable to access the credit and capital markets, including to acquire receivables financing in countries that have suffered credit ratings downgrades, this could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Moreover, many of our customers also rely on access to credit to adequately fund their operations. If such customers are unable to access the credit and capital markets due to general economic, country-specific or idiosyncratic factors such as those described above, they may be forced to reduce their production levels or capital expenditures and purchasing volumes or otherwise curtail their operations. Any such effects on our customers' operations may in turn adversely affect our business by reducing our sales, increasing our exposure to accounts receivable bad debts and reducing our profitability.

We may be adversely affected by the loss of key customers for certain of our products or the loss resulting from nonpayment and/or nonperformance by our customers.

Our credit procedures and policies may not be adequate to effectively manage the customer credit risk to which we are exposed. Our customers may experience financial difficulties, including bankruptcies, restructurings and liquidations. These and other financial problems that may be experienced by our customers, as well as potential financial weaknesses in our industry, may increase our risk in extending trade credit to customers. A significant adverse change in a customer relationship or in a customer's financial position could cause us to limit or discontinue business with that customer, require us to assume more credit risk relating to that customer's receivables or limit our ability to collect accounts receivable from that customer, all of which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our insurance may not compensate us for all or any of such negative effects.

Certain of our and our joint ventures' contracts with customers and suppliers will expire (or may terminate) in the short term. There can be no assurance that we will be able to renegotiate these contracts on similar terms upon their expiration. The unanticipated costs of less favorable terms or loss of custom may materially affect our profitability. For example, due to the change in terms offered by NGC for the supply of natural gas, the majority partner in our Trinidad and Tobago methanol partner has decided not to renew the supply contract and instead idle the plant. While NGC has indicated that is continues to work with the upstream sector for increased natural gas supply to the country in the medium term, there can be no guarantee that our joint venture partner and we will be able to reach a satisfactory supply arrangement with NGC in the future.

We have not entered into formal written contractual arrangements with certain customers. Accordingly, we have no contractual remedy if we suffer economic loss as a result of such customers ceasing or reducing their purchases from us. These business relationships could therefore terminate at any time, and from time to time our customers do terminate or significantly reduce their purchases from us. Exercise of these rights to termination or reductions in volumes purchased by our customers could have a material adverse effect on our business, financial condition and results of operations.

There are substantial risks associated with doing business in emerging markets, including risks related to political, economic and legal uncertainty and lack of business insurance.

We produce, distribute and/or market our products in numerous emerging markets, including, Brazil, China, South Korea, Turkey, Mexico, India, South East Asia (including Thailand, Vietnam, Indonesia and Malaysia) and Taiwan. These regions may have less developed legal systems and financial markets, and are generally recognized to present greater political, economic and operational risks than the U.S. and Western Europe. Some of the risks associated with conducting business in emerging markets include: slower payment of invoices; nationalization; social, political and economic instability; delayed proceedings and currency repatriation restrictions. In addition, commercial, safety and environmental laws in some emerging markets can be vague, inconsistently administered and retroactively applied. If we are deemed not to be in compliance with applicable laws in the emerging markets where we conduct business, our prospects and business in those countries could be harmed. To the extent that we suffer a loss of a type which would normally be covered by insurance in the U.S. or Western Europe, such as product liability and general liability insurance, we would incur significant expenses in both defending any action and in paying any claims that result from a settlement or judgment. Furthermore, our limited experience in large-scale investment project development in the complex environments of certain emerging markets may impact our ability to accurately predict the reasonable costs, timelines and other requirements of establishing a presence in those regions, and our lack of pre-existing ties may result in inadequate access to local highly skilled specialists. These and other factors could have a material adverse impact on our business, financial condition and results of operations.

The Chinese government's policy and regulations and changes thereto with respect to outbound investment, foreign currency, export levels and trade protectionism, as well as negative changes in the political and economic conditions in China, present geopolitical risks that could harm our business, results of operations and financial condition due to our increased manufacturing footprint in China.

We conduct a significant portion of our business in China through sales of materials and products in the country. We also maintain a large physical presence in China through subsidiaries and joint ventures. We have recently increased our manufacturing presence in China to meet rapidly growing demand of our products in the region. China was one of the world's fastest growing economies for a number of years but recently has experienced a period of economic uncertainty and sluggish growth in 2023. If China's pace of growth continues to decline, this may result in further negative consequences such as more tariffs which may create impediments to trade in China and other regions. As a result, negative changes in the economic conditions in China can have a material and adverse impact on our financial condition.

The Chinese government has occasionally made significant changes in its policies and regulations with respect to foreign investment and foreign currency, including increases in interest rates, application of exchange controls, changes in tax policies, price controls, currency devaluation and capital controls, among other measures. Chinese companies with the majority of their operations in China, including our joint venture partner Sinopec, as well as any future Chinese partners, may be adversely affected by these policies and regulations, especially with regard to the amount of foreign currency they are able to remit from China. For instance, in response to persistent capital outflow from China, the People's Bank of China ("PBOC") and the State Administration of Foreign Exchange ("SAFE") have implemented a series of capital control measures, including stricter vetting procedures for Chinese domestic companies to remit foreign currency for overseas investments, dividend payments and other capital account transactions. Although these capital controls purport to apply only to capital account transactions, in practice they have also caused delays to current account transactions, including payments of contractually agreed fees. Any reduction or elimination of the amounts our partners in China are able to pay to us, or any constraints placed on our ability to enter into or obtain revenue from contracts with Chinese entities in the future, would have a material adverse impact on our business, results of operations, financial condition and cash flow.

The government of China has also implemented economic policies aimed at increasing domestic consumption of Chinese-made goods. These policies may have the effect of reducing the supply of goods available for exports and the level of international trading and may, in turn, result in a decrease in demand for our products in China.

The U.S.-China trade war, that has imposed tariffs on our production in those countries since 2018 and 2019, has resulted in uncertainty in the global economy, reducing confidence and growth. Future actions of the U.S. administration and that of other governments, including China, with respect to tariffs or international trade agreements

and policies remain unclear. The escalation of a trade war, tariffs, retaliatory tariffs or other trade restrictions on products and materials imported by us into or out of China may significantly hinder our ability to provide our products to customers in China or other affected locations. Such developments may result in a decrease in demand for our products as well as delays in payments from our customers and, due to the location of our production facilities and customer base, could disproportionately affect our products as compared to those of our competitors. All of the above could hinder our ability to compete effectively in the markets in which we operate in the future and our competitive position and results of operations may suffer as a result.

We are highly regulated and may incur significant costs to maintain compliance with, and may have substantial obligations and liabilities arising from, HSSE laws, regulations and permits applicable to our operations.

We are subject to a wide range of HSSE laws and regulations in all of the jurisdictions in which we operate. These requirements govern our facilities and operations and address, among other things, wastewater discharges, releases of hazardous materials into the environment, human exposure to hazardous materials, the classification and registration of certain chemical products and raw materials, the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, air emissions (including GHG emissions), noise emissions, operation and closure of landfills, the clean-up of contamination and contaminated sites, process safety, risk management and accident prevention and the maintenance of safe conditions in the workplace. In some jurisdictions, HSSE laws and regulations impose restrictions on the manufacturing, use, import, export or sale of certain substances, raw materials and/or products. Recently enacted or pending regulations or governmental orders limiting emissions of benzene, cobalt diacetate (PTA catalyst), mercury, sulphur dioxide, nitrogen oxide, EDC, VCM and hydrofluorocarbons and other air pollutants could require us to incur significant costs for additional pollution control or air monitoring equipment or result in operational changes. In addition, it is possible that further of our feedstocks, products or by-products in the future may be classified as hazardous or harmful and thus could require significant compliance or remediation costs not currently anticipated. To the extent new restrictions or classifications result in significant additional costs or impact our ability to produce or market, or the consumer demand for, our products, our business could be materially and adversely affected. Please see "*Business—Healthy, Safety, Security and Environment (HSSE)".*

Many of our facilities require permits, approvals and pollution controls to operate and many of our operations require permits and controls to monitor or prevent pollution, and these permits are subject to modification, renewal and revocation by issuing authorities. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to maintain compliance with current and future HSSE laws, permits and regulations applicable to our operations, or the more stringent enforcement of such requirements. For instance, with respect to the INOVYN Atlantik site, we currently have provisions exceeding €20 million for the future costs of dismantling and demolishing facilities and infrastructure as required by environmental laws.

We expect that our operations will be subject in the future to new and increasingly stringent HSSE laws, regulations and permits and that substantial costs will be incurred by us to ensure continued compliance. Under the framework of the Industrial Emissions Directive ("IED"), the European Union has issued Best Available Techniques ("BAT") Reference Documents ("BREFs"), the purpose of which is to define technology and to provide limits for substances emitted to the environment. In particular, significant capital expenditures have been incurred by our INOVYN Business in recent years in relation to the BREF Document for the Production of Chlor-Alkali. This BREF mandated all European mercury-based Chlor-Alkali production facilities to cease operations by December 11, 2017. As a result, our INOVYN Business closed four mercury cellrooms in Runcorn, UK; Zandvliet, Belgium; Martorell, Spain and Stenungsund, Sweden. The Zandvliet and Stenungsund mercury cellrooms were replaced by new membrane cellrooms while the Runcorn and Martorell mercury cellrooms were not replaced. In addition, at our Geel facility, the relevant regulatory authority has indicated that higher standards of wastewater treatment will be required in the future as the result of the Waste Gas in Chemicals sector BREF. A gap analysis against current practice has been carried out by the site and a program of approximately five to six years has been developed in order to meet the new standards suggested by the relevant regulatory authority for the renewal of permits.

Given the nature of our business, violations of HSSE requirements, whether currently alleged or arising in the future, may result in substantial fines or penalties, the imposition of other civil or criminal sanctions, clean-up costs, claims for personal injury or property damages, the installation of costly pollution control equipment, or restrictions on, or the suspension of, our operating permits or activities. Our facilities are subject to periodic inspections by regulatory authorities to assess compliance with applicable HSSE laws and regulations. If we do not predict accurately the amount or timing of costs of any future compliance, remediation requirements or private claims, our environmental provisions may be inadequate and the related impact on our business, financial condition or results of operations in any period in which such costs need to be incurred could be material.

At certain sites where we operate, regulators have alleged, or we have otherwise identified potential or actual non-compliance with HSSE laws and/or the permits which authorize operations at these sites. Some of these allegations

or instances of non-compliance are ongoing, and substantial amounts may need to be spent to attain and/or maintain compliance. In addition, we have in the past paid, and in the future may pay, penalties to resolve such matters. Our businesses and facilities have experienced, and in certain cases, are in the process of investigating or remediating, hazardous materials in the soil, groundwater or surface water bodies at locations where we operate and/or adjacent properties and/or natural resources at public and private lands not owned by us that result from current or historical operations. For example, as of June 30, 2023 our INOVYN Business recognized provisions totaling €43.9 million for dismantling and demolishing mercury based chlorine plans under IED – 2010/75/EU, which mandated the closure of all cellrooms using the mercury amalgam process by December 2017. The INOVYN Business recognized a €20.3 million provision for demolition and subsequent removal of asbestos contaminated power stations under EU Directive 2009/148EC. Our INOVYN Business also recognized a €24.6 million provision for remediation works at the Tavaux site to line industrial effluent settlement basins and for improved water treatment provision under the EU Water Framework Directive 2000/60/EC and the resulting French legislation that imposed reduction thresholds for hazardous substances.

In addition, we operate hazardous waste landfills at certain of our sites which expose us to significant risks arising from the storage and disposal of hazardous materials and wastes and the closure and post-closure care and monitoring of such landfills may require us to incur significant costs. For instance, accidental discharges may occur in the future, future action may be taken in connection with past discharges, governmental agencies may assess damages or penalties or impose other sanctions against us in connection with any past or future releases or contamination, third parties may assert claims against us for damages allegedly arising out of any past or future releases or contamination and the closure and post-closure monitoring of such landfills may require us to incur significant costs.

Many of our sites have an extended history of industrial chemical processing, storage and related activities, and may currently be subject to engineering or institutional controls or restrictions or may become subject to such controls or restrictions in the future. We are currently, and from time to time have been or may be, required to investigate, manage and remediate releases of hazardous materials or contamination at or migrating from certain of these sites as well as at properties we formerly owned, leased or operated and/or at closed sites that we still own and occupy. This includes certain of our Chlor-Alkali facilities, where we have phased out the use of mercury cellrooms in recent years, and where we may be required to continue to investigate and remediate mercury and chlorinated solvents contamination in groundwater, the costs for which at certain sites, including Runcorn, could be material. We also are, and in the future may be, responsible for investigating and cleaning up mercury or other contamination at off-site locations where we or our predecessors disposed of or treated or arranged for the disposal or treatment of hazardous wastes. Under some environmental laws, liability can be imposed retroactively, without regard to fault or knowledge, and on a joint and several basis. In connection with contaminated properties, as well as our operations generally, we also could be subject to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property or natural resource damages resulting from environmental contamination or hazardous exposure caused by our operations, facilities or products. The discovery of previously unknown contamination, the imposition of new obligations to investigate or remediate contamination at, or migrating from, our facilities or other locations or restrictions on the use of our facilities, could result in substantial unanticipated costs. Our insurance coverage may not be adequate to cover all the risks we may face or may not be sufficient to fully cover such claims, even if insured. See "*—Our insurance coverage may not be adequate to cover all the risks we may face, and if we were no longer covered by our existing insurance, it may be difficult to obtain replacement insurance on acceptable terms or at all".*

We could be required to establish or substantially increase our operational budget and/or financial reserves for such obligations or liabilities and, if we fail to accurately predict the amount or timing of such costs, the related impact on our business, financial condition or results of operations in any period in which such costs need to be incurred could be material. In addition, HSSE laws and regulations can impose various financial responsibility requirements on us, and pursuant to these requirements we may be required to post bonds, create trust funds or provide other assurances that we will be able to address contamination at our sites and comply with our decommissioning obligations once our facilities reach the end of their useful lives.

Our operations involve the intensive use of hazardous materials and we have been from time to time subject to claims made for damage to property or injury, including adverse health effects, to employees and other persons, resulting from our operations. Claims made in the future could have a material adverse effect on our reputation, business, financial condition or results of operations.

Our operations involve significant water usage. Changes to relevant environmental regulations and other factors, such as water shortages as a result of climate change, could increase the cost and/or limit the availability of water, which would in turn impact our operating and production costs.

Our financial results may be adversely affected if environmental liability arises for which we are not adequately indemnified or insured, or from a disposal of assets or businesses for which we provided a seller's indemnification in respect thereof. Our financial results may still be adversely affected to the extent that:

- the sellers do not fulfill their respective indemnification obligations;
- we breach our obligations not to undertake certain activities that may aggravate existing conditions or to mitigate associated losses;
- we incur indemnification obligations for other environmental liabilities owed as part of certain disposals of assets or businesses; or
- we incur significant costs for pre-acquisition conditions that are not covered by the indemnities.

Our businesses could be adversely affected by chemical safety regulations applicable to our products and raw materials or negative public perceptions of our products.

Our products and our raw materials are subject to extensive HSSE and industrial hygiene regulations that require the registration and safety analysis of, and in some cases impose restrictions on, certain of the substances contained in them. For example, in connection with the EU Regulation (EC) No 1907/2006 concerning the registration, evaluation, authorization and restriction of chemicals (as amended, the "REACH Regulation"), or the Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures (as amended, the "CLP Regulation"), any key raw material, chemical or substance, including our products, could be classified as having a toxicological, health-related or otherwise adverse or relevant effect, including impacts on the environment, on users of our products or on workers handling those products. In the event of such a classification, those key raw materials, chemicals, substances and/or products could be banned or restricted for certain uses, which could reduce the demand for our products and adversely affect our financial condition. For example, methylmethacrylate, which is used as a monomer in one of our production processes, has recently been recommended for a category 1 sensitizer classification which could have adverse consequences for the handling of this material or even the processing of the subsequent products produced. Similarly, maleic anhydride has recently been classified as a sensitizer and this could also have adverse consequences for its handling in our processes or for use in final products. The European Commission aims to propose a revision of the REACH Regulation in 2023. At this time we cannot predict the impact of any such revision. Our UK operations are now subject to an equivalent UK version of the REACH regulation.

We manufacture, process, or use a number of substances classified as substances of very high concern ("SVHC") under the REACH Regulation in each of our businesses, and the continued use of these substances may require authorization from the European Chemicals Agency ("ECHA"). Styrene has been classified by ECHA as a substance "suspected of damaging the unborn child" and, under the National Toxicity Program ("NTP") of the U.S. Department of Health and Human Services, as "reasonably anticipated" to be a human carcinogen. In Europe, the Netherlands has recently filed an intention for a proposal to classify styrene as a suspected carcinogen. The review process, which will be carried out by the ECHA, will take several years. The International Agency for Research on Cancer has classified styrene as "probably" carcinogenic to humans. Subsequently, the European Commission mandated the European Food Safety Authority (the "EFSA") to review styrene regarding its use to make plastics used in food contact applications, with a conclusion due date of August 2024 that may be extended. The EFSA has issued an initial opinion on styrene, stating that the concern for genotoxicity associated with oral exposure to styrene could not be ruled out. The European Commission is now developing risk management precautionary measures for styrene which could restrict certain applications for these plastics. In addition, in May 2022, the European Commission requested the ECHA to produce an investigation report on PVC and its additives to assess the potential risks to health and the environment and whether further regulatory measures beyond those already in place are needed. VinylPlus® (the European-wide voluntary industry initiative of which INOVYN is a significant contributor) assisted the ECHA in providing information on PVC and its additives. A report on the ECHA's findings is expected in November 2023. Further regulation or a reclassification of our products could result in additional restrictions in the future on our manufacturing operations, including stricter air and water emissions limits, more burdensome requirements for additional ventilation or personal protective equipment at our facilities, or on our sale or distribution of our products, including relevant warnings on material safety data sheets or on the packaging for our products and restrictions on use in certain types of products, as well as legal action relating to product and other liabilities, each of which could have a material impact on our business and results of operation.

In Canada, the Chemicals Management Plan, which was created in 2006 under the Canadian Environmental Protection Act, 1999, governs the assessment and management of risks associated with chemical substances to human health and the environment, including government and public reporting. Similar regulations requiring the review of the uses of toxic substances as well as related government and public reporting are in place, have recently been more stringent, or are being considered in other jurisdictions, including the U.S., which could result in additional requirements, including notification, testing, labelling and record keeping obligations, on our operations. For example, in June 2016, amendments to the U.S. Toxic Substances Control Act ("TSCA") became law, and to date the U.S. Environmental Protection Agency (the "USEPA") has published a list of more than forty (40) chemical substances that are the subject of the USEPA's pending or completed chemical risk evaluations, as required by TSCA. This list includes certain chemicals

we manufacture. Moreover, we are engaged in ongoing discussions with the USEPA regarding risk reduction measures in relation to the use of medium chain chlorinated paraffins and long chain chlorinated paraffins and have signed up to a testing program with other manufacturers to assess the risks and hazards associated with these substances. There is a possibility that the results of these tests may result in restrictions on uses for such products in the U.S. market, which could have an adverse effect on our business, financial condition or results of operations. It is possible that they could trigger risk screening by the USEPA of substances we produce or use, and this risk screening could lead to new or more stringent regulatory obligations and/or restrictions, including, potentially, prohibitions on manufacture and sale of certain substances we produce.

The regulation or reclassification of any of our raw materials or products could result in a ban or restriction on its purchase or sale, adversely affect the availability of raw materials or the marketability of our products or require us to incur increased costs to comply with notification, labeling, handling, processing, distribution, sale and transport requirements, each of which could result in a material adverse effect on our business, financial condition and/or results of operations.

In addition, in order to obtain regulatory approval of certain new products and production processes, we are required, among other things, to demonstrate to the relevant authorities that the product is safe for its intended uses and that we are capable of manufacturing the product in accordance with applicable regulations. The process of seeking approvals can be time-consuming and subject to unanticipated and significant delays. Approvals may not be granted to us on a timely basis, or at all. Any delay in obtaining, or any failure to obtain or maintain, these approvals would adversely affect our ability to introduce new products, to continue distributing existing products and to generate revenue from those products, which could have a material adverse effect on our business and prospects. New laws and regulations may be introduced in the future that could result in additional compliance costs, confiscation, recall or monetary fines, any of which could prevent or inhibit the development, distribution and sale of our products.

Existing and proposed regulations to address climate change by limiting GHG emissions and restrictions on other air emissions, may cause us to incur significant additional operating and capital expenses or adversely affect demand for our products.

Our operations result in emissions of GHGs, such as carbon dioxide and methane. Growing concern about the sources and impacts of global climate change has led to a number of regional, national and supranational legislative and administrative measures, both proposed and enacted, to monitor, regulate and limit carbon dioxide and other GHG emissions. As a result, our operations, as well as those of our customers, are subject to stringent regulations relating to carbon dioxide and other GHG emissions. Compliance with these requirements may require us to install additional pollution reduction and control equipment, purchase additional emissions allowances or credits or implement other operational changes, such as alternative fuels, which could increase our production or compliance costs or, to the extent incurred by our customers, negatively affect our profitability or demand for our products.

At the international level, many nations have agreed to limit emissions of GHGs pursuant to the United Nations Framework Convention on Climate Change, also known as the "Kyoto Protocol". Methane, a primary component of natural gas, and carbon dioxide, a byproduct of the burning of oil, natural gas, and refined petroleum products, are two of the GHGs addressed by the Kyoto Protocol. Although the U.S. is not a party to the Kyoto Protocol at this time, all EU member states and the United Kingdom have ratified it. As a result of commitments made at the UN climate conference in Durban, South Africa in December 2011, certain members of the international community negotiated a treaty at the December 2015 Conference of Parties in Paris (the "Paris Agreement"). The Paris Agreement, which entered into force in November 2016, requires developed countries to set targets for emissions reductions once the Paris Agreement is adopted by those individual countries within their respective national or federal law. Additional measures requiring reductions in GHG emissions have been, or may be, implemented by countries in which we operate.

The European Union committed in December 2020 to reduce GHG emissions in its member states to no more than 55% of 1990 levels by 2030, on the condition that other major economies undertake to do their part in the global attempt to reduce emissions and commit to taking steps to achieve net-zero GHG emissions in the EU by 2050. The European Climate Law, adopted by the EU in July 2021, includes legally binding targets to achieve climate neutrality by 2050 and to reduce net GHG emissions by at least 55% by 2030. Such targets are binding on all EU member states.

In the European Union, our GHG emissions are currently regulated under the EU ETS, an EU-wide system that imposes emissions limits and permits trading of allowances for industrial GHG emissions. The EU ETS has become, and is expected to continue to become, progressively more stringent over time, including by reducing the total number of allowances to emit GHGs as well as those that EU member states will allocate without charge to industrial facilities and by introducing and/or increasing fees for allowances. Such measures could result in increased costs for us to (i) operate and maintain our facilities; (ii) install new emission controls; (iii) purchase or otherwise obtain allowances to emit GHGs; and (iv) administer and manage our GHG emissions program.

In line with the EU's goal of achieving carbon neutrality by 2050 and a 55% reduction in GHG by 2030, on July 14, 2021, the European Commission released a number of legislative proposals collectively called "Fit for 55". The proposals envision significant changes to current EU ETS functions and requirements, including: new national limits on GHG emissions, a new carbon border adjustment mechanism ("CBAM") to impose carbon pricing on imports into the EU of selected products, further reduction of free CO_2 allowances allocated to heavy industry and extending emissions trading requirements to additional industrial sectors. Specifically with respect to CBAM, under the proposal importers of certain goods (initially including cement, iron and steel, aluminium, fertilisers, hydrogen and electricity, as well as certain precursors) would have to report emissions embedded in their goods in a transitional phase starting in 2023. Once the definitive system is fully operational (expected in 2026), EU importers would also be required to surrender CBAM certificates purchased at prices that correspond to the carbon price that would have been paid if the goods had been produced in the EU (less any carbon price actually paid by the non-EU producer of the goods). Although the initial list of goods covered by CBAM is limited, at this time it is not clear whether and when such list may be expanded to include other imported goods, the process for obtaining carbon emissions information from non-EU producers or the cost and availability of future allowances or CBAM certificates. The Council and the European Parliament reached a provisional political agreement on certain points of the "Fit for 55" package in December 2022. The proposals are subject to the EU legislative process, including adoption or implementation by individual member states, and at this time we cannot predict the terms of any regulations that may be enacted in the future or the impact of any such regulations on our business, operations or financial condition.

The United Kingdom withdrew from the European Union on January 31, 2020 pursuant to Article 50 of the Treaty on European Union ("Brexit"). Accordingly, the UK government is no longer subject to the EU legislation that commits the EU member states to reducing carbon emissions, increasing energy efficiency and increasing renewable energy production, including in respect of the European Climate Law adopted by the European Commission. In addition, the United Kingdom is no longer a participant in the EU ETS. In January 2021, the United Kingdom implemented a UK Emissions Trading Scheme ("UK ETS"). Like the EU ETS, the UK ETS has industrial sites receiving or purchasing allowances to emit GHGs and surrendering one allowance for each ton of carbon dioxide emitted. Companies which emit less GHGs than their allowances cover are able to sell the excess allowances, whereas those which emit more must buy additional allowances through the UK ETS. At present, no agreement to link the carbon pricing systems in the EU and the United Kingdom has been formalized. In addition, as a result of the Paris Agreement, in June 2019, the UK government enacted legislation requiring reduction of GHG emissions to net zero by 2050, including a target to reduce GHG emissions by 68% of 1990 levels by 2030, and more recently committed to a target to reduce GHG emissions by 78% of 1990 levels by 2035. In connection with Brexit, the UK government also introduced legislation designed to transfer responsibility for the Industrial Emissions Directive ("IED"), which takes an integrated approach to controlling pollution and sets strict industry standards for the most polluting industries, and the BAT Conclusion, which contain emissions limits associated with BAT, to competent authorities in the United Kingdom and to put in place a process for determining future UK BAT Conclusions for industrial emissions. The UK government's Clean Air Strategy for England sets out actions for determining future UK BAT for industrial emissions. Our operations in the United Kingdom will continue to operate under the legislative framework applied in the United Kingdom. The Environment Act 2021 received royal assent on November 9, 2021, introducing certain provisions regarding targets, plans and policies for improving the natural environment and certain other matters, including provisions relating to air quality. Commencement regulations to bring certain provisions in the Environment Act 2021 into force came into effect in 2022, and continue to be enacted. At this time, we cannot predict the terms of any regulations that may be enacted in the future or the impact of any such regulations on our business, operations, or financial condition.

Furthermore, in Ontario, Canada, a Point of Impingement standard that significantly reduces the allowable emissions of benzene became effective in July 2016. We undertook measures in our capital investment plan to upgrade our Sarnia operations to reduce benzene emissions in accordance with the requirements set out under this standard. Version 2.0 of the Point of Impingement standard regulating benzene emissions came into effect in Ontario in February 2018. Although the Sarnia site complies with the current standard, we are subject to a governmental order requiring us to reduce benzene emissions and perform fenceline monitoring, so additional capital improvements are in progress to ensure continued compliance with tighter requirements for benzene emissions and we might also be required to perform a health risk study assessing the impacts of emissions on human health.

In the U.S., we are required to monitor and report to the USEPA annual GHG emissions from certain of our U.S. facilities. In addition, the USEPA has promulgated regulations under the Clean Air Act ("CAA") which subject the GHG emissions of certain newly constructed or modified facilities to pre-construction and operating permitting requirements. Pursuant to these requirements, newly constructed or modified facilities with the potential to emit certain quantities of GHGs are required to implement "best available control technology," which can include carbon efficiency standards, GHG emission concentration limits, specific technology requirements or other measures. Significant uncertainty exists as to how newer or stricter GHG regulations will in the future impact large stationary sources, such as our facilities in the U.S., and what costs or operational changes these regulations may require.

In addition, the U.S. Congress has from time to time considered adopting legislation to reduce emissions of GHGs and numerous U.S. states have already taken legal measures to reduce emissions of GHGs primarily through the planned development of GHG emission inventories and/or regional GHG cap and trade programs. Although the U.S. Congress has not adopted such legislation at this time, it, or additional U.S. states, may do so in the future, along with other countries (in addition to the EU), and we cannot yet predict the form such regulation will take (such as a cap and trade program, technology mandate, emissions tax or other regulatory mechanism) or, consequently, estimate any costs that we may be required to incur in respect of such requirements, for example, to install emissions control equipment, purchase emissions allowances, administer and manage our GHG emissions program, or address other regulatory obligations. Such requirements could also adversely affect our energy supply, or the costs (and types) of raw materials we use for fuel. U.S. President Biden has stated that climate change will be a central focus of his administration. In addition to re-entering the Paris Agreement, on January 27, 2021, U.S. President Biden issued a pair of executive orders and a presidential memorandum setting out several administrative priorities undertakings focused on climate change. In April 2021, the Biden administration announced a target for the country to achieve a 50-52% reduction in GHG emissions compared to 2005 levels by 2030 and a goal of achieving net-zero GHG emissions by 2050. We cannot yet predict the form regulations or other binding obligations adopted by the United States, the European Union or the United Kingdom to meet their commitments under the Paris Agreement will take (such as a cap-and-trade program, technology mandate, emissions tax, carbon floor price or other regulatory mechanism) or, consequently, estimate any costs that we may be required to incur in respect of such requirements, for example, to install emissions control equipment, purchase emissions allowances, administer and manage our GHG emissions program, or address other regulatory obligations. Such requirements could also adversely affect our energy supply, or the costs (and types) of raw materials we use for fuel. Requirements arising from these, or different, regulations controlling or limiting GHG emissions could have a material adverse impact on our business, financial condition or results of operations, including by reducing demand for our products.

A failure to identify, manage and provide transparency regarding our exposure to environmental, social and governance ("ESG") related risks may have adverse implications for our business and our reputation and may adversely affect the value of the Notes. The third-party ESG Risk Ratings referenced in this offering memorandum may not accurately reflect our risks based on environmental, social and governance matters.

Our key stakeholders, including our employees, customers, investors and suppliers, as well as policymakers and regulators are increasingly focused on ESG-related issues, including those relating to sustainability, renewable resources, environmental stewardship, supply chain management, climate change, diversity and inclusion, workplace conduct, employee well-being, human rights, philanthropy and support for local communities. For example, new and proposed laws and regulations in the UK, EU and the US requiring the identification, quantification and disclosure of ESG risks, including those relating to sustainability, climate change, supply chain, human capital, diversity and cybersecurity, are under consideration or being adopted, or may be in the future. These requirements have resulted in, and may continue to result in, our need to make additional investments and implement new practices and reporting processes, all entailing management attention and additional compliance risk. Any failure or perceived failure to accurately report on our current or future ESG-related commitments, including our GHG reduction commitments, and any differences between our commitments and those of any companies to which we are compared, could harm our reputation, adversely affect our ability to effectively compete or expose us to potential legal liability. In addition, any failure or perceived failure to transparently and consistently implement our ESG strategy across our business, or to achieve our goals and commitments, may adversely impact our financial condition and reputation and may negatively impact our stakeholders, each of whom, in turn, have ESG-related expectations, concerns and aims which may differ, both within and across the markets in which we operate. For more information on our ESG strategy, see "*Business—Sustainability*".

Investor advocacy groups, certain institutional investors, investment funds, lenders, employees and other market participants are increasingly focused on ESG practices, performance and disclosures. In recent years, financial stakeholders have placed increased importance on the environmental and social cost and impact of their investments and consider that the petrochemicals industry faces ESG risks that some other industries do not. The increased focus and activism related to ESG and similar matters may hinder access to or increase the cost of capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. We have made certain voluntary commitments with respect to ESG performance, such as a 33% reduction in greenhouse gas emissions by 2030 and achievement of net-zero by 2050. If we fail to meet applicable standards or expectations with respect to these issues across all of our operations and activities, our reputation and brand image could be damaged, we may lose the trust of our stakeholders (including investors, customers and employees), and our business, financial condition and results of operations could be adversely impacted. In addition, changes in consumer and market demands, regulatory requirements and other ESG-related considerations may negatively impact our perceived ESG performance or otherwise impact our reputation and accordingly our business and financial results.

The impact of our ESG-related risks and practices, including with respect to various environmental, social and governance matters in our business and in the local communities in which we operate, has been and will continue to be

independently assessed by non-accredited ratings organizations and various stakeholders in the ESG community. These rating agencies and stakeholders may not view our ESG policies as sufficiently transparent or consistent with their performance standards or goals. If this view were shared in the broader ESG community, our reputation could be damaged which, in certain cases, could effectively limit our access to capital markets and result in scrutiny regarding our commitment to ESG principles and standards. While we seek to report our ESG practices and performance in alignment with certain relevant reporting frameworks and to engage with leading sustainability rating agencies and other stakeholders, these frameworks and ratings providers may not be the same as those evaluated by our stakeholders, may emphasize different aspects of ESG practices and performance, or may not accurately reflect our ESG performance in certain respects.

In addition, ESG ratings may vary among the different ESG ratings organizations and are subject to differing methodologies, assumptions and priorities used by such organizations to assess ESG performance and risks. Each ESG rating provider's rating should be evaluated independently of any other ESG rating provider's rating. There is no guarantee that the methodology used by any particular ESG rating provider will conform with the expectations or requirements of any investor or any present or future applicable standards, recommendations, criteria, laws, regulations, guidelines or listing rules. As a result, our ESG ratings are not necessarily indicative of our current or future operating or financial performance, our commitment to ESG standards and principles, or any future ability to service our indebtedness including the Notes, and are only current as of the dates on which they were issued. Any ESG rating obtained by the Group or its affiliates provides no guarantee as to the actual environmental and/or social impacts of the Group or its affiliates. In addition, individual company ratings may be based on only publicly available information and in other cases may be based on information supplied by the relevant companies. As such, the quality of information in respect of each company included in our rankings may not be comparable and there may therefore be limitations on the utility of these rankings. Prospective investors must determine for themselves the relevance of any such ESG rating information contained in this offering memorandum or elsewhere in making an investment decision. Moreover, ESG ratings are not a recommendation by us or any other entity or person to buy, sell or hold the Notes. Each of the Initial Purchasers and their affiliates makes no representations as to the accuracy or validity of the ESG Risk Ratings and assume no liability with respect to the consequences of any reliance that may be placed on this information. As of the date of this offering memorandum, neither Sustainalytics, which has provided an ESG rating for INEOS Quattro Holdings Limited, the Parent, as disclosed in "*Business—Sustainability—EcoVadis and Sustainalytics Awards*", nor Eco Vadis, which has provided an ESG rating for INEOS AG, one of our ultimate parent undertakings, as disclosed in "*Business—Sustainability—EcoVadis and Sustainalytics Awards*", is subject to any regulatory or other governmental oversight in respect of its determinations of ESG ratings or the underlying methodologies it uses to make such determinations and may revise or replace entirely the methodology it applied to derive its ESG ratings. No assurance can be given that the ESG Risk Ratings will remain constant for any given period of time or that the ESG Risk Ratings will not be lowered or withdrawn entirely by Sustainalytics or EcoVadis if, in their judgment, circumstances in the future so warrant. The past or future issuance of any ESG ratings which reflect low performance on ESG matters or high ESG-related risk, or are not consistent with our own views on our commitment to implement ESG principles and standards throughout our business and our commitment to our business and local communities as an ESG company, could adversely affect the value of the Notes.

A failure to implement and commercialize recycling solutions may have adverse implications for us and our stakeholders.

Government bodies are preparing legislation that requires a minimum amount of recycled content in certain applications. For now, officially adopted legislation focuses mostly on packaging. For example, in Europe the Packaging and Packaging Waste Regulation ("PPWR") requires a minimum recycled content of 10% for PS by 2030. In the US, minimum recycled content requirements are being defined at the state level. For example, passed legislation in California requires 25% of plastics to be recycled by 2025 and 65% by 2032. Industry-specific regulations for other industries are already being developed, such as the End-of-Life Vehicles ("ELV") Directive for automotive applications in the EU and the Waste Electrical and Electronic Equipment ("WEEE") regulations in the United Kingdom and EU for electronics and household applications.

In order to maintain our competitive market share, we will have to invest in recycling technologies to support our customers delivering on such regulations. This ongoing investment and research carries various risks, such as significant capital expenditure requirements that could divert available resources, as well as implementation failure. We are pursuing a low risk approach with partnership and cooperation agreements for multiple recycling technologies but there is a risk that we invest in the wrong technology or fail to successfully implement the chosen technology.

Regulations on recycled content require waste access in large volumes and high purity levels for recycled materials. As waste collection, sorting and cleaning infrastructure is just being developed, there is a risk of lack of sufficient feedstock.

Our efforts to implement and commercialize recycling solutions also presents regulatory and product safety risks. For example, food industry regulations require recycled plastics to comply with the same regulations as non-recycled plastics. While we can steer recycling and cleaning processes, we do not have the same influence on waste streams and their composition. This presents a risk of contamination and potential liabilities.

We are exposed to the risk of violations of anti-corruption laws, economic and trade sanctions or other similar regulations.

As a result of our international activities, we are subject to the laws and regulations of the various countries in which the Group operates. In particular, our international operations may be subject to anti-corruption laws and regulations such as the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act of 2010 and the local anticorruption laws of any jurisdiction applicable to us. In addition, our international operations may be affected by sanctions and economic restrictions imposed by the UK Office of Financial Sanctions Implementation, the U.S. Office of Foreign Assets Control, the European Union, the United Nations, or other law enforcement agencies or sanctions authorities. Countries or jurisdictions that are subject to economic sanctions and export controls currently imposed by the United States, the European Union or the United Kingdom include the Crimea, Zaporizhzhia and Kherson regions of Ukraine (in each case to the extent that such areas of Kherson or Zaporizhzhia are under control of Russia), the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, Cuba, Iran, North Korea and Syria. Such list of countries or jurisdictions may change from time to time.

While we have developed policies, procedures and training designed to achieve and maintain compliance with applicable laws, the Group could be exposed to investigations, claims and other regulatory proceedings for alleged or actual violations of laws related to our operations, including anti-corruption and anti-bribery legislation, trade laws and sanctions laws. As there can be no assurance regarding EU, UK or U.S. enforcement policy with respect to economic sanctions, it is possible that the relevant authorities could take a different view regarding our sanctions compliance efforts, which could potentially lead to negative adverse effects on our results of operations, financial condition and prospects. If we are found to be subject to any laws or regulations which we considered were not applicable, our policies, procedures and actions may be in breach of such law or regulation and we may be subject to censure, prosecution, fines or other negative consequences. Furthermore, laws, regulations or licensing policies on economic sanctions or export controls could change and additional countries may introduce economic sanctions, export control or similar regimes.

Any alleged violation of current or future applicable laws or regulations, either erroneously or substantiated in the future, could result in civil or criminal liability for us, our employees, entities or partners, the imposition of fines, or other penalties, as well as negative publicity or reputational damage, and could materially and adversely affect our business, prospects, financial condition and results of operations.

Our insurance coverage may not be adequate to cover all the risks we may face, and if we were no longer covered by our existing insurance, it may be difficult to obtain replacement insurance on acceptable terms or at all.

Our plants, machinery, equipment, inventories and other assets at our wholly owned sites are insured on an all-risk basis under group-wide policies entered into by the INEOS Group and under which we are a named insured party for certain property damage, business interruption, public liability risks (*e.g.*, product liability and environmental risks), marine risks, construction risks and certain financial risks (*e.g.*, directors' and officers' liability insurance), while our joint ventures are covered by separate insurance arrangements. We pay insurance premiums on the policies that cover our operations and certain fees to insurance agents in connection with these policies. These property and liability insurance policies can only provide cover for entities that are controlled by INEOS or in which INEOS has at least a 50% interest. Our major construction projects, defined as those with a total investment cost above €100 million, are insured separately with bespoke project insurance policies. The Group also has separate local policies for employee liability and vehicle insurance. In addition, our joint ventures maintain their own insurance coverage. We believe these insurance policies are generally in accordance with customary industry practices, including deductibles and limits of coverage, but we cannot be fully insured against all potential hazards incident to our business, including losses resulting from the operational hazards described above under the heading "*—Our facilities are subject to operational and other industry risks, including the risk of environmental contamination, which could have a material adverse effect on our operating results*"., or all potential losses, including those related to product recalls or damage to our reputation. Such insurance policies are also subject to deductibles and limitations, including on the maximum amount of liability covered. We may incur losses beyond the limits, or outside the coverage, of our insurance policies, including liabilities for violations of environmental requirements and contamination, which are generally subject to significant limitations and exclusions. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our global insurance policies are renewable on a yearly basis, commencing on June 1. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially and, in some instances,

certain insurances may become unavailable at a reasonable cost or available only for certain risks. Further, if INEOS were to cease to hold at least a 50% interest in our business, we may no longer be entitled to coverage under these policies. We can provide no assurances that we will be able to renew, or obtain replacement insurance for, our insurance policies on acceptable terms or at all in the future.

As a result of our international operations, we are exposed to currency fluctuation risks as well as to regulatory and local business risks in several different countries that could adversely affect our profitability.

We currently operate facilities in 18 different countries. Our businesses are subject to risks normally associated with international operations, including currency fluctuation risks and local business risks. Our results of operations may be affected by both the transaction effects and the translation effects of foreign currency exchange rate fluctuations. We are exposed to currency fluctuations when we convert currencies that we receive for our products into currencies required to pay our debt, or into currencies in which we purchase raw materials, meet our fixed costs or pay for services, which could result in a gain or loss depending on fluctuations in exchange rates. In particular, a large proportion of our manufacturing costs, our selling, general and administrative expenses, and our debt servicing needs are incurred in currencies other than the euro, primarily the U.S. dollar, the pound sterling, the Mexican peso, the Swiss franc, the Norwegian krone and the Swedish krona as well as other currencies including the Chinese renminbi and the Korean won, reflecting the location of our production sites and the currency in which certain raw materials are traded. In addition, a large proportion of our outstanding debt instruments is denominated in currencies other than the euro, including the U.S. dollar. At the same time, many of our sales are invoiced in U.S. dollars or local currencies. In each case, income or expense is reported in local currency and translated into euro at the applicable currency exchange rate for inclusion in our financial statements. Therefore, our financial results in any given period may be materially affected by fluctuations in the value of the euro relative to the U.S. dollar, the pound sterling, the Mexican peso, the Swiss franc, the Norwegian krone and the Swedish krona as well as other currencies including the Chinese renminbi and the Korean won. Significant changes in the value of the euro, the U.S. dollar and other currencies relative to each other could have a material adverse effect on our business, financial condition, results of operations and cash flows.

This could include the possibility of an increase in the amount of our U.S. dollar-denominated indebtedness when converted into euro, as was the case in 2021 and most of 2022 when the value of the U.S. dollar relative to the euro increased, before decreasing again at the end of 2022 and the first half of 2023. We do not currently hedge our exposure to fluctuations in foreign exchange rates, though we may choose to do so in the future.

We are also exposed to other risks of international operations, including trade barriers, international trade agreements and tariffs, exchange controls, national and regional labor strikes, social and political risks, general economic risks such as local economic downturns, required compliance with a variety of foreign laws, including tax laws, anti-corruption and bribery laws (*e.g.*, the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and the Organisation for Economic Co-Operation and Development's Anti-Bribery Convention) and laws sanctioning trade with specified countries or individuals (see also"*—We are exposed to the risk of violations of anti-corruption laws, economic and trade sanctions or other similar regulations*"), and the difficulty of enforcing agreements and collecting receivables through foreign legal systems. Any changes in such laws and policies restricting international trade could have a material adverse effect on our business. For example, as a result of recent revisions in the U.S. administrative policy, there are, and there may be additional, changes to existing trade agreements, greater restrictions on free trade and significant increases in tariffs on goods imported into the U.S., in particular those manufactured in Mexico and Canada.

Such developments may result in a decrease in demand for our products as well as delays in payments from our customers. Furthermore, other governmental action related to tariffs or international trade agreements, changes in social, political, regulatory and economic conditions, or in laws and policies governing foreign trade, manufacturing, development and investment in the territories and countries where our customers are located, could lead to a rebalancing of global export flows and an increase in global competition, which in turn could adversely affect our business, financial condition, results of operations and cash flows.

In addition, due to the nature of our industry, we are subject to national and international regulations governing the import and export of chemicals or goods containing chemicals. Specific regulation or prohibition of chemicals in our supply chain could result in a need to obtain special authorization for product movements, which could lead to increased costs and delays. For example, EDC, carbon tetrachloride, chloroform and dichloropropene are covered by Prior Informed Consent ("**PIC**") regulations from the EU and the United Kingdom which implement the Rotterdam Convention and require export licenses prior to shipment from the EU and the United Kingdom. We also file an annual report to the European Chemicals Agency and the UK Health and Safety Executive under a mirror PIC scheme following Brexit. Similarly, the export of acetic anhydride is subject to export licenses from the United Kingdom government and satisfactory end user declarations. Should these export licenses become more stringent or require increased costs, whether through changes in legislation, we could be exposed to increased costs or may be unable to make these sales. Additionally, in China, the sale of acetic acid is subject to a dangerous goods license. The maintenance of this license is

required to support the business's on-going sales within China. Any failure to monitor regulatory developments in all jurisdictions in which we operate, or an infringement of these or other regulations governing international operations could result in investigations, loss of sales or customers, production delays and reputational damage, all of which could have a material adverse effect on our results of operations and financial prospects.

We may be unable to implement our business, cost control and growth strategies.

Our future financial performance and success largely depend on our ability to implement our business strategies successfully. We cannot assure you that we will successfully implement the business strategies described in this offering memorandum or those to be developed by our management, or that implementing these strategies will sustain or improve and not harm our results of operations in the targeted sectors. In particular, we may not be able to lower our fixed costs, increase our manufacturing efficiency or asset utilization and expand our capacity, enhance our current portfolio of products or achieve other fixed or variable cost savings in order to remain a low-cost producer of our products.

Our business strategies are based on assumptions about future demand for our current products and the new products and applications we are developing, as well as on our continuing ability to produce our products profitably. Our ability to implement our business strategies depends on, among other things, our ability to finance our operations and product development activities, maintain high quality and efficient manufacturing operations, respond to competitive and regulatory changes, access quality raw materials and utilities in a cost effective and timely manner, respect local, regional or international anti-competition rules relating to horizontal or vertical integration in connection with our arrangements with customers and suppliers, retain and attract highly-skilled technical, managerial, marketing and finance personnel, and, in certain cases, re-arrange, relocate and close certain manufacturing facilities with minimal disruption to our operations, and divest businesses or discontinue product lines on favorable terms and with minimal disruptions.

Our results of operations are materially influenced by the degree to which we utilize our assets in order to achieve maximum production volumes. We cannot guarantee that we will be able to implement our cost leadership strategy, which will include maximizing the utilization of assets. For example, the number and length of turnarounds (scheduled outages of a unit in order to perform necessary inspections, tests to comply with industry regulations and any maintenance activities that may be necessary) and unplanned outages have had, and may in the future have, an impact on our operating results, even if such outages are covered by insurance. See also "*—Our facilities are subject to operational risks, which could have a material adverse effect on our operating results*" and "*—Our business and operations are subject to business interruption risks due to the actions of third parties, which could have a material adverse effect on our business, reputation, financial condition and results of operations*". In addition, we may be unable to implement on a timely basis our business strategies, including our cost reduction strategy, in accordance with our plans or at all. In the process of implementing our business strategies, we may experience severe business disruption and loss of key personnel. In addition, the costs involved in implementing our strategies may be significantly greater than we anticipate.

Furthermore, we may not achieve the results anticipated in connection with our growth strategies if, for example, we are unable to maintain or gain market share in key customer industries, secure additional footholds in emerging markets or develop new and unique Specialties products responsive to evolving client requirements. The costs involved in implementing our strategies may be significantly greater than we currently anticipate. Furthermore, our growth strategies rely on our ability to complete projects on time and to ramp up production at such facilities efficiently, including our new ASA facility at our Bayport, Texas site, the construction of a world scale ABS plant in Ningbo, China (part of our newly established joint venture arrangement with Sinopec), increases to our specialty PVC production capacity at our existing plants in Germany, Norway, Belgium, Sweden and France and a project to change the feedstock within our South Korean joint venture. Any delays in the completion of such projects, including delays caused by failures to timely obtain required permits or other approvals, shortages of construction workers or technical difficulties in the ramp-up of production, could adversely affect our ability to implement our business strategies as planned and increase our costs. However, the implementation of strategies and cost reduction programs is inherently subject to risks, particularly if they include a reduction in manpower numbers. We are unable to guarantee that the implementation of our cost reduction targets will be achieved without any issues with labor unions in the U.S., the UK or other countries where we operate. In addition, cost reduction initiatives required to keep the business competitive and free up resources to fund the improvement projects may be delayed or more expensive than envisaged. Any failure to develop, revise or implement our business strategies in a timely and effective manner may adversely affect our ability to service our debt and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our profitability and cash flows could deteriorate materially if we fail to keep up with technological innovation and the increasing trend toward digitalization of our industry.

Our profitability depends on, among other things, our ability to make process improvements in the manufacturing of our products and our ability to introduce new products, product grades and applications that offer value

for our customers. As we compete in a number of industries and with other products and technologies, we are required to be innovative to satisfy our customers' demands.

Our product innovation is focused on improving the technology and efficiency with which we produce our commodity products and the quality and properties of our specialty products. We also focus our innovation efforts on lowering the carbon footprint of our processes and the development of chemical recycling technology. Some of our competitors may be more capable of advances in product and technology development and anticipating and responding to market trends and developments. Also, some of our competitors, especially global chemical companies operating in our core businesses, may have greater financial and other resources than we do and may increase their competitiveness relative to us by investing more in process improvements or in research and development activities with respect to our key products, which may negatively impact our business. In addition, since innovation is also fostered by the support of external partners such as universities and other independent institutions, competitors operating in markets with stronger or a larger number of clusters of such institutions and industry players may have an advantage over us. Moreover, some of our competitors may be better placed to exploit development of new technologies, collaboration with large brand owners and retailers and integration with waste recovery companies. In addition, the industry in which we operate is characterized by increasing trends toward digitalization and connectivity, such as the "Internet of Things," "Artificial Intelligence," and "Machine Learning". Such new technology trends look to increase productivity and cost efficiency by implementing new digitalized solutions that enable companies to carry out predictive maintenance, monitor plant efficiency, interface with customers seamlessly and increase the accuracy of forecasts, among other applications. We may lose a competitive advantage if new or existing competitors are able to develop or acquire capacities relating to innovative technologies, including information technology ("IT") technologies that we do not possess, or if they are able to implement such technologies earlier or more effectively than we are.

Product development and engineering require significant investment. We cannot assure you that our product development and engineering efforts, including our efforts to develop new digital technologies, will continue to deliver competitive products that will translate into sales to customers. In particular, there can be no assurance that there will be demand from our customers for the products that we develop as a result of such investment, and we may fail to predict customer preferences accurately or our competitors' products may adversely impact demand for our products. If we are not able to predict customer preferences accurately or compete with the new product developments of our competitors, we may not realize the sales we anticipate in respect of such investment. If we fail to keep pace with the evolving technological innovations in our markets or invest in products that generate strong future demand from customers, this may have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we fail to maintain an effective system of internal controls over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

We have designed and continue to design our internal control systems with the objective of providing reasonable assurance that (1) our transactions are properly authorized; (2) our assets are safeguarded against unauthorized or improper use; and (3) our transactions are properly recorded and reported, all to permit the preparation of our financial information in conformity with applicable accounting principles. We design our internal controls through the use of internal resources, external consultants and with the assistance of our affiliates to ensure the three lines of defense in our organization.

Any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood and expected impact of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote they are. In addition, the fact that our operations span several jurisdictions compounds the complexity of our control systems. Any failure, even unintentional, to remedy internal control weaknesses in the future, to maintain adequate internal controls, to properly limit access to cash, to train staff adequately regarding company policies and procedures, to apply accounting and tax rules correctly or to produce accurate financial information on a timely basis could result in material misstatements of our financial results, asset loss or misappropriation, internal or third-party investigations, administrative fines and damaged customer relationships, all of which could increase our operating costs and materially impair our ability to operate our business.

Destruction, ineffectiveness or obsolescence of our information systems could lead to a disruption in our business.

Our operations rely to a significant extent, on business critical applications and IT services, and therefore we are subject to the risk that our operations could be disrupted due to the unavailability of such systems. The partial or full physical destruction or unavailability of our information systems could generate a break in our data flow or lead to a system shut-down. Furthermore, our business continuity plan for the recovery of data and our back-up systems and facilities containing the information required for employees affected by any such incidents to carry on with their

activities may fail to preserve our data reliably or accurately. If we are unable to ensure that our business critical applications and IT systems operate with sufficient reliability and availability, our operations could be disrupted, which could have a material adverse effect on our business and reputation.

Additionally, ineffective information systems management, including a failure to ensure that employees are given data access commensurate with their positions, to properly manage the identity of those persons who are given data access, to properly manage program changes, to track asset maintenance and licenses, to prevent or manage security or hacking incidents, to train employees regarding best IT practices and security policies, to harmonize third-party applications with internal platforms or to implement local and international requirements could have a material adverse effect on our business and reputation.

We are also subject to the risk that our information systems may become obsolete or require updates. For example, we currently employ information systems supported by SAP. SAP has informed us that it will no longer support certain of these information systems from 2030, and we may not be able to successfully copy the SAP system or transfer our current information system to a new platform or provider, or we may experience difficulties and disruptions to certain of our business operations in doing so. Any inability to update our information systems to keep pace with the information systems requirements of our applications landscape could have a material adverse effect on our business and reputation. In certain of our businesses, we use an internal system that we maintain and support ourselves. While we are less dependent on third-party support providers for operational business processes, failures of our internal system can occur, which could result in potential liability for our business, higher insurance premiums, damage to assets, safety issues, operational downtime or delays, and revenue losses, adversely impacting our prospects, results of operations and financial condition.

We are subject to cybersecurity risks. A cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss.

Our industry has become increasingly dependent on digital technologies to conduct certain processing activities, in particular in the context of trends such as the "Internet of Things," "Artificial Intelligence" and "Machine Learning". For example, we depend on digital technologies to perform many of our services and to process and record financial and operating data. At the same time, cyber incidents, including deliberate attacks, have increased. Our technologies, systems and networks, and those of our vendors, suppliers and other business partners, may become the target of cyberattacks or information security breaches, such as cyber-fraud, viruses, malware infections, or social engineering activities like phishing and employee impersonation, all of which could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information, or other disruption of business operations. In recent years, cyberattacks have become more prevalent and much harder to detect and defend against. These threats may arise from a variety of sources, all ranging in sophistication from an individual hacker to alleged state-sponsored attacks. A cyberattack may be generic, or it may be custom-crafted to target the specific information technology used by us. If, as a result of such cyberattack, our IT systems were to fail and we were unable to recover in a timely way, we may be unable to fulfil critical business functions, which could damage our reputation and have a material adverse effect on our reputation, business, financial condition and results of operations.

Although our IT governance, risk management and compliance programs provide availability, confidentiality and an overall security approach to all systems and business processes, including cyber security controls, like intrusion detection/ intrusion prevention, firewalls, mobile device management, malware and virus protection, secure VPN access, network segmentation, industrial control system security monitoring, email and internet security, security information and event management, threat and vulnerability management, any failure of these programs could result in a cyber security incident. Increased reliance on technology carries with it an increased risk of cyber security issues, including phishing and end point vulnerability.

In addition, certain cyber incidents, such as surveillance, may remain undetected for an extended period. Our systems for protecting against cyber security risks may not be sufficient. As cyber incidents continue to evolve, we will likely be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerability to cyber incidents.

In addition, confidential information that we maintain may be subject to misappropriation, theft and deliberate or unintentional misuse by current or former employees, third-party contractors or other parties. Any such misappropriation and/or misuse of our information could result in our, among other things, being in breach of certain global data privacy, data protection, localization, security and consumer protection laws and regulations. These laws and regulations are emerging and evolving in countries worldwide and the interpretation and application of these laws and regulations in Europe, the U.S. and elsewhere are often uncertain, contradictory and changing. For example, the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR") came into effect in Europe in May 2018. The GDPR is a uniform framework setting out the principles for legitimate data processing. The introduction of the GDPR

strengthens the rights of individuals (data subjects), imposes stricter controls over the processing of personal data by both controllers and processors of personal data and imposes stricter sanctions with substantial administrative fines and potential claims for damages from data subjects for breach of their rights. In particular, under the GDPR, breaches of data protection rules may result in maximum fines equal to the greater of €20 million and 4% of the annual global turnover of the sanctioned company. It is possible that the GDPR and other laws may be interpreted or applied in a manner that is adverse to us, unforeseen, or otherwise inconsistent with our practices or that we may not adequately adapt our internal policies and/or procedures to evolving regulations, any of which could result in litigation, regulatory investigations and potential legal liability, require us to change our practices in a manner adverse to our business or limit access to our products and services in certain countries. As a result, our reputation and brand may be harmed, we could incur substantial costs, and we could lose both customers and revenue. While our IT compliance programs contain certain procedures to cover GDPR by providing records of processing activities, performing assessments on technical and organizational security measures and stipulating contractual agreements with external service providers and business partners and our demand, change and project management procedures have been implemented which guarantee the involvement of the legal department and IT security team to assess new business applications and systems, identifying GDPR relevance and security vulnerabilities upfront, any failures of these programs could result in potential liability for our business, losses of confidential information, reputational consequences, financial damages, higher insurance premiums, damage to assets, safety issues, operational downtime or delays, and revenue losses, adversely impacting our prospects, results of operations and financial condition. The significance of any such event is difficult to quantify, but may in certain circumstances be material to the Group and could have adverse effects on our business, financial condition and results of operations.

Our success depends on the continued service of key personnel and our ability to attract highly skilled individuals.

Our success depends in significant part upon our ability to attract and retain qualified and committed employees, including in particular the continued service of our directors and senior management, including the executive officers at each of our business units, who have experience in our industry and in operating a company of our size and complexity, and our ultimate shareholders James Ratcliffe, Andrew Currie and John Reece. There may be a limited number of persons with the requisite experience and skills to serve in such positions, and we may not be able to locate, employ or retain them on acceptable terms or at all.

In addition, our future growth and success also depend on our ability to attract, train, retain and motivate skilled managerial, sales, administrative, operating and technical personnel, including R&D and engineering specialists. We do not maintain any "key person" life insurance for any member of our senior management. In times of increased demand, producers may attempt to increase capacity, which can result in a competitive market for the limited supply of highly-skilled professionals. If we experience a shortage of adequately skilled candidates and are unable to hire or retain suitable employees, we may be unable to maintain our current operating levels or need to increase wages to remain competitive with other industry employers, which could increase our costs substantially. Additionally, the loss of one or more of our key management or operating personnel could result in a loss of institutional know how. Such loss, or the failure to attract and retain additional key personnel, or such former personnel moving to one of our competitors, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may not be able to successfully consummate acquisitions or developments or integrate acquired businesses.

Our industries are highly fragmented and there may be opportunities for us to participate in further consolidation in our industry in the future. In addition, we may organically grow our business through the development of new facilities. However, the restrictions in the Indenture, the Existing Indentures and the Term Loan B Facilities Agreements may limit or preclude our ability to make certain future acquisitions or capital expenditures and participate in industry consolidation. To finance future permitted acquisitions or capital expenditures, we may need to borrow money, which will increase our debt service requirements and could impact our ability to make payments on our indebtedness, including the Notes, and we may not be able to obtain acquisition finance on favorable terms or at all. In order to manage any acquisitions we successfully complete, we will need to expand and continue to improve our operational, financial and management information systems, and our increased leverage may limit our ability to do so. Our excess cash may be limited, and we may not be able to invest in the acquired company to achieve the desired synergies.

We may not succeed in identifying attractive acquisition candidates or securing financing on favorable terms. In addition, making acquisitions or integrating any acquired business or development projects may divert too much management attention from the operations or our core businesses, which could adversely affect our business, financial condition and results of operations. In cases where we do proceed with an acquisition, we could be subject to a number of risks, including:

- problems with effective integration of operations, in particular the effective integration of IT systems;

- problems with governance arrangements, in particular for joint ventures;
- the inability to maintain key pre-acquisition business relationships;
- increased operating or capital costs;
- difficulty obtaining regulatory approvals;
- costs related to achieving or maintaining compliance with additional laws, rules or regulations;
- the loss of key employees, including those of the acquired company;
- difficulties in renegotiating collective bargaining agreements;
- exposure to unanticipated liabilities; and
- difficulties in realizing projected efficiencies, synergies and cost savings.

For example, in July 2022, we agreed to establish a new 50:50 joint venture with Sinopec with the intent to build production capacity of up to 1.2 million tonnes of ABS to meet rapidly growing demand in China. The 600 kilotonne ABS plant in Ningbo, which we are currently completing is planned to be operational by the end of 2023, is part of the joint venture. We recently signed a second joint venture agreement with Sinopec, subject to regulatory approval, to build a 300 kilotonne ABS plant in Tianjin, China. If we are unable to successfully align these or other facilities with our current business operations, the implementation of our growth strategy could be impaired and our business, financial condition and results of operations could be materially adversely affected. We cannot assure you that any acquisition or development project we consummate will ultimately provide the benefits we originally anticipate. Furthermore, we may not succeed in identifying attractive acquisition candidates or financing and completing potential acquisitions on favorable terms and development projects may experience delays and cost overruns. In addition, our interests in the joint ventures with Sinopec are owned through Unrestricted Subsidiaries. We may make further investments in joint ventures or Unrestricted Subsidiaries for future acquisitions or development projects. Our joint ventures and Unrestricted Subsidiaries are not bound by the covenants in the Term Loan Facilities Agreement, the Existing Indentures or the Indenture (including with respect to limitations on indebtedness and restricted payments, including dividends).

Any acquisition process may also give rise to issues surrounding market consolidation, horizontal or vertical integration or appearances of price fixing, which may trigger anti-trust and competition reviews. Violations of such competition laws could lead to legal proceedings, compensatory fines and reputational damage, which may have a material adverse effect on our business, financial condition and results of operations.

The failure of our patents, trademarks and confidentiality agreements to protect our intellectual property could adversely affect our business.

Proprietary protection of our proprietary processes, apparatuses, products and other technologies is important to our business, including our manufacturing activities. Our actions to protect our proprietary rights may be insufficient to prevent others from developing similar products and processes to ours. In particular, we may be unable to secure adequate protection or management of intellectual property during capital investment projects, in particular in new countries and certain of the emerging-markets jurisdictions in which we operate, or when key personnel leave our company to join a competitor, which may weaken our intellectual property rights and undermine our competitive advantages. In addition, the laws of many foreign countries do not protect our intellectual property rights to the same extent as the laws of Germany, the U.S. and the United Kingdom. Furthermore, any pending patent application filed by us may not result in an issued patent, including as a result of objections raised by third parties, or if patents are issued to us, such patents may not provide meaningful protection against competitors or against competitive technologies. Oppositions or other actions initiated by third parties may also limit the scope of our patents and other intellectual property rights, thereby weakening our protection against competitors or against competitive technologies. You should be aware that the expiration of a patent or the failure of our patents to protect our formulations, processes, apparatuses, technology, trade secrets or proprietary know-how could result in intense competition with consequent erosion of profit margins. In addition, our competitors and any other third-party may obtain patents that restrict or preclude our ability to lawfully produce, manufacture and market our products in a competitive manner, which could materially adversely affect our business, financial condition, results of operations and cash flows.

We also rely upon unpatented proprietary know-how, other trade secrets and continuing technological innovation to develop and maintain our competitive position. While it is our policy to enter into confidentiality agreements with our employees and third parties to protect our intellectual property, there can be no assurances that:

- our confidentiality agreements will not be breached;
- they will provide meaningful protection for our trade secrets or proprietary know-how; or
- adequate remedies will be available in the event of an unauthorized use or disclosure of these trade secrets and know-how.

In addition, there can be no assurances that others will not obtain knowledge of these trade secrets through independent development or other access by legal means.

In the past we have received communications asserting that our products or their applications infringe on a third-party's proprietary rights. Currently, we are not aware of any material pending litigation against us regarding any intellectual property claim, but we cannot assure you that there will not be future claims. Such claims, with or without merit, could subject us to costly litigation and divert our technical and management personnel from their regular responsibilities. Furthermore, if such claims are adversely determined against us, we could be forced to suspend the production and manufacture of products that use the contested invention and our business, financial condition, results of operations and cash flows could be adversely affected.

We may be liable for damages based on product liability claims.

Our products have widespread end uses in a variety of consumer industries, including food packaging and medical applications, and we are at risk of claims arising out of the use of, or exposure to, our products or the chemicals in them. In particular, certain of our customers produce products with food contact applications or medical devices subject to good manufacturing process ("GMP") or other legislative requirements. GMP requirements and food contact legislation, particularly in the EU, have become increasingly more extensive and complex, which could increase the costs and risk associated with compliance with such requirements. As with all quality control systems, any failure or deterioration of our quality control systems could result in defects in our projects or products, which in turn may subject us to contractual, product liability and other claims. Any such claims, regardless of whether they are ultimately successful, could cause us to incur significant costs, harm our business reputation and result in significant disruption to our operations. Furthermore, if any such claims were ultimately successful, we could be required to pay substantial monetary damages or penalties, which could have a material adverse effect on our reputation, business, financial condition and results of operations. Regulatory requirements relating to food contact materials have also become increasingly more extensive and complex in recent years. Furthermore, because many of our products, including PVC, caustic soda, caustic potash and chlorine and its derivatives, including ECH, provide critical performance attributes to our customers' applications and products, the sale of their products involves a risk of product liability claims against us, including claims arising out of the use of, or exposure to, our products. Product liability may arise from out of specification products, inappropriate use, previously unidentified effects, manufacturing errors resulting in defective products, product contamination, altered product quality or inappropriate safety and health recommendations. While most of our products have some hazardous properties, some of them, such as VCM, require specialized handling procedures due to their acute and chronic toxicity.

In addition, our customers or distributors may not follow our policies and advice regarding the safe use and application of our products, including for food packaging and contact or medical device end uses, which may unknowingly expose us to third-party claims. A successful product liability claim or series of claims arising out of any of these various uses against us could expose us to liability for injury or damage as well as lead to a recall of our products; losses in excess of our insurance coverage for payments for which we are not indemnified or have not otherwise provided could have a material adverse effect on our business, financial condition, results of operations and cash flows. In particular, we could be required to increase our indebtedness or divert resources from other investments in our business in order to discharge any such claims. Additionally, new discoveries about the safety of our products may be made in the future and such discoveries may lead to a substantial decline of the sale of any affected products, both of which could materially affect the profitability of our operations.

We are subject to certain risks related to litigation or other proceedings filed by or against us, and adverse outcomes may harm our business.

We cannot predict with certainty the cost of prosecution, the cost of defense or the ultimate outcome of litigation and other proceedings filed by or against us, including remedies or damage awards, and adverse results in any litigation and other proceedings may materially harm our business. We have been, and in the future may be, involved in litigation

and other proceedings relating to intellectual property, commercial arrangements, HSSE, joint venture agreements, mergers and acquisitions, construction, labor and employment, anti-trust, anti-corruption regulations or tax laws and regulations or other harms, including claims resulting from the actions of individuals or entities outside of our control and in certain instances including claims that have resulted or could result in criminal proceedings. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in our business, injunctions prohibiting our use of business processes or technology that are subject to third-party patents or other third-party intellectual property rights or the imposition of license fees to be paid to the holders of any such third-party intellectual property rights. Litigation based on environmental contamination or exposure to hazardous substances in the workplace or from our products, could result in material liability and reputational harm for us. Non-governmental organizations initiating environmental claims against governments or otherwise can also adversely impact our business if it amounts to a direct or indirect challenge to our permission to operate. Litigation relating to trade sanctions or anti-corruption laws violations could undermine our status as a preferred economic operator (see also "*—We are exposed to the risk of violations of anti-corruption laws, economic and trade sanctions or other similar regulations*"). Litigation relating to competition regulation violations could lead to high-cost litigation and loss of credibility vis-à-vis customers and other third parties. A failure to adequately prepare responses to litigation, arbitration, administrative or other claims brought against us in any venue (including administrative tribunals and local or federal courts), an inability to communicate effectively either externally or internally in moments of crisis or adverse outcomes in any proceedings instituted by or against us could have a material adverse effect on our business. See also "*Business—Legal Proceedings*".

We may be affected by changes in tax laws or their application or interpretation or scrutiny of transactions by tax authorities, and could be subject to tax risks attributable to previous tax assessment periods.

Our tax burden is dependent on certain aspects of tax laws across several different jurisdictions and their application and interpretation. Changes in tax laws or their interpretation or application could increase our tax burden. For the years ended December 31, 2021 and December 31, 2022, the enacted UK corporation tax rate applicable to the Group was 19%. The UK corporation tax rate increased to 25% from April 1, 2023. In the US, the Infrastructure Investment and Jobs Act (IIJA) reinstated the Superfund Tax, an excise tax imposed on certain chemical substances, to fund the cleanup of hazardous substances effective July 1, 2022. In addition, we are subject to routine tax audits in the jurisdictions in which we operate. Changes to our taxes as a result of these or other changes in tax laws or their application or interpretation or in the course of such audits may lead to an increased overall tax rate for our Group as a whole. As the result of a tax audit, additional tax expenses could accrue at the level of the Parent or its subsidiaries in relation to previous tax assessment periods which have not yet been subject to a tax audit. The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations. In future tax audits, the tax laws and/or relevant facts could be interpreted by the tax authorities in a manner that deviates from our view. As a result, the tax authorities could revise original tax assessments and substantially increase the tax burden (including interest and penalty payments) of the affected entities of our Group. Any future audits or investigations resulting in additional tax liabilities or penalties could adversely impact the tax position of the Group and have a material adverse effect on our financial position.

In addition, due to our international focus, we are exposed to tax risks, in particular with regard to transfer pricing rules that apply in several jurisdictions. Although we have adopted a transfer pricing policy for certain of our businesses, tax authorities may challenge our compliance with applicable transfer pricing rules, and we therefore must seek to ensure that our transfer pricing policies accurately reflect the operating model of our business. If any tax authority were to challenge our arrangements, including with respect to exit charges, we could face a higher tax burden and be subject to tax penalties or fines, which could have a material adverse impact on our business, financial condition, results of operations and cash flows. To date, only the Norwegian tax authority has challenged our trading model, specifically the exit charge compensation payable to the Norwegian tolling entity from INOVYN Europe Limited, with a reassessment notice being received in November 2022. We have responded to the reassessment notice with strong arguments in our favor and are prepared to pursue an appeal and legal routes if necessary.

Likewise, changes or proposed changes in tax laws could adversely impact the tax position of the Group and investors in the Group's securities and give rise to additional reporting and disclosure obligations, which could increase our costs and have a material adverse effect on our financial position.

We may be required to make further contributions to pension plans.

We provide defined benefit pension plans to certain eligible employees, and these plans are subject to legislative and regulatory requirements. Our pension expense and required contributions to our pension plans are directly affected by the funded status of our plans, the discount rate used to measure pension obligations, the level of plan assets available to fund those obligations at the measurement date, the expected rate of return on plan assets and the actuarial assumptions we use to measure our defined benefit pension plan obligations. Significant changes in investment performance or the

expected rate of return on plan assets or in the portfolio mix of invested assets may result in corresponding changes in the funded status of our plans or the valuation of plan assets (particularly equity securities). Any decrease in interest rates will result in an increase of pension liabilities. Any change in key actuarial assumptions, such as the discount rate, would impact the valuation of pension obligations, affecting the reported funded status of our pension plans as well as the net periodic pension cost in the following fiscal years. Any declines in the fair values of the pension plans' assets could require additional payments by us in order to maintain required funding levels. Our funding policy for pension plans is to accumulate plan assets that, over the long run, will approximate the present value of projected benefit obligations. As of December 31, 2022, the total present value of pension scheme liabilities amounted to €1,229.6 million, partially off-set by plan assets with a fair value of €1,067.8 million that resulted in a net pension liability of €161.8 million. We cannot predict whether changing market or economic conditions, regulatory changes or other factors will further increase our pension expense or funding obligations, diverting funds we would otherwise apply to other uses.

We depend on good relations with our workforce, and any significant disruption could adversely affect us.

As of June 30, 2023, around the world, we employed approximately 8,895 employees (in each case, measured by employee head count and excluding joint venture employees). Many of these employees are unionized, and most of our employees in Europe are represented by works councils which generally must agree to changes in conditions of employment, including salaries and benefits. See "*Business—Employee Matters—Trade unions*". A labor disturbance or work stoppage at any of our facilities as a result of any changes to our employment terms and conditions, inadequate communication between staff and management, employee dissatisfaction or for any other reason could have a material adverse effect on that facility's operations and, potentially, on our business, financial condition, results of operations and cash flows. During recent years, strikes have been the result of participation in national strikes. Additionally, any failure to observe relevant labor laws or apply human resources policies relating to discrimination, harassment, working hours regulations and other working conditions could result in reputational damage, administrative or civil claims or fines, any of which could have a material adverse effect on our business, financial condition and/or results of operations.

We also use independent contractors to provide us with certain technical assistance and services. In certain cases, we may exercise limited control over the activities and business practices of these providers and any inability on our part to maintain satisfactory commercial relationships with them or their failure to provide quality services (including as a result of work stoppages or labor disturbances at such providers) could materially and adversely affect our business, prospects, financial condition and results of operations.

Risks Relating to the Notes and Our Capital Structure

Significant indebtedness—Our level of indebtedness could adversely affect our ability to react to changes in our business, and we may be limited in our ability to fulfill our debt obligations and use debt to fund future capital needs.

We are, and after the issuance of the Notes will continue to be, significantly indebted and as of June 30, 2023 after giving *pro forma* effect to the Transactions, we would have had total financial indebtedness (after deduction of unamortized debt issue costs) of €7,453.6 million as compared to total equity of €3,616.0 million. In addition, as of June 30, 2023, we would have had €577.0 million available for future borrowings under the unused portions of the Securitization Programs. Our substantial indebtedness could have important consequences to holders of the Notes by adversely affecting our financial position including, but not limited to:

- requiring us to dedicate all of our cash flow from operations (after the payment of operating expenses) to payments with respect to our indebtedness, thereby reducing the availability of our cash flow for working capital, capital expenditures, acquisitions, joint ventures, product research and development, and other general corporate expenditures;
- increasing our vulnerability to, and reducing our flexibility to respond to, adverse general economic or industry conditions;
- limiting our flexibility in planning for, or reacting to, competition or changes in our business or industry;
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing;
- restricting us from making strategic acquisitions or exploring business opportunities; and
- placing us at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including with respect to the Notes. Our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our operations. Our ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond our control. We may not be able to generate enough cash flow from operations nor obtain enough capital to service our debt or fund our planned capital expenditures.

In addition, we may be able to incur substantial additional debt in the future, including indebtedness in connection with any future acquisition and indebtedness in connection with any inventory financing or similar arrangement. The terms of the Indenture will permit our subsidiaries to do so, in each case, subject to certain limitations. If new debt is added to our current debt levels, the risks that we now face could intensify. Moreover, some of the debt we may incur in the future could be structurally senior to the Notes and may be secured by collateral that does not secure the Notes.

For further information regarding our substantial leverage and for more information about our outstanding indebtedness, see also "*Operating and Financial Review and Prospects*" and "*Description of Other Indebtedness*".

Restrictive covenants in our debt instruments—We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities. If we default under these covenants, we will not be able to meet our payment obligations.

The Existing Indentures and the Term Loan B Facilities Agreements contain, and the Indenture will contain, a number of significant covenants that restrict some of our and our subsidiaries' corporate activities, including our and their ability to:

- incur or guarantee additional debt and issue certain preferred stock;
- make restricted payments, including paying dividends or making other distributions and prepaying or redeeming subordinated debt or equity;
- create or incur certain liens;
- sell, lease or transfer certain assets;
- enter into arrangements that restrict dividends or other payments to us;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances and on the transfer of assets;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries; and
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

All of these limitations are or will be subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants*". The covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

Also, the Term Loan B Facilities Agreements require us and some of our subsidiaries to comply with certain affirmative covenants. See *Description of Other Indebtedness—2014 Term Loan B Facilities Agreement*"and "*Description of Other Indebtedness—2020 Term Loan B Facilities Agreement*".

Our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the Term Loan B Facilities Agreements. This would permit the lenders to take certain actions, including declaring all amounts that we have borrowed under the Term Loan B Facilities Agreements to be due and payable, together with accrued and unpaid interest. A failure to pay such amounts would also result in an event of default under the Existing Indentures and the Indenture. If we are unable to repay our debt to the lenders, they could proceed against the Collateral that secures the debt under the Notes. If the debt under our Term Loan B Facilities Agreements, the

Existing Notes, the Notes or any other material financing arrangement that we enter into were to be accelerated, our assets may be insufficient to repay in full the Notes and our other debt.

Securitization Programs—We use the Securitization Programs to meet some of our liquidity requirements and are subject to various terms and conditions under the Securitization Programs, which, if we are unable to comply with them, could result in the acceleration of our debt.

Unless the maturity dates of the Securitization Programs are extended, they will both mature in June 2024. Along with cash generation from operating activities, we satisfy our short-term liquidity needs with amounts available under the Securitization Programs. Our ability to refinance the Securitization Programs could be affected by a number of factors, including volatility in the financial markets, contractions in the availability of credit, including in interbank lending, and changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments. Our liquidity will be adversely affected if we are unable to refinance the Securitization Programs on acceptable terms or at all, and we can provide no assurance that we will be able to do so.

The availability under the Securitization Programs varies depending on the underlying receivables. For a more detailed discussion, please see "*Description of Other Indebtedness—The Securitization Programs".* In addition, the Securitization Programs contain various terms and conditions, and if we fail to comply with these terms and conditions, a default may occur under the Securitization Programs. If a default occurs under the Securitization Programs, we may need to fund our working capital requirements from other sources.

Ability to repay and service debt—To repay or refinance and service our debt, we will require a significant amount of cash.

Our ability to make principal or interest payments when due on our indebtedness, including the Notes, will depend upon our future performance and our ability to generate cash. Our ability to generate cash depends on many factors beyond our control. The ability of our subsidiaries to transfer monies upstream to us, as well as to pay operating expenses and to fund planned capital expenditures, any future acquisitions and research and development efforts, will depend on our businesses' ability to generate cash in the future, as well as limitations that may be imposed under applicable law. This, to an extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, including those factors discussed in this "*Risk Factors*" section or elsewhere in this offering memorandum, many of which are beyond our and our subsidiaries' control. Please see "*Selected Financial Information*" and "*Operating and Financial Review and Prospects*". If we sustain losses in the future, our ability to repay and service our debt may be materially impaired.

If we are unable to generate sufficient cash flow to meet our payment obligations, we may be forced to reduce or delay planned expansions or capital expenditures, sell significant assets, discontinue specified operations, obtain additional funding in the form of debt or equity capital or attempt to restructure or refinance all or a portion of our debt on or before maturity. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on commercially reasonable terms, if at all. In addition, the terms of our debt, including the Indenture, Existing Indentures, and the Term Loan B Facilities Agreements, will limit our ability to pursue any of these alternatives. If we are unsuccessful in any of these efforts, we may not have sufficient cash to meet our obligations.

Financing a change of control offer—We may not be able to raise the funds necessary to finance a change of control offer required by the Indenture and the Existing Indentures, and, if this occurs, we would be in default under the Indenture and the Existing Indentures.

Under the terms of the Indenture and the Existing Indentures, we will be required to offer to repurchase the Notes and the Existing Notes, as applicable, in each case if certain events constituting a change of control occur. Our obligations under the Term Loan B Facilities Agreements could also be accelerated upon the occurrence of a change of control under the Indenture and the Existing Indentures or other change of control events. It is possible that we may not have sufficient funds at the time of a change of control to repurchase any or all of the Notes or Existing Notes, as applicable, or repay our outstanding obligations under the Term Loan B Facilities Agreements. We expect that we would require third-party financing to make an offer to purchase the Notes and the Existing Notes or to repay our outstanding obligations under the Term Loan B Facilities Agreements upon a change of control. We cannot assure you that we would be able to obtain such financing. Our failure to repurchase any or all of the Notes or the Existing Notes would be an event of default under the Indenture or the Existing Indentures, respectively, and would cause a cross default under the Term Loan B Facilities Agreements. Similarly, a failure to repay the amounts outstanding under the 2014 Term Loan B Facilities Agreement or the 2020 Term Loan B Facilities Agreement upon a Change of Control would cause a cross default under the Indenture and the Existing Indentures. You should read the sections titled "*Description of the Notes—Purchase of Notes upon a Change of Control*" for further information regarding the change of control provisions.

The change of control provisions contained in the Indenture may not protect you in the event of highly leveraged transactions and other important corporate events, including reorganizations, restructurings, recapitalizations, mergers or similar transactions that may adversely affect you, because these transactions may not involve a change in voting power or beneficial interest of the magnitude required to trigger the change of control provisions or, even if they do, may not constitute a "Change of Control" as defined in the Indenture.

Except as described under "*Description of the Notes—Change of Control*", the Indenture will not contain provisions that would require us to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of "Change of Control" under the Indenture will include a disposition to any person of "all or substantially all" of the assets of the Company and its restricted subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Company and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

Post-Closing Guarantees and Collateral—The Subsequent Guarantors will not initially guarantee the Notes and the Subsequent Collateral will not initially secure the Notes.

The Initial Guarantors and the Subsequent Guarantors guarantee the Existing Notes and the obligations under the Senior Secured Credit Facilities. When issued, however, the Notes will be guaranteed only by the Initial Guarantors. We will agree in the Indenture to take such necessary actions to cause the Subsequent Guarantors to guarantee the Notes within 90 days from (and excluding) the Issue Date.

On the Issue Date, the Notes will be secured only by, subject to the agreed security principles as described in "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—Security*" (the "**Agreed Security Principles**"), first-priority security interests in the Initial Collateral. We will agree in the Indenture to take such necessary actions to secure the Notes within 90 days from (and excluding) the Issue Date, subject to the Agreed Security Principles, by first-priority security interests in the Subsequent Collateral.

There can be no assurance, however, that we will be successful in procuring such guarantees and liens within the time periods specified, the failure of which would result in an "event of default" under the Indenture. See also "*Description of the Collateral and the Guarantees*", "*Limitations on Validity and Enforceability of the Guarantees and the Security Interests*" and "*—Guarantees and Collateral limitations—The guarantees and pledges of Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*".

Finance Subsidiary Issuer—The Issuer is a finance company, which does not have independent operations, and is dependent on payments under the Notes Proceeds Loans to provide it with funds to meet its obligations under the Notes.

The Issuer is a wholly-owned finance company that conducts no business operations. The Issuer has limited assets, no subsidiaries and a limited ability to generate revenues. The only significant assets of the Issuer are its rights under each of the Existing Senior Secured Notes Proceeds Loans made, and the Notes Proceeds Loans to be made, by it to INEOS Quattro Holdings UK Limited. The Issuer's material liabilities include the Notes and the 2026 Senior Secured Notes and its guarantees of the 2027 Senior Secured Notes, the Existing Term Loan B Facilities, the New Term Loan B Facilities and any additional debt it may incur in the future.

As such, the Issuer is dependent upon payments from INEOS Quattro Holdings UK Limited, in order to make any payments under the Notes. If INEOS Quattro Holdings UK Limited fails to make scheduled payments on the Notes Proceeds Loans, it is not expected that the Issuer will have any other sources of funds that would allow it to make payments on its indebtedness.

The payment of dividends and the making, or repayment, of loans and advances to INEOS Quattro Holdings UK Limited by its direct subsidiaries and such payments by their respective indirect subsidiaries to their respective parent entities are subject to various restrictions. Existing and future debt of certain of these subsidiaries may prohibit the payment of dividends or the making, or repayment, of loans or advances to INEOS Quattro Holdings UK Limited or its parent entities. The terms of the Intercreditor Agreement also restrict certain intra-group payments (other than payments under the Notes Proceeds Loans). In addition, the ability of any of INEOS Quattro Holdings UK Limited's direct or indirect subsidiaries to make certain distributions may be limited by the laws of the relevant jurisdiction in which the

subsidiaries are organized or located, including financial assistance rules, corporate benefit laws and other legal restrictions which, if violated, might require the recipient to refund unlawful payments.

Although the Indenture will limit the ability of the Company's subsidiaries to enter into future consensual restrictions on their ability to pay dividends and make other payments to INEOS Quattro Holdings UK Limited, there are significant qualifications and exceptions to these limitations. We cannot assure the holders of the Notes that arrangements with INEOS Quattro Holdings UK Limited's subsidiaries and the funding permitted by the agreements governing existing and future indebtedness of such subsidiaries will provide INEOS Quattro Holdings UK Limited with sufficient dividends, distributions or loans to fund payments on the Notes Proceeds Loans when due. See "*Description of Other Indebtedness*".

Realization of Collateral—It may be difficult to realize the value of the Collateral securing the Notes.

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Notes as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or recharacterization under the laws of certain jurisdictions.

The security interests of the Security Agent are subject to practical problems generally associated with the realization of security interests in the Collateral securing the Notes. For example, the Trustee or the Security Agent may need to obtain the consent of a third-party to enforce a security interest. We cannot assure you that the Trustee or the Security Agent will be able to obtain any such consents. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Trustee or the Security Agent may not have the ability to foreclose upon those assets and the value of the Collateral securing the Notes may significantly decrease.

Furthermore, under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The liens in the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we or the Security Agent fails or is unable to take the actions we are or it is required, as the case may be, to take to perfect any of these liens.

In addition, our business requires a variety of national, state and local permits and licenses. The continued operation of properties that comprise part of the Collateral and which depend on the maintenance of such permits and licenses may be prohibited. Our business is subject to regulations and permitting requirements and may be adversely affected if we are unable to comply with existing regulations or requirements or changes in applicable regulations or requirements. In the event of foreclosure, the transfer of such permits and licenses may be prohibited or may require us to incur significant cost and expense. Further, we cannot assure you that the applicable governmental authorities will consent to the transfer of all such permits. If the regulatory approvals required for such transfers are not obtained or are delayed, the foreclosure may be delayed, a temporary shutdown of operations may result and the value of the Collateral may be significantly decreased.

Sufficiency of the Collateral—The Collateral may not be sufficient to secure the obligations under the Notes.

The Notes and the guarantees granted under the Indenture will be secured by security interests in the same Collateral that secures the New Term Loan B Facilities, the Existing Term Loan B Facilities, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities and, with respect to certain Collateral, the Existing Senior Notes (on a second-ranking basis). The Collateral may also secure additional debt to the extent permitted by the terms of the Indenture and the Intercreditor Agreement, including certain hedging obligations and cash management arrangements. The rights of the holders of the Notes to the Collateral would be diluted by any increase in first-priority debt secured by the Collateral or a reduction of the Collateral.

The value of the Collateral and the amount to be received upon a sale of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, the condition of the economies in which operations are located and the availability of buyers. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the share pledges of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding. The Collateral is located in a number of countries, and the multi-jurisdictional nature of any foreclosure on the Collateral may limit the realizable

value of the Collateral. The Collateral will be released in connection with an enforcement sale pursuant to the Intercreditor Agreement.

Limitations on the value of the Collateral—The Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes.

If there is an event of default under the Indenture, the holders of the Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes. Not all of the Group's assets secure the Notes. In addition, in the future, the obligations to provide additional guarantees and grant additional security over assets in respect of the Notes, whether as a result of the acquisition or creation of future assets or subsidiaries or otherwise, is subject to agreed security principles under the Indenture and, in certain circumstances, indirectly through the Existing Indentures and the Term Loan B Facilities Agreements, subject to certain other agreed security principles. To the extent that lenders under the 2020 Term Loan B Facilities Agreement or the 2014 Term Loan B Facilities Agreement or holders of the Existing Notes are granted security, the negative pledge in the Indenture may require such security to also be granted for the benefit of the holders of the Notes. The agreed security principles set forth in the Existing Indentures and the Term Loan B Facilities Agreements contain a number of limitations on the rights of the lenders or noteholders to be granted security in certain circumstances. The operation of the agreed security principles may result in, among other things, the amount recoverable under any Collateral provided being limited or security not being granted or perfected over a particular type or class of assets. Accordingly, the agreed security principles may affect the value of the security provided by the Issuer and the Guarantors of the Notes.

To the extent that the claims of the holders of the Notes exceed the value of the assets securing the Notes and other obligations (including the New Term Loan B Facilities and the Existing Term Loan B Facilities), those claims will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness ranking *pari passu* with the Notes. If the value of the assets pledged as security for the Notes and the other obligations secured with the same priority by such assets is less than the value of the claims of the holders of the Notes and the creditors of such other obligations, those claims may not be satisfied in full before the claims of certain unsecured creditors are paid. In addition, various limitations may become applicable to the obligations of the Guarantors and security providers, which could further reduce the extent to which holders of the Notes will be secured. See "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations*".

Challenges to Collateral—The grant of Collateral to secure the Notes might be challenged or voidable in an insolvency proceeding.

The grant of Collateral in favor of the Security Agent may be voidable by the grantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, or be unenforceable if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given and an insolvency proceeding in respect of the grantor is commenced within a legally specified "clawback" or hardening period following the grant.

For example, if the grantor of any Subsequent Collateral were to become subject to a bankruptcy or winding up proceeding after the Issue Date, then any mortgage or security interest in Subsequent Collateral delivered after the Issue Date would face a greater risk than security interests in place on the Issue Date of being avoided by the grantor or by its trustee, receiver, liquidator, administrator or similar authority, or otherwise set aside by a court, as a preference under applicable insolvency law. In addition, the granting of shared security interests to secure future indebtedness permitted to be secured on the Collateral may restart or reopen hardening periods for such security interests in Germany or certain other jurisdictions, in particular as the Indenture permits the release and retaking of security interests in certain circumstances. To the extent that the grant of any security interest is voided, you would lose the benefit of the security interest. See "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations*".

Structural subordination—The Notes and each guarantee will be structurally subordinated to the liabilities and any preferred stock of the non-Guarantor subsidiaries.

Some, but not all, of our subsidiaries will guarantee the Notes. Unless a subsidiary is a Guarantor of such obligations, our subsidiaries do not have any obligation to pay amounts due on the Notes or to make funds available for that purpose. Accordingly, you should only rely on the guarantees of the Notes to provide credit support in respect of payments of principal or interest on the Notes.

Our operating subsidiaries are separate and distinct legal entities and those of our subsidiaries that do not guarantee the Notes have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Notes or to

make any funds available therefor, whether by dividends, loans, distributions or other payments, and do not guarantee the payment of interest on, or principal of, the Notes. Generally, claims of creditors of a non-Guarantor subsidiary, including trade creditors, and claims of any preferred stockholders of the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any of our non-Guarantor subsidiaries, the creditors of the Guarantors (including the holders of the Notes) will have no right to proceed against such subsidiary's assets and holders of their indebtedness and their trade creditors and preferred stockholders will generally be entitled to payment in full of their claims from the assets of those subsidiaries before any Guarantor, as direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary. As such, the Notes and the Guarantees are each structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-Guarantor subsidiaries.

In addition, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. For example, our subsidiaries in Brazil, China, South Korea and Thailand may face limitations concerning the amount of cash that can be sent out of the respective countries. In addition, our subsidiary in Singapore may only make a distribution of dividends to its shareholders out of profits, and the manner of such distribution is subject to the procedures set forth in its Constitution. Furthermore, under Swiss law, dividends may only be distributed out of distributable reserves, and interim dividends are permitted only under specific conditions. Our subsidiaries in Germany may pay out cash to their direct or indirect shareholders in the form of distributions only subject to the restrictions of the capital maintenance rule which prohibits a German limited liability company (*GmbH*), such as each of the Guarantors of the Notes that is organized under German law, from disbursing its assets to its shareholders to the extent that the amount of the company's net assets (determined in accordance with the provisions of the German Commercial Code, i.e. assets minus liabilities and liability reserves) is or would fall below the amount of its stated share capital or would increase any already existing capital impairment (See "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations*"). In addition, under established case law of the German courts, a German limited liability company (such as each of the Guarantors of the Notes that are organized under German law) is only allowed to grant loans to its shareholders or to affiliates of those shareholders (upstream or cross-stream loans) if and to the extent the management can satisfy itself that the loan claims are fully valuable.

With respect to Mexico, in the past, the Mexican economy has experienced high level of inflation, depreciation of the Mexican peso, balance of payments deficits and shortages in foreign exchange reserves. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Mexican pesos to foreign currencies, including U.S. dollars, it has done so in the past and could do so again in the future. There is no assurance that the Mexican government will not implement monetary policies or a restrictive exchange control policy in the future that could prevent or restrict our access to U.S. dollars to meet our U.S. dollar obligations and could also have a material adverse effect on our business, financial condition and results of operations. It is not possible to predict the impact of any such measures on the Mexican economy. In addition, Mexico has recently experienced periods of violence and crime that could adversely affect the Mexican economy and our operations in the future.

Furthermore, our certain of our subsidiaries and our joint ventures are not wholly owned and any dividends paid by those subsidiaries and joint ventures are distributed pro rata to us and the shareholders of such subsidiaries.

Decisions regarding Collateral—Holders of the Notes will not control certain decisions regarding the Collateral.

The Notes will be secured by the same Collateral that secures the New Term Loan B Facilities, the Existing Term Loan B Facilities and the Existing Senior Secured Notes. In addition, under the terms of the Indenture, Existing Indentures, the New Term Loan B Facilities Agreement and the Existing Term Loan B Facilities Agreement, we are permitted in the future to incur additional indebtedness and other obligations that may share in the liens on the Collateral.

The Intercreditor Agreement provides that a common Security Agent, who serves as the Security Agent for the secured parties under the Existing Indentures, the Term Loan B Facilities Agreements and the Indenture will (subject to certain limited exceptions) act with respect to such Collateral only at the direction of creditors holding a simple majority of the aggregate amount of outstanding first-priority secured debt (including the Existing Senior Secured Notes, the New Term Loan B Facilities, the Existing Term Loan B Facilities, the Notes, certain hedging liabilities, certain cash management liabilities and any other senior secured notes or credit facilities that are permitted by the terms of the Indenture and that the trustees or lenders in respect thereof accede to the Intercreditor Agreement) and only such creditors will be able to instruct the Security Agent to enforce the security. No lender or noteholder will have any separate right to enforce or to require the enforcement of the Collateral. See "*Description of Other Indebtedness—Intercreditor Agreement*". As a result, the holders of the Notes will not be able to force a sale of the Collateral or otherwise independently pursue the remedies of a secured creditor under the relevant security documents for so long as any amounts under any other first priority senior secured debt (including the debt outstanding under the Existing Senior Secured Notes Indentures, Term Loan B Facilities Agreements, and any other senior secured notes or debt that are

permitted by the terms of the Indenture, and that the trustees or lenders in respect thereof accede to, the Intercreditor Agreement) remain outstanding in an amount equal to or greater than 50% of the aggregate principal amount of the total first-priority senior secured debt. The creditors under the Term Loan B Facilities Agreements and the holders of the Existing Senior Secured Notes may have interests that diverge from those of the holders the Notes and they may not elect to pursue their remedies under the security documents at a time when it would otherwise be advantageous for the holders of the Notes to do so.

In addition, if the Security Agent sells the shares of our subsidiaries that have been pledged as Collateral through an enforcement of their security interest in accordance with the Intercreditor Agreement, claims under the Guarantees of the Notes by such subsidiaries and the liens over any other assets of such subsidiaries securing the Notes and the guarantees may be released. See "*Description of Other Indebtedness—Intercreditor Agreement*".

It is possible that disputes may occur between the holders of the Notes, the holders of the Existing Senior Secured Notes, the lenders under the 2020 Term Loan B Facilities Agreement and the lenders under the 2014 Term Loan B Facilities Agreement as to the appropriate manner of pursuing enforcement remedies with respect to the Collateral. In such an event, the holders of the Notes will be bound by any decisions of the creditors holding a simple majority of the aggregate amount of outstanding first-priority secured debt (including the Notes, the Existing Senior Secured Notes, the New Term Loan B Facilities, the Existing Term Loan B Facilities, certain hedging liabilities, certain cash management liabilities and any other senior secured notes or credit facilities that are permitted by the terms of the Indenture that the trustees or lenders in respect thereof accede to the Intercreditor Agreement), which may result in enforcement actions against the Collateral that are not approved by the holders of the Notes or that may be adverse to you. See "*Description of Other Indebtedness—Intercreditor Agreement*".

Further, the security interests in the Collateral that will constitute security for the obligations of the Issuer and the Guarantors will not be granted directly to the holders of the Notes, but rather to the Security Agent on behalf of the holders of the Notes. Due to the laws and other jurisprudence governing the creation and perfection of security interests and enforceability of such security interests (in particular security interests of an accessory nature), it is necessary in certain jurisdictions, such as in Germany, South Korea and Switzerland, in order to grant Collateral (or certain Collateral) to the Security Agent, that the Security Agent holds its own "parallel debt" claim ("Parallel Debt"). The Parallel Debt is in the same amount and payable at the same time as the obligations of the Issuer and the Guarantors under the Indenture and the Notes (the "Principal Obligations"). Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Although the Security Agent will have, pursuant to the Parallel Debt, a claim against the Issuer and the Guarantors under the Indenture and Notes for the full principal amount of the Notes, holders of the Notes bear some risks associated with a possible insolvency or bankruptcy of the Security Agent. In addition, there is no assurance that such a structure will be effective before courts in the governing law jurisdictions of the security documents as there is no judicial or other guidance as to its efficacy, and therefore the ability of the Security Agent to enforce the Collateral may be restricted. See "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations*".

Since German law does not generally permit for an appropriation of pledged assets by the pledgee upon the occurrence of an enforcement event, an enforcement of a pledge governed by German law (such as, in particular, any pledges over shares in any German Guarantor) usually requires the sale of the relevant collateral through a formal disposal process involving a public auction. Certain waiting periods and notice requirements may apply to such disposal process. Thus, the disposal of pledged assets under German law will be subject to statutory restrictions and may be delayed.

There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and Guarantees will be released automatically and under which the Guarantees will be released automatically, without your consent or the consent of the Trustee or Security Agent.

Under various circumstances, Collateral securing the Notes will be automatically and unconditionally released, including:

- in connection with any sale, assignment, transfer or other disposition of the property or assets (other than the capital stock of the Company) to a person that is not the Parent or the Company or a Parent Intermediate Holdco (as such term is defined under "*Description of the Notes—Certain Definitions*") or a Restricted Subsidiary, if the sale or other disposition does not violate the requirements of the covenant set forth under the caption "*Description of the Notes—Certain Covenants—Limitation on Sale of Assets*", or is otherwise permitted in accordance with the Indenture;

- if such Collateral is an asset of a Guarantor (other than the Parent, a Parent Intermediate Holdco or the Company) or any of its subsidiaries, in connection with any sale, assignment, transfer or other disposition of capital stock or limited liability company interests, as applicable, of that Guarantor or subsidiary (or the capital stock or limited liability company interests, as applicable, of any direct or indirect parent company of such Guarantor or subsidiary) to a person that is not the Parent, a Parent Intermediate Holdco, the Company or a Restricted Subsidiary that does not violate the requirements of the covenant set forth under the caption "*Description of the Notes—Certain Covenants—Limitation on Sale of Assets*";

- in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, the security document or the Intercreditor Agreement or any additional intercreditor agreement (which release shall be of the liens on the property and assets, and capital stock, of such Guarantor);

- if the Company designates any Restricted Subsidiary to be an "Unrestricted Subsidiary" in accordance with the applicable provisions of the Indenture (which release shall be of the liens on the property and assets, and capital stock, of such subsidiary);

- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided under the captions "*Description of the Notes—Defeasance or Covenant Defeasance of Indenture*" and "*Description of the Notes—Satisfaction and Discharge*";

- as described under the captions "*Description of the Notes—Modifications and Amendments*" and "*Description of the Notes—Certain Covenants—Limitation on Liens*";

- in accordance with the Intercreditor Agreement;

- to release and/or retake any lien on any Collateral to the extent otherwise permitted by the terms of the Indenture, the security documents governing the Collateral or the Intercreditor Agreement or any additional intercreditor agreement;

- as described under the caption "*Description of the Notes—Certain Covenants—Consolidation, Merger, Sale of Assets*";

- in connection with any Permitted Receivables Financing (as defined in "*Description of the Notes—Certain Definitions*"), to the extent such liens apply to receivables assets transferred in connection therewith;

- as described under the caption "*Description of the Notes—Certain Covenants—Limitation on Impairment of Security Interest*";

- in the case of any Collateral (other than any Capital Stock in the Company), upon written notice by the Company to the Trustee and the Security Agent if such Collateral is intended to secure (A) Indebtedness incurred under certain finance lease obligations or purchase money obligations or other indebtedness of any Parent Obligor, the Company or any Restricted Subsidiary incurred for the purpose of financing all or any part of the acquisition, development, construction or improvement of real or personal, movable or immovable, property or assets (including Capital Stock) used or to be used in the business of the Company and its Restricted Subsidiaries, or any refinancing of any such indebtedness, or (B) indebtedness incurred under lines of credit, bilateral facilities, working capital or overdraft facilities or other operating facilities permitted to be incurred under the Indenture, provided that the fair market value of all the Collateral released since the Issue Date from Liens under this clause (excluding any portion thereof to the extent Liens thereon are subsequently granted in favor of the Security Agent, for the benefit of the Trustee and the holders of the Notes) does not exceed the greater of €50.0 million and 0.25% of total assets in the aggregate;

- in connection with certain inventory financing or similar arrangement (which release shall be of the Liens on the inventory and related assets transferred in connection therewith);

- in connection with a Permitted Reorganization (as defined in "*Description of the Notes—Certain Definitions*");

- in connection with the funding of, or by, German pension trusts or in respect of sale and leaseback transactions funded directly or indirectly by any such pension trusts;

- with respect to liens on any capital stock in any Restricted Subsidiary that is not a Guarantor, in connection with the incurrence of indebtedness by any such Restricted Subsidiary or any of its Restricted Subsidiaries; or

- in the case of any Collateral, upon written notice by the Company to the Trustee and the Security Agent, if the release of the lien on such Collateral is for bona fide purposes in connection with any commercial transaction, so long as the fair market value of the Collateral being released does not exceed €2.5 million in the aggregate for any release or series of related releases.

As set out under the section "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and certain Insolvency Considerations—Sweden—Creation of valid security interests*" below, if, in relation to any security interest governed by Swedish law, there are any automatic release provisions or other arrangements providing for the release of a security interest over an asset in connection with the disposal thereof or upon the occurrence of other circumstances, such security interest could be considered not to be validly perfected under Swedish law.

Under various circumstances, Guarantees will be automatically and unconditionally released, including:

- with respect to a Subsidiary Guarantor, in connection with any sale, assignment, transfer or other disposition (including any transfer to certain joint ventures) of all or substantially all of the assets of such Subsidiary Guarantor (including by way of merger or consolidation) (including, for the avoidance of doubt, after giving effect to any substantially concurrent sales or other dispositions to the Issuer, a Guarantor or a Restricted Subsidiary) to a person that is not (either before or after giving effect to such transaction) the Issuer, a Guarantor or a Restricted Subsidiary, if the sale or other disposition does not violate the requirements of the covenant set forth under the caption "*Description of the Notes—Certain Covenants—Limitation on Sale of Assets*";

- with respect to a Subsidiary Guarantor, in connection with any other sale, assignment, transfer or other disposition (including any transfer to certain joint ventures) of all or substantially all of the capital stock or limited liability company interests, as applicable, (or the shares of any holding company of such Subsidiary Guarantor) of such Subsidiary Guarantor to a person that is not (either before or after giving effect to such transaction) the Issuer, a Guarantor or a Restricted Subsidiary, if the sale or other disposition does not violate the requirements of the covenant set forth under the caption "*Description of the Notes—Certain Covenants—Limitation on Sale of Assets*";

- with respect to a Subsidiary Guarantor, if the Company designates such Guarantor to be an "Unrestricted Subsidiary" in accordance with the applicable provisions of the Indenture;

- upon covenant defeasance as provided below under the caption "*Description of the Notes—Defeasance or Covenant Defeasance of Indenture*";

- upon legal defeasance or satisfaction and discharge of the Indenture as provided below under the caption "*Description of the Notes—Satisfaction and Discharge*";

- to the extent that such Guarantor is unconditionally released and discharged from its liability with respect to indebtedness in connection with which such Guarantee was executed pursuant to the covenant described under the caption "*Description of the Notes—Certain Covenants—Limitation on Issuance of Guarantees of Indebtedness by Restricted Subsidiaries*";

- as described under the caption "*Description of the Notes—Certain Covenants—Consolidation, Merger, Sale of Assets*", "*Description of the Notes—Modifications and Amendments*" and "*Description of the Notes—Suspension of Covenants on Achievement of Investment Grade Status*";

- in connection with an enforcement sale pursuant to or other sales contemplated by the Intercreditor Agreement;

- with respect to any Subsidiary Guarantor, upon written notice from the Company to the Trustee, so long as no Event of Default has occurred and is continuing; *provided* that prior to or substantially concurrently with such release, such Subsidiary Guarantor is unconditionally released and discharged from its liabilities, if any, with respect to the Notes, the Existing Notes, the Existing Term Loan B Facilities and the New Term Loan B Facilities; *provided further* that, after giving effect to such release, the Consolidated Adjusted

EBITDA (as defined in the 2020 Term Loan B Facilities Agreement) of the Issuer and the Guarantors is at least 85% of the Consolidated Adjusted EBITDA of the Parent and the Group and the Consolidated Total Assets (as defined in the 2020 Term Loan B Facilities Agreement) of the Issuer and the Guarantors is at least 85% of the Consolidated Total Assets of the Parent and its Restricted Subsidiaries, in each case, calculated in accordance with, and in the manner provided by, and subject to the same exceptions as set forth in, the 2020 Term Loan B Facilities Agreement as in effect on the Issue Date (after giving effect to the subsequent modifications contemplated thereby) (i.e., excluding (i) the Consolidated Adjusted EBITDA and consolidated total assets of Restricted Subsidiaries organized under the laws of Bermuda, Brazil, China (excluding Hong Kong), the Czech Republic, India, Indonesia, Italy, Jordan, Malaysia, Poland, Romania, Saudi Arabia, Spain, Taiwan, Trinidad and Tobago and Turkey, certain project finance subsidiaries, certain receivables subsidiaries and certain non-wholly owned subsidiaries (and any trade receivables that are subject to certain receivables financings), (ii) certain assets of parties to certain letter of credit facilities and the effect of interest income attributable to certain assets securing liabilities under such letter of credit facilities and (iii) certain inventory assets);

- at the option of the Company by notice to the Trustee, with respect to a Subsidiary Guarantor that is an "Immaterial Subsidiary", so long as no Event of Default has occurred and is continuing and such Subsidiary Guarantor does not guarantee any other credit facilities or public debt, after giving effect to such release; and

- in connection with a Permitted Reorganization.

The Guarantees from our Korean Subsidiary are subject to the acceptance by the Bank of Korea of its report thereof.

The Guarantee of the Notes from our Korean Subsidiary is subject to the acceptance by the Bank of Korea of its report thereof. There can be no assurance that we will be successful in procuring the acceptance by the Bank of Korea of such report, or in procuring any additional guarantees within the time period specified or at all. Please see "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—The Guarantees*", "*Summary Corporate and Financing Structure—The Offering—Guarantees*" and "*Limitation on Validity and Enforceability of the Guarantees and the Security Interests and Certain Insolvency Considerations*".

Post-petition interest—The value of the Collateral securing the Notes may not be sufficient to secure post-petition interest in the United States.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us in the United States, holders of the Notes will only be entitled to post-petition interest under the United States Bankruptcy Code to the extent that the value of their security interest in the Collateral is greater than their pre-bankruptcy claim. Holders of the Notes that have a security interest in Collateral with a value equal or less than their pre-bankruptcy claim will not be entitled to post-petition interest under the United States Bankruptcy Code. No appraisal of the fair market value of the Collateral has been prepared in connection with the Offering and therefore the value of the noteholders' interest in the Collateral may not equal or exceed the principal amount of the Notes.

Controlling shareholders—The interests of our principal shareholders may conflict with your interests.

Messrs. Ratcliffe, Currie and Reece own INEOS Limited, our ultimate parent holding company. Mr. Ratcliffe controls INEOS Limited. Our controlling shareholder has power to elect all of the directors of our companies, to change their management, to approve any changes to their organizational documents, and to approve any acquisitions or dispositions. As a result, his actions can affect our strategic decisions, including the payment of dividends the size of which may change or increase from time to time and may not necessarily be in line with past practice, our legal and capital structure and our day-to-day operations. In addition, our principal shareholders may have an interest in pursuing acquisitions, divestitures or other transactions, including repurchases of our debt, on the open market or otherwise, that, in their judgment, could enhance their equity investment, even though these transactions might involve risks to you. In the event of a conflict of interest between you and our principal shareholders, their actions could affect our ability to meet our payment obligations to you.

Enforcement in multiple jurisdictions—Enforcing your rights as a holder of the Notes or under the Guarantees or security across multiple jurisdictions may prove difficult.

The Issuer is incorporated under the laws of England and Wales, and the Notes will be guaranteed by the Guarantors, which are incorporated or organized under the laws of Belgium, England and Wales, France, Germany, Hong Kong, Mexico, Norway, Singapore, South Korea, Sweden, Switzerland, Canada and certain states in the United States. In the event of a bankruptcy, insolvency, corporate arrangement or similar event, proceedings could be initiated in Belgium,

Canada, England and Wales, France, Germany, Hong Kong, Mexico, Norway, Singapore, South Korea, Sweden, Switzerland and the United States. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. The rights of the holders of the Notes will be subject to the bankruptcy, insolvency, corporate arrangement and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency, corporate arrangement or similar proceedings.

In addition, the bankruptcy, insolvency, corporate arrangement, administrative and other laws of the Guarantors' jurisdictions of organization may be materially different from, or in conflict with, each other and those of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. These laws in certain jurisdictions (such as in Singapore) may limit the exercise of certain contractual rights (such as terminating an agreement, claiming an accelerated payment or forfeiture of term under an agreement). Under these laws, the Trustee may be restricted and prohibited from terminating the Indenture or declaring the Notes to be due and payable following an Event of Default (as defined in the Indenture) due to a Guarantor's bankruptcy or insolvency. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect the ability of the holders of the Notes to enforce their rights under the Notes, Guarantees and Collateral in those jurisdictions or limit any amounts that they may receive. See "*Limitations on Validity and Enforceability of the Guarantees and the Security Interests*" with respect to certain of the jurisdictions mentioned above.

Moreover, in certain jurisdictions, including Germany, it is unclear whether all security interests in the Collateral give the Security Agent a right to prevent other creditors from foreclosing on and realizing the Collateral or whether certain security interests only give the Security Agent and the holders of the Notes priority (according to their rank) in the distribution of any proceeds of such realization. Accordingly, the Security Agent and the holders of the Notes may not be able to avoid foreclosure by other creditors (including unsecured creditors) on the Collateral.

The laws of certain of the jurisdictions in which the Guarantors are organized limit the ability of these subsidiaries to guarantee debt of, or provide security for, other companies. See "*Limitations on Validity and Enforceability of the Guarantees and the Security Interests*".

Prior ranking security interests—Any creditors with prior ranking liens will have prior access to proceeds of certain Collateral and the rights of the holders of the Notes to enforce their security over the Collateral are limited.

To the extent that holders of other secured debt or third parties enjoy liens (including statutory liens) or other prior ranking security interests, whether or not permitted by the Indenture, such holders or third parties may have rights and remedies with respect to certain Collateral securing the Notes and the Guarantees that, if exercised, could reduce the proceeds available to satisfy the obligations under the Notes and the Guarantees. In addition, certain security interests that will be granted in respect of the more recently incurred debt instruments will be, as a matter of local law, granted as junior ranking security interests in relation to the security granted in respect of the Existing Senior Secured Notes and the Existing Term Loan B Facilities. The existing first-priority liens securing the Existing Senior Secured Notes and the Existing Term Loan B Facilities that were created under New York and English law (and, with respect to the Existing Senior Secured Notes and the Existing Term Loan B Facilities, also Texas, Belgian, Canadian, English, Korean, Mexican, and Singapore law) will remain in place and will extend to secure the Notes and the New Term Loan B Facilities. In some jurisdictions, such as Switzerland, the Security Documents creating the existing first-priority liens securing the Existing Senior Secured Notes and the Existing Term Loan B Facilities will be amended and/or confirmed (as applicable) to extend such liens to the later incurred senior secured indebtedness (or, with respect to French and certain of the German security, junior ranking security interests will be granted). The existing first-priority liens securing the Existing Notes and the Existing Term Loan B Facilities that were created under Belgian law, English law, German law, Mexican law, Swiss law and Singapore law will remain in place, and new liens over the same Collateral will be created or the security interests over the same Collateral will be confirmed and extended in these jurisdictions to secure the Notes and the New Term Loan B Facilities; *provided* that in Mexico the amendment to the existing liens for securing the Notes and the New Term Loan B Facilities must also be registered in the share registry book of the Mexican Guarantor and before the Sole Registry of Movable Assets (*Registro Único de Garantías Mobiliarias*), respectively, to make the extended Lien effective against third parties. In these jurisdictions where new liens are created, or extended to the later incurred senior secured indebtedness, the ranking of these new or extended liens relative to the existing liens will, as a matter of general law, depend on a number of factors, such as the nature of the liens, the order of creation of the liens, compliance with the jurisdiction's perfection requirements with respect to the liens and the order of giving notices with respect to the liens, and accordingly without the Intercreditor Agreement, the new liens would be likely to rank after the existing liens. Therefore, a holder of the Notes may not be able to recover on such security interests or, in respect of security interests under German law, accessory security interests, because the beneficiaries of the senior ranking security interests will have a prior claim to all proceeds from the enforcement of the same, although the Intercreditor Agreement provides for certain *pari passu* rules of allocation agreed as between the parties to it. See the specific local law security

interests described under "*Description of the Collateral and the Guarantees—Summary of the Collateral and the Guarantees and Collateral for the Notes*", "*Limitations on Validity and Enforceability of Guarantees and the Security Interests*" and "*Description of Other Indebtedness—Intercreditor Agreement*".

Enforcement of French share pledges—Under the security interests governed by French law, creditors may be required to pay a "soulte" in the event you decide to enforce the pledges of the shares by judicial or contractual foreclosure of the Collateral consisting of shares of INOVYN France SAS or INOVYN Oléfines SAS rather than by a sale of such Collateral in a public auction.

Security interests governed by French law may only secure a creditor up to the secured amount that is due and unpaid to it. The pledges over shares of French companies may be enforced at the option of the secured creditor either by a sale of the pledged shares in a public auction (the proceeds of the sale being paid to the secured creditors), by judicial foreclosure (*attribution judiciaire*) or by contractual foreclosure (*attribution conventionnelle*) of the shares to the secured creditor, following which the secured creditor is the legal owner of the pledged shares. If the secured creditors choose to enforce by way of foreclosure (whether a judicial foreclosure or contractual foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed securities. A judge (in the context of a judicial foreclosure) or an expert (in the context of a contractual foreclosure pre-contractually agreed or appointed by a judge), will value the Collateral (in this case, the pledged shares) and if the value of the Collateral exceeds the amount of secured debt, the secured creditors may be required to pay the obligor a *soulte* equal to the difference between the value of the shares and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditors from a subsequent sale of the Collateral.

Consequently, in the event (i) the lenders under the Senior Secured Credit Facilities, the holders of the Existing Senior Secured Notes or the holders of the Notes decide to, and are entitled to, enforce the share pledges over the shares of INOVYN France SAS or INOVYN Oléfines SAS through a judicial or contractual foreclosure and (ii) the value of such shares exceeds the amount of the secured debt, such lenders under the Senior Secured Credit Facilities, the holders of the Existing Senior Secured Notes or the holders of the Notes may be required to pay to the pledgor a *soulte* equal to the amount by which the value of such shares exceeds the amount of secured debt.

If the value of such shares is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such shares, and the remaining amount owed to such creditors will be unsecured in that respect.

Security interests governed by French law may only secure payment obligations and may only be enforced following a payment default (including following acceleration) and up to the secured amount that is due and remaining unpaid.

Insolvency laws—Relevant insolvency laws France

Certain Guarantors are incorporated or organized or have assets located in France. See "*Limitations on Validity and Enforceability of the Guarantees and the Security Interests*" for a description of the insolvency laws in France which could limit the enforceability of the guarantees and the security interests.

Value of Collateral—The Collateral is subject to casualty risks.

We intend to continue to maintain insurance or otherwise insure against hazards in the manner described in this offering memorandum. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any of the Collateral, the insurance proceeds may not be sufficient to satisfy all of the secured obligations. In addition, even if there is sufficient insurance coverage, if there is a total or partial loss of certain Collateral, there may be significant delays in obtaining replacement Collateral.

Perfection of security interests—The rights of the holders of the Notes in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party or the grantor, as applicable, of the security. The liens in the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we fail or are unable, or the Security Agent fails or is unable, to take the actions we are or it is required, as the case may be, to take to perfect any of these liens. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can only be perfected at or promptly following the time such property and rights are acquired and identified.

The Trustee and the Security Agent (as applicable) will not monitor, or we may not comply with our obligations to inform the Trustee or the Security Agent of, any future acquisition of property and rights by us, and the necessary action may not be taken to properly perfect the security interest in such after-acquired property or rights. Such failure may result in the invalidity of the security interest in the Collateral or adversely affect the priority of the security interest in favor of the holders of the Notes against third parties. Neither the Trustee nor the Security Agent has any obligation to monitor the acquisition of additional property or rights by us or for the perfection of any security interest.

Additionally and as set out under the section "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and certain Insolvency Considerations—Sweden—Creation of valid security interests*" below, under Swedish law, a security interest over an asset can only be validly perfected if the grantor is effectively deprived of its right to control, deal with or dispose of the asset subject to the security interest.

Guarantees and Collateral limitations—The Guarantees and pledges of Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.

The Indenture will provide that certain Guarantees will be limited to the maximum amount that can be guaranteed by the relevant Guarantor without rendering the relevant Guarantee voidable or otherwise ineffective under applicable law and enforcement of each Guarantee would be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, fraudulent transfer or conveyance, voidable preference, transfer at undervalue, preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. See "*Limitations on Validity and Enforceability of the Guarantees and the Security Interests*".

Although laws differ among various jurisdictions, in general, under fraudulent conveyance, preference, transfer at undervalue and other laws, a court could subordinate or void the Guarantees and, if payment had already been made under a Guarantee, require that the recipient return the payment to the relevant Guarantor, if the court were to find that:

- the relevant Guarantee was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or, in certain jurisdictions, even when the recipient was simply aware that the Guarantor was insolvent when it granted the relevant Guarantee;

- the Guarantor did not receive fair consideration or reasonably equivalent value for the relevant Guarantee and the Guarantor was: (i) insolvent or rendered insolvent because of the relevant guarantee; (ii) undercapitalized or became undercapitalized because of the relevant guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;

- the relevant Guarantees were held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor; or

- the amount paid or payable under the relevant Guarantee was in excess of the maximum amount permitted under applicable law.

The measures of insolvency for purposes of fraudulent transfer, preference, transfer at undervalue and other laws vary depending upon applicable governing law. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, is greater than the fair value of all its assets;

- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its existing debts and liabilities, including contingent liabilities, as they become due; or

- it cannot pay its debts as they become due.

If a court were to find that the issuance of the Notes or a Guarantee of the Notes was a fraudulent conveyance, preference, transfer at undervalue or held it unenforceable for any other reason, the court could hold that the payment obligations under the Notes or the Guarantee are ineffective, or require the holders of the Notes to repay any amounts received with respect to the Notes or the Guarantee. In the event of a finding that a fraudulent conveyance preference or transfer at undervalue occurred, you may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of the other Guarantors under any Guarantees which have not been declared void.

Additionally, any future pledge of Collateral in favor of the Security Agent, including pursuant to security documents delivered after the Issue Date might be avoidable by the pledgor (as debtor-in-possession) or by its trustee in bankruptcy or similar official if certain events or circumstances exist or occur, including, among others, if the pledgor is insolvent at the time of the pledge, the pledge permits the holders of the Notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge, or in certain circumstances, a longer period.

In addition, under the terms of the Indenture, we will be permitted in the future to incur additional indebtedness and other obligations that may share in the liens on the Collateral securing the Notes. The granting of new security interests may require the releasing and retaking of security or otherwise create new hardening periods in certain jurisdictions. The applicable hardening period for these new security interests will run from the moment each new security interest has been granted or perfected. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective or it may not be possible to enforce it. Further, certain security documents governing the security interests granted by the Guarantors will provide that the amounts guaranteed by such security interests will be limited to the extent of the amount guaranteed by such Guarantor. Therefore, limitations in the Guarantees will also serve to limit the amounts guaranteed by the pledges of Collateral.

Insolvency laws—Relevant insolvency laws in England and other jurisdictions may provide you with less protection than U.S. bankruptcy law.

The Issuer and certain of the Guarantors are incorporated under the laws of England and Wales. Therefore, any insolvency proceedings by or against the Issuer or such Guarantors would likely be based on English insolvency laws. The other Guarantors are incorporated or organized or have assets located in Belgium, Canada, France, Germany, Hong Kong, Mexico, Norway, Singapore, South Korea, Sweden, Switzerland and the United States, whereby insolvency proceedings by or against such Guarantors would likely be based on insolvency laws of their relevant jurisdictions.

In the event that any one or more of the Issuer, the Guarantors, any future Guarantors, if any, or any other of our subsidiaries experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency, corporate arrangement (if applicable) or similar proceedings would be commenced, or the outcome of such proceedings. Guarantees and security provided by entities organized in jurisdictions not discussed in this offering memorandum are also subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the guarantees or security after bankruptcy or an insolvency event in such other jurisdictions will be subject to the insolvency laws of the relevant entity's jurisdiction of organization or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors, the ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the guarantees or the security in these jurisdictions and limit any amounts that you may receive. See "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations*".

Enforcement of civil liabilities—You may not be able to recover in civil proceedings for U.S. securities law violations.

The Issuer and most of the Guarantors are companies incorporated outside the United States. Most of our directors and executive officers and the directors and executive officers of the Guarantors are non-residents of the United States. Although the Issuer and the Guarantors have submitted to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on our directors and executive officers or the directors and executive officers of the Guarantors. In addition, as most of our assets and those of our directors and executive officers are located outside of the United States, you may be unable to enforce against them judgments obtained in the U.S. courts predicated upon civil liability provisions of the Federal securities laws of the United States. In addition, we have been informed that it is questionable whether certain non-U.S. courts would accept jurisdiction and impose civil liability if proceedings were commenced in such non-U.S. jurisdictions predicated solely upon U.S. federal securities laws. See "*Service of Process and Enforcement of Judgments*".

Lack of public market—There may not be an active trading market for the Notes, in which case your ability to sell your Notes may be limited.

There is no existing market for the Notes. We cannot assure you as to:

- the liquidity of any market in the Notes;

- your ability to sell your Notes; or

- the prices at which you would be able to sell your Notes.

Although certain of the Initial Purchasers have informed us that they intend to make a market in the Notes after completing the Offering, the Initial Purchasers are not obligated to make a market in the Notes and may cease market-making at any time. In addition, changes in the overall market for high yield securities and changes in our financial performance or in the markets where we operate may adversely affect the liquidity of the trading market in the Notes and the market price quoted for the Notes. As a result, we cannot assure you that an active trading market will actually develop for the Notes.

Historically, the markets for non-investment grade debt such as the Notes have been subject to disruptions that have caused substantial volatility in their prices. Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. The market, if any, for the Notes may be subject to similar disruptions. Any disruptions may have an adverse effect on the holders of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although an application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market, we cannot assure you that the Notes will remain listed. Although no assurance is made as to the liquidity of the Notes as a result of the admission to trading on the Euro MTF market, the delisting of the Notes from the Official List may have a material effect on a holder's ability to resell the Notes in the secondary market.

In addition, the Indenture will allow for the issuance of additional Notes in the future which could adversely impact the liquidity of the Notes.

Transfer of the Notes—The transfer of the Notes is restricted.

The Notes and the guarantees thereof have not been registered under the Securities Act or the securities laws of any jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "*Notice to Investors*". We have not agreed to or otherwise undertaken to register any of the Notes, and we do not have any intention to do so. In addition, by acceptance of delivery of any Notes, the holder thereof agrees on its own behalf and on behalf of any investor account for which it has purchased the Notes that it shall not transfer the Notes in an aggregate principal amount of less than $200,000, in the case of the dollar-denominated Notes, or €100,000, in the case of the euro-denominated Notes. It is your obligation to ensure that your offers and sales of Notes comply with these transfer restrictions and applicable law.

Book-entry interests—Certain considerations relating to book-entry interests.

Unless and until the Notes in definitive registered form, or definitive registered notes, are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of the Notes. The nominee of the common depositary for Euroclear and Clearstream will be the sole holder of the global notes representing the euro-denominated Notes, and the nominee for DTC will be the sole holder of the global notes representing the dollar-denominated Notes. After payment to Euroclear and Clearstream or DTC, as applicable, the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear, Clearstream or DTC, as applicable, and if you are not a participant in Euroclear, Clearstream or DTC, on the procedures of the participant through which you own your interest, to exercise any rights of a holder under the Indenture. See "*Book-Entry; Delivery and Form*".

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear, Clearstream or DTC. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any consents, requests for waivers or other actions on a timely basis.

Similarly, upon the occurrence of an Event of Default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear, Clearstream or DTC, as applicable. The Issuer cannot assure you that the procedures to be

implemented through Euroclear, Clearstream or DTC will be adequate to ensure the timely exercise of rights under the Notes. See "*Book-Entry; Delivery and Form*".

The audit reports of Deloitte LLP included in this offering memorandum include statements purporting to limit the persons that may rely on such reports and the opinions contained therein.

The audit reports of Deloitte in respect of the Audited Consolidated Financial Statements, which are included in this offering memorandum, include statements relating to Deloitte's duty of care in relation to such report and the financial statements to which it relates. The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the Securities Act or in a report filed under the Exchange Act. If a court were to give effect to such limiting language, the recourse that investors in the Notes may have against Deloitte (as the independent auditors for the relevant periods) based on its audit reports or the financial statements to which they relate could be limited.

Foreign currency exchange risks—You may face currency exchange risks by investing in the Notes.

The euro-denominated Notes are denominated and payable in euro, while the dollar-denominated Notes are denominated and payable in dollars. If you measure your investment returns by reference to a currency other than the currency in which your Notes are denominated, investment in such Notes entails foreign currency exchange-related risks due to, among other factors, possible significant changes in the value of the euro or the dollar, as applicable, relative to the currency you use to measure your investment returns, caused by economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the currency in which your Notes are denominated against the currency by reference to which you measure your investment returns would cause a decrease in the effective yield of such Notes below their stated coupon rates and could result in a loss to you when the return on such Notes is translated into the currency by reference to which you measure your investment returns. There may be tax consequences for you as a result of any foreign currency exchange gains or losses resulting from your investment in the Notes. U.S. investors with U.S. dollars as their functional currency may have important tax consequences as a result of foreign exchange gains or losses, if any, as a result of investments in the euro-denominated Notes. See "*Certain Tax Considerations—U.S. Federal Income Tax Considerations*". You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the Notes.

Interest rate risks—Certain of our borrowings bear interest at floating rates that could rise significantly, increasing our interest cost and reducing cash flow. Changes or uncertainty in respect interest rate benchmarks may affect our sources of funding.

A substantial part of our indebtedness, including borrowings under the Term Loan Facilities Agreements, bears interest at per annum rates depending on EURIBOR, SOFR and similar benchmarks, in each case adjusted periodically, plus a spread. Furthermore, we may incur additional indebtedness that bears interest at a floating rate. These interest rates could rise significantly in the future, thereby increasing our interest expenses associated with these obligations, reducing cash flow available for capital expenditures and hindering our ability to make payments on our indebtedness.

Some of our sources of funding are linked to certain interest rate benchmarks, including SOFR and EURIBOR. See "*Description of Other Indebtedness—2020 Term Loan Facilities Agreement*" and "*Description of Other Indebtedness—2014 Term Loan Facilities Agreement*". Various interest rate benchmarks are the subject of recent national and international regulatory guidance and proposals for reform, including the EU Benchmarks Regulation (Regulation (EU) 2016/1011). The Bank of England has established now the Sterling Over Night Index Average rate (SONIA) as the primary sterling interest rate benchmark in replacement of sterling LIBOR, and the publication of the one-week and two-month LIBOR for US dollars ceased immediately after December 31, 2021. In addition, immediately after June 30, 2023, publication of the overnight and 12-month LIBOR for US dollars and the one-month, three-month and six-month LIBOR for US dollars were discontinued, except, in the case of one-month, three-month and six-month LIBOR on a synthetic basis through September 2024. As a result of these developments, the 2020 Term Loan Facilities Agreement and the 2014 Term Loan Facilities Agreement were amended in March and April 2023, respectively, to accommodate the phase-out of LIBOR for US dollars.

Any further significant change to the setting or existence of alternative interest rate benchmarks could affect the ability of amounts available to us to meet our obligations under our sources of funding and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, our sources of funding, including our ability to make payments on the Notes and the Loans. The discontinuation of, or changes in the manner of administration of, interest rate benchmarks could result in adjustment to the conditions applicable to our sources of funding or other consequences as relevant to our sources of funding including, without limitation, early redemption, discretionary valuation, delisting or other consequences. No assurance can be provided that relevant changes will not be made to relevant benchmark rates and/or that such benchmarks will continue to exist. Furthermore, under the 2020 Term Loan

Facilities Agreement and the 2014 Term Loan Facilities Agreement, the relevant administrative agent and borrowers are required to endeavor to establish an alternate rate of interest to SOFR or EURIBOR in certain circumstances such as when the administrative agent determines that SOFR or EURIBOR is not available or if the supervisor for the administrator of SOFR or EURIBOR or a governmental authority having jurisdiction over the administrative agent publicly announces a specific date after which SOFR or EURIBOR shall no longer be used for determining interest rates for loans denominated in the applicable currency.

The Group may incur additional indebtedness, which indebtedness could increase its leverage and may have terms that are more or less favorable than the terms of the Group's existing indebtedness.

The Group or its subsidiaries may incur substantial additional debt. Prior to the maturity of the Notes and the New Term Loan B Facilities, we will be required to refinance or repay certain other debt, including the Existing Term Loan B Facilities and the Existing Notes. In connection with the Group's financial strategy, the Group continually evaluates different financing alternatives, and the Group may decide to enter into new credit facilities, access the debt capital markets or incur other indebtedness from time to time. Any such offering or incurrence of debt will be made at the Group's election or the election of its relevant subsidiaries, and if such debt is in the form of securities, would be offered and sold pursuant to, and on the terms described in, an offering memorandum. The interest rate with respect to any such additional debt will be set at the time of the pricing or incurrence of such debt and may be less than or greater than the interest rate applicable to the Group's existing debt, including, in the case of a refinancing, the debt that is being refinanced, which would have a corresponding effect on the Group's cash interest expense on a pro forma basis. In addition, the maturity date of any such additional debt will be set at the time of pricing or incurrence of such debt and may be earlier or later than the maturity date of the Group's existing debt. The other terms of such additional debt would be as agreed with the relevant lenders or holders thereof and could be more or less favorable than the terms of the Group's existing indebtedness. There can be no assurance that the Group will elect to raise any such additional debt or that any effort to raise such debt will be successful, and there can be no assurance as to the timing of such offering or incurrence, the amount or terms of any such additional debt. If the Group incurs new debt in addition to its current debt, the related risks that the Group now faces, even in a refinancing transaction, as described above and elsewhere in these "*Risk Factors*", could intensify. If we are unable to obtain new debt financing as needed, we would have to consider other options, such as selling assets; restructuring all or a portion of our debt before maturity; obtaining additional equity capital; foregoing opportunities such as acquisitions; or reducing or delaying our business activities and capital investments.

Certain covenants may be suspended upon the occurrence of a change in the ratings of the Notes.

The Indenture will provide that, if at any time following the Issue Date, the Notes achieve Investment Grade Status (as defined under "*Description of the Notes—Certain Definitions*") and no Default or Event of Default has occurred and is continuing, then beginning on that day and continuing until such time, if any, at which Investment Grade Status ceases to be maintained, certain covenants will automatically cease to be applicable to the Notes and the Guarantees will be released (other than the Guarantees of the Company and any parent of the Company). See "*Description of the Notes—Certain Covenants—Suspension of Covenants and Release of Guarantees on Achievement of Investment Grade Status*". If these covenants were to cease to be applicable, we would be able to incur additional debt or make payments, including dividends or investments, which may conflict with the interests of holders of the Notes. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the eurozone, or the potential dissolution of the euro entirely, could have adverse consequences for us with respect to our outstanding debt obligations that are euro-denominated.

The eurozone continues to be heavily indebted, which has contributed to the instability of the financial markets. Financial markets may continue to be negatively impacted by concerns about a slowdown in growth in certain economies of the eurozone and uncertainties regarding the overall stability of the euro and the sustainability of the euro as a single currency given the diverse economic and political circumstances in individual member states. Governments and regulators have implemented austerity programs and other remedial measures to respond to these concerns around the economies and financial system of the eurozone, but the actual impact of such programs and measures are difficult to predict.

In the event that concerns around the economies and financial system of the eurozone and the stability and sustainability of the euro are not resolved, it is possible that one or more countries may default on their debt obligations and/or cease using the euro and re-establish their own national currency or that the eurozone may collapse. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro denominated obligations and for parties

subject to other contractual provisions referencing the euro such as supply contracts would be determined by laws in effect at such time.

The official exchange rate at which the euro-denominated Notes may be re-denominated may not accurately reflect their value in euro. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the euro-denominated Notes and could have adverse consequences for us with respect to our outstanding debt obligations that are euro-denominated, and, as we have a substantial amount of debt denominated in euro, our financial condition may be materially affected.

Furthermore, the Term Loan B Facilities Agreements and the Existing Indentures contain, and the Indenture will contain, covenants restricting our and our subsidiaries' corporate activities. See "*—Restrictive covenants in our debt instruments—We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities. If we default under these covenants, we will not be able to meet our payment obligations*". Certain of such covenants impose limitations based on euro amounts (e.g., the amount of additional indebtedness we or our subsidiaries may incur). As such, if the euro were to significantly decrease in value, the restrictions imposed by these covenants would become tighter, further restricting our ability to finance our operations and conduct our day to day business.

THE TRANSACTIONS

We intend to use the proceeds from the Offering to purchase a portion of the 2026 Senior Notes in the applicable Tender Offer, to finance a portion of the purchase price of the Eastman Transaction and to pay related fees and expenses. In addition, we intend use the proceeds from the Offering, along with the proceeds from the borrowings under the New Term Loan B Facilities, to repay a portion of the amounts outstanding under the 2026 Term Loan B Facilities, to purchase a portion of the 2026 Senior Secured Notes in the applicable Tender Offers (together with the purchase of a portion of the 2026 Senior Notes, the "Repayment") and to pay related fees and expenses. See "*Use of Proceeds*".

On the Issue Date, we (i) incurred the loans under the New Term Loan B Facilities and (ii) made certain amendments to the 2020 Term Loans Facilities Agreement to reflect the New Term Loan B Facilities and the evolving needs of the Group (the "New Term Loan Borrowing").

The Offering, the New Term Loan Borrowing, the Repayment and the payment of related fees and expenses are collectively referred to herein as the "Transactions".

We are carrying out the Transactions in order to extend our debt maturity profile and improve our liquidity. Please see "*Description of Other Indebtedness*".

USE OF PROCEEDS

The gross proceeds from the sale of the Euro Notes were €525.0 million, the gross proceeds from the sale of the Dollar Notes were $400.0 million and the gross proceeds from drawings under the New Term Loan B Facilities (prior to giving effect to the original issue discount) were $1,100.0 million and €875.0 million.

The gross proceeds from the Offering of the Notes will be used (i) to purchase a portion of the 2026 Senior Notes in the applicable Tender Offer, (ii) to finance a portion of the purchase price of the Eastman Transaction and (iii) to pay related fees and expenses. In addition, the proceeds from the Offering, along with the amounts borrowed under the New Term Loan B Facilities, will be used (i) to repay a portion of the amounts outstanding under the 2026 Term Loan B Facilities and purchase a portion of the 2026 Senior Secured Notes in the applicable Tender Offers and (ii) to pay certain fees and expenses related to the Transactions.

Actual amounts may vary from estimated amounts depending on several factors, including the actual closing dates of the Transactions and fluctuations in applicable exchange rates.

Sources	in € million[(1)]	Uses	in € million[(1)]
Notes offered hereby[(2)]	892.0	Repayment of 2026 Term Loan B Facilities[(4)]	1,521.0
New Term Loan B Facilities[(3)]	1,885.0	Purchase of 2026 Senior Secured Notes and 2026 Senior Notes[(5)]	817.0
		Financing of Eastman Transaction[(6)]	381.0
		Estimated fees and expenses[(7)]	58.0
Total sources	2,777.0	**Total uses**	2,777.0

(1) Unless otherwise indicated, euro equivalents of U.S. dollar amounts are translated at an exchange rate of $1.089 per €1.00, which is the exchange rate used for our balance sheet as of June 30, 2023. The Bloomberg Composite Rate on November 20, 2023, was $1.0940 per €1.00. The euro-equivalent of U.S. dollar amounts may vary based on exchange rates at the time of closing.

(2) Represents the aggregate principal amount of the Notes offered hereby.

(3) Represents the aggregate principal amount of term loans outstanding under the New Term Loan B Facilities.

(4) Represents the aggregate principal amount of term loans outstanding under the 2026 Term Loan B Facilities expected to be repaid in connection with the Transactions.

(5) Represents the aggregate purchase price (excluding accrued interest) for the $353.8 million aggregate principal amount of 3 3/8% 2026 Senior Secured Notes, €417.9 million aggregate principal amount of 2 1/2% 2026 Senior Secured Notes and €127.8 million aggregate principal amount of 3 3/4% 2026 Senior Notes estimated to be purchased in the applicable Tender Offers. These amounts do not include an additional $0.4 million in aggregate principal amount of 3 3/8% 2026 Senior Secured Notes which are subject to guaranteed delivery procedures.

(6) Represents the portion of the purchase price in the Eastman Transaction to be paid at the closing thereof. Approximately $75.0 million (subject to working capital and other customary adjustments at closing) will be paid in equal installments on the first and second anniversaries of the closing. See "*Summary—Recent Developments—Eastman Transaction*".

(7) Represents the estimated fees and expenses related to the Offering and the entry into the New Term Loan B Facilities, including original issue discount on the New Term Loan B Facilities, underwriting fees and commissions, other financing fees, advisory fees and other transaction costs and professional fees. Excludes accrued but unpaid interest on the 2026 Term Loan B Facilities repaid and the 2026 Senior Secured Notes and 2026 Senior Notes purchased in the Tender Offers.

The proceeds from the sale of the Notes and from the amounts borrowed under the New Term Loan B Facilities will neither directly nor indirectly be used in Switzerland, in such a way as would be interpreted by the Swiss federal tax administration and/or Swiss courts as being detrimental for Swiss withholding tax purposes, at any time while the Notes are outstanding and during the term of the New Term Loan B Facilities.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and gross capitalization on an as adjusted basis after giving effect to the Transactions, as if they had occurred on June 30, 2023. This table should be read in conjunction with "*Presentation of Financial and Other Information*", "*Unaudited Pro Forma Condensed Combined Financial Information*", "*Use of Proceeds*", "*The Transactions*", "*Operating and Financial Review and Prospects*", "*Description of Other Indebtedness*," and the Consolidated Financial Statements included elsewhere in this offering memorandum.

Actual amounts may vary from estimated amounts depending on several factors, including differences from our estimate of fees and expenses, fluctuations in cash and cash equivalents between June 30, 2023 and the Issue Date and fluctuations in applicable exchange rates.

	As of June 30, 2023[1]	As adjusted as of June 30, 2023[1]
	(€ in millions)	
Cash and cash equivalents	2,139.1	2,139.1
Borrowings		
Notes offered hereby[2]	—	892.0
New Term Loan B Facilities[3]	—	1,885.0
2027 Senior Secured Notes[4]	600.0	600.0
2026 Senior Secured Notes[5]	1,259.2	516.4[17]
2030 Term Loan B Facilities[6]	834.1	834.1
2027 Term Loan B Facilities[7]	629.8	629.8
2026 Term Loan B Facilities[8]	3,300.0	1,779.0
Securitization Programs[9]	0.0	0.0
2026 Senior Notes[10]	500.0	372.2[17]
Loans from related parties[11]	42.5	42.5
Other loans[12]	0.1	0.1
Unamortized finance costs	(57.8)	(97.5)[18]
Total financial indebtedness[13][14]	**7,107.9**	**7,453.6**
Total equity[15]	**3,616.0**	**3,616.0**
Total capitalization[16]	**10,723.9**	**11,069.6**

(1) Unless otherwise indicated, euro equivalents of U.S. dollar amounts are translated at an exchange rate of $1.089 per €1.00, which is the exchange rate used for our balance sheet as of June 30, 2023. The Bloomberg Composite Rate on November 20, 2023, was $1.0940 per €1.00. The euro-equivalent of U.S. dollar amounts may vary based on exchange rates at the time of closing.

(2) Reflects the €525.0 million and $400.0 million aggregate principal amount of the Notes offered hereby.

(3) Represents the total €875.0 million and $1,100.0 million principal amounts expected to be outstanding under the New Term Loan B Facilities. Borrowings under the New Term Loan B Facilities, along with the proceeds from the Offering of the Notes, will be used (i) to repay a portion of the amounts outstanding under the 2026 Term Loan B Facilities and purchase a portion of the 2026 Senior Secured Notes in the applicable Tender Offers and (ii) to pay certain fees and expenses related to the Transactions. See "*The Transactions*" and "*Use of Proceeds*".

(4) Represents the €600.0 million aggregate principal amount of 2027 Senior Secured Notes issued by INEOS Styrolution Group GmbH on January 31, 2020.

(5) Represents the €800.0 million and $500.0 million aggregate principal amount of 2026 Senior Secured Notes issued by the Issuer on January 29, 2021, prior to any repayment in connection with the Transactions.

(6) Represents the $500.0 million term loan facility made available to INEOS Quattro Holdings UK Limited pursuant to the 2020 Term Loan Facilities Agreement and the €375.0 million term loan facility made available to INEOS Quattro Financing Limited pursuant to the 2020 Term Loan Facilities Agreement.

(7) Represents the $195.7 million term loan facility made available to INEOS Styrolution US Holding LLC pursuant to the 2014 Term Loan Facilities Agreement and the €450 million term loan facility made available to the INEOS Styrolution Group GmbH pursuant to the 2014 Term Loan Facilities Agreement.

(8) Represents the $1,960.0 million term loan facility made available to INEOS Quattro Holdings UK Limited pursuant to the 2020 Term Loan Facilities Agreement and the €1,500.0 million term loan facility made available to INEOS Quattro Financing Limited pursuant to the 2020 Term Loan Facilities Agreement.

(9) As of June 30, 2023, the Styrolution Securitization Program had a total capacity of €600.0 million. Based on the number of receivables included in the program as of that date, we had a maximum borrowing limit of €352.0 million. As of June 30, 2023, the INOVYN

Securitization Program had a total capacity of €240.0 million. Based on the number of receivables included in the program as of that date, we had a maximum borrowing limit of €225.0 million. As of June 30, 2023, no amounts were outstanding under the Securitization Programs. The maximum borrowing limits under the Securitization Programs increase or decrease in accordance with the amount of outstanding customer invoices on any given day. The Securitization Programs are subject to specific terms, and our failure to perform in accordance with these terms may result in the termination of the facility that provides liquidity to the programs. See "*Description of Other Indebtedness—The Styrolution Securitization Program*" and "*Description of Other Indebtedness—The INOVYN Business Securitization Program*".

(10) Represents the €500.0 million aggregate principal amount of 2026 Senior Notes issued by the Existing Senior Notes Issuer on January 29, 2021, prior to any repayment in connection with the Transactions.

(11) Represents an unsecured loan from INEOS Enterprises Holdings Limited. The loan bears interest at a rate of 4.5%. There is no formal repayment date under the loan agreement.

(12) Represents (i) a loan to INOVYN Spain Sl from Ministerio de Economia y Competitividad (the Spanish government department) with an outstanding balance of €34,000 that was settled before the end of October 2023 and (ii) a loan to INOVYN France SAS from Agence de L'Environnement et de La Maitrise de L'Energie (ADEME), the French government department, regarding environmental cleanup, with a remaining balance of €88,000 payable in two amounts of €44,000 in June 2024 and June 2025.

(13) On January 21, 2022, our then Unrestricted Subsidiary, INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd ("SAM"), entered into a 10-year RMB 3,300.0 million term loan facility (the "Renminbi Facility") to finance the development of the 600 kilotonne ABS plant being constructed in Ningbo, China and to refinance certain loans from members of the Group to SAM. The Renminbi Facility is guaranteed, on an unsecured basis, by the company. The Renminbi Facility is not reflected in the table above. See "*Description of Other Indebtedness—Other Financing—Renminbi Facility*".

(14) On September 7, 2022, our then Unrestricted Subsidiary SAM, as borrower, entered into a term loan facility agreement providing for the first (the "Export Credit Facility I") of up to four export credit facilities to finance the construction of the 600 kilotonne ABS plant in Ningbo, China and certain fees in connection therewith, in an aggregate principal amount of €6.5 million. On January 16, 2023, SAM entered into a second term loan facility agreement providing for a loan of €77.6 million (the "Export Credit Facility II" and, together with the "Export Credit Facility I", the "Export Credit Facilities"). The Export Credit Facilities are guaranteed by each of INEOS Styrolution America LLC, INEOS Styrolution Polymers (Foshan) Company Limited and INEOS Styrolution Polymers (Ningbo) Company Limited. The Export Credit Facilities are not reflected in the table above. See "*Description of Other Indebtedness—Other Financing—Export Credit Financing Guarantees*".

(15) Total equity includes non-controlling interests of €69.6 million.

(16) Total capitalization comprises total financial indebtedness and total equity.

(17) Reflects the repurchase of $353.8 million in aggregate principal amount of $3^3/_8$% 2026 Senior Secured Notes at a purchase price of 95.0%, €417.9 million in aggregate principal amount of $2^1/_2$% 2026 Senior Secured Notes at a purchase price of 94.0% and €127.8 million in aggregate principal amount of $3^3/_4$% 2026 Senior Notes at a purchase price of 90.5%, pursuant to the applicable Tender Offers. These amounts do not include an additional $0.4 million in aggregate principal amount of $3^3/_8$% 2026 Senior Secured Notes which are subject to guaranteed delivery procedures.

(18) Represents unamortized finance costs adjusted for estimated fees and expenses of approximately €58.0 million related to the Offering and the entry into the New Term Loan B Facilities less the amortization of debt issuance costs of €18.1 million following the repayment of the 2026 Senior Secured Notes, the 2026 Senior Notes and the 2026 Term Loan B Facilities.

SELECTED HISTORICAL FINANCIAL INFORMATION

The selected financial information as of June 30, 2023 and for each of the six-month periods ended June 30, 2023 and June 30, 2022 is derived from the Unaudited Interim Condensed Consolidated Financial Statements as of and for the six months ended June 30, 2023 with unaudited comparative financial information for the six months ended June 30, 2022, prepared in accordance with IAS 34 Interim Financial Reporting and included elsewhere in this offering memorandum. The selected financial information as of and for the years ended December 31, 2022 and 2021 is derived from the 2022 Audited Consolidated Financial Statements and the 2021 Audited Consolidated Financial Statements, respectively, each prepared in accordance with IFRS and included elsewhere in this offering memorandum. This information should be read in conjunction with "Certain Definitions," "Presentation of Financial and Other Information," "Risk Factors," "Use of Proceeds," "Capitalization," "Selected Historical Financial Information," "Operating and Financial Review and Prospects," and the Consolidated Financial Statements and the notes thereto included elsewhere in this offering memorandum. The Audited Consolidated Financial Statements were prepared in accordance with IFRS. The Unaudited Interim Condensed Consolidated Financial Statements, which were prepared in accordance with IAS 34 Interim Financial Reporting. The information below is not necessarily indicative of the results of future operations.

The selected unaudited financial information for the 12 months ended June 30, 2023 is based on the Consolidated Financial Statements and is calculated by adding the unaudited financial information for the six months ended June 30, 2023 to the difference between the financial information for the year ended December 31, 2022 and the unaudited financial information for the six months ended June 30, 2022. The unaudited financial information for the 12 months ended June 30, 2023 has been prepared solely for the purpose of this offering memorandum, is not prepared in the ordinary course of our financial reporting. It is not necessarily representative of our results of operations for any future period or our financial condition as of any future date. The financial information for the 12 months ended June 30, 2023 are non-IFRS measures.

Selected Consolidated Statement of Income Information

	For the year ended December 31,		For the six months ended June 30,		For the 12 months ended
	2021	2022	2022	2023	June 30, 2023
			(in €million)		
Revenue	**14,932.2**	**18,172.3**	**9,675.5**	**6,649.1**	**15,145.9**
Cost of sales before exceptional items	(11,821.5)	(15,171.7)	(7,640.6)	(5,820.8)	(13,351.9)
Exceptional cost of sales	(140.6)	—	—	—	—
Total cost of sales	(11,962.1)	(15,171.7)	(7,640.6)	(5,820.8)	(13,351.9)
Gross profit	**2,970.1**	**3,000.6**	**2,034.9**	**828.3**	**1,794.0**
Distribution costs	(814.5)	(901.9)	(475.2)	(331.2)	(757.9)
Administrative expenses before exceptional items	(440.0)	(474.8)	(252.5)	(288.7)	(511.01)
Exceptional administrative expenses	(41.1)	(5.1)	—	—	(5.1)
Total administrative expenses	(481.1)	(479.9)	(252.5)	(288.7)	(516.1)
Operating profit	**1,674.5**	**1,618.8**	**1,307.2**	**208.4**	**520.0**
Share of profit of associates and joint ventures using the equity method	462.0	233.6	169.4	17.3	81.5
Dividends received from other investments	2.5	2.6	—	—	2.6
Impairment of investments	(1.0)	—	—	—	—
Loss on disposal of equity accounted investments	—	(26.6)	(0.1)	—	(26.5)
Profit on disposal of controlling stake in businesses	—	710.3	—	—	710.3
Profit on disposal of property, plant and equipment	4.3	5.6	3.4	1.6	3.8
Profit before net finance costs	**2,142.3**	**2,544.3**	**1,479.9**	**227.3**	**1,291.7**
Finance income	101.8	89.6	70.5	74.3	93.4
Finance costs before exceptional items	(273.1)	(287.0)	(151.0)	(218.6)	(354.6)
Exceptional finance costs	(68.9)	(4.3)	(4.3)	—	—
Total finance costs	(342.0)	(291.3)	(155.3)	(218.6)	(354.6)

Net finance costs	(240.2)	(201.7)	(84.8)	(144.3)	(261.2)
Profit before tax	**1,902.1**	**2,342.6**	**1,395.1**	**83.0**	**1,030.5**
Tax charge	(326.0)	(377.7)	(270.4)	(9.1)	(116.4)
Profit for the period	**1,576.1**	**1,964.9**	**1,124.7**	**73.9**	**914.1**

Selected Condensed Consolidated Statement of Cash Flows Information

	For the year ended December 31,		For the six months ended June 30,	
	2021	2022	2022	2023
	(in €million)			
Net cash flows generated from / (used in)				
Operating activities	1,825.2	1,872.1	935.1	642.8
Investing activities	(458.9)	(269.3)	(61.9)	(105.2)
Financing activities	(927.9)	(1,375.9)	(880.8)	86.4

Selected Condensed Consolidated Statement of Financial Position Information

	As of December 31,		As of June 30,
	2021	2022	2023
		(in €million)	
Property, plant and equipment	4,972.2	4,722.8	4,597.2
Intangible assets	2,265.2	2,187.1	2,054.3
Cash and cash equivalents	1,291.3	1,530.1	2,139.1
Total assets	14,385.7	14,741.4	14,091.7
Total equity[(1)]	3,312.6	4,648.6	3,616.0
Net interest-bearing loans and borrowings[(2)]	6,570.3	6,341.0	7,107.9

(1) Total equity includes non-controlling interests.

(2) Net interest-bearing loans and borrowings represents current and non-current interest-bearing loans and borrowings after the deduction of the amount of issue costs. Under IFRS, debt issuance costs are deducted from the related debt amounts for the purposes of statement of financial position presentation and are amortized over the life of the debt.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion is based upon the Consolidated Financial Statements and should be read in conjunction with the Consolidated Financial Statements and related notes thereto included elsewhere in this offering memorandum. The 2022 Audited Consolidated Financial Statements and the 2021 Audited Consolidated Financial Statements were prepared in accordance with IFRS and have been audited by Deloitte. The unaudited condensed consolidated interim financial information and other financial information of the Parent and its subsidiaries as of June 30, 2023 and for the six-month periods ended June 30, 2023 and 2022 has not been audited and has been extracted from the Unaudited Interim Condensed Consolidated Financial Statements and related notes thereto, included elsewhere in this offering memorandum.

The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this offering memorandum, particularly in "Risk Factors" and "Forward-Looking Statements".

Overview

We are a leading global petrochemicals producer, marketer and merchant. Our business operates 45 manufacturing sites in 18 countries in the Americas, Europe and Asia. We have a strong global footprint and leading market positions with respect to our key products. Our business benefits from cost advantages as a result of operating large-scale, highly integrated facilities strategically located near major transportation routes and customer locations.

We operate our business through four business segments: the Styrolution Business, the INOVYN Business, the Aromatics Business and the Acetyls Business. The products we manufacture are derived from crude oil and natural gas and salt, and include styrene, vinyls, aromatic chemical compounds and organic compounds. Our products serve a broad and diverse range of end markets, including packaging, construction, automotive, electronics, household, textiles, agrochemicals and healthcare. We benefit from the cost advantages of operating large scale, well invested, highly integrated facilities strategically located near major transportation facilities and customer locations. We and our predecessors have invested significantly in our production facilities to ensure that they operate efficiently, resulting in integrated, and state of the art production units. We believe these investments allow us to operate at lower cost and higher utilization rates than most of our competitors, and enable us to maintain positive margins and cash flows even during downturns in industry cycles or customer demand.

In the year ended December 31, 2022, we generated €18,172.3 million in revenue with 45% generated from Europe, 24% from North America and 31% from Asia. In addition, our Adjusted EBITDA for the period was €2,572.4 million with 65% generated from Europe, 20% from North America and 15% from Asia. For the six-month period ended June 30, 2023, our revenue was €6,649.1 million and our Adjusted EBITDA was €593.7 million. For the twelve-month period ended June 30, 2023, our revenue was €15,145.9 million and our Adjusted EBITDA was €1,362.0 million

Over the past several years, we have implemented a range of strategic initiatives designed to lower our operating costs, increase our profitability and further enhance our market position. These include fixed asset investments to expand our capacity in higher value products, to enhance productivity at our existing facilities, and to reduce our fixed cost structure through headcount reductions, production line closures and system upgrades. In addition, we have shifted our product portfolio to focus on more differentiated products, exited low-margin businesses and implemented premium pricing strategies designed to improve our margins. We believe these initiatives provide us with a strong platform to drive growth, create significant operating leverage and position us to benefit from volume recovery in our end markets.

Key Factors Affecting Our Businesses

Our results of operations are driven by a combination of factors affecting the petrochemicals industry generally. The main factors are general economic conditions, prices of raw materials and energy, global supply and demand for our products and environmental legislation and initiatives. A combination of unforeseen geopolitical developments, including Russia's invasion of Ukraine and the Israel-Hamas war and the associated effects on the global economy, and economic developments, including the severe downturn in the Chinese sector, have created challenging market conditions. Market sentiment has continued to be impacted by high inflation rates and high energy costs, particularly in Europe. In recent years, some sectors built up significant excess capacity, increasing competitive pressures and driving prices down. Our results of operations are also impacted by company-specific structural and operational factors. Set forth below is an overview of the key drivers that have affected the historical results of operations, and are expected to affect our future results of operations.

Debt structure

As of June 30, 2023, we had €7,165.7 million of financial indebtedness, including €1,859.2 million under the Existing Senior Secured Notes, €500.0 million under the Existing Senior Notes, and €4,763.9 million under the Term Loan B Facilities, and €290.2 million of lease liabilities. Our future results of operations, and in particular our net finance costs, will be affected by the amount of indebtedness we carry, including the interest we pay on our indebtedness. The servicing of this indebtedness will impact, among other things, our cash flows and our cash balance.

Supply and demand in the Petrochemicals Industry

Margins in the petrochemicals industry are strongly influenced by industry utilization rates. As demand for petrochemical products approaches available supply, utilization rates rise, and prices and margins typically increase. Historically, this relationship has been highly cyclical due to fluctuations in supply resulting from the timing of new investments in capacity and general economic conditions affecting the relative strength or weakness of demand. Generally, capacity is more likely to be added in periods when current or expected future demand is strong and margins are, or are expected to be, high. Investments in new capacity can result, and in the past frequently have resulted, in overcapacity, which typically leads to a reduction of margins. This is currently the case with respect to PTA and styrenics, especially in Asia. In response, marginal cost producers typically reduce production rates and new capacity additions reduce, eventually causing the market to be relatively undersupplied.

On the demand side, global macroeconomic uncertainties can cause material weakening and have a negative impact on demand and margins. After several years of more robust trading conditions, the petrochemicals industry was adversely affected by the reduction in global economic growth in 2019, mainly as a result of U.S. trade regulation policies, weaker China growth and reduced demand from the automotive industry. In addition, in 2020, the petrochemicals industry was further adversely affected by the COVID-19 pandemic, including as a result, lower PVC and styrenics demand due to lower activity in the building, automotive and construction sectors and lower PTA demand from polyester applications, including, but not limited to, in the apparel, home furnishing, beverage and automotive sectors. The petrochemicals industry subsequently recovered in the second half of 2020, 2021 and the first half of 2022 due to the re-opening of economies and global supply shortages. In the second half of 2022, however, the petrochemicals industry was negatively impacted by the effect of higher energy, commodity and borrowing costs resulting from the conflict in Ukraine. Political turmoil and macroeconomic uncertainty continue to effect the petrochemicals industry in 2023. In addition to the global petrochemicals cycles, margins are also susceptible to potentially significant swings in the short term. This volatility for a particular product, which may be global or isolated in individual regions, can be caused by a number of factors, including fluctuations in utilization rates due to planned or unplanned facility outages or new capacity coming on-stream, demand levels for co-produced products, political and economic conditions driving rapid changes in prices for key feedstocks, exchange rate fluctuations, supply chain interruptions, lockdowns and changes in inventory management policies by petrochemicals customers (such as inventory building or de-stocking in periods of expected price increases).

Asset utilization

Our results of operations are materially influenced by the degree to which we utilize our assets in order to achieve maximum production volumes. As a low-cost producer, we aim to operate our facilities at full capacity. We believe this allows us to maintain positive margins and cash flows, even during downturns in industry cycles or customer demand, more readily than some of our competitors who have higher production costs. We intend to achieve growth in production volume by improving utilization rates within the defined availability of an asset, improving availability of an asset by minimizing planned and unplanned facility downtime and improving capacity of an asset through de-bottlenecking projects. For example, the number and length of turnarounds (scheduled outages of a unit in order to perform necessary inspections and testing to comply with industry regulations and to permit us to carry out any maintenance activities that may be necessary) carried out in any given period can impact operating results. When possible, we seek to schedule the timing of turnarounds to coincide with periods of relatively low demand for the products of the relevant units. In the Styrolution Business, our four SM facilities typically undergo major turnarounds every three to five years, with each turnaround lasting four to six weeks. Turnarounds for PVC plants are more frequent, typically every one to two years, but generally last only one to two weeks, with one exception which occurs every three years lasting three weeks. In the Acetyls Business, acetic acid facilities typically undergo major turnarounds every three years, with each turnaround lasting six weeks. In the Aromatics Business, PX plant turnarounds are scheduled every five years with an aspiration to extend the period to six. PTA events occur every 24 to 30 months. Extending this period to 36 months is possible but would require further investment. Likewise, unplanned outages or unforeseen transportation interruptions, such as the delayed restart at our Rafnes, Norway operations in 2022, the impact of winter storm Uri in 2021, damage to the rail tracks in Rastatt, Germany due to tunnel construction work in 2017, which prevented deliveries to Italy and Switzerland, and strikes by rail and post workers and haulers in France, Spain and Switzerland in 2019, can impact our operating results, even if such outages or interruptions are covered by insurance. Similarly, planned or

unplanned outages of our competitors can positively affect our operating results by decreasing the supply of product in the market.

Implementation of cost reduction

We have historically focused on implementing our strategies of reducing costs by making rapid reductions in underlying fixed costs, shutting down inefficient assets, optimizing sourcing and in-sourcing functions, implementing efficient corporate and management structures and maximizing the utilization of our assets. We are aware that the previous owners of the Aromatics and Acetyls Businesses had embarked on a cost reduction program between 2016 and 2019; through lowering the variable costs per ton through better energy and catalyst efficiency, increasing the interval between turnaround outages, reducing the number of employees in the businesses and reducing other fixed costs through better procurement and focus on third-party cost reductions. INEOS has applied its non-manpower and manpower cost reduction methodology throughout the course of 2021 to further reduce costs. The Acetyls program continued into 2022 with full roll-out of the cost reduction activities completed during the course of the year, including $66 million in fixed cost savings based on management estimates. The Aromatics program was completed by mid-2022 and has delivered sustained structural cost savings for the business, including $96 million in fixed cost savings based on management estimates. The Aromatics Business remains cost focused and will continue to identify cost saving opportunities in future years that will allow us to maintain the cost base at an appropriate level for the business. The Styrolution Business started a cost reduction program in 2022 that management estimates will save €40 million in fixed cost savings over the next three years. The INOVYN Business is aiming to save €75 million in fixed costs savings over the next three years through a systematic review of every site, office location and function. Our ability to continue to reduce costs will impact, among other things, our profitability and capacity plans.

Fluctuations in the prices of raw materials and energy

Feedstock costs are a significant component of the operating costs of our petrochemicals business. The costs of the feedstocks we require to make our petrochemical products (naphtha, ethane, butane and propane) are principally driven by the price of oil and natural gas. According to the U.S. Energy Administration, the spot price for Brent crude oil decreased from approximately $92 per barrel in January 2008 to approximately $81 per barrel in December 2022, while the natural gas Citygate price in Texas decreased from $8.23 per thousand cubic feet in January 2008 to $6.82 per thousand cubic feet in December 2022. During 2022 the crude oil price rapidly increased, reaching a high of approximately $123 per barrel in June before finishing the year at approximately $81 per barrel as compared to approximately $74 per barrel at the end of 2021. The average price of crude oil, and thus the price of petrochemical products, increased to an average of approximately $101 per barrel in 2022 as compared to an average of approximately $71 per barrel for the year ended December 31, 2021, and decreased to an average of approximately $80 per barrel for the six-month period ended June 30, 2023 as compared to $105 per barrel for the six-month period ended June 30, 2022.

Our ability to pass on price increases for feedstocks is limited due to the impact of time lags resulting from the repricing intervals of our contracts with suppliers and customers. While most of our feedstock contracts reprice daily or monthly, our contracts with customers generally reprice on a daily, monthly or quarterly basis. In our Aromatics Business, European and North America PTA typically price on a cost plus basis. In China, PTA sales formulae are based off a market reference price, but financial instruments are widely available to manage margin volatility.

In addition, for certain businesses, in particular for our INOVYN Business, we purchase significant amounts of electricity from external suppliers for use throughout our production chain. While we have agreements providing for the supply of electricity, the contractual prices for these vary with market conditions and may be highly volatile. As a consequence of the war in Ukraine, electricity and natural gas prices rose to unprecedented levels in 2022, significantly increasing production costs. We and other chemicals producers typically seek to pass on changes in energy costs to customers in the price of finished products in order to preserve margins. The degree to which we and our competitors are successful in doing so depends on overall supply and demand balances at the time. For example, as a result of higher energy prices in Europe, prices in our INVOYN Business increased in 2021 and 2022, as we passed on a portion of the energy prices increases, and volumes declined. Although prices in our INOVYN Business have reduced since 2022, they still remain significantly higher than pre-COVID prices and volumes remain down.

Many of our customers take advantage of fluctuating prices by building inventories when they expect product prices to increase and reducing inventories when they expect prices to decrease, limiting our ability to pass on price increases for feedstocks and energy costs. The effect of the time lags and our customers' inventory management policies on our ability to pass through feedstock and electricity price increases is magnified in periods of high volatility. In addition, changes in feedstock and energy costs have a direct impact on our working capital levels. In general, increases in feedstock and energy prices lead to an increase in our working capital and decreases in prices lead to a decrease in our working capital.

Foreign exchange rate fluctuations

Our results of operations may be affected by both the transaction effects and translation effects of foreign currency exchange rate fluctuations. A substantial portion of our revenue is generated in, or linked to, the U.S. dollar, the euro, pound sterling and Renminbi. In our European petrochemicals businesses, certain feedstock costs are denominated in U.S. dollars, while the transaction currency in most of these European entities is the euro. In the U.S. and non-European portion of our businesses, a substantial portion of our product prices, raw material costs and other costs are denominated in U.S. dollars. We generally do not enter into foreign currency exchange instruments to hedge our foreign currency exposure, although certain of our businesses have done so in the past and may do so in the future. We also believe that we benefit from natural hedging to the extent that we have been able to match the currencies of our cash flows and long term indebtedness.

Our reporting currency is the euro, and our results of operations will be impacted by the relative strength of the euro against other currencies, including the U.S. dollar, the British pound and Renminbi. In the first half of 2020, the value of the euro relative to the U.S. dollar decreased in the context of the COVID-19 outbreak before increasing again during the second half of 2020 and throughout the first half of 2021, before decreasing again during the second half of 2021 and most of 2022, until a slight recovery at the end of the year and into the six-month period ended June 30, 2023.

Health, safety, security and environmental considerations

Our results of operations are affected by HSSE laws and regulations and our efforts to mitigate related risks and/or achieve related goals generally. We have invested, and will continue to invest, a significant amount of financial and technical resources in order to achieve and maintain compliance with environmental requirements. From time to time, we also incur remediation and decommissioning costs in connection with our production facilities and other locations. Changes in legislation and regulations governing energy use, including renewable energy sources, could also increase our costs in absolute terms.

Environmental Considerations

Our results of operations are affected by environmental laws and regulations, including those relating to GHG and other air emissions, and environmental risks and goals generally. We have invested, and will continue to invest, a significant amount of financial and technical resources in order to achieve and maintain compliance with environmental requirements. From time to time, we also incur remediation and decommissioning costs at our current and former production facilities, as well as at other locations.

Environmental considerations can also impact the markets in which we operate, including our position with respect to our competitors.

Innovation

Innovation is key to maintaining our competitiveness in the petrochemicals industry. We own intellectual property and unpatented proprietary know-how and have a track record of developing and deploying world leading proprietary technologies. In addition, we conduct R&D activities that focus on process improvements as well as product and application development in line with major market trends and needs. We believe that a healthy innovation pipeline, comprising a number of process, product and customer driven projects, will help us continue to generate positive cash flows in the future. For example, our Aromatics Business's double re-slurry crystallization technology offers lower variable cost, lower capex, increased reliability and lower environmental emissions than alternative technologies for PX production. In addition, our Aromatics Business's Purified Terephthalic Acid (PTA) Technology offers lower capex, lower operating costs and market leading environmental performance including lower greenhouse gas emissions compared with conventional PTA technology. Similarly, in acetic acid, our Acetyls Business's leading Cativa® technology offers advantaged capital efficiency through reduced process complexity and variable cost improvements through efficient heat integration leading to reduced steam consumption. In addition, since 2017 we have also created intellectual property in the field of chemical recycling, mechanical recycling and dissolution of styrenic polymers as a result of our active research and development into sustainability topics. Moreover, in our INOVYN Business, we are performing research on the sorting of mixed PVC waste and on recycling technologies for the resultant PVC-rich waste streams, and have plans to utilize electrolysis to build green hydrogen plants. We also have recycling technology under development in our Aromatics Business. For more information see "*Our Business*".

Product and geographical mix

Our margins are affected by the mix of products that we sell in a given period. Our Styrolution and INOVYN Businesses sell standard and specialty products, with the highest margins made in the specialties businesses. Specialty products are sold at a premium as their innovative characteristics generate more added value to our customers. Standard

products are commonly available and therefor the supply/demand balance has a strong impact on the market margins. Our Aromatics Business sells one grade of PTA, there is no real product differentiation within the global market. At the same time, our Aromatics Business does seek out and sell to customers covering a wide range of end uses including specialty products where producers pay a premium for security of supply and service. Our Acetyls Business predominantly sells two products—acetic acid globally and anhydride within Europe. While displaying different product margins reflecting different markets and end uses and also regional pricing differences, both are globally traded chemicals, hence regional feedstock prices and regional and global supply and demand balances impact margins for each product.

Additionally, our results are affected by the countries in which we are able to produce and sell the largest proportion of our products. For example, our Styrolution Business benefits from its global footprint: Asian regional contribution to the overall profitability has increased as we increased our sales in China and Asian emerging markets, which generally experience higher growth rates than mature European and North American markets. Nevertheless, Europe still contributes the largest share of profits. For our INOVYN Business, however, we generally obtain higher margins in European markets than export markets and, as a result, typically, at least 95% of our caustic soda production is sold in European markets and between 10- 30% of our PVC production is sold in export markets. Additionally, in the Aromatics Business, North American and European activities generate higher margins than Asian activities due to the supply-demand balance of the regions driving import parity-based pricing. This allows margins of at least at the cost of the freight difference between Asia and Europe and North America. In Asia, our Aromatics Business deploys our latest generation technology at Zhuhai providing world scale volumes at top-quartile levels of cash costs for the industry in China.

Capital expenditures

We invest substantial amounts in the maintenance, improvement and growth of our asset base as well as compliance with safety and environmental legislation and improvement of plant reliability and commercial efficiency. We believe strategic capital expenditure can help maintain our long-term profitability. We apply strict measures based on internal rates of return for the multiple approval gates of our expansion and de-bottlenecking projects.

Joint ventures

A material portion of our Acetyls Business is conducted through joint ventures and our Styrolution Business established a joint venture with Sinopec in December 2022, our interest in which is now held by an Unrestricted Subsidiary, and we announced a second joint venture with Sinopec in August 2023. We do not control the joint ventures in our Acetyls and Styrolution Businesses, even in cases where we hold a majority interest in the joint venture. Accordingly, the results of the non-controlled joint ventures are not consolidated in our Consolidated Financial Statements. Instead, in accordance with IFRS, all such non-controlled joint ventures are accounted for under the equity method. Equity accounted income consists of our share of the relevant elements of the equity-accounted entities' results, which include operating profit or loss, interest income, interest and other similar charges and tax charges. As the declaration and payment of dividends is not necessarily tied to the net profit of the joint ventures, there may be differences between the Group's share of joint venture earnings after interest and tax on the income statement and dividends received from joint ventures on the cash flow statement. In addition, as our results only reflect our share of the net profit of our joint ventures, our Adjusted EBITDA figures only include the same share of net profit in these entities, which is after interest, taxation, depreciation, amortization and exceptional items and thus does not represent our proportionate share of such entities' actual Adjusted EBITDA. Management estimates that the differences between our share of the net profit of our joint ventures and our proportionate share of these joint ventures' Adjusted EBITDA for the years ended December 31, 2021 and December 31, 2022 and for the twelve-month period ended June 30, 2023 were approximately €258 million, €181 million and €134 million for the respective periods.

Results of Operations

The consolidated financial information of INEOS Quattro Holdings Limited is prepared in accordance with IFRS. The income statement data for the years ended December 31, 2022 and December 31, 2021 and for the six-month period ended June 30, 2023 and 2022 represent the consolidated results of the Group.

Description of Key Line Items

Set forth below is a brief description of the composition of the key line items of our consolidated income statement accounts:

- *Revenue.* Group revenue represents the invoiced value of products sold or services provided to third parties net of sales discounts and value-added taxes. It also excludes our share of joint venture revenue. The pricing for products sold is determined by market prices (market contracts

and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula contracts). Services provided to third parties include administrative and operational services provided to other chemical companies with units on our sites, and services under tolling arrangements. Under tolling arrangements, customers pay for or provide raw materials to be converted into a certain specified product, for which we charge a toll fee.

- *Cost of sales before exceptional items.* Cost of sales includes fixed and variable production costs. Such production costs typically include the costs of raw materials, packaging, utilities, direct wages and salaries, repairs and maintenance, waste disposal and effluent treatment, consumables, attributable depreciation charges and directly attributable overheads, including wages and salaries, depreciation charges and overheads that are attributable to production. Fixed costs included in the cost of sales are rent, depreciation, repairs and maintenance, while variable costs include raw materials, packaging, consumables and wages and salaries. For the year ended December 31, 2022, some income in relation to utilities recharge was classified under cost of sales before exceptional items versus administrative expenses in the year ended December 31, 2021.

- *Exceptional cost of sales charge.* Exceptional cost of sales are those expenses which, because of their size and nature, are disclosed separately to give a proper understanding of the underlying results for the period. These costs are mainly related to plant closure costs and environmental costs.

- *Distribution costs.* Distribution costs typically include the costs of warehousing, carriage and freight, together with sales and distribution wages and salaries and depreciation on property, plant and equipment used for sales and distribution.

- *Administrative expenses before exceptional items.* Administrative expenses typically include indirect wages and salaries and indirect overheads. Indirect overheads would include such items as insurance costs, legal and professional fees and office supplies. Administrative expenses also include the depreciation of property, plant and equipment not directly attributable to production or sales and distribution. For the year ended December 31, 2022, some income in relation to utilities recharge was classified under cost of sales before exceptional items versus administrative expenses in the year ended December 31, 2021.

- *Exceptional administrative expenses.* Exceptional administrative expenses are those expenses which, because of their size or nature, are disclosed to give a proper understanding of the underlying results for the period. These expenses are mainly related to acquisition costs, business restructuring and the provision for severance payments.

- *Share of profit of associates and joint ventures using the equity accounting method.* Share of profit of associates and joint ventures using the equity accounting method relates to the results from the investment in associated undertakings and joint ventures.

- *Profit/(loss) on disposal of property, plant and equipment.* Profit/(loss) on disposal of property, plant and equipment relates to the proceeds net of selling costs, if any, less the book value of property, plant and equipment that have been disposed of.

- *Net finance costs before exceptional items.* Finance costs includes interest payable, finance charges on finance leases, unwinding of the discount on provisions, net fair value losses derivatives and foreign exchange losses. This is disclosed net of finance income, including interest receivable on funds invested, expected return on defined benefit pension plan assets, net fair value gain on derivatives and foreign exchange gains

- *Exceptional finance costs.* Exceptional finance costs are those costs which, because of their size or nature, are disclosed to give a proper understanding of the underlying results for the period. These costs are mainly related to call premia and the write-off of unamortized debt issue costs following modification or redemption of debt.

Six-month period ended June 30, 2023, compared with six-month period ended June 30, 2022

The following table sets forth, for the periods indicated, our revenue and expenses and such amounts as a percentage of revenue.

	Six-Month Period Ended June 30,			
	2022		2023	
	(*€ in millions*)	*%*	(*€ in millions*)	*%*
Revenue	**9,675.5**	**100.0**	**6,649.1**	**100.0**
Cost of sales	(7,640.6)	(79.0)	(5,820.8)	(87.5)
Gross profit	**2,034.9**	**21.0**	**828.3**	**12.5**
Distribution costs	(475.2)	(4.9)	(331.2)	(5.0)
Administrative expenses	(252.5)	(2.6)	(288.7)	(4.3)
Operating profit	**1,307.2**	**13.5**	**208.4**	**3.1**
Share of profit of joint ventures and associated undertakings	169.4	1.8	17.3	0.3
Loss on disposal of investments	(0.1)	-	-	-
Profit on disposal of property, plant and equipment	3.4	0.0	1.6	0.0
Profit before net finance costs	**1,479.9**	**15.3**	**227.3**	**3.4**
Finance income	70.5	0.7	74.3	1.1
Finance costs before exceptional items	(151.0)	(1.6)	(218.6)	(3.3)
Exceptional finance costs	(4.3)	(0.0)	-	-
Total finance costs	(155.3)	(1.6)	(218.6)	(3.3)
Profit before tax	**1,395.1**	**14.4**	**83.0**	**1.2**
Tax charge	(270.4)	(2.8)	(9.1)	(0.1)
Profit for the period	**1,124.7**	**11.6**	**73.9**	**1.1**

Consolidated Results

Revenue. Revenue decreased by €3,026.4 million, or 31.3%, to €6,649.1 million in the six-month period ended June 30, 2023, from €9,675.5 million in the six-month period ended June 30, 2022. The decrease in revenue was driven by lower average sales prices and volumes than in the comparative period across all businesses. Global demand was soft as market confidence was affected by high energy prices, inflation and increasing interest rates. In the American market, customer demand recovery was lower than anticipated and sales volumes remained low. The European market remained challenging due to high energy prices and high volumes of low-cost imports from Asia in the region. The Asian market was characterized by weaker demand combined with additional capacity coming on stream. The average sales prices were lower than in the comparative period due to the decrease in feedstocks and energy prices.

Cost of sales. Cost of sales decreased by €1,819.8 million, or 23.8%, to €5,820.8 million in the six-month period ended June 30, 2023, from €7,640.6 million in the six-month period ended June 30, 2022. The decrease was the result of lower costs of the Group's key raw materials including ethylene, benzene and methanol (linked to lower oil prices) and lower electricity and natural gas costs, as well as a decrease in production.

Gross profit. Gross profit decreased by €1,206.6 million, or 59.3%, to €828.3 million in the six-month period ended June 30, 2023, from €2,034.9 million in the six-month period ended June 30, 2022. The decrease was primarily driven by a reduction in average margins across all businesses combined with a reduction in volumes. Margins in Europe remained heavily impacted by low-cost imports from Asia although the stabilization of the European energy markets brought some relief. Margins reduced in the American market as demand weakened and low-cost imports from Asia drove margins down across all products. The Asian market remained subdued across all businesses due to soft demand combined with additional capacities.

Distribution costs. Distribution costs decreased by €144.0 million, or 30.3%, to €331.2 million in the six-month period ended June 30, 2023, from €475.2 million in the six-month period ended June 30, 2022. This was mainly due to lower sales volumes and lower transportation prices due to stabilization of the logistics market after the COVID-19 pandemic.

Administrative expenses. Administrative expenses increased by €36.2 million, or 14.3%, to €288.7 million in the six-month period ended June 30, 2023, from €252.5 million in the six-month period ended June 30, 2022 mainly due to higher manpower costs and general overheads as a result of high inflation and the negative foreign exchange impact caused by a stronger US dollar versus the euro in the six-month period ended June 30, 2023, as compared to the same period in 2022.

Operating profit. Operating profit decreased by €1,098.8 million, or 84.1% to €208.4 million in the six-month period ended June 30, 2023, from €1,307.2 million in the six-month period ended June 30, 2022.

Share of profit of joint ventures and associated undertakings. Share of profit of joint ventures and associated undertakings decreased by €152.1 million, or 89.8%, to €17.3 million in the six-month period ended June 30, 2023, from €169.4 million in the six-month period ended June 30, 2022. Share of profit of joint ventures has fallen across all regions. Demand remained weak across all Asian countries pushing margins of acetic acid and VAM down. In the American market, methanol margins were also negatively impacted by weak demand.

Loss on disposal of investments. Loss on disposal of investments was €nil for the six-month period ended June 30, 2023, as compared to €0.1 million for the same period in 2022.

Profit on disposal of property, plant and equipment. Profit on the disposal of property, plant and equipment was €1.6 million for the six-month period ended June 30, 2023, as compared to €3.4 million for the same period in 2022.

Profit before net finance costs. Profit before net finance costs decreased by €1,252.6 million, or 84.6%, to €227.3 million for the six-month period ended June 30, 2023, as compared to €1,479.9 million for the same period in 2022.

Finance income. Finance income increased by €3.8 million, or 5.4%, to €74.3 million in the six-month period ended June 30, 2023 from €70.5 million in the six-month period ended June 30, 2022. The main reasons for the increase were higher fair value gains of €36.5 million on commodity derivatives and higher interest income of €27.9 million, which were partially offset by the decrease in foreign exchange gains (predominantly due to translation effects from intercompany loans) of €66.1 million in the six-month period ended June 30, 2023, compared to the comparative period.

Finance costs before exceptionals. Finance costs before exceptionals increased by €67.6 million, or 44.8%, to €218.6 million in the six-month period ended June 30, 2023 from €151.0 million in the six-month period ended June 30, 2022. The main reason for the increase was €85.5 million of higher interest expense due to the increase in interest rates and the new 2030 Term Loan B Facilities borrowed under the 2020 Term Loan Facilities Agreement in March 2023 and the increase in foreign exchange losses of €15.1 million which were partially offset by the decrease in fair value losses of €33.2 million on commodity derivatives in the six-month period ended June 30, 2023, compared to the comparative period.

Exceptional finance costs. Exceptional finance costs were €nil in the six-month period ended June 30, 2023, as compared to €4.3 million in the six-month period ended June 30, 2022. Following the early repayment of the Term Loan A Facilities on May 31, 2022, the Group wrote off €4.3 million of unamortized debt issue costs associated with these borrowings in the comparative period.

Profit before tax. Profit before income tax decreased by €1,312.1 million, or 94.1%, to €83.0 million in the six-month period ended June 30, 2023, from €1,395.1 million in the six-month period ended June 30, 2022.

Tax charge. Tax charge decreased by €261.3 million, or 96.6%, to €9.1 million in the six-month period ended June 30, 2023, from €270.4 million in the six-month period ended June 30, 2022. The underlying effective tax rate for the six-month period ended June 30, 2023 was 11.0% compared to 19.4% in the comparative period. The lower anticipated effective tax rate for the six-month period ended June 30, 2023 as compared to the same period in 2022 resulted from profits mainly made in regions with lower rates and losses mainly made in regions with higher rates.

Profit for the period. Profit for the period decreased by €1,050.8 million, or 93.4%, to €73.9 million in the six-month period ended June 30, 2023, from €1,124.7 million in the six-month period ended June 30, 2022.

Business segments

The Group reports under four business segments: Styrolution, INOVYN, Acetyls and Aromatics.

The following table provides an overview of the historical revenue and Adjusted EBITDA of each of the business segments for the periods indicated:

	Six-Month Period Ended June 30,	
	2022	2023
	(€ in millions)	
Revenue		
Styrolution	3,512.8	2,387.9
INOVYN	2,699.5	2,015.4
Acetyls	770.9	459.3
Aromatics	2,744.4	1,797.6
Eliminations	(52.1)	(11.1)
	9,675.5	**6,649.1**

	Six-Month Period Ended June 30,	
	2022	2023
	(€ in millions)	
Adjusted EBITDA		
Styrolution	540.3	98.0
INOVYN	665.4	426.8
Acetyls	272.2	50.3
Aromatics	326.2	18.6
	1,804.1	**593.7**

Styrolution

Revenue. Revenue in the Styrolution Business decreased by €1,124.9 million, or 32.0%, to €2,387.9 million in the six-month period ended June 30, 2023, as compared to €3,512.8 million for the same period in 2022. The decrease in revenue was driven by lower sales prices combined with lower volumes. Polymer sales volumes were lower due to general economic uncertainty and customers postponing orders. This was partially offset by higher external styrene monomer sales volumes as less monomer was internally consumed by polymers. High energy prices, inflation and increasing interest rates generally weakened the overall market sentiment. This was prevalent in all regions and industry sectors. Demand for durables reduced compared to the strong demand seen in the first half of 2022. Automotive remained the most stable sector, while packaging, electronics and construction were particularly soft. Average sales prices decreased across all product groups and all regions due to the weaker demand and new capacity in Asia.

Adjusted EBITDA. Adjusted EBITDA in the Styrolution Business decreased by €442.3 million, or 81.9%, to €98.0 million in the six-month period ended June 30, 2023, as compared to €540.3 million in the same period in 2022. Business profitability in the six-month period ended June 30, 2023, was impacted by a reduction in margins, primarily in styrene monomer and polymers in Asia where low demand combined with additional capacity in China drove lower margins. The comparative period was by contrast characterized by high margins due to the strong demand in the first half of 2022. Gross margins were impacted by inventory losses of €19.0 million due to continuously reducing prices in the six-month period ended June 30, 2023 as opposed to inventory gains of €113.3 million in the comparative period.

INOVYN

Revenue. Revenue in the INOVYN Business decreased by €684.1 million, or 25.3%, to €2,015.4 million in the six-month period ended June 30, 2023, as compared to €2,699.5 million for the same period in 2022. The decrease in turnover was driven by lower sales volumes of the business's key products and lower pricing of PVC, partially offset by higher pricing of caustic soda. General purpose PVC sales volumes and pricing in domestic markets was significantly lower than the prior year due to weak demand, high industry stock levels and ample supply complemented by higher-than-normal volumes of competitively priced imports. Export sales volumes were higher than the comparative period due to very weak demand in European markets, but pricing was lower on the back of subdued global demand and abundant availability of material from China and the US forcing low-cost producers from these regions into export markets. Specialty PVC volumes and pricing in the European market was lower than the comparative period with customers acting cautiously against a background of difficult economic conditions and lack of consumer confidence. Export specialty PVC sales in the first half of 2023 were affected by lower internal Chinese demand resulting in continued increased competition. Demand for caustic soda, in a well-supplied European market, was well below historical levels in the first half of 2023 with the operating rate of European chlorine producers averaging around 60% compared to 70% for full year 2022. Exports sales volumes of caustic soda represented 16% of total volumes in the first half of 2023 compared to 2% in the same period in 2022 as a consequence of the weak demand levels in Europe. The average caustic soda European contract price in the first half of 2023 was €907/ton compared to the record highs of €2,407/ton in the fourth quarter of

2022 but was nevertheless 36% higher than the first half of 2022. Export caustic soda prices were lower than the comparative period due to weak demand in the US and Asian markets leading to a global excess of supply with producers in those regions looking for options outside their domestic markets to sell this excess. Revenues of other products such as caustic potash, epichlorohydrin, chloromethanes and salt were lower than in the first half of 2022.

Adjusted EBITDA. Adjusted EBITDA in the INOVYN Business decreased by €238.6 million, or 35.9%, to €426.8 million in the six-month period ended June 30, 2023, as compared to €665.4 million in the same period in 2022. The decrease in Adjusted EBITDA compared to the first half of 2022 was mainly the result of lower volumes of general purpose PVC, speciality PVC and caustic soda, with unitary PVC margin reductions partially offset by higher caustic soda pricing and lower energy costs. As a result of the subdued demand environment for general purpose PVC, the spread over ethylene in domestic markets was 50% lower than in the first half of 2022, with even greater decreases observed in export markets. Margins on specialty PVC remained healthy, albeit at lower levels than in the comparative period. Offsetting these negative impacts was the aforementioned increase in the European caustic soda contract price and the stabilization of European electricity and natural gas markets with EEX (German power) and TTF (Dutch natural gas) indices trading at levels that were 44% and 57%, respectively, lower than in the first half of 2022, although prices were still high compared to historical levels. Lower margins were achieved in the first half of 2023 on other products such as Cereclor, epichlorohydrin, chloromethanes and caustic potash due to a combination of volume and price impacts.

Acetyls

Revenue. Revenue in the Acetyls Business decreased by €311.6 million, or 40.4%, to €459.3 million in the six-month period ended June 30, 2023, as compared to €770.9 million for the same period in 2022. The decrease in revenues compared to the prior year period was driven by lower sales volumes combined with lower average sales prices compared to the first half of 2022. Sales volumes were 28% lower compared to the same period in the prior year because of a reduction in volumes across all regions. Challenging market conditions continued in Europe with an oversupply issue, compounded by weak demand, low cost imports from Asia and unpredictable fluctuations in gas prices. In Asia, demand remained weak with plant industry average operating levels at around 70%. Production rates were also curtailed in the US due to weak demand. Sales prices were down across all regions compared with the first half of 2022 as recessionary pressures coupled with an oversupplied market exacerbated the downward trend. European acid prices have fallen by 26% to an average of €963 per metric ton in the first half of 2023 compared to same period in 2022, while Asian prices eroded by 40% to €410 per metric ton US acid prices experienced an increase of nearly 35% to €695 per metric ton in the first half of 2023 compared to same period in 2022.

Adjusted EBITDA. Adjusted EBITDA in the Acetyls Business decreased by €221.9 million, or 81.5%, to €50.3 million in the six-month period ended June 30, 2023, as compared to €272.2 million in the same period in 2022. The Adjusted EBITDA decrease was mainly driven by a reduction in volumes coupled with a reduction in margins across all regions. Among the regions, Asia experienced the sharpest reduction in margins with a drop of 40% compared to the same period in the prior year driven by a lack of demand and higher energy costs. Europe also experienced a reduction in margins driven by inflationary pressures and high energy costs while the US experienced a relatively stable environment during the first half of 2023 compared to the same period in 2022. Share of profit of joint ventures and associated undertakings decreased by €141.0 million compared to the same period in 2022 mainly due to weak demand across Asia combined with additional volume coming on stream during the second half of 2022.

Aromatics

Revenue. Revenue in the Aromatics Business decreased by €946.8 million, or 34.5%, to €1,797.6 million in the six-month period ended June 30, 2023, as compared to €2,744.4 million for the same period in 2022. The decrease in revenues compared to the prior year period was driven by lower sales volumes and lower average sales prices across all regions. PTA sales volumes were down by 40% in the US and by 48% in Europe compared to the first half of 2022. The reduction in volumes in the US was driven by key customers reducing their purchase volume in response to weak demand and higher imports from Asia. The European market remained subdued due to ongoing weak demand. Volumes in Asia were lower due to a planned turnaround at the plant in Zhuhai, China. Sales prices were lower compared to the first half of 2022 in all regions due to a reduction in crude oil prices.

Adjusted EBITDA. Adjusted EBITDA in the Aromatics Business decreased by €307.6 million, or 94.3%, to €18.6 million in the six-month period ended June 30, 2023, as compared to €326.2 million in the same period in 2022. The Adjusted EBITDA decrease was mainly driven by a reduction in volumes in all regions and a reduction in margins in the US, partially offset by improved margins in Europe. In the US, margins decreased versus the same period in 2022 as increased discounts were required to secure sales volume in a weak demand environment. In Europe, margins improved as cost competitiveness started to return due to lower material and energy costs. In Asia, margins remained flat compared to the comparative period as the ongoing oversupply kept margins subdued. Adjusted EBITDA was negatively impacted by €6.6 million of inventory losses in the six-month period ended June 30, 2023 due to a decrease in crude oil prices compared to gains of €205.7 million in the comparative period, when crude oil prices had risen sharply.

Year Ended December 31, 2022, Compared With Year Ended December 31, 2021

The following table sets forth, for the periods indicated, our revenue and expenses and such amounts as a percentage of revenue.

	For the year ended December 31,			
	2021		2022	
	€	%	€	%
Revenue	**14,932.2**	**100.0**	**18,172.3**	**100.0**
Cost of sales before exceptional items	(11,821.5)	(79.2)	(15,171.7)	(83.5)
Exceptional cost of sales	(140.6)	(0.9)	-	-
Total cost of sales	(11,962.1)	(80.1)	(15,171.7)	(83.5)
Gross profit	**2,970.1**	**19.9**	**3,000.6**	**16.5**
Distribution costs	(814.5)	(5.5)	(901.9)	(5.0)
Administrative expenses before exceptional items	(440.0)	(2.9)	(474.8)	(2.6)
Exceptional administrative expenses	(41.1)	(0.3)	(5.1)	(0.0)
Total administrative expenses	(481.1)	(3.2)	(479.9)	(2.6)
Operating profit	**1,674.5**	**11.2**	**1,618.8**	**8.9**
Share of profit of associates and joint ventures using the equity method	462.0	3.1	233.6	1.3
Dividends received from other investments	2.5	-	2.6	-
Impairment of investments	(1.0)	-	-	-
Loss on disposal of equity accounted investments	-	-	(26.6)	(0.1)
Profit on disposal of controlling stake in businesses	-	-	710.3	3.9
Profit on disposal of property, plant and equipment	4.3	-	5.6	-
Profit before net finance costs	**2,142.3**	**14.3**	**2,544.3**	**14.0**
Finance income	101.8	0.7	89.6	0.5
Finance costs before exceptional items	(273.1)	(1.8)	(287.0)	(1.6)
Exceptional finance costs	(68.9)	(0.5)	(4.3)	-
Total finance costs	(342.0)	(2.3)	(291.3)	(1.6)
Net finance costs	(240.2)	(1.6)	(201.7)	(1.1)
Profit before tax	**1,902.1**	**12.7**	**2,342.6**	**12.9**
Tax charge	(326.0)	(2.1)	(377.7)	(2.1)
Profit for the year	**1,576.1**	**10.6**	**1,964.9**	**10.8**

Consolidated Results

Revenue. Revenue increased by €3,240.1 million, or 21.7%, to €18,172.3 million in the year ended December 31, 2022 from €14,932.2 million in the year ended December 31, 2021. Total volumes were lower than in the prior year, but absolute revenues increased due to higher selling prices. In the first half of the year, demand remained resilient despite the high inflation and the energy crisis in Europe. The second half of the year saw a softening in demand with customers de-stocking due to market uncertainty and expectations of future price reductions. Increased competition from Asian products into the Americas and Europe in the second half of 2022 also softened the demand in these regions. The average prices in 2022 were higher than prices in the comparative year in Europe and Americas as the businesses were mainly able to pass over the increase in utility prices to their customers.

Cost of sales before exceptional items. Cost of sales before exceptional items increased by €3,350.2 million, or 28.3%, to €15,171.7 million in the year ended December 31, 2022 from €11,821.5 million in the year ended December 31, 2021. The increase was primarily the result of higher costs of the Group's key raw materials, including ethylene, benzene and methanol (linked to higher oil prices), and higher electricity and natural gas costs. Additionally, some presentational changes were implemented in 2022 with some income in relation to utilities recharge being classified in cost of sales versus administrative expenses in the prior year. These reclassifications have led to fewer expenses being presented in cost of sales and more within administrative expenses before exceptional items.

Exceptional cost of sales. Exceptional cost of sales decreased by €140.6 million, to €nil in the year ended December 31, 2022 from €140.6 million in the year ended December 31, 2021. The exceptional costs in the prior year

were all incurred by the INOVYN Business on exceptional provisions in relation to decommissioning, demolition, remediation associated with mercury contamination as well as obligations under the EU Water Directive.

Gross profit. Gross profit increased by €30.5 million, or 1.0%, to €3,000.6 million in the year ended December 31, 2022, from €2,970.1 million in the year ended December 31, 2021. The increase in gross profit was mainly driven by the INVOYN Business, which achieved its highest profitability since the formation of the business in 2015. The business performance was primarily supported by the unprecedently high pricing of caustic soda, which despite the weakening demand environment in the second half of 2022, reached record levels in Europe. On other products, margins in Europe were heavily impacted by high energy prices and the impact of Asian prices as an alternative for our customers and were mainly lower compared to the prior year. Margins in the Americas were higher than prior year in relation to PTA and acetic acid. Margins in Asia were lower than compared to the prior year driven down by an oversupplied market for the majority of the Group's products.

Distribution costs. Distribution costs increased by €87.4 million, or 10.7%, to €901.9 million in the year ended December 31, 2022, from €814.5 million in the year ended December 31, 2021. This was due to higher variable transportation rates due to overall inflation as well as negative foreign exchange impact, partly offset by lower overall volumes.

Administrative expenses before exceptional items. Administrative expenses before exceptional items increased by €34.8 million, or 7.9%, to €474.8 million in the year ended December 31, 2022 from €440.0 million in the year ended December 31, 2021. Cost control measures were introduced to reduce discretionary spending in response to the energy crisis in Europe and the overall softening of demand in the second half of the year. Despite those measures, overall administrative expenses increased due to general inflationary pressure and the negative foreign exchange impact driven by a stronger US dollar versus the euro. As mentioned above, some presentational changes were made in 2022 distorting the year-on-year comparison, as income in relation to utilities recharges was classified as administrative expenses in the prior year, while these recharges were classified as cost of sales in the current year.

Exceptional administrative expenses. Exceptional administrative expenses decreased by €36.0 million, or 87.6%, to €5.1 million in the year ended December 31, 2022, as compared to €41.1 million for the year ended December 31, 2021. In 2022, the Aromatics Business incurred €5.1 million of expenses in respect of manpower reorganizations and cancellation of projects started under BP ownership which are no longer being pursued. In 2021, the newly acquired Aromatics and Acetyls Businesses incurred €37.8 million of expenses in respect of manpower reorganizations and various IT-related costs following the cessation of the IT transitional service agreement with BP. Moreover, the Group incurred a further €4.1 million of acquisition-related fees in connection with the Aromatics and Acetyls Businesses in 2021.

Operating profit. Operating profit decreased by €55.7 million, or 3.3%, to €1,618.8 million in the year ended December 31, 2022 from €1,674.5 million in the year ended December 31, 2021.

Share of profit of associates and joint ventures using the equity method. Share of profit of joint ventures and associated undertakings decreased by €228.4 million, or 49.4% to €233.6 million in the year ended December 31, 2022 from €462.0 million in the year ended December 31, 2021. This was mainly driven by lower performance of the Asian Acetyls joint ventures as lower sales prices and higher feedstock prices reduced margins significantly. Profit of the Atlas Methanol Company Limited joint venture in Trinidad was also lower than the prior year due to lower sales volumes and lower margins.

Dividends received from other investments. Dividends received from other investments was €2.6 million for the year ended December 31, 2022, as compared to €2.5 million for the same period in 2021. The dividends were received from Tereftalatos Mexicanos S.A. de C.V. and Akra Polyester, S.A. de C.V., in which the Group holds respectively an 8.55% and 6.65% shareholding.

Impairment of investments. Impairment of investments was €1.0 million for the year ended December 31, 2021.

Loss on disposal of equity accounted investments. Loss on disposal of equity accounted investments was €26.6 million for the year ended December 31, 2022, as compared to €nil for the same period in 2021. The impairment loss resulted from the exchange of the Group's respective shareholding interest of 30% in Tricoya UK Limited and 9% in Tricoya Technologies Limited against 7,500,000 shares in Accsys Technologies Plc.

Profit on disposal of controlling stake in businesses. Profit on the disposal of controlling stake in businesses was €710.3 million for the year ended December 31, 2022, as compared to €nil for the same period in 2021. The disposal of INEOS Styrolution APAC Pte Limited in November 2022 resulted in a loss of €47.1 million. The transfer of 50% of the shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to China Petroleum & Chemical Corporation in December 2022 resulted in a gain of €757.4 million.

Profit on disposal of property, plant and equipment. Profit on the disposal of property, plant and equipment increased by €1.3 million, or 30.2%, to €5.6 million for the year ended December 31, 2022, as compared to a loss of €4.3 million for the same period in 2021. Most of the profit in 2022 related to the sale of precious metal catalysts in Zhuhai, China. Most of the profit in 2021 relates to the sale of a parcel of land at Merak, Indonesia.

Profit before net finance costs. Profit before net finance costs decreased by €402.0 million, or 18.8%, to €2,544.3 million for the year ended December 31, 2022, as compared to €2,142.3 million for the same period in 2021.

Finance income. Finance income decreased by €12.2 million, or 12.0%, to €89.6 million in the year ended December 31, 2022 from €101.8 million in the year ended December 31, 2021. The decrease was primarily the result of €32.3 million of lower exchange gains on intercompany loans (including financing between consolidated subsidiaries) compared to the prior year.

Finance costs before exceptionals. Finance costs before exceptionals increased by €13.9 million, or 5.1%, to €287.0 million in the year ended December 31, 2022 from €273.1 million in the year ended December 31, 2021. The increase was primarily the result of €24.5 million of higher interest charges due to increased interest rates which was partially offset by €20.0 million of lower charges in the current year on derivative fair value movements.

Exceptional finance costs. Exceptional finance costs decreased by €64.6 million, or 93.8%, to €4.3 million in the year ended December 31, 2022 from €68.9 million in the year ended December 31, 2021. Following the early repayment of the Term Loan A Facilities on May 31, 2022, the Group wrote-off €4.3 million of unamortized debt issue costs associated with these borrowings. An exceptional finance costs of €52.7 million in 2021 was in respect of the write-off of unamortized debt issue costs associated with the Term Loan A Facilities, the Bridge Facilities and the INOVYN Senior Secured Term Loan B Facility that were repaid on January 29, 2021. In addition, a finance charge of €16.2 million from a related party was incurred in respect of funding provided for the acquisition of the Aromatics and Acetyls businesses.

Profit before tax. Profit before tax increased by €440.5 million, or 23.2%, to €2,342.6 million in the year ended December 31, 2022 from €1,902.1 million in the year ended December 31, 2021.

Tax charge. Tax charge increased by €51.7 million, or 15.9%, to a charge of €377.7 million in year ended December 31, 2022 from a charge of €326.0 million in the year ended December 31, 2021. After adjusting for the profit from the share of associates and joint ventures, the effective tax rate for the Group for the year ended December 31, 2022 was 18%, as compared to 23% in 2021. The effective tax rate for the Group was lower than the standard rate in the United Kingdom of 19% as profits made in regions with lower rates more than offset profits made in regions with higher rates than the standard rate.

Profit for the year. Profit for the year increased by €388.8 million, or 24.7%, to €1,964.9 million in the year ended December 31, 2022 from €1,576.1 million in the year ended December 31, 2021.

Business Segment

The Group reports under four business segments: Styrolution, INOVYN, Acetyls and Aromatics.

The following table provides an overview of the revenue and Adjusted EBITDA of each of the business segments for the periods indicated:

	For the year ended December 31,	
	2021	2022
	(€ in millions)	
Revenue		
Continuing operations		
Styrolution	5,889.7	6,634.3
INOVYN	4,225.6	5,136.2
Acetyls	1,219.0	1,369.6
Aromatics	3,683.2	5,115.2
Eliminations	(85.3)	(83.0)
	14,932.2	**18,172.3**
Adjusted EBITDA		
Continuing operations		
Styrolution	1,180.3	748.6
INOVYN	974.4	1,176.0
Acetyls	622.0	363.4

Aromatics	262.4	284.4
	3,039.1	**2,572.4**

Styrolution

Revenue. Revenue increased by €744.6 million, or 12.6%, to €6,634.3 million in the year ended December 31, 2022 from €5,889.7 million in the year ended December 31, 2021. A strong first half of the year supported by high demand particularly for durables continuing the trend started during COVID, was followed by softness in the second half of the year with customers de-stocking due to market uncertainty and expectations of further price reductions. Open arbitrage from Asian products into the Americas and Europe in the second half of 2022 softened the demand in these regions. As a result, the overall volumes for the year were lower compared to the prior year, also affected by the divesture of INEOS Styrolution India Limited in November 2022. The average prices in 2022 were higher than prices in the comparative year and more than compensated for lower sales volumes. Revenues in 2022 included €71.9 million of royalty revenue from the sale of intellectual property to the newly created joint ventures and Sinopec.

Adjusted EBITDA. Adjusted EBITDA decreased by €431.7 million, or 36.6%, to €748.6 million in the year ended December 31, 2022 from €1,180.3 million in the year ended December 31, 2021. Softer demand combined in all regions and most product groups resulted in reduced margins in 2022. The open arbitrage from Asian product into the Americas and Europe impacted margins in these regions. The margin reduction came primarily from the global ABS business. A reduction in polystyrene margins in Asia was partially offset by higher polystyrene margins in Europe and Americas as an increase in utility prices were successfully passed onto customers.

INOVYN

Revenue. Revenue increased by €910.6 million, or 21.5%, to €5,136.2 million for the year ended December 31, 2022, as compared to €4,225.6 million for the same period in 2021. Total volumes were lower than the prior year period, but absolute revenues increased due to extremely high pricing on key products. Production and sales volumes of key products, including general purpose PVC, specialty PVC and caustic soda, were lower than the prior year as high inflation and the energy crisis in Europe resulted in weaker demand in the second half of 2022. European producers also faced more competition from US and Asian imports. Average sales prices of general purpose and specialty PVC in Europe reached record levels in 2022 due to higher ethylene feedstock and energy input costs. Reductions in chlorine production (and hence co-produced caustic soda production) due to high electricity prices and low PVC demand led to very tight caustic soda markets in Europe despite a weaker demand environment, with price records being broken in each successive quarter of 2022. The European contract price of caustic soda (as reported by Chemical Market Analytics) reached €2,407 per ton in the fourth quarter of 2022, while the average annualized European contract price of caustic soda in 2022 was 194% higher than in 2021. 2022 also benefited from significantly higher prices of caustic potash, and chlorine derivatives such as Cereclor, chloromethanes and epichlorohydrin.

Adjusted EBITDA. Adjusted EBITDA increased by €201.6 million, or 20.7%, to €1,176.0 million for the year ended December 31, 2022, as compared to €974.4 million for the same period in 2021. Business profitability in 2022 was the highest annual performance since the formation of INOVYN in 2015, despite the energy crisis in Europe and the aforementioned reduction in sales volumes of general purpose PVC, specialty PVC and caustic soda. This was mainly due to the unprecedently high pricing of caustic soda, which, despite the weakening demand environment in the second half of 2022, reached record levels in Europe. The primary driver was low chlorine production rates across Europe as a consequence of high electricity prices and low PVC demand due to the conflict in Ukraine. On an annualized basis, the achieved spread of general purpose and specialty PVC prices over ethylene were also higher than the prior year with demand remaining resilient in the first half of the year. However, by the second half of the year, demand and therefore spreads had weakened considerably which forced European PVC producers to reduce plant operating rates. Sales volume of other products such as caustic potash, chloromethanes, epichlorohydrin and salt were lower than in 2021 but absolute margins achieved increased due to healthy market conditions for most of the year.

Acetyls

Revenue. Revenue increased by €150.6 million, or 12.4%, to €1,369.6 million for the year ended December 31, 2022, as compared to €1,219.0 million for the same period in 2021. Total volumes were lower than the prior year period, but absolute revenues increased due to higher selling prices. In Europe, volumes were down due to the challenging environment which has seen rising raw material prices as well as weakened demand for both acid and anhydride as customers struggle with affordability on the back of the high gas cost. European sales prices were up as increasing gas prices were reflected in cost plus and market reference sales contracts for acetic acid and anhydride. In the US, volumes were down due to reduced customer demand and an unplanned shutdown at a third-party plant. US acetic acid prices increased again driven by increasing gas prices.

Adjusted EBITDA. Adjusted EBITDA decreased by €258.6 million, or 41.6%, to €363.4 million for the year ended December 31, 2022, as compared to €622.0 million for the same period in 2021. Lower business profitability was mainly driven by a lower share of joint venture net profit partially offset by higher margins in the US. Share of joint venture net profit from the Asian joint ventures were down as lower sales prices coupled with higher feedstock prices reduced margins significantly. Net profits of the Korean joint venture were partially supported by higher volumes and higher margins of VAM as demand in this sector was strong, although this started to soften toward the end of the year. Net profit of the Atlas joint venture was down compared to last year due to lower sales volumes, lower margins as a higher methanol discounts were offered and higher fixed costs due to unplanned outages. The US has been the largest contributor, with 40% of customers on cost plus sales pricing allowing the higher feedstock prices to be passed on to customers. Margins in Europe were lower compared to the prior year due to high energy costs, increased freight charges, significant flaring costs due to reduction in production and lower sales volumes, offsetting higher sales prices.

Aromatics

Revenue. Revenue increased by €1,432.0 million, or 38.9%, to €5,115.2 million for the year ended December 31, 2022, as compared to €3,683.2 million for the same period in 2021. Total volumes were lower than the prior year period, but absolute revenues increased due to higher selling prices as increased raw material costs were passed onto customers. In Europe, high inflation and the energy crisis in Europe weakened the demand. High production costs made European producers uncompetitive versus Asian import volumes. The PTA sales volumes in the US remained strong through the first half of the year but then slowed significantly in the last quarter due to the combined effect of increasing volume of Asian imports of PTA and PET and a slowdown in demand as a result of fiscal policy. Asian volumes were at a similar level to the prior year. The price of mixed xylenes increased significantly during 2022 as a result of the sharp rise in gasoline prices globally. As xylene is the key raw material for PX and ultimately PTA, this then drove the absolute prices of our products higher throughout the year. As a reference, the US PX price ended in December 2021 at $992 per metric ton and closed 2022 at $1,235 per metric ton. However during 2022 the US PX price peaked at $2,282 per metric ton, a 130% increase in price compared to the start of the year.

Adjusted EBITDA. Adjusted EBITDA increased by €22.0 million, or 8.4%, to €284.4 million for the year ended December 31, 2022, as compared to €262.4 million for the same period in 2021. Business performance for 2022 improved versus the prior year as lower sales volume were more than offset by higher margins and lower fixed costs. PTA margins in the US were better than in prior year and the profitability fundamentals of the business remained strong. Margins in Europe were adversely impacted by high energy prices and the impact of Asian prices as an alternative for our customers. The fall in energy prices in the last quarter of 2022 brought an improvement in margins. Margins in Asia continued to be structurally pared back by an oversupplied PTA market, but the business has seen improvements in the export margins from Zhuhai for international sales. In addition, the business has focused the sales of Zhuhai tons more towards the PET resin market, rather than fiber, as the customers for PET resins have a more reliable demand.

Liquidity and Capital Resources

Capital Resources

Our historical liquidity requirements have arisen primarily from the need for us to meet our debt service requirements, to fund capital expenditures for the general maintenance and expansion of our production facilities and for new facilities, to fund movements in our working capital and to pay taxes.

Our primary sources of liquidity are cash flows from operations of subsidiaries, cash on our balance sheet, borrowings under our Securitization Programs and other facilities. As of June 30, 2023, cash balances and undrawn working capital facilities totaled €2,716.1 million and our Securitizations Programs remained undrawn. Our ability to generate cash from our operations depends on future operating performance, which is in turn affected by general economic, financial, competitive market, legislative, regulatory and other factors, many of which are beyond our control.

We believe that our operating cash flows, together with the cash resources and borrowings under the Securitization Programs and other facilities allow us to sufficiently fund our working capital requirements, anticipated capital expenditures and debt service requirements as they come due, although this may not be the case. Management estimates that, even in a downturn in the business cycle and weaker market conditions, we would have sufficient liquidity to meet our anticipated liabilities when due without incurring unacceptable losses or risking damage to our reputation.

Our working capital requirements depend on market price developments of our key feedstocks, market demand and planned maintenance. We anticipate that our working capital requirements will vary due to changes in raw material prices, which affect inventory, accounts receivable and accounts payable levels as well as sales volumes. Working capital levels typically develop in line with raw material prices, although timing factors can affect flows of capital. We expect to fund our working capital requirements with cash generated from operations and drawings under the Securitization Programs.

Financing Arrangements

As of June 30, 2023, the Group's financing arrangements included €800.0 million and $500.0 million of Senior Secured Notes due 2026, €600.0 million of Senior Secured Notes due 2027, €500.0 million Senior Notes due 2026, €1,500.0 million and $1,960.0 million Term Loan B facilities due 2026, €450.0 million and $195.7 million Term Loan B Facilities due 2027 and €375 million and $500 million Term Loan B Facilities due 2030. Our financing arrangements also include Securitization Programs, which as at June 30, 2023 had a total capacity of €840.0 million and an available drawdown amount of €577.0 million, none of which was drawn. The programs are subject to certain borrowing limits that are adjusted periodically based on the amount of eligible trade receivables available at the time of adjustment. In addition, there are lease liabilities of €290.2 million.

The Group also has various short-term credit facilities with different local banks to fund our working capital requirements in China, Malaysia, Singapore, South Korea, Thailand and the United Kingdom.

On January 21, 2022, INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd. entered into a new term loan agreement with Bank of China and ICBC to provide a RMB 3,300.0 million financing for the construction of the new 600 kiloton ABS plant in Ningbo, China. The term loan facility matures in 2032 and has a straight-line semi-annual amortization over the lifetime commencing after the start of operations. On December 28, 2022, a subsidiary of the Group completed an equity transfer agreement with China Petroleum & Chemical Corporation relating to the sale and purchase of 50% equity interest in INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd. As a result of this divesture, the obligations of the Group under this term loan facility have been transferred to the newly created joint-venture and disposed of in the Group consolidated financial statements. As at December 31, 2022, the amount utilized against the facility was RMB 3,035.2 million (€408.2 million equivalent). The Group provides a parent company guarantee on the term loan during the construction phase, which is expected to be completed in the first quarter of 2024.

We or our affiliates may repay, redeem or repurchase any of our outstanding debt instruments, including term loans and notes, at any time and from time to time in the open market, in privately negotiated transactions, pursuant to one or more tender or exchange offers or otherwise, upon such terms and with such consideration as we or any such affiliate may determine. The amounts involved may be material.

Capital expenditures

As part of our strategy to focus capital investments on improving returns, we have instituted measures to ensure the most efficient uses of capital investment. We intend to manage capital expenditures to maintain our well-invested asset base.

During the year ended December 31, 2022 and 2021 and the six-month periods ended June 30, 2023 and 2022, capital expenditures, inclusive of acquisitions of property, plant and equipment, analyzed by business segment were as follows:

	For the year ended December 31,		For the six months ended June 30,	
	2021	2022	2022	2023
		(€ in millions)		
Styrolution	477.0	551.0	212.9	72.3
INOVYN	175.6	242.3	83.1	106.9
Acetyls	46.8	34.3	12.6	27.6
Aromatics	50.8	41.8	23.8	2.2
Total	**750.2**	**869.4**	**332.4**	**209.0**

The most significant expenditures in the six-month period ended June 30, 2023, in the Styrolution Business, were in relation to a new 100 kiloton ASA plant at Bayport, Texas and the development of a new technology to recycle styrene monomer. In the INOVYN Business, the most significant expenditures consisted of a new mechanical vapor recompression salt plant at Tavaux, France, a brine borehole drilling program at Northwich, UK and general safety, health and environmental ("SHE")/sustenance expenditure. There were also planned turnaround events of the chlor-alkali and VCM assets at Martorell in Spain. In the Acetyls Business, the most significant expenditures were mainly on sustenance and safety compliance work. In the Aromatics Business, the most significant expenditures consisted of planned turnarounds at Zhuhai in China and at Cooper River in the USA. For the Group, management estimates that SHE/sustenance capital expenditures represented slightly less than half the of capital expenditures for the period, with the balance representing expansion activities, and, to a much lesser degree, turnaround activities.

The most significant expenditures in the six-month period ended June 30, 2022 by the Styrolution Business mainly included a new 100 kiloton ASA plant at Bayport, Texas, and a new 600 kiloton ABS facility at Ningbo, China, which was transferred to the joint venture created with Sinopec on December 28, 2022. In the INOVYN Business, the most significant expenditures were in relation to the expansion of the SPVC plant in Jemeppe, Belgium and a new mechanical vapor recompression salt plant at Tavaux, France. The most significant capital expenditures in the Aromatics and Acetyls Businesses were mainly on sustenance and safety compliance work.

The most significant expenditures for the year ended December 31, 2022 in the Styrolution Business related to a new 600 kiloton ABS facility at Ningbo, China, which was subsequently divested into a joint venture in December 2022 and a newly built ESPN plant in the US. In addition, there were planned turnarounds, particularly at our SM plant in Sarnia, Canada. In the INOVYN Business, the most significant expenditures consisted of a SPVC capacity expansion project at Jemeppe, a new mechanical vapor recompression salt plant at Tavaux, a brine borehole drilling program at Northwich and general SHE/sustenance expenditures. There were also planned turnaround events of the chlor-alkali and VCM assets at Grenland in Norway and the cracker at Feyzin, France in the second quarter of 2022. In the Acetyls Business, the most significant capital expenditure project related to the turnaround of the A5 acetic acid plant at Hull, UK In the Aromatics Business, the most significant expenditures were mainly on sustenance and safety compliance work to keep the assets running safely and in line with regulatory requirements. In addition, capital expenditures were incurred in relation to a turnaround event at the Merak facility in Indonesia, and on an expansion project in Europe. For the Group, management estimates that capital expenditures were split roughly evenly between (i) SHE/sustenance and turnaround capital expenditures (with SHE/sustenance capital expenditures representing roughly two-thirds of that amount) and (ii) expansion capital expenditures.

The most significant expenditures in the year ended December 31, 2021 in the Styrolution Business related to a new 100 kiloton ASA plant at Bayport, Texas, a new 600 kiloton ABS facility at Ningbo, China and the conversion of a polystyrene line to a mass ABS line at Wingles, France. There were also multiple turnarounds in all regions. In the INOVYN Business, the most significant expenditures consisted of a 78 kiloton SPVC capacity expansion project at Jemeppe, Belgium, a brine borehole drilling program at Northwich, UK, initial spend on a new mechanical vapor recompression salt plant at Tavaux, France, turnarounds at Tavaux, Jemeppe, Belgium and Runcorn, UK and a new office complex at Runcorn. In the Acetyls Business, the most significant capital expenditure project related to the turnaround of the A4 acetic acid plant at Hull, UK which included reformer tube, boiler and turbine replacements. In the Aromatics Business, the most significant expenditures were related to the turnaround event at the Merak facility in Indonesia, the implementation of the Cakra Donya project at Merak and compressor repairs at the site in Texas City, US following the extreme freeze in February. For the Group, management estimates that roughly two-thirds of capital expenditures for the period were spent on expansion activities, with SHE/sustenance activities and, to a much lesser extent, turnaround activities representing the balance.

We expect that our aggregate capital expenditure for 2023 will be approximately €0.5 billion. We expect that our aggregate capital expenditure for 2024 will be approximately €0.4 billion which includes mainly turnaround and sustenance programme.

Working Capital

We anticipate that our working capital requirements will vary due to changes in raw material and energy costs, which affect inventory, accounts receivable and accounts payable levels as well as sales volumes. Working capital levels typically develop in line with raw material and energy prices, although timing factors can affect flows of capital. We expect to fund our working capital requirements with cash generated from operations and drawings under the Securitization Programs and other short-term credit facilities.

Cash Flows

During the year ended December 31, 2022 and 2021 and six-month periods ended June 30, 2023 and 2022, the Group's net cash flows were as follows:

	For the year ended December 31,		For the six months ended June 30,	
	2021	2022	2022	2023
	(€ in millions)			
Net cash flows generated from operating activities	1,825.2	1,872.1	935.1	642.8
Net cash flows generated from/(used in) investing activities	(458.9)	(269.3)	(61.9)	(105.2)
Net cash flows generated from/(used in) financing activities	(927.9)	(1,375.9)	(880.8)	86.4

Net cash flows generated from operating activities

Net cash flows from operating activities in the six-month period ended June 30, 2023 were €642.8 million, compared to €935.1 million in the same period in 2022. Positive cash flow was generated by profit generated from operations and by working capital inflows. Working capital inflows were €164.8 million in the six-month period ended June 30, 2023, compared to outflows of €505.2 million in the six-month period ended June 30, 2022. The inflows in 2023 were caused by lower closing stocks as the businesses actively managed stock levels in the current soft demand environment. Lower raw material prices led to an offsetting reduction in both trade payables and trade receivables. The outflows in 2022 were due to higher feedstock prices and higher receivables due to an increase in revenue. There were outflows of €22.6 million on provisions and employee benefits in the six-month period ended June 30, 2023 (six-month period ended June 30, 2022: €32.1 million), mainly for UK pension schemes in the INOVYN business.

Net cash flows from operating activities was an inflow of €1,872.1 million in the year ended December 31, 2022 compared to an inflow of €1,825.2 million in the year ended December 31, 2021. Positive cash flow was generated because of the strong underlying business performance. Working capital outflows were €62.6 million in 2022 (2021: outflow of €346.6 million), reflecting lower feedstock price levels and reductions in stock level, and consequently lower product prices and inventory values.

The Group made taxation payments of €75.8 million in the six-month period ended June 30, 2023 (six-month period ended June 30, 2022: €162.3 million). The largest payments were made in Germany, Switzerland and Mexico (six-month period ended June 30, 2022: Germany, the US, Switzerland, Korea, India and China).

The Group made taxation payments of €321.8 million in 2022 (2021: €291.1 million). The largest payments were made in Germany, the US, Korea, Belgium, Mexico, Switzerland, China and India. In 2021, the largest payments were made in Germany, the United Kingdom, Belgium, Mexico, Korea, China and India.

Net cash flows used in investing activities

The total cash outflow for investing activities in the six-month period ended June 30, 2023 was €105.2 million compared to €61.9 million in the same period in 2022.

The total cash outflow for investing activities in the year ended December 31, 2022 was €269.3 million compared to €458.9 million in 2021.

During the six-month period ended June 30, 2023, the Group received dividends from joint ventures and other investments of €91.7 million and €nil, respectively (six-month period ended June 30, 2022: €282.6 million and €0.8 million, respectively). The Group received €1.8 million in proceeds from the disposal of property, plant and equipment, mainly in relation to the sale of real estate in France and the sale of redundant equipment in the US (six-month period ended June 30, 2022: €7.1 million in relation to the sale of precious metal catalyst in Zhuhai, China). Expenditures on intangible assets of €8.5 million in the six-month period ended June 30, 2023 (six-month period ended June 30, 2022: €25.3 million) primarily consisted of EU and UK CO_2 emission allowances. During the six-month period ended June 30, 2023 the Group received €10.9 million of interest receipts related to external cash investments and paid €3.3 million of interest in relation to shareholder loans to related parties (six-month period ended June 30, 2022: €2.3 million and €0.3 million, respectively). In addition, €4.6 million was received from the Group's associated undertaking, INEOS Runcorn (TPS) Limited, for partial repayment of a shareholder loan in the six-month period ended June 30, 2023 (six-month period ended June 30, 2022: €2.7 million).

During the year ended December 31, 2022, the Group received dividends from joint ventures and other investments of €401.4 million (2021: €188.7 million) and €2.6 million (2020: €2.5 million), respectively. In addition, proceeds from the sale of property, plant and equipment of €16.1 million was received (2021: €6.8 million), most of which related to the sale of precious metal catalyst in Zhuhai, China and the sale of a steam boiler in the US. Total receipts of €4.2 million were also received from the Group's associated undertaking, INEOS Runcorn (TPS) Limited, and from the Group's joint venture INEOS Styrolution Sinopec Advanced Material Limited, for partial repayment of a shareholder loan (2021: €6.7 million). Expenditures of €75.7 million on intangible assets in 2022 (2021: €3.5 million) primarily consisted of product development costs, software licenses, engineering development and EU emission allowances.

On November 17, 2022, the Group sold its 61.19% shareholding in INEOS Styrolution India Limited. The total sale price was €80.7 million and the disposed business had cash balances of €14.8 million, which led to a net cash inflow of €65.9 million. On December 28, 2022, the Group transferred 50% of its shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to China Petroleum & Chemical Corporation. The total sale price was €472.6 million, of

which €246.2 million is deferred. A withholding tax of €13.5 million was paid in relation to the sale price settled on completion. The disposed business had cash balances of €40.7 million, which led to a net cash inflow of €172.2 million.

There were no other significant cash flows from investing activities in the years ended December 31, 2022 and 2021 and the six-month periods ended June 30, 2023 and 2022 other than the acquisition of property, plant and equipment (see "—*Capital expenditures*" above).

Net cash flows used in financing activities

The net cash flows used in financing activities in the six-month period ended June 30, 2023 was an inflow of €86.4 million compared to an outflow of €880.8 million in the same period in 2022.

Net cash flows used in financing activities in the year ended December 31, 2022 was an outflow of €1,375.9 million compared with an outflow of €927.9 million in 2021.

Interest payments of €194.6 million were made in the six-month period ended June 30, 2023 compared to €113.9 million in the six-month period ended June 30, 2022. The interest payments during the first six months of 2023 related primarily to scheduled cash payments in respect of the Existing Term Loan B Facilities, the Existing Senior Secured Notes, the Existing Senior Notes, the Securitization Programs of €2.1 million, lease liabilities of €6.8 million and payments to settle losses on commodity derivative contracts of €2.0 million. The interest payments during the first six months of 2022 related primarily to scheduled cash payments in respect of the Term Loan A Facilities, the Existing Term Loan B Facilities, the Existing Senior Secured Notes, the Existing Senior Notes, the Securitization Programs of €1.8 million, lease liabilities of €5.3 million and payments to settle losses on commodity derivative contracts of €6.8 million.

Interest payments of €270.2 million were made in the year ended December 31, 2022 compared to €187.7 million for the year ended December 31, 2021. The interest payments during the year ended December 31, 2022 related primarily to scheduled cash payments in respect of the Term Loan A Facilities of €3.7 million, the Existing Term Loan B Facilities of €149.7 million, the Existing Senior Secured Notes of €49.0 million, the Existing Senior Notes of €18.8 million, the Securitization Programs of €3.8 million, lease liabilities of €11.8 million and payments to settle losses on commodity derivative contracts of €20.3 million. The interest payments during the year ended December 31, 2021 primarily relate to the Existing Term Loan B Facilities and the Term Loan A Facilities of €118.2 million (including a final interest payment on the INOVYN Term Loan B Facility of €2.1 million), the Existing Senior Secured Notes and the Existing Senior Notes of €38.0 million and the Bridge Facilities of €8.4 million. Interest was also paid on the Securitization Programs of €3.4 million and lease liabilities of €11.8 million.

On March 14, 2023, the Group raised incremental debt under the 2020 Term Loan Facilities Agreement increasing the principal amount of the Euro Term Loan B borrowings by €375.0 million and the Dollar Term Loan B borrowings by $500.0 million (€471.6 million equivalent). Debt issue costs of €16.5 million were paid in relation to this transaction.

On April 22, 2022, the Group sold 13.8% of its shareholding in INEOS Styrolution India Limited for consideration of $25.1 million (€22.5 million equivalent). On August 1, 2022, the Group entered into an agreement to divest its remaining shareholding of 61.19% in INEOS Styrolution India Limited with Shiva Performance Materials Private Limited. The transaction was completed on November 17, 2022.

In January 2022, the Styrolution Business entered into a new long-term loan agreement with Bank of China and ICBC to provide RMB 3,300.0 million of financing for the construction of a new 600 kiloton ABS plant in Ningbo, China. Debt issue costs of €1.2 million were paid in relation to this transaction. Drawdowns of RMB 3,035.2 million (€431.1 million equivalent) were made in the year ended December 31, 2022. Drawdowns of RMB 1,497.6 million (€212.9 million equivalent) were made in the six-month period ended June 30, 2022. On December 28, 2022, the Group completed an equity transfer agreement with Sinopec relating to the sale of 50% equity interest in INEOS Styrolution Advanced Materials (Ningbo) PTE Ltd. As a result of this divesture, the obligations of the Group under this term loan facility were transferred to the newly created joint venture and derecognized from the Group's financial statements.

In January 2021, the Group issued the 2026 Senior Secured Notes and the 2026 Senior Notes. In addition, the Group entered into the 2026 Dollar Term Loan B Facility and the 2026 Euro Term Loan B Facility. The gross proceeds received under these borrowings were used to repay the amounts outstanding under the Bridge Facilities of €2,861.9 million, the Euro Term Loan A Facilities of €180.0 million, the INOVYN Senior Secured Term Loan B Facility of €1,064.3 million, repay the Equity Bridge Contribution in the form of a dividend to the Group's parent and to pay debt issue costs of €63.0 million in respect of this refinancing.

In the six-month period ended June 30, 2023, the Group made scheduled repayments of $10.0 million (€9.5 million equivalent) on the 2026 Dollar Term Loan B Facility (six-month period ended June 30, 2022: €9.1 million) and $1.0 million (€0.9 million equivalent) on the 2027 Dollar Term Loan B Facility (six-month period ended June 30, 2022: €0.9 million). In the six-month period ended June 30, 2022, the Group made scheduled repayments of €15.0 million on the Euro Term Loan A Facilities, $17.5 million (€15.6 million equivalent) on the Dollar Term Loan A Facilities. The Group also made total scheduled repayments of €4.7 million to the Bank of China Zhuhai branch in respect of a loan acquired as part of the Aromatics business acquisition.

On May 31, 2022, the Group repaid the amounts outstanding under the Dollar Term Loan A Facilities of $87.5 million (€83.2 million equivalent) and $210.0 million (€199.7 million equivalent) and the Euro Term Loan A Facilities of €75.0 million.

In the year ended December 31, 2022, the Group made scheduled repayments of €15.0 million on the Euro Term Loan A Facilities (December 31, 2021: €30.0 million), $17.5 million (€15.6 million equivalent) on the Dollar Term Loan A Facilities (December 31, 2021: €30.1 million), $20.0 million (€18.9 million equivalent) on the 2026 Dollar Term Loan B Facility (December 31, 2021: €8.7 million) and $2.0 million (€1.9 million equivalent) on the 2027 Dollar Term Loan B Facility (December 31, 2021: €1.7 million). The Group also made total scheduled repayments of €9.6 million to the Bank of China in respect of a loan acquired as part of the Aromatics Business acquisition (December 31, 2021: €8.7 million).

During the six-month period ended June 30, 2023 the Group made payments of €38.7 million (June 30, 2022: €43.1 million) in respect of the capital element of lease liabilities.

In the year ended December 31, 2022, the Group made payments of €82.8 million (December 31, 2021: €95.8 million) in respect of the capital element of lease liabilities.

The Group paid dividends of €500.0 million in the six-month period ended June 30, 2023 as compared to €521.0 million in the six-month period ended June 30, 2022. The Group paid dividends to minority interests of €nil in the six-month period ended June 30, 2023 as compared to €34.9 million in the six-month period ended June 30, 2022.

Interim dividends of €521.0 million were declared and paid during the year ended December 31, 2022 to the shareholder, INEOS Industries Holdings Limited, as compared to €393.3 million in the prior year. The Equity Bridge Contribution received as part of the BP Acquisition was repaid in January 2021 via a return of capital of €824.9 million.

During the year ended December 31, 2022 a dividend of €8.6 million was paid by the Group's Indian subsidiary to a non-controlling interest, as compared to €10.3 million in the prior year. A dividend of €26.3 million was also paid by INOVYN Limited to the related party holding a non-controlled interest, INEOS Intermediate ChlorVinyls Limited.

In December 2022, the Group made an intercompany loan of €500.5 million to its immediate parent, which was subsequently settled through a dividend distribution approved in January 2023.

Net debt

Total net debt as at June 30, 2023 was €5,026.6 million (December 31, 2022: €4,861.6 million), which excludes lease liabilities of €290.2 million (December 31, 2022: €289.3 million). The Group held net cash balances of €2,139.1 million as at June 30, 2023 (December 31, 2022: €1,530.1 million) which included restricted cash of €13.5 million used as collateral against bank guarantees and letters of credit. As at June 30, 2023, the Group had availability under the undrawn Securitization Programs of €577.0 million.

Total net debt as at December 31, 2022 was €4,861.6 million (December 31, 2021: €5,348.9 million), which excludes lease liabilities of €289.3 million (December 31, 2021: €299.2 million). The Group held net cash balances of €1,530.1 million as at December 31, 2022 (December 31, 2021: €1,291.3 million) which included restricted cash of €13.5 million used as collateral against bank guarantees and letters of credit. As at December 31, 2022, the Group had availability under the undrawn Securitization Programs of €840.0 million.

Quantitative and Qualitative Disclosures About Market and Operating Risks

See Note 25 to the 2022 Audited Consolidated Financial Statements for more information about market and operating risks affecting the Group's businesses.

Commodity price risk

In the ordinary course of our business, we are exposed to a variety of market risks arising from movements in the prices of the feedstock we require to make our products. To manage this exposure, we generally acquire raw materials and sell finished products at posted or market-related prices, which (i) in the case of the Styrolution Business are

typically set on a quarterly (for Specialties), monthly (for PS and ABS Specialties) or more frequent basis (for SM) in line with industry practice, (ii) in the case of the INOVYN Business, are typically set on a monthly (for PVC) and quarterly (for caustic soda) basis, and (iii) in the case of the Aromatics and Acetyls Businesses, are typically set on a quarterly or monthly basis for methanol and acetic acid, and quarterly, monthly or more frequently for natural gas. We seek to minimize reductions in our margins by passing feedstock cost increases to our customers through higher prices for our products. In general, we do not enter into hedging instruments to mitigate our exposure.

Currency risk

We are exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the euro, but also U.S. dollars. The currencies in which these transactions primarily are denominated are (i) U.S. dollar, euro, Swiss franc, Mexican peso and Korean won (in the case of the Styrolution Business), (ii) U.S. dollar, pound sterling, Norwegian krone and Swedish krona (in the case of the INOVYN Business) and (iii) U.S. dollar, euro, pound sterling, China RMB, Indonesian rupiah, Malaysian ringgit (in the case of the Aromatics and Acetyls Businesses).

The Group has established a currency risk policy under which material currency flows are analyzed and if management considers it needed the risks are mitigated. The Group looks at transactional and translation currency risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from our receivables from customers and INEOS, our ultimate owner, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with working capital requirements, capital expenditure or our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

We aim to maintain the level of our cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflows on financial liabilities over the succeeding 60 days. We also monitor the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Accounting Estimates and Judgements

The preparation of our consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in our consolidated financial statements is included in Note 31 of the 2022 Audited Consolidated Financial Statements.

Critical judgements in applying the Group's accounting policies

On July 28, 2022, INEOS and Sinopec signed a petrochemical deal to establish a total of three joint ventures for ABS, based on INEOS' proprietary ABS technology. The set-up of the first joint venture was completed on December 28, 2022. Management had to exercise critical judgement regarding the allocation of the consideration to the disposal of INEOS Styrolution SINOPEC Advanced Materials (Ningbo) Pte Ltd due to the linked nature of the transactions. The contractual arrangements are such that the first two joint ventures are accounted for together, and the third will be accounted for separately, in due course.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Post-retirement benefits

The Group operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations.

Provisions

Provisions are recognized for the cost of remediation works where there is a legal or constructive obligation for such work to be carried out. Where the estimated obligation arises upon initial recognition of the related asset, the corresponding debit is treated as part of the cost of the related asset and depreciated over its estimated useful life.

Other provisions are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change.

Estimates of the amounts of provisions recognized are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

The nature and amount of provisions as well as the key assumptions are included within the financial statements are detailed in note 21 of the 2022 Audited Consolidated Financial Statements. The discount rate applied to reflect the time value of money in the carrying amount of provisions requires estimation. The discount rate applied is reviewed regularly and adjusted following changes in market rates. If the estimated discount rate, one of the key assumptions in determining the environmental provisions, used in the calculation had been 1% higher than management's estimate, the carrying amount of the environmental provisions would have been €3.9 million lower.

Impairment tests for goodwill and other non-financial assets

Goodwill impairment testing is performed annually or of there is an indication of impairment. Goodwill impairment tests are based on cash generating units and compare the recoverable amount of the unit with the respective carrying amount. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs of disposal and its value in use. The value in use is determined using a discounted cash flow method, considering earnings forecast of the unit. The management of the Group identified the operating segments as cash generating units ("CGUs") for the purposes of testing goodwill for impairment. Each unit or group of units to which goodwill is allocated to shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. The goodwill is internally monitored at the level of business units.

Intangible assets other than goodwill assets and property, plant and equipment are generally valued at cost less amortization. Impairment losses on intangible assets and property, plant and equipment are recognized when the recoverable amount of the cash generating unit that includes the asset is lower than the respective carrying amount. In accordance with the definition of a cash generating unit under IAS 36, the individual production plants generally do not represent separate cash generating units, but are part of larger asset groups that form the cash generating units.

Since assessment whether goodwill or a non-financial asset is impaired is based on long-term business plans for the cash generating units and the determination of an appropriate discount rate, management uses significant estimates and assumptions in making these assessments. Details on the estimates used for the goodwill impairment test are disclosed in note 11 of the 2022 Audited Consolidated Financial Statements.

Partial disposal of business with joint control retained

On December 28, 2022, the Group transferred 50% of its shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to China Petroleum & Chemical Corporation (Sinopec). As a result, the Group gave up control but retained joint control. The 50% equity share in the joint venture acquired by the Group has been measured at fair value on the date of acquisition by applying the discounted cash flow method based on a long-term business plan with a detailed planning period of seven years.

The discount rate of 9.0% applied to reflect the time value of money of the cash flows expected based on the long-term business plan requires estimation. If the estimated discount rate, one of the key assumptions in determining the fair value, used in the calculation had been 1% higher than management's estimate, the fair value of 50% share of the joint venture would have been €81 million lower.

INDUSTRY AND MARKET OVERVIEW

This section presents certain market ranking information relating to our Styrolution, INOVYN, Aromatics and Acetyls Businesses. Industry data relating to our Styrolution, INOVYN, Aromatics and Acetyls Businesses has been prepared by NexantECA on the basis of capacity by owner. Such rankings split joint venture ownership pro rata amongst the joint venture partners. Historical and current market and industry data used in this section has also been obtained from internal company analyses, consultants' reports and industry publications. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of information contained therein is not guaranteed. We have not independently verified this market data and cannot guarantee its accuracy or completeness. In addition, certain statements in this section regarding our position in the industries in which we operate and our market share in such industries are based on internal company estimates, our experience and investigations of market conditions and our review of industry positions. We cannot assure you that any of the assumptions underlying those statements are accurate or correctly reflect our position in the industry. Similarly, internal company analyses, while believed by us to be reliable, have not been verified by any independent sources, and neither we nor any of the Initial Purchasers or their affiliates makes any representation as to the accuracy or completeness of such information. While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the "Risk Factors" section in this offering memorandum.

Overview of Our Principal Industries

The Styrenics Industry

Our Styrolution Business operates in the styrenics industry. Our core products are (i) styrene monomer ("SM"), (ii) polystyrene ("PS"), (iii) acrylonitrile butadiene styrene ("ABS") Standard and (iv) Specialties, consisting of ABS Specialty and various other copolymers.

Styrene monomer is an important intermediate material used in the production of a variety of plastic and synthetic rubber products with key applications in the electronics, healthcare, household, automotive, construction and packaging sectors. SM is primarily used as feedstock in PS, ABS and Specialties product manufacturing. NexantECA estimates that SM capacity was 41.9 million tonnes in 2022, with 35% of SM demand stemming from the production of polystyrene and 22% of demand from expandable polystyrene.

Polystyrene is a thermoplastic resin obtained from the polymerization of SM. Due to its easy processability, PS is used in many industries, including construction, electronics, household appliances, toys, disposables and packaging (see table below for examples of key applications). There are two basic types of PS: (i) crystal PS (straight, or general purpose PS ("GPPS")) and (ii) high impact PS ("HIPS"). GPPS is used in sectors like food packaging, while HIPS is a more durable plastic used in household appliances such as refrigerators. NexantECA estimates that global PS (GPPS/HIPS) capacity was 15.8 million tonnes in 2022.

ABS is a high volume engineering plastic, favored for its strength, scratch resistance and attractive finish. Traditionally, ABS producers would offer customers numerous grades and color options. Today, following the emergence of very large plants and production lines in the industry, most ABS producers focus production on either (i) standard ABS, which is uncolored, (ABS Standard) or (ii) pre-colored ABS (ABS Specialty). ABS resin is made into a wide range of components via injection molding and extrusion. Primary uses are in the production of automotive parts, consumer electronics and household appliances. NexantECA estimates that global ABS capacity was 13.0 million tonnes in 2022, with 11.0 million tonnes coming from Asia.

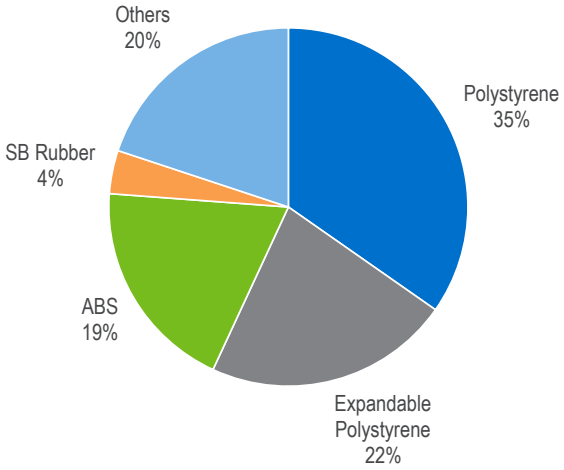
Specialties consist of ABS Specialties, such as high heat resistance ABS and pre-colored ABS, and copolymers such as styrene-acrylonitrile ("SAN"), acrylonitrile styrene acrylate ("ASA"), methyl methacrylate acrylonitrile butadiene styrene ("MABS") and SAN styrene butadiene block copolymers ("SBCs"). They form a small portion of the styrene derivatives market, representing 10% of the overall market in 2022 according to NexantECA estimates, but are high-margin products that are customized to end user needs.

The prices of SM and its derivatives PS and ABS have historically been volatile, with underlying margins going through long-term cycles. Pricing for Specialties tends to be less cyclical and more dependent on the unique value proposition of each product. In recent years, the SM market had become tighter, however, operating rates in 2022 have declined due to weak markets for styrene derivatives, caused by rising inflation, and increased capacity in China. Based on NexantECA estimates, we expect that operating rates will be impacted due to the ongoing addition of new capacity in China in the short to medium term.

The Styrene Monomer Market

SM is a global commodity. As it exists in liquid form and is relatively inexpensive to transport, SM is widely traded and exchanged between different regions. Demand for SM is driven by the demand for styrene derivatives and end use applications. The chart below provides an overview of the key products for which styrene is an input, as well as estimated global styrene consumption for such products.

Global SM Demand by End-Use (2022)
32 Million Tonnes



Source: NexantECA.

Downstream products	Key applications
Polystyrene	Electronics, household appliances, toys, disposables (cups, cutlery), packaging
Expandable Polystyrene	Insulation, vending cups, protective packaging
ABS	Automotive, pipes, fittings, electronics (TVs) and household appliances
Styrene-Butadiene Latex	Carpet backing, paper
Unsaturated Polyester Resins (UPR)	Automotive, construction, pipes and tanks, electronics, marine accessories
Styrene-Butadiene Rubber	Tires, hosing and tube, seals, footwear
Copolymers (e.g., SAN, ASA, MABS, SBC, SMMA)	SAN: ABS, medical devices, household appliances ASA: Automotive, transportation, construction MABS: Medical devices, electronics, household appliances SBC: Injection molded parts, shrink sleeves, displays and appliance housings, sheet and film production, toys and food and non-food packaging SMMA: Medical devices, electronics and household appliances
ABS Specialty	Automotive

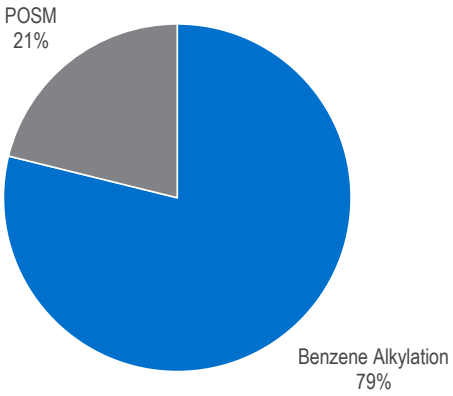
As end markets for most plastic and synthetic rubber products are mature, GDP growth is the key volume driver in the styrenics industry. Higher growth rates can be achieved in some faster-growing downstream sectors, such as the electronics, healthcare, household, automotive and construction sectors, as well as in geographical regions experiencing faster growth such as emerging markets, including Asia.

Production

SM can be produced in two ways: (i) through the ethylbenzene dehydrogenation ("EB") process (on-purpose production) or (ii) through the propylene oxide ("PO") styrene monomer ("POSM") process. In the POSM process, styrene is produced only as a by-product. As a result, PO demand has a direct impact on SM production by means of the POSM process.

The two SM production processes yield the same purity or quality levels or grades of SM. According to NexantECA, an estimated 79% of SM was produced through the EB process and an estimated 21% of SM was produced through the POSM process in 2022.

SM Production Source (2022)



Source: NexantECA.

Most SM producers use an operational model that forward integrates into PS, the most common application for SM. This forward integration allows them to consume the SM that they produce on site instead of having to sell it to third parties. Other producers, including many in the Middle East, currently have no forward integration. As a result, Middle East producers tend to sell the SM that they produce to third parties. According to NexantECA, approximately 13% of SM production was traded in 2022. Margins achievable through SM production are cyclical and are subject to regional short-term volatility.

Competition in the SM Market

SM markets are highly competitive, with competition based primarily on producers' product pricing and reliability of supply. Our primary competitors are:

in Europe, Trinseo, LyondellBasell/Covestro JV, TotalEnergies, Versalis, BASF, Shell and Ellba (BASF / Shell joint venture);

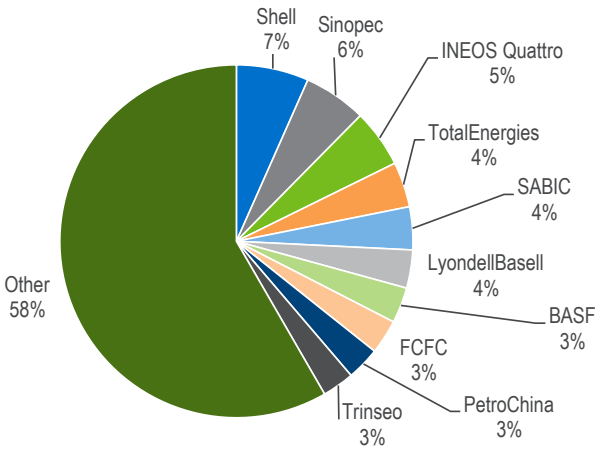
in the Middle East, SADAF, Chevron Phillips, TKSC;

in North America, LyondellBasell, Cosmar (TotalEnergies and SABIC joint venture), Americas Styrenics, Shell, and Westlake;

and in Northeast Asia, FCFC, Lotte, Idemitsu, LG Chem, Shell, CSPC, Zhejiang, Zhenhai, Lihuayi, Hanwha Total and Hengli.

The following charts set forth the major SM producers and their global shares of the market in 2022 by marketer. According to NexantECA data, we were the third largest global player in SM production in 2022.

Global SM Capacity Share by Marketer (2022)
41.5 Million Tonnes



Source: NexantECA.

Middle Eastern and North American producers benefit from access to low-cost feedstock. The increase in shale gas production in the United States has resulted in significantly lower energy costs and ethylene prices. Western Europe and Japan continue to have higher-cost feedstock, which has placed them at a relative disadvantage in SM production.

Supply, Demand and Utilization Rates for Styrene Monomer

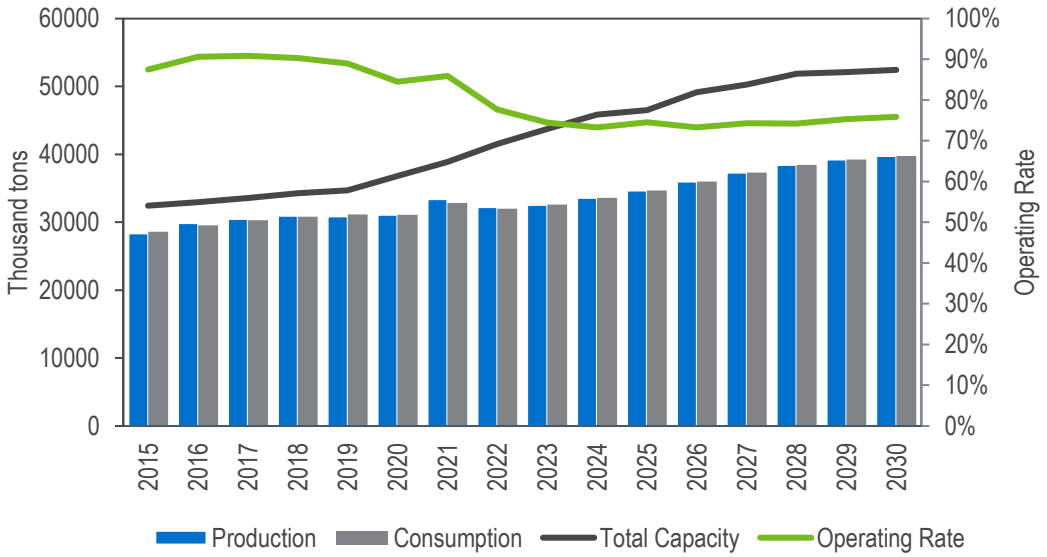
Global SM capacity is distributed among the three major regions. According to NexantECA, SM capacity in 2022 totaled approximately 41.9 million tonnes.

According to NexantECA data, between 2018 and 2022, global capacity in the SM market increased significantly, posting a 4.9% CAGR over the period. Capacity growth during this period was concentrated in China, primarily due to a spike in benzene supply in the region, according to NexantECA. Demand over the same period only grew by a 0.9% CAGR leading to a fall in operating rates from 90% in 2018 to 78% in 2022, according to NexantECA.

According to NexantECA, future capacity additions will be concentrated in Asia Pacific. Capacity addition will be focused in China as part of new steam cracker complexes, which provide both ethylene and benzene feedstock. Asia will continue to support global demand growth due to the manufacturing of a wide range of products consuming styrene derivatives (including mainly EPS, PS and ABS).

Based on industry experience and views from various third-party data providers, management expects that supply and demand balances will lengthen in the next years as new capacity in China comes on stream and utilization rates will drop below 80%. According to NexantECA, demand is expected to grow consistently, although operating rates are expected to remain below 80% until at least 2030 due to the weight of new capacity addition in Asia.

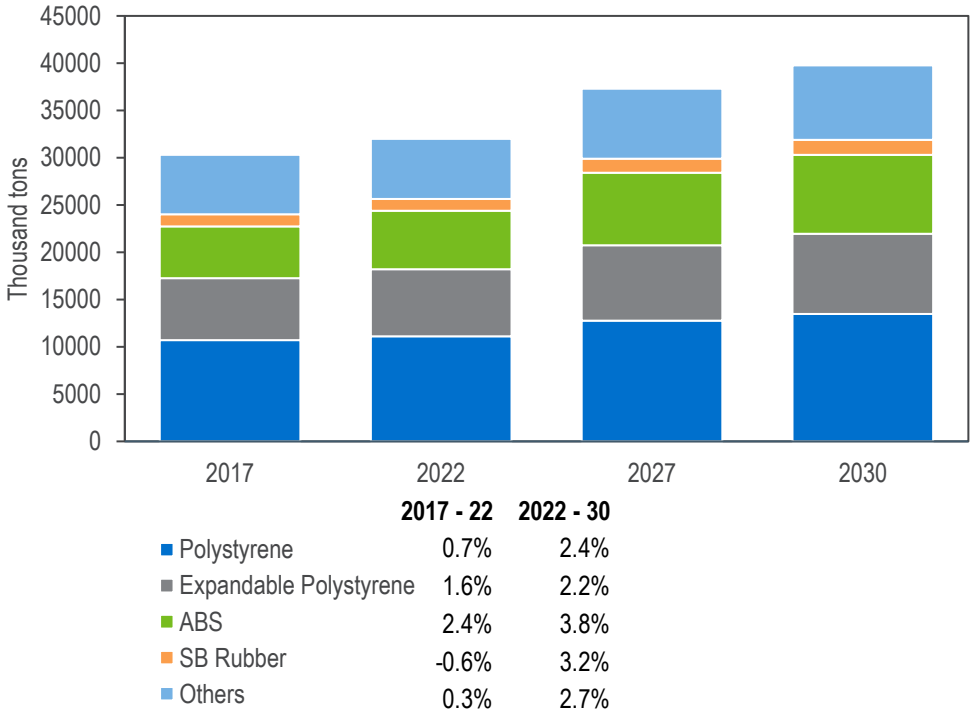
Global Supply, Demand and Trade ("SDT") for SM (2015-2030)



Source: NexantECA.

We believe that the risk of substitution of SM as an input is low. However, certain styrene derivatives and end products can be replaced by other products, in many cases with low switching costs. As a result, SM demand is also affected by the availability of substitutes for styrene-based plastics and synthetic rubber products. NexantECA forecasts an SM demand CAGR of approximately 2.8% for the 2022-2030 period. The chart below illustrates historical and forecast SM demand growth by product.

Styrene Demand and Growth Rates by Application (2017-2027, 2030)



Source: NexantECA.

Western Europe. According to NexantECA, in 2022, Western Europe accounted for approximately 14% of global SM demand. NexantECA data shows that demand for SM in Western Europe decreased by 2.7% CAGR between 2017 and 2020 due to the impact from the COVID-19 pandemic with demand also decreasing between 2020 and 2022 but at a slower rate due to inflationary pressures.

North America. In 2022, North America accounted for approximately 12% of global SM demand, with the United States accounting for 80% of the region's demand according to NexantECA. Demand in North America has declined slowly in recent years, decreasing by a 0.3% CAGR between 2015 and 2022. Most of this loss in demand was for polystyrene and styerne-butadiene rubber, but both of these markets have now stabilized, and the outlook is for very low growth in demand at a 0.1% CAGR between 2022 and 2030.

Northeast Asia. According to NexantECA estimates, in 2022, Northeast Asia accounted for 58% of global SM demand, with China accounting for 71% thereof. Historically, the region has had a limited SM supply. Styrene demand shrank by 1.3% in Northeast Asia in 2022 due to the combined impact of China's 'zero-COVID' policy and new regulations curtailing debt-funded construction projects. The "three red lines" rules which limit access to finance based on a developer's debt-to-cash, debt-to-assets and debt-to-equity ratios were among the measures introduced in recent years to restrict activity in China's heavily indebted construction industry. Caps on rental prices and mortgage lending also restricted demand for new properties.

The Polystyrene Market

Due to relatively high transportation costs, PS is a regionally traded commodity with low profitability. Global demand grew significantly from the 1960s to the 1990s. It then decreased when PS prices rose and polypropylene ("PP") and polyethylene terephthalate ("PET") were substituted in for PS. The rise in PS prices was due to a spike in benzene feedstock prices. Furthermore, changes in consumer demand for certain end products, such as the decline in popularity of audio and video cassettes and the reduction in packaging required in the consumer electronics industry (*e.g.,* fewer materials required to ship a flat-screen TV) led to an oversupply of PS in the late 1990s and early 2000s.

The PS industry has consolidated through M&A activity, joint venture formations (including our business), rationalization efforts and divestments. This has helped sustain an industry that has otherwise experienced weak demand and high raw material costs in recent years. Inflationary pressures caused to a large extent by higher energy prices following the Russian invasion of Ukraine have resulted in a decline in consumption across the world in 2022. Global

polystyrene consumption demand growth has been limited, with a 1.3% CAGR from 2017 to 2022 partly due to competition from other polymers and feedstock costs. The polystyrene market is mature and is heavily exposed to price sensitive end-uses with a number of competitive pressures from alternative materials, both natural and synthetic.

Looking ahead, based on NexantECA estimates, we expect further rationalization and consolidation to take place in mature markets due to soft domestic demand and exports hampered by a lack of competitiveness of higher cost producers. We have taken part in this trend by rationalizing capacity in our Styrolution Business portfolio (*e.g.,* with the conversion of one of our PS lines in France to produce ABS). Meanwhile in China, PS capacity is being added and expanded, and producers in the country have maintained utilization rates at an average of 73% since 2017 despite an additional 1.7 million tonnes per year of capacity having come online since 2017.

Global PS demand has grown at a 1.3% CAGR between 2017 and 2022 as polystyrene faces ongoing competitive pressures from alternative materials. According to NexantECA, consumption declined across the major consuming regions of North America, Western Europe and North East Asia, including China, in 2022. The 'zero-COVID' policy in China led to constrained consumer spending which hindered consumption in China and its key trading partners in North East Asia, while in North America and Western Europe, high rates of inflation led to similar constraints. NexantECA estimates indicate that global demand growth contracted by 1.1% in 2022. NexantECA forecasts a global PS demand CAGR of 1.3% from 2022 to 2030. PS prices are generally expected to remain higher than prices of substitutes such as PP and PET due to higher benzene prices. We expect, based on NexantECA forecasts, that this will continue to affect PS demand.

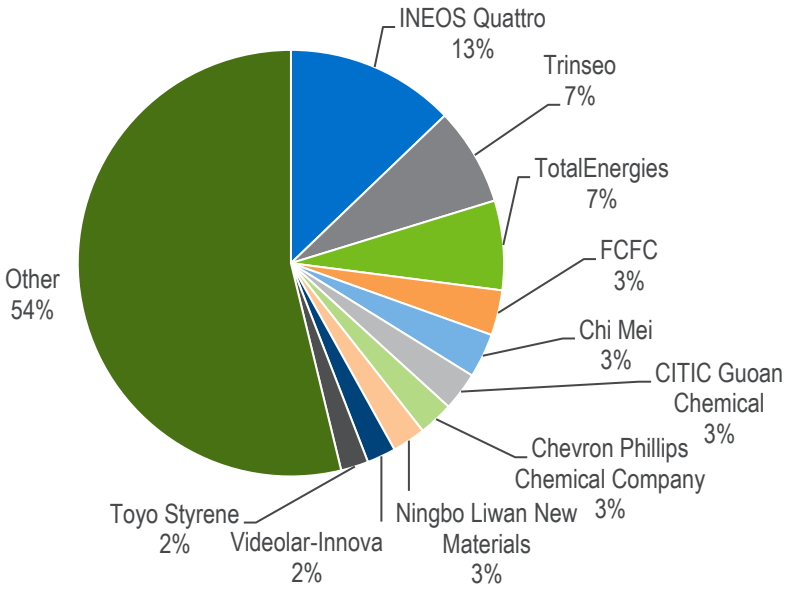
Competition in the Polystyrene Market

The PS markets in which we operate are highly competitive, with competition based primarily on producers' product pricing and supply reliability. PS pricing tends to track SM pricing very closely, as PS producers are usually able to pass through higher SM costs (as well as cost savings) to end users, albeit with occasional slight delays.

The North American and Western European PS markets have a few major producers as well as smaller-scale, regional players. Few PS producers have operations in more than one region. Apart from our own operations, only TotalEnergies, and Trinseo (which has an ownership interest in Americas Styrenics in North America) have global footprints. Our main competitors are:

- in Europe, Trinseo, TotalEnergies and Versalis S.p.A.;
- in North America, Americas Styrenics, TotalEnergies and Resirene; and
- in Asia, CITIC Guaon, Jiangsu Saibaolong, Ningbo Liwan, FCFC and Zhejiang.

Global PS Capacity Share by Marketer (2022)
15.8 Million Tonnes

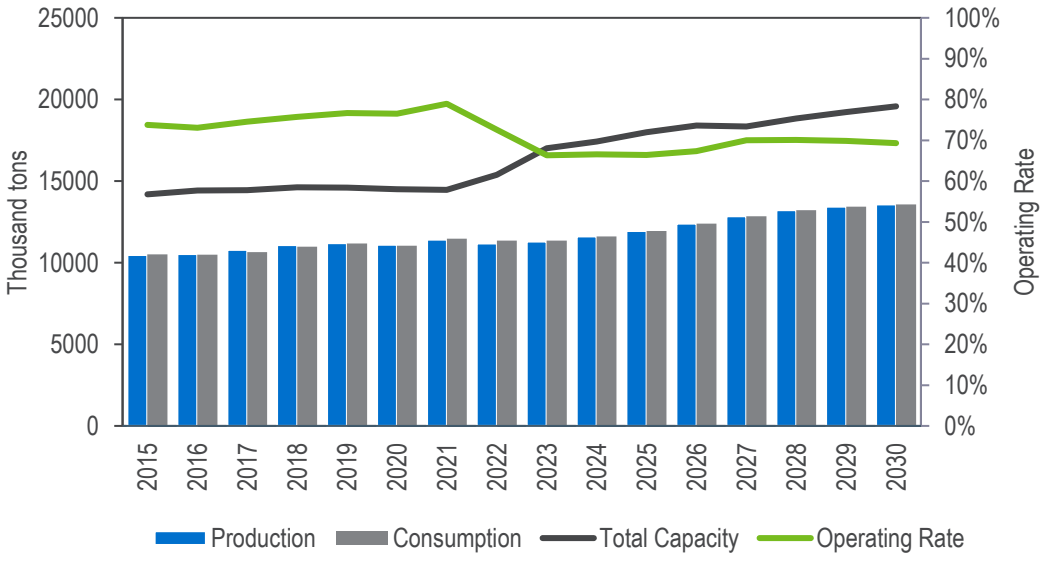


Source: NexantECA.

Supply, Demand and Utilization rates for PS

PS is supplied on a global basis, with greatest demand coming from Northeast Asia, North America and Western Europe. Global operating rates have remained in the mid-70s over the past five years as demand has grown in line with limited capacity growth, mainly in Asia. The reduction in demand in 2022 caused by rising inflation, new construction regulations and a strict 'zero-COVID' policy in China combined with capacity growth led to a fall in operating rates in 2022. Forecasted firm capacity growth and weak demand growth is expected to lead to depressed operating rates over the next five years as well. Asia will heavily influence global operating rates, with China accounting for almost 38% of global polystyrene demand.

Global Supply, Demand and Trade ("SDT") for PS (2015-2030)



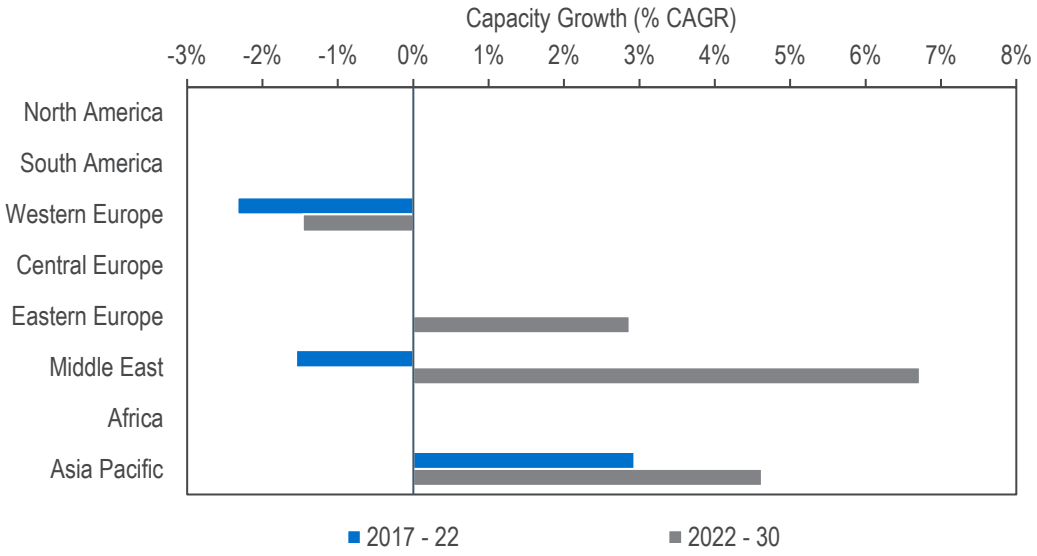
Source: NexantECA.

The polystyrene industry has been under pressure due to changing consumer behavior, rising raw material costs, product substitution and environmental concerns. Polystyrene producers have been suffering margin pressure for many years, such that capacity rationalization, industry consolidation and delays to new projects have been inevitable. The moderate demand growth for polystyrene has resulted in several producers moving to convert polystyrene facilities to produce ABS, which has a better demand outlook.

According to NexantECA, Northeast Asia accounted for 51% of global PS capacity in 2022, which totaled 15.4 million tonnes, while North America accounted for 16% and Western Europe accounted for 12%.

North American and Western European producers have responded to the decline in demand by reducing inefficiencies, closing plants and consolidating businesses, resulting in significant capacity reductions. For example, in 2019, TotalEnergies closed its El Prat site in Spain and the Styrolution Business converted a polystyrene line in France to produce ABS. We believe that the trend of capacity reduction is expected to accelerate, in particular in Europe. The vast majority of what capacity growth is expected to come in the future will be through capacity additions in Asia, according to NexantECA.

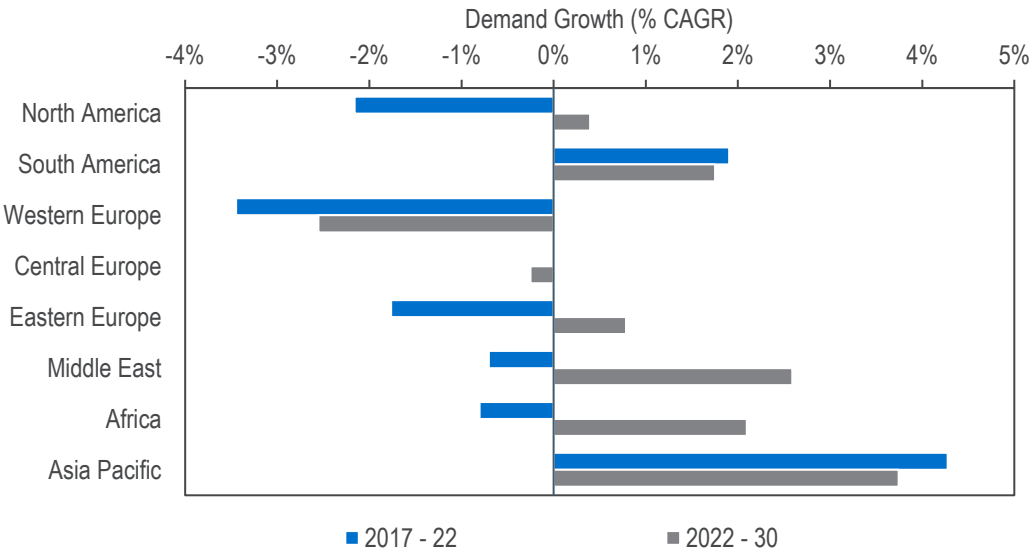
Global PS Capacity Growth by Region (% CAGR, 2017 – 2030)



Source: NexantECA.

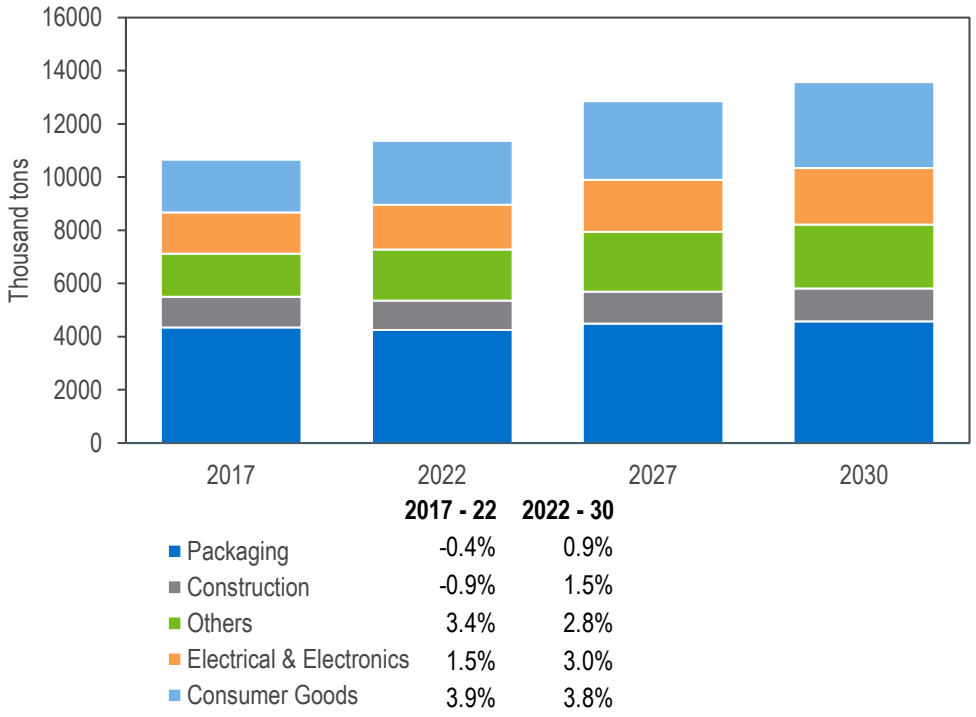
PS demand continues to grow, but the decline in demand from packaging producers is increasingly pronounced in some regions (Europe and North America, for example) due to the increasingly negative public perception towards styrene derivatives stemming from environmental and health-related concerns. Polystyrene is also used in the electrical/electronics sector for applications such as media closures. Smaller volumes of polystyrene are also consumed in the construction sector for drainage boards, displays, prefabricated walls, decorative gables and facades.

PS Demand Growth by Region (2017 – 2030)



Source: NexantECA.

Global PS Demand and Growth Rates (2017-2027, 2030)



Source: NexantECA.

Western Europe. In 2022, Western Europe accounted for approximately 11% of global PS demand according to NexantECA. In recent years, PS production in Western Europe has undergone significant production rationalization due to weak demand, which decreased by approximately 5% in 2022 (year on year) according to NexantECA. According to NexantECA, there are no PS capacity expansions planned for the short term and further capacity rationalization is

expected in the medium term. Long-term demand of polystyrene in Western Europe faces on-going pressure from activist groups recommending companies to actively explore replacing polystyrene as packing material.

North America. In 2022, North America accounted for 16% of global PS demand, with the United States accounting for 79% thereof according to NexantECA. Between 2017 and 2022, NexantECA data shows that PS demand decreased by 2.2% on average per year, but it is expected to recover slightly at a 0.4% CAGR from 2022 to 2030. Demand for polystyrene in North America declined by 8% in 2020 and 0.7% in 2022. With rising inflation limiting consumer spending and construction output in 2022, there was weak demand and the underlying demand decline is expected to remain in place, mainly due to contracting demand in packaging. Single use plastics bans and concerns are rising and are placing downward pressure on the consumption of polystyrene into packaging. NexantECA forecasts PS consumption to start recovering slowly from 2024.

Northeast Asia. According to NexantECA, in 2022, Northeast Asia accounted for 45.8% of global PS demand, with China accounting for 83% of regional demand. Historically, demand growth has been volatile in Northeast Asia. Polystyrene consumption fell by an estimated 0.7% in 2022 as the Chinese market stalled owing to the impact of the 'zero-COVID' policy on consumer spending and new construction regulations on housing output. Over the last five years China has been the main demand growth contribution because of bans on the import of foreign plastic waste and its strong end-use sector growth, such as in consumer goods including home appliances. According to NexantECA, it is expected that future demand will grow at an estimated 3.8% CAGR to 2030 in Northeast Asia. Demand growth is expected to be concentrated in China. Consumption has been slowing down in Taiwan, Japan, and South Korea.

The ABS Markets

ABS Standard prices tend to track feedstock prices very closely, as ABS producers are usually able to pass through higher costs (as well as cost savings) to end users, albeit with occasional slight delays. Prices are also affected by import pressures from large Asian producers.

ABS technology is mature. No significant new innovation is expected to come to market within the next five years. Demand for ABS is driven by the demand for its end-use applications, including automotive parts, consumer electronics, electricals and household appliances, which together accounted for approximately 88% of ABS demand in 2022 according to NexantECA.

ABS consumption (globally) has grown steadily since 2017 at a 3.0% CAGR despite the COVID-19 pandemic, declining automobile production, political tensions and increasing inflation. 2020 saw a resurgence of demand for household and electronics durables that overcompensated the weakness of the automotive industry and continued into 2021, while 2022 demand growth stagnated as inflationary pressures impacted consumer spending although automotive product began to recover. Global ABS demand is expected to grow at 3.3% CAGR to 2030 with China leading growth at 4.2% CAGR.

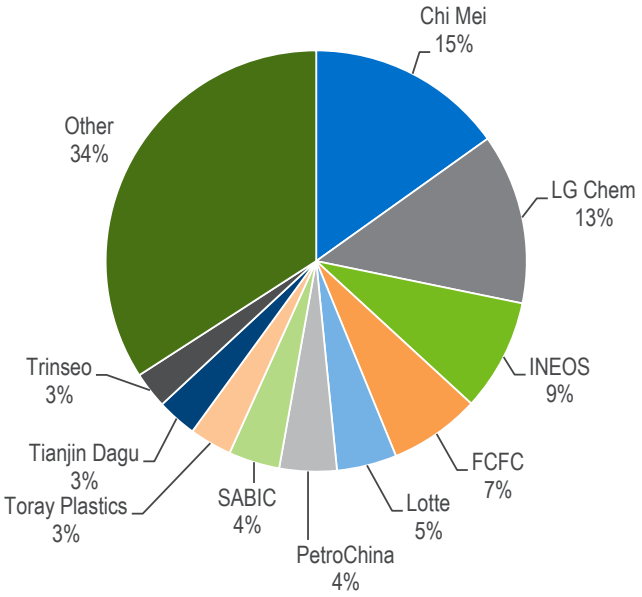
Competition in the ABS Markets

The ABS markets in which we operate are global and highly competitive, with competition based primarily on producers' product prices and reliability of supply, as well as (for some products) grade, color options and customer service. Competition in ABS markets largely depends on whether the customer desires a natural or pre-colored ABS product and whether the end product requires any special attributes or characteristics.

Our primary competitors in the ABS Standard market include Chi Mei, LG Chem, Lotte, FCFC and Trinseo. Our main competitors in the pre colored ABS market include LG Chem, Lotte, Trinseo and Sabic. Geographically, we compete with LG Chem, Trinseo, Elix Polymers and Versalis in Western Europe, LG Chem, Trinseo and Sabic in North America and with Chi Mei, LG Chem, FCFC, PetroChina Jilin and Lotte in Asia.

We also compete with compounders, who comprise approximately half of the global pre-colored ABS market. Key compounders active in Western Europe include Ravago, Schulman, Nord Color and Albis.

Global ABS Capacity Share by Marketer (2022)
***13.0 Million Tonnes*[(1)]**



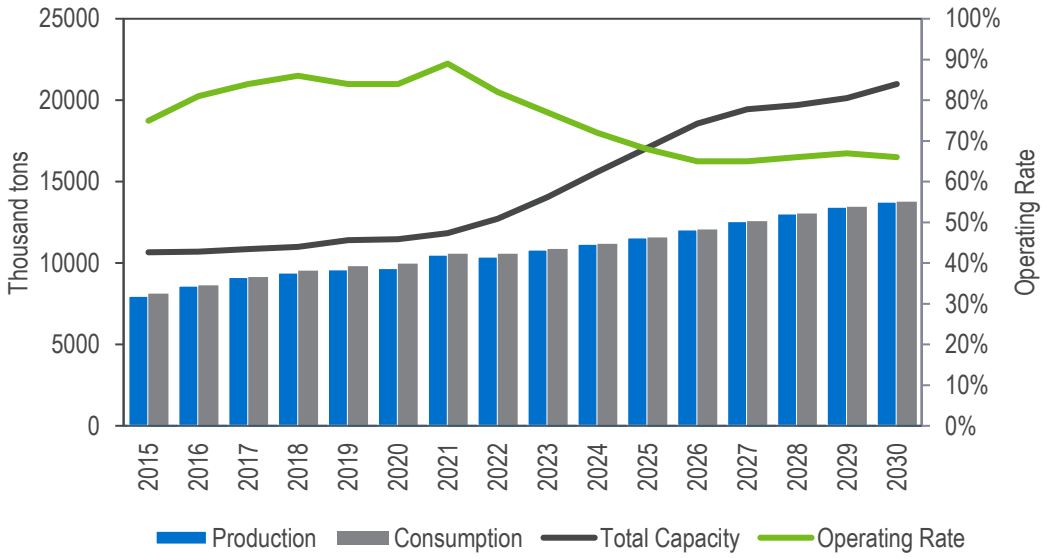
Source: NexantECA.

(1) ABS Kaimen, a JV with ownership split equally between INEOS Quattro and Sinopec, commences operations in the first quarter of 2024. We estimate that this Ningbo, China-based ABS plant will add approximately 600,000 tonnes to ABS capacity.

Supply, Demand and Utilization Rates for ABS

ABS is supplied on a global basis. Northeast Asia, North America and Western Europe are the largest regions for both demand for and production of ABS. According to NexantECA estimates, global ABS capacity was 13.0 million tonnes in 2022, of which 76.0% was located in Northeast Asia, 7.2% in Western Europe and 6.0% in North America.

Global Supply, Demand and Trade ("SDT") for ABS (2015-2030)



Source: NexantECA.

Global ABS demand is expected to grow at an estimated CAGR of 3.3% between 2022 and 2030, with capacity expected to increase by an estimated CAGR of 6.5% over the same period according to NexantECA. Based on internal estimates, we believe that global ABS demand will grow at a CAGR of roughly 4-5% between 2022 and 2030.

Western Europe. Domestic demand in Western Europe is forecast to grow at an estimated CAGR of 0.2% between 2022 and 2030 according to NexantECA. Recovery of ABS demand post COVID-19 was strong in 2021 as countries relaxed stringent measures but shrunk by an estimated 5.2% in 2022 as inflation and high interest rates have restricted consumer spending. The automotive market recovered slightly in 2022 after two years of weak demand.

North America. Demand for ABS in North America is concentrated in the United States, which accounts for 69% of regional demand. Demand since 2017 has grown at a CAGR of 1.4% and is expected to grow at 1.5% CAGR between 2022 and 2030, according to NexantECA forecasts.

Asia. The majority of the world's demand for ABS comes from Asia. Demand growth is projected at a 3.8% CAGR between 2022 and 2030. In 2022, Asia accounted for an estimated 84% of global ABS capacity according to NexantECA. Seven of the top 10 largest ABS producers are based in Asia and they accounted for a combined global market share of 50.5% in 2022 according to NexantECA.

Specialties

The primary market for Specialties remains developed economies (EMEA, North America), but growth is strongest in emerging markets. Specialties form a core pillar of our portfolio. The following is an illustrative selection of four Specialties products out of a total of about 1,450 Specialties products we produced as of 2022.

Styrene-acrylonitrile (SAN). SAN is a rigid and transparent copolymer made from styrene. According to internal estimates, we believe that roughly 80-90% of SAN produced globally is used in the production of ABS. In addition, SAN has some commercial end uses as a translucent polymer in its own right, including in kitchenware, computer products and plastic optical fibers. SAN is also used in faster-growing and often higher-margin sectors such as medical devices, which benefit from the chemical- and UV-resistant properties of SAN that allow end products to withstand sterilization processes.

The primary merchant marketers of SAN in Europe are Versalis, Trinseo and INEOS Styrolution. According to NexantECA, we are the third largest merchant marketer of SAN in Europe. Together with Trinseo, we are the main domestic marketers of SAN in North America, the remainder primarily served by imports from Asia. In Asia, Chimei, LG and Formosa are the largest SAN players, followed by the Styrolution Business.

Acrylonitrile styrene acrylate (ASA). ASA is characterized by its resilience and rigidity, good chemical resistance and thermal stability, outstanding resistance to weather, aging and yellowing, as well as its high gloss. It is used primarily for outdoor application and in the automotive industry.

ASA growth in Europe has been linked to automotive applications. In North America, ASA growth has been linked to the household, automotive and construction sectors. In Northeast Asia, ASA growth has been driven by growth in the construction sector, where ASA is used primarily in side panels for houses, as well as in pools and spas.

In 2022, according to internal estimates, we were the primary producer of ASA in Europe and the Americas. We believe that our recent investment in a dedicated ASA plant in Bayport, Texas will ensure that we remain the primary producer in North America and will allow export capabilities into other regions. The competitive landscape was more varied in Asia, where there are four large players. We do not consider ASA capacity to be truly fixed because ABS production facilities can shift to ASA production where appropriate technology is available. Given its more specialized properties, ASA tends to generate higher margins than ABS.

Methyl methacrylate acrylonitrile butadiene styrene (MABS). MABS is a niche product used primarily in medical device parts and electronics and household appliances. MABS is sold on the basis of its transparency and color design flexibility, combined with impact strength and stress crack resistance. There has been strong growth in MABS from new applications, as MABS can compete on the basis of price with other high-impact strength products such as polycarbonate ("PC").

In 2022, according to internal estimates, we were the primary MABS producer in Europe and there were several large players in Asia. The Americas were net MABS importers.

Like ASA, MABS has higher margins than SAN due to its more specialized attributes.

Styrene butadiene block copolymers (SBCs). Styrene-Butadiene Copolymers ("SBCs") are copolymers of SM and butadiene rubber. SBCs can be blended readily and easily with general purpose or high impact PS to achieve the desired characteristics, and can be processed in thermoforming, injection molding and extrusion applications. SBCs are produced in dedicated plants due to the requirements of the SBC polymerization process. Over the last few years, North American and European demand has declined as a result of the economic downturn and some inter-polymer substitution with PET. Chinese demand for SBCs has remained strong despite the economic downturn, with increasing domestic demand and continued movement of downstream manufacturing from other regions to China. In 2019, the main end-uses of SBCs in China were footwear production, bitumen modification, toy and household products manufacturing and food and non-food packaging. In Japan, end uses mirror those in Western Europe and North America, with main applications including bitumen modification, adhesives and coatings.

According to internal estimates, in 2022, we had a leading position in North America and Europe in the production of high styrene content SBCs. The competitive landscape was more varied in Asia, where there were several large players producing SBCs.

The Chlor-vinyls Industry

Our INOVYN Business operates in the Western European chlor-alkali and PVC industries. Our core sales products are PVC, caustic soda, caustic potash, chlorinated paraffins, epichlorohydrin ("ECH"), chloromethanes and salt and brine. We also sell chlorine, chlorine derivatives, HCl and sodium hypochlorite.

PVC is heavily traded around the world. In terms of revenue generated, PVC is one of the most valuable products of the chemical industry. NexantECA estimates that global demand for PVC reached approximately 48.0 million tonnes in 2022, yielding an average growth rate of 2.2% per year since 2015. The global construction industry accounts for the majority of global PVC demand, with 38% of the resin consumed in 2022 being used for pipe and fittings together with a significant proportion of 23% consumed by profiles and siding as rigid profiles. PVC can be used in a variety of products, including pipes, cables, doors, window and door frames, insulating materials, packaging and medical devices. PVC products are lighter than traditional materials, such as wood, metal and glass, and carry low maintenance and repair costs because PVC is durable and weatherproof.

Caustic soda, a coproduct of the chlor-alkali production process, is used as a neutralizing agent and chemical reagent in a wide range of chemical processes. It is mostly sold as a 50% aqueous solution, sometimes referred to as liquor, but solid caustic soda is also sold on a smaller scale. We estimate that global demand for caustic soda was 80.8 million dry metric tonnes ("dmt") in 2022, up from 71.7 million dmt in 2015. The main users of caustic soda are the pulp and paper, alumina, organic and inorganic chemicals and textile industries. Globally, these industries together accounted for 67% of caustic soda consumption in 2022, according to NexantECA.

Chlorine derivatives, such as hydrochloric acid ("HCl"), sodium hypochlorite, chlorinated paraffins, chloromethanes and ECH, are used in a variety of chemical industry applications, such as solvents, plasticization, general-purpose reactions and the production of refrigerants. Chloroform is a chloromethane and the main precursor for the production of PTFE polymers. Sodium hypochlorite is used by businesses and household consumers as a cleaning agent and disinfectant. ECH is mainly dedicated to the manufacturing of epoxy resins used in paints and coatings, composites, adhesives and electronics. It is also used in non-epoxy applications, such as pulp and paper chemicals, water treatment and healthcare products. Global demand for ECH was about 2.0 million tonnes in 2022, up from approximately 1.5 million tonnes in 2015, according to NexantECA; most of the current demand is related to the production of epoxy resins.

We also participate in the brine and salt markets. Brine is used in the manufacture of chlor-alkali, salt and soda ash, while salt is used in the manufacture of chlor-alkali products, in water softening and in the food industry.

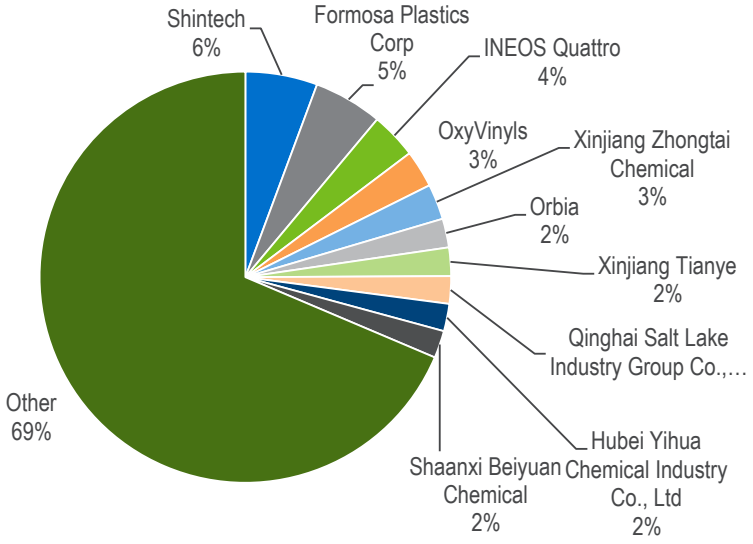
The PVC Market

PVC products can be produced according to two broad polymerization techniques: suspension and emulsion. The PVC market, however, is generally split into general purpose PVC and specialty PVC. General purpose PVC is produced using suspension polymerization, and specialty PVC is produced using mostly emulsion polymerization with some suspension polymerization.

Competition in the PVC Market

Global production is relatively fragmented, with the top five PVC producers, in terms of capacity, holding an aggregate global market share by capacity of approximately 24%, as of December 31, 2022, according to NexantECA. We were the largest producer of PVC in Western Europe (and the fourth-largest globally) and had an estimated market share by capacity in Western Europe of approximately 34% as of December 31, 2022, according to NexantECA.

Global PVC Capacity Share by Owner (2022)
58.1 Million Tonnes



Source: NexantECA.

Due to high transportation and capital costs and the importance of exploiting economies of scale in production, markets for general purpose PVC are mostly regional; specialty PVC markets are more global in nature as a result of specialty PVC's higher margins and the difficulty for customers in finding substitutable products. We mainly compete with all the major European PVC producers (some of which are subsidiaries or divisions of large chemical companies), including Kem One, VYNOVA, Westlake (Vinnolit GmbH & Co. KG), BorsodChem Zrt, Orbia (Vestolit GmbH & Co. KG) Shin-Etsu Chemical Co., Ltd, Anwil SA, Ercros SA and Fortischem. Western Europe has historically been a net exporter of PVC, and NexantECA expects this to remain the case through at least 2027.

The top six producers in Europe are all located in Western Europe and account for approximately 69% of capacity in 2022, according to NexantECA. In 2022, Central Europe had less than 1 million tonnes PVC production capacity compared to slightly over 6 million tonnes in Western Europe, according to NexantECA. A trend towards consolidation has emerged in Western Europe over the past decade, and we believe that some larger companies operating smaller PVC production businesses may seek to sell their PVC assets, providing opportunities for further industry consolidation.

Given the hazardous nature of many of the other materials that we produce, there are additional precautionary measures that must be taken during delivery, which increases the expenses associated with transporting these products. However, because we are a low-cost producer and have historically benefited from low transportation costs given the close proximity of our production factories to the markets we serve most, we believe we are well-positioned to capitalize on increasing demand in global export markets (including emerging markets) during periods of weakening demand in our regional home markets.

PVC competes with other polymers, including high-density polyethylene ("HDPE"), in certain end-use applications. Historically, the prices of the two products were closely related, with PVC prices typically being lower than HDPE prices. While substitution has largely taken place for non-durable applications, we expect PVC to remain the more widely used polymer for durable applications.

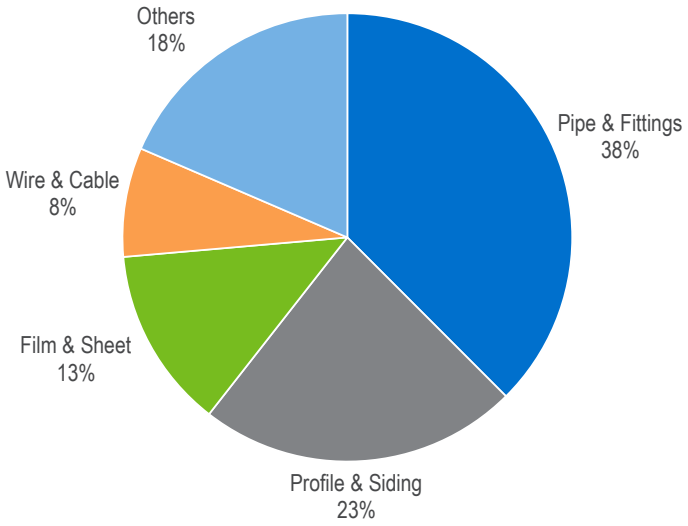
PVC prices are cyclical, particularly general purpose PVC prices, whereas specialty PVC prices tend to experience less cyclicality. The cycles are generally characterized by periods of tight supply, leading to high operating rates and margins, followed by periods of oversupply resulting from a combination of significant capacity additions or demand reductions in periods of general economic contraction or recession, leading in turn to reduced operating rates and lower margins.

Demand for PVC

With an installed capacity of 58 million tonnes per year during the year ended December 31, 2022, according to NexantECA, PVC is one of the main thermoplastics used in the world. PVC is a very versatile product used in many applications. The main uses for PVC include pipes, fittings, profiles, tubes, window frames, doors and door frames, sidings, cables, film, sheets, and flooring. This ability, together with features such as durability, nonflammability,

resistances to chemicals and oil, mechanical stability, and ease of processing and moulding, means that PVC is a competitive and attractive option for many end uses in construction and infrastructure, agriculture, electrical products, and healthcare. Thus, although its end-use portfolio has moved towards construction applications and away from many consumer items, we believe PVC's long-term future is secure. As a consequence, the demand of PVC generally tends to evolve in parallel with GDP growth.

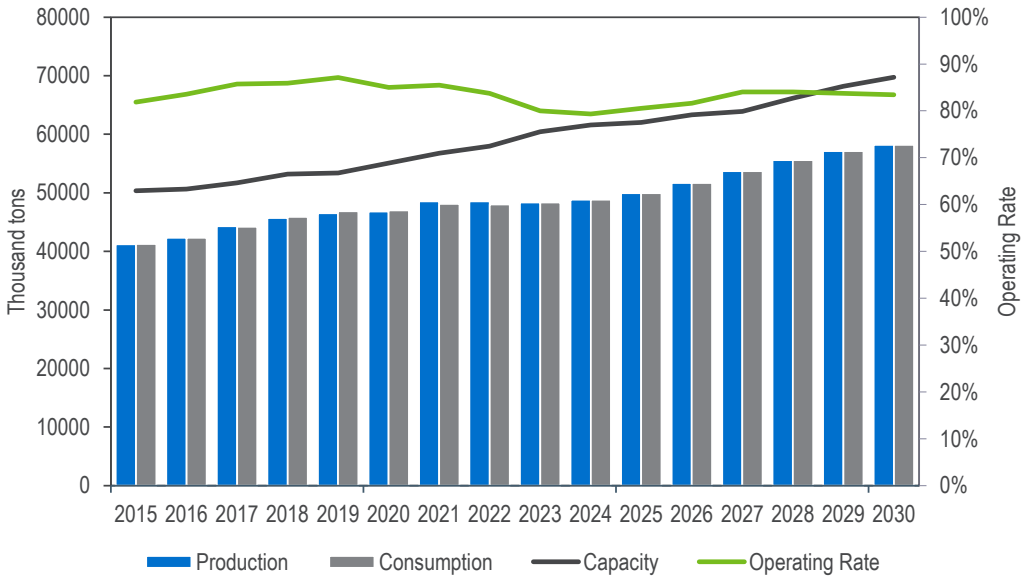
Global PVC Demand by End Use (2022)
48.8 Million Tonnes



Source: NexantECA.

PVC demand is correlated with overall global and regional expected GDP growth. Northeast Asia (mostly China), North America (primarily the United States) and Western Europe accounted for the majority of global PVC demand, representing 70% of the world's PVC demand, during the year ended December 31, 2022, according to NexantECA. According to NexantECA, the projected annual average growth rate for global PVC demand in the eight years to 2030 is 2.4%, putting demand at approximately 58.2 million tonnes by the end of 2030. Based on internal estimates, we believe that global PVC demand will reach 59.3 million tonnes by the end of 2030.

Global Supply, Demand and Trade ("SDT") for PVC (2015-2030)



Source: NexantECA.

PVC consumption in China has grown rapidly over the past decade but this trend has slowed down in recent years, according to NexantECA. While demand for PVC in China increased at an average rate of 5.7% per year between 2015 and 2020, demand decreased at an average rate of 2% between 2020 and 2022, according to NexantECA, mainly due to the downturn in the Chinese construction industry. NexantECA expects demand for PVC to increase at an average rate of 2.5% per year between 2022 and 2030, reaching about 25.2 million tonnes in 2030. Based on internal estimates, we believe that PVC demand in China will reach 28.5 million tonnes by 2030. NexantECA has estimated that regional demand in North America will grow at an average of 1.7% per year until 2030, largely driven by the consumption of PVC applications such as pipes (47%), profiles (16%) and films and sheets (13%).

The Western European market demand for PVC is estimated by NexantECA at 4.5 million tonnes in 2022, representing approximately 9% of global demand. According to management estimates, demand was lower in 2022 than in 2021 and has declined further in 2023 due to a combination of high interest rates, inflation and the severe downturn in the Chinese sector. We expect European PVC demand to increase in 2024 and settle to pre-COVID levels over the next five years. Western European PVC demand is projected by NexantECA to grow at an average rate of 1% per year through 2030. In the Western European region, the construction industry is the major end-use market for PVC.

In most applications, PVC sees a significant level of inter-material competition. For example, within pipes and fittings, PVC competes for use with HDPE and polypropylene. However, PVC has a strong position within this segment because it is cheaper to install than clay or ductile pipes and its unit price is less than that of competing plastics, HDPE and polypropylene.

Supply of PVC

According to NexantECA, between 2015 and 2022 global PVC annual production capacity increased by more than 7.6 million tonnes, with global capacity rising from approximately 50.3 million tonnes in 2015 to approximately 58 million tonnes through 2022. Approximately 77% of global additional capacity has been built in China, where approximately 5.9 million tonnes of net annual production capacity was added since 2015, according to NexantECA. Further capacity expansion is expected based on announced additions, and global PVC annual production capacity could increase from 2022 levels by around 3.7 million tonnes by 2025, according to NexantECA. The steady addition of new capacity has been outpaced by demand growth causing global average operating rates to increase from 77% to 84% between 2015 and 2019, before falling to 82% in 2020 as a result of the impact of the COVID-19 pandemic on global PVC demand, and 80% in 2022 due to the impact of the conflict in Ukraine, according to internal estimates. We expect that, according to internal estimates, global operating rates will decline in the next two years as capacity growth outpaces demand growth, followed by a recovery to 80% in 2027.

Western Europe was a net exporter of PVC in 2019-2022, but operating rates declined considerably in 2022 and 2023, driven by U.S. imports with lower energy costs, and the region became a net importer in 2023. We expect operating rates and productivity levels to increase from 2024 to 2029 to historical levels as demand recovers, with the region returning to be a net exporter in 2024. We believe that the return of Western Europe being a net exporter of PVC positions the INOVYN Business well, as we believe our average production cost (including transportation) to be below both that of the European average and that of the average Chinese chlorine producer not only in Europe, but also for exports to Turkey and India, two large PVC markets.

Electricity and ethylene are fundamental precursors to the production of PVC, and each of these has its own market dynamics. The prices for energy and ethylene tend to be volatile. For instance, the price of ethylene used in PVC production is tied to general trends in oil and naphtha prices, which have fluctuated significantly in recent years. Price dynamics for ethylene and electricity can drive PVC production costs and therefore influence margins and prices.

Specialty PVC

Specialty PVC comprises resins produced via emulsion and suspension polymerization. Emulsion resins include microsuspension, miniemulsion and seeded emulsion, amongst others. Specialty suspension grades include extenders (or fillers), copolymers and resins with very high or very low molecular weight and medical grades. In its operations, our INOVYN Business further splits the two main polymerization techniques into 12 sub-technologies that require specific production equipment and know-how. The specialty PVC market is differentiated from the general purpose PVC market by the research and development capabilities, expertise in application innovation and technical support that are required to create new products and successfully compete in the market.

Specialty PVC products are typically sold at lower volumes, based on mid- to long-term development and sales contracts, and can be used in a wide range of applications; for example flooring, wallcoverings, car interiors, vinyl leathers, cap closures and also in the more niche areas of gloves, fine printing, composites, technical textiles, car

underbody coatings, construction sealants and coil coating applications that require more specialized fine grades. Demand for specialty PVC is mainly driven by innovation and long-term customer relationships. Europe has more production capacity for specialty PVC (as a proportion of the region's total PVC production capacity) than any other world region. According to NexantECA, Western Europe occupies over 25% of world's Emulsion PVC (E-PVC) capacity. It is the world's leading exporter of Emulsion PVC (E-PVC) and is expected to remain a net exporter of specialty PVC.

We believe we are the world's largest seller of specialty vinyls. The specialty PVC market is less fragmented than the general purpose PVC market, with three major players in Europe, namely the INOVYN Business, Orbia (Vestolit) and Westlake (Vinnolit).

The Caustic Soda Market

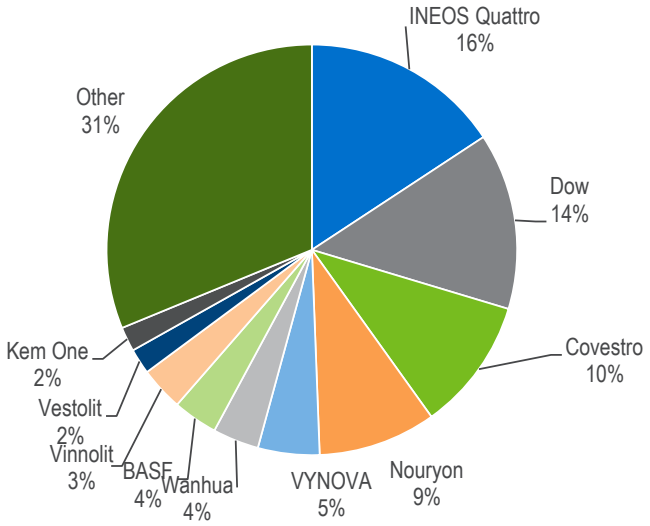
Competition in the Caustic Soda Market

According to NexantECA, global caustic soda production capacity is spread among over 430 different operating companies. The largest entity by capacity as of December 31, 2022 was Olin, accounting for 5.1% of the total world market, with a capacity of 5.3 million dmt per year. In October 2015, Olin Corporation merged with The Dow Chemical Company's U.S. chlor-alkali and vinyl and global downstream derivatives businesses. The Dow Chemical Company retains nearly 2.5 million dmt of capacity outside North America. The second largest entity by capacity is Westlake (including Vinnolit), accounting for 3.4% of the total world market, with a capacity of 3.5 million dmt per year, according to NexantECA. As of December 31, 2022, the INOVYN Business retained a capacity of 2.1 million dmt per year.

Mainly as a result of high transportation and storage costs, caustic soda produced in Europe is generally sold in Europe. The market for caustic soda in Europe remains highly fragmented, with a number of local producers competing in local geographic markets. We compete with all the major European caustic soda producers (some of which are subsidiaries or divisions of large chemical companies) including Nouryon, Olin, Covestro, Kem One, VYNOVA and Westlake-Vinnolit.

As of December 31, 2022, the INOVYN Business was the largest producer of caustic soda in Europe, in terms of capacity, with a market share of 17%, according to NexantECA. The following chart sets forth the top European caustic soda producers (by capacity) as of December 31, 2022, according to NexantECA.

Europe Caustic Soda Capacity Share by Owner (2022)



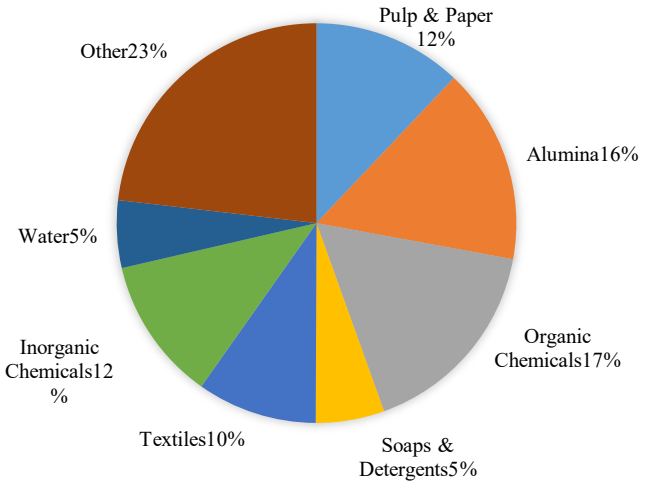
Source: NexantECA.

Inter-regional trade is not expected to change its direction. The major exporting regions are North America, the Middle East and Northeast Asia.

Demand for Caustic Soda

Caustic soda is used for a wide variety of applications. According to our internal estimates, global demand for caustic soda in 2022 was 80.8 million dmt and we forecast demand to increase to 88.9 million dmt by 2027.

Global Caustic Soda Demand by End Use (2022)
80.8 million dmt



Source: INEOS Quattro.

According to NexantECA, demand for caustic soda is expected to be mainly driven by growth in Asia Pacific and the Middle East. Demand in Asia Pacific in 2022 was 53.9 million dmt and is forecasted to grow at an average rate of 3.8% per year through 2027, according to NexantECA. We expect demand in the Middle East to grow at a 2.1% CAGR from 2022 to 2027, according to internal estimates. The key drivers for demand growth are the diversity of caustic soda applications for the manufacturing sectors, including the manufacturing of rechargeable batteries, and industrialization and population growth.

In North America, according to internal estimates, we expect caustic soda demand to decline at a rate of 0.7% per year through 2027, due mainly to Olin Corporation's announced closure of propylene oxide production at its Freeport, Texas site in 2026 that offsets several expansions scheduled during the period.

According to NexantECA, the market for caustic soda in Western Europe represented approximately 12% of global caustic soda demand in 2022. According to management estimates, demand was lower in 2022 than in 2021 and has declined further in 2023. In Western Europe, NexantECA expects demand growth to be 1.1% per year on average through 2027, which we believe will be linked to a recovery in the construction, lifestyle and healthcare sectors and driven by urbanization, as well as increased demand in the pulp and paper sector driven by increasing demand for packaging and healthcare products.

Supply of Caustic Soda

In 2022, global production capacity for caustic soda was approximately 100 million dmt per year based on internal estimates. Capacity additions are expected to be mainly in Asia Pacific and the Middle East.

Caustic soda production capacity in China was 46.2 million dmt in 2022. China is a net exporter of caustic soda. Key destinations for its exports include Australia, Southeast Asia and other Northeast Asia.

The position of the United States as a major exporter of caustic soda diminished some years ago, but this trend has been reversed in the last ten years as access to cheaper gas and electricity has provided the United States with a newly competitive position. According to internal estimates, North American caustic soda plant capacity in 2022 was approximately 15.2 million dmt, and we expect capacity to reduce to 14.7 million dmt by 2027 as a result of net closures of older cell room production capacity based on diaphragm technology due to United States asbestos regulations.

In the Middle East, according to internal estimates, we expect caustic soda production capacity to increase to approximately 4.2 million dmt by 2027 from approximately 3.6 million dmt in 2022. The main driver of increased chlor-alkali production capacity in the Arabian Gulf region of the Middle East has been access to relatively low-cost electricity, as electricity is the main input cost for electrolysis of salt.

In Western Europe, the majority of recent capital investments in chlor-alkali and vinyls production capacity have been focused on improved efficiencies rather than increasing net capacity volumes. Annual caustic soda capacity in Western Europe is forecast by NexantECA to increase by approximately 200,000 dmt to 11.5 million dmt per year by 2027. This follows a number of plant closures which occurred as a result of the need to convert or close all mercury cell capacity in the European Union by December 2017. Not all mercury cell plant owners were able to justify the investment to convert the plants to membrane cell technology. Western Europe was a net importer of caustic soda in 2022, due to the recent capacity rationalization. We expect Western Europe to be a net exporter in 2023 and 2024, with caustic soda demand beginning to outpace production in 2025, with that trend continuing through 2030, as chlorine operating rates improve in line with demand recovery for PVC in Western Europe.

Caustic soda markets operate on somewhat different dynamics than those for PVC, the main outlet for the chlorine co-produced during caustic soda production. As discussed above, when economic activity is expected to contract, construction slows and PVC demand typically falls. As a result, less chlorine is produced, and less caustic soda becomes available as a co-product. As a result of the decreased supply of caustic soda, the price of caustic soda tends to rise. Then, typically, six to nine months after an economic slowdown begins, and once the effects of the economic slowdown move beyond the construction sector and reach general industrial production levels, which tend to decline later than construction levels, caustic soda demand falls along with prices. For example, in 2022, due to lower chlorine production in Western Europe driven by lower PVC demand, caustic soda production also declined. As the decline was greater than the decrease in demand, caustic soda prices rose to record levels. In 2023 in Western Europe, even as prices came down, caustic soda demand declined further and production outstripped demand. Typically, during periods of economic recovery, the reverse process occurs; anticipated economic recovery spurs construction, with recovery of levels of industrial production occurring later.

Given the nature of the production process, and the legal and practical limitations on chlorine transportation and storage, chlorine is typically produced "just in time" for consumption, and caustic soda supply is primarily determined by the use of chlorine and therefore chlorine containing products, such as PVC. Over the last two decades, there has been a significant change in the balance of technologies used in chlor-alkali production. According to NexantECA calculations based on data published by various third-party industry sources, mercury-based technology, which accounted for approximately 24% of global chlor-alkali production capacity in 1997, declined to approximately less than 2% of global production capacity in 2022 and these are due to be phased out by 2025. Membrane-based technology, which was introduced in the mid-1980s, has, for environmental and cost efficiency reasons, increasingly replaced mercury-based technology. In the European Union a voluntary phase-out required producers to close or convert existing mercury cellroom facilities to membrane cellroom facilities by December 2017. For further information, please see "*Business—Healthy, Safety, Security and Environment (HSSE)*".

The Chlorine and Chlorine Derivatives Market

We are a leading producer of chlorine in Europe. As a result of their inherently hazardous nature, chlorine and its derivatives are highly regulated by governments. With respect to derivatives, we are principally active in sales of chloroform, methylene chloride, chlorinated paraffins, sodium hypochlorite, HCl and ECH.

Chloroform is used chiefly in the production of HCFC-22, which, in turn, is used as a feedstock for fluoropolymers and fluoroelastomers.

Methylene chloride is used in a wide range of solvent applications as well as in pharmaceutical production and some fluorochemical applications. Methylene chloride is traded globally.

Chlorinated paraffins are produced mainly by direct chlorination of straight-chain saturated hydrocarbons in the C_{10}-C_{30} range. By-product HCl is produced and sold on the merchant market. Chlorinated paraffins are used mainly as plasticizers but also as coolants and lubricants for metalworking compounds and as flame retardants. The use of chlorinated paraffins has dropped in recent years due to the slowdown in the metalworking industry and due to environmental concerns over some grades of chlorinated paraffins used in the plastics processing sector.

Sodium hypochlorite is used primarily in water treatment and the household bleach market and, to a lesser extent, in some industrial applications and residential swimming pools and spas. Because of its ease of manufacture and the large numbers of producers, precise data on production of sodium hypochlorite are generally not available. Sodium hypochlorite markets are generally mature and are unlikely to change significantly in the near term.

HCl is a by-product of many chemical reactions, but is also produced by deliberately burning chlorine and hydrogen together. It is typically sold as a 24-36% aqueous solution and, due to high transportation costs, is typically not transported over large distances to customers. It is used in a wide range of chemical industry applications as a general purpose mineral acid.

ECH is an organochlorine compound and an epoxide. It is a chemical intermediate, mainly dedicated to the manufacturing of epoxy resins used in paints and coatings, composites, adhesives and electronics. It is also used in non-epoxy applications, such as pulp and paper chemicals, water treatment and healthcare products. Global demand for ECH was approximately 2.2 million tonnes in 2022, with epoxy resins accounting for around 86% of global consumption, according to NexantECA.

Other Products and Markets

Salt and Brine market

We are also active in the salt and brine markets. The INOVYN Business is one of only two U.K. producers of evaporated salt. Salt applications are wide ranging and include water softening, food preservation and its use as a base raw material within the chemical industry. Brine is used as an essential raw material in a wide range of applications by the chemical industry, including the production of chlor-alkali products, white salt and soda ash. We and British Salt (Tata) are the only producers of brine in the United Kingdom. British Salt's production is almost entirely for its own internal requirements. Brine production requires significant initial investment due to the costs of obtaining brine fields, drilling bore holes and developing pipeline infrastructure.

Ethylene pricing dynamics

Ethylene prices have historically been generally correlated with prices of hydrocarbon feedstocks, such as crude oil and natural gas. Oil prices declined significantly during 2014, and ethylene prices declined accordingly, although with a time lag caused by ethylene supply difficulties. The combination of firm ethylene demand and a relatively high proportion of unplanned production capacity outages created unusual ethylene market conditions with exceptionally high price levels in Europe during 2014. The exceptionally high ethylene price levels in combination with declining PVC prices resulted in an increased margin pressure for European PVC producers. During 2015, the combination of improving cracker availability and utilization rates in Europe and the Middle East resulted in a decline in ethylene prices in line with the corresponding decline in oil prices. Global oil demand was curtailed by the COVID-19 pandemic in 2020 and prices fell dramatically. The pandemic, and other factors, constrained global PVC production while demand for PVC, particularly for construction, rebounded robustly after the initial global lockdowns, resulting in rising price levels in Europe. According to NexantECA, 2022 saw peak pricing as conflict in Ukraine escalated upstream costs. Demand faltered in the second half of 2022 as the macro-economic climate trended to the downside. Elevated interest rates were a particular constraint to construction activity and brought a heavy downturn to PVC demand, resulting in reduced price levels in Europe. A surge in power costs prompted turning-down of chlor-alkali units, rebalancing the market.

The Aromatics Industry

Our Aromatics Business operates in the U.S., Europe and Asia aromatics value chain. Our core sales are derived from Purified Terephthalic Acid ("PTA") with the manufacture of Paraxylene ("PX") in the United States and Europe being consumed in the production of PTA.

Paraxylene is one of the isomers of dimethylbenzene that is recovered as a value-added product mainly via catalytic reformation in refineries, especially where there is surplus or low value gasoline available (due to favourable spread between mixed xylenes price and PX price) and also via toluene disproportionation and pyrolysis gasoline. According to NexantECA, approximately 99% of PX is consumed in the production of PTA with much of the rest consumed for the production of Dimethyl Terephthalate ("DMT") both of which are used in the production of Polyethylene Terephthalate ("PET"). The growth in demand for PX has for many years outstripped demand growth for benzene and toluene and has motivated the use of technologies which are more selective towards PX production and convert other aromatics to PX.

Purified Terephthalic Acid is an intermediate chemical that is produced by the catalytic liquid phase oxidation of PX in acetic acid, in the presence of air. PTA is the primary feedstock for the production of polyester-based products. PTA has no other applications other than being a key component in the polyester polymer production process and on a much smaller level as a component in various specialities. According to NexantECA, in 2022, 64% of PTA went into production of polyester fiber, 26% into PET resin and 10% into film and specialties, such as powder coatings, polyester resins and plasticisers.

The factors driving PX and PTA prices are largely common between all regions due to the nature of the production process and the global nature of oil and refined product markets, such as crude oil, naphtha and gasoline. Prices are determined by the following factors (i) alternate value of feedstock naphtha and feedstock aromatics (reformate, mixed xylenes and toluene) into gasoline, (ii) prevailing supply-demand requirements both globally and in the region and (iii) the underlying raw material cost structure.

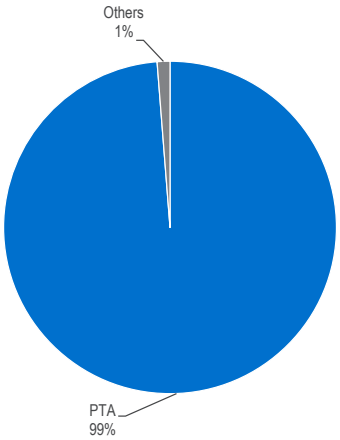
Historically, PX and PTA pricing and spreads has been linked to the performance of the underlying polyester markets and has also experienced volatility due to crude oil pricing and level of investments in China, with 2020 PX prices less than half of 2014 levels with further impact from lower demand as a result of the COVID-19 pandemic. According to NexantECA, 2023 is expected to be a low point, and a combination of demand growth and rationalization of higher cost producers will drive margin recovery over the coming years.

Given the installed capacity, we believe that it would not be possible to substitute PX and PTA for the production of PET. Key substitution risk would be focused around the use of recycled plastic and moving away from virgin polyester polymers, although according to NexantECA, with the wider issues with collection rate and quality of waste material means recycled polyester is unlikely to exceed the current level of 12% in the global market in over the coming 10 years.

The Aromatics Market

Demand for PX is driven by demand for PTA and in turn driven by demand for polyester production. With the historical and forecast increase in global demand driven by extensive development of the polyester chain in Asia and in particular China, the country has become a critical market for PX as it hosts the majority of global polyester production. As such, PX global trade is dominated by market dynamics which govern the Chinese deficit.

PX Demand by End-Use (2022)
56.5 Million Tonnes

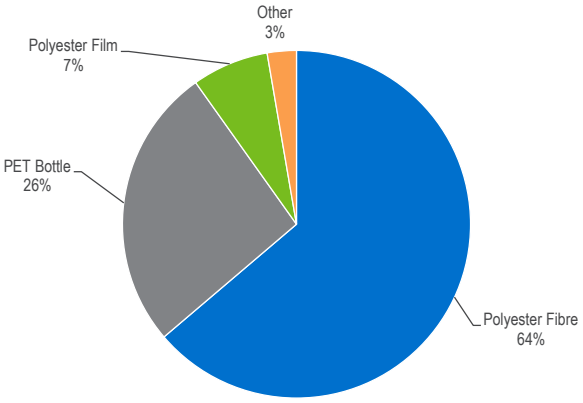


Source: NexantECA.

PTA is a granular powder and unlike bulk liquid chemicals, powders require more specialized handling equipment for packaging. Transportation costs for bulk powders also adds to logistics costs, which often means location of production confers significant logistical and cost advantages to the producer.

Deep sea export of PTA decreased for many years as traditional import markets have grown to a size where local investment became viable and benefitted from the cost advantages associated with deployment of newer, larger-scale technology and with superior netbacks due to reduced logistics costs for supply to local markets compared with imported product. China's PTA capacity development has however expanded rapidly in recent years, first displacing product which was imported from other Asian countries to alternative destinations such as Europe, and subsequently allowing China to become the world's leading PTA exporter.

PTA Demand by Application (2022)
82.2 Million Tonnes



Source: NexantECA.

Downstream products	Key applications
Polyester Fiber.....	Textiles, upholstery, household appliances, insulation, construction
Polyester Resins.....	Food and non-food packaging, electronics, powder coatings
Polyester Films.....	Food and non-food packaging, insulation, adhesives, electronics, medical

With polyester markets largely mature, volume drivers for PX and PTA will likely be linked to GDP growth, with China and India continuing to be the key growth areas to fuel their polyester fiber industries. As a reference point, given the scale of global demand, a 5% annual growth rate (which has been typical) is equivalent to 3 new world scale plants per annum.

Whilst PET recycling is also expected to temper some of this growth, the current open loop system of recycling requires virgin polyester production to feed the collection and recycling of waste PET (principally PET packaging, as there is little economic chemical recycling capability at present) and this continues to support continued growth of virgin polyester production and consequently demand for PX and PTA, albeit at slightly lower levels than seen historically. An increasing absolute amount of recycled PET is forecast to enter the polyester chain, however different regional drivers and wider issues with collection rates and quality of waste material mean that as a percentage of demand, and according to NexantECA, recycled polyester is unlikely to exceed 12% by 2030.

Production

Feedstocks derived from oil and natural gas feed the polyester value chain, via a range of chemical transformations. Creation of reformate (a major component of gasoline) and pygas (from cracking oil-derived liquids and gas) produce Benzene, Toluene and Mixed Xylenes ("BTX"). Mixed Xylenes are subsequently transformed to PX which is recovered, and via a catalytic oxidation process further transformed to PTA. PTA is reacted with Monoethylene glycol ("MEG") to produce polyester polymer, which in turn is processed into polyethylene terephthalate ("PET") for packaging and sheet applications, and polyester staple fibers and polyester filament fibers for a wide variety of applications.

PET production for packaging applications is mostly a sub-regional industry due to the logistical requirements of supplying product to blow moulding and filling consumers. Inter-regional movements of preforms is less common due to their lower packing density than PET pellets. However, movements of both have increased in the past few years due to inter-regional pricing differences. We estimate that 20-25% of demand is imported into North America.

The Aromatics Business's Proprietary PTA Technology

The Aromatics Business holds a leadership position in PTA technology which goes back to the early 1960s when the PTA purification process was invented and key patents were filed by Amoco. Starting with this invention, the Aromatics Business has been licensing, building and operating PTA plants for over 50 years. The Aromatics Business's proprietary PTA technology has progressed through many evolutions and over the past 10 years the Aromatics Business

has reduced the conversion costs of its existing PTA assets by applying new technology and lessons learned. This technology has also helped to achieve lower required raw material costs and lower capital expenditure on building plants.

The Aromatics Business's PTA technology has been recognized as delivering excellent environmental performance. The process integration, recycle loops, and energy recovery elements of the Aromatics Business's PTA technology result in a 33% reduction in raw water usage, and an 87% reduction in water usage. In addition, the Aromatics Business estimates that its latest generation PTA technology delivers 65% fewer greenhouse gas (GHG) emissions, 75% less water discharge and 95% less solid waste for disposal than conventional PTA technology of the 1990s. Some examples where the Aromatics Business technology reduces the greenhouse gas footprint and waste emissions are:

- A highly efficient anaerobic reactor which converts waste to fuel;
- Internal recycle of the PTA mother liquor streams to reduce wastewater flow and recover energy;
- A highly efficient Catalyst Recovery unit to recover catalyst metals allowing direct re-use without a third-party reclaimer; and
- Efficient heat integration to minimize the burning of fossil fuels to produce high pressure steam

The Aromatics Business's Double Reslurry Paraxylene Recovery Technology (Double Reslurry pX Recovery Unit)

The Aromatics Business is one of the global leaders in Paraxylene technology and owns and operates multiple PX production units. The Aromatics Business has been a leader in the development of PX production technology for over 50 years. Since 1967, the Aromatics Business has produced PX utilizing its own proprietary crystallization process. Since the early 1980's, it has used its own proprietary isomerization catalysts. Over the years, the Aromatics Business continuously improved the technology with a sustained research and development effort encompassing isomerization, fractionation and crystallization. In addition, the Aromatics Business has implemented advanced control and real time optimization systems at all its PX manufacturing facilities.

The Aromatics Business's unique recovery section employs a breakthrough single crystallization step, and provides advantages in energy consumption and feed impurity tolerance. The inherent energy advantage of crystallization compared to competing selective adsorption processes is clear given the heat of fusion of PX is less than half the heat of vaporization. After adjusting for differences between the per-pass recoveries of crystallization and selective adsorption, the energy required to recover a given amount of PX using this technology is substantially lower than that required using selective adsorption.

The crystallizers can tolerate feeds with higher impurities compared to selective adsorption. This allows a single, lower pressure, lower reflux Xylene Recovery Column, a proprietary fractionation scheme and novel heat integration between the fractionation and isomerization sections. In addition, no investment in expensive adsorbents is needed.

The isomerization step employs the Aromatics Business's latest generation catalyst system, HSDE (High Selectivity Deethylation). This non-noble metal system features very low aromatic ring loss, high nonaromatic cracking activity, close approach to xylenes equilibrium, cycle lengths of five years, cumulative life of more than 10 years, tolerance of high levels of feed non-Aromatics, and ready recovery from exposure to sulphur and other potential poisons. The Project will realize a significant savings as no investment in precious metals will be required.

The Aromatics Business's crystallization technology can process mixed xylenes from Reformate and the toluene / C9+ transalkylation stream of the TA (Transalkylation) Technology. Among its primary benefits are low energy consumption and a small carbon footprint in terms of low direct CO2 emissions. Both benefits are of growing significance given the future likelihood of taxes or caps on carbon.

Competition in the PTA Market

PTA markets are well consolidated in North America and Europe, however, due to its duty free status and over-capacity, South Korea is a significant competitor in Europe and increasing its influence in North America.

Asia is dominated by Chinese producers with the 2 largest players in China accounting for over 40% of the Chinese capacity. Competition is driven by companies with merchant PTA length based primarily on producers' product prices, location and reliability of supply. Our primary competitors in PTA are:

- in Europe, Indorama and PKN Orlen and imports from Hanwha and Taekwang for PTA;

- in North America, Indorama, Alpek Polyester, Eastman and imports from South Korea; and
- in Asia the 2 biggest players are Hengli and Yisheng as global #1 and #2 producers based in China.

According to NexantECA, we are the largest PX player in U.S. and second largest in Europe and also the largest PTA player in U.S. and the second largest in Europe in 2022. Our site in Texas City, Texas is the largest single Xylenes site in the United States.

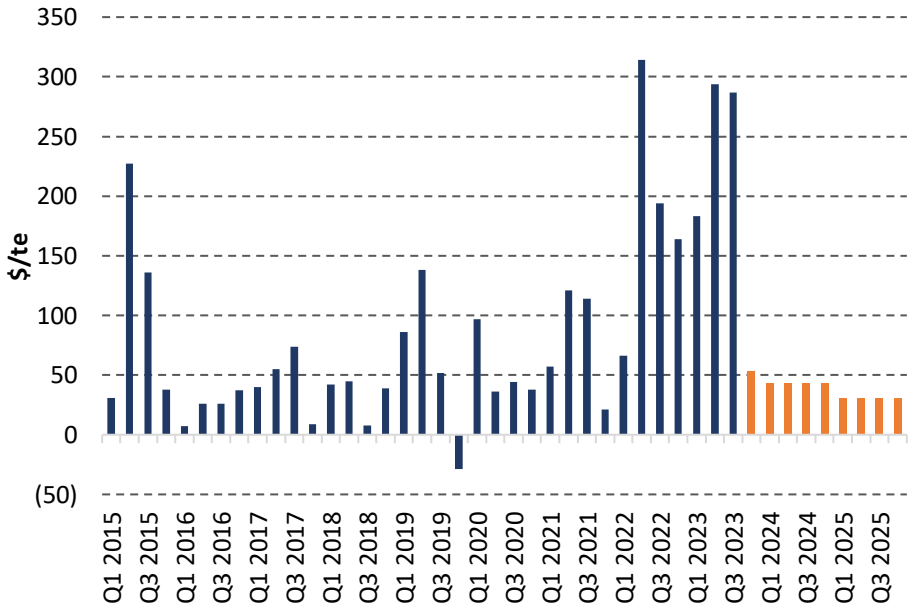
Price setting for PX and PTA

China's polyester fiber market serves as a benchmark hub for polyester polymer pricing and global pricing mechanisms reflect the desire of local and regional marker prices to track China prices for polyester intermediates feedstocks at, or close to parity to ensure competitiveness in polyester production process economics.

Pricing for PX is largely common between regions but with some influence from settled pricing in China. In China, pricing is now mainly defined by the daily spot PX market, while the monthly contract system is now effectively abandoned with no settlements made in recent years. In Europe and the United States, there is not a liquid spot market and so a similar contract setting process convention is in place but there are fewer buyers and sellers in the process and buyers and sellers are also influenced by price dynamics in Asia who then try to negotiate comparable net price levels to ensure a competitive cost base for PTA production. However, local market dynamics will often differ in terms of supply-demand and feedstock valuations, and therefore regional market prices may track Asia prices to a degree but can also differ quite markedly due to local market factors.

Pricing for PTA is similarly aligned on a regional basis. In Asia, the China domestic PTA contract price typically reflects the spot average of PTA spot sales in RMB terms for the calendar month. Given the significance of China in PTA and polyester products globally, PTA pricing in China is the de facto global benchmark. Both European and United States PTA contract prices are determined monthly to reflect any change in the PX contract price element. The overall pricing structure of European and United States contracts aims to be competitive to Asian sources. Consequently, changes in China's PTA or polyester prices can influence the price setting mechanism to ensure local competitiveness against import material.

Feedstock Cost Differential Asia vs USA



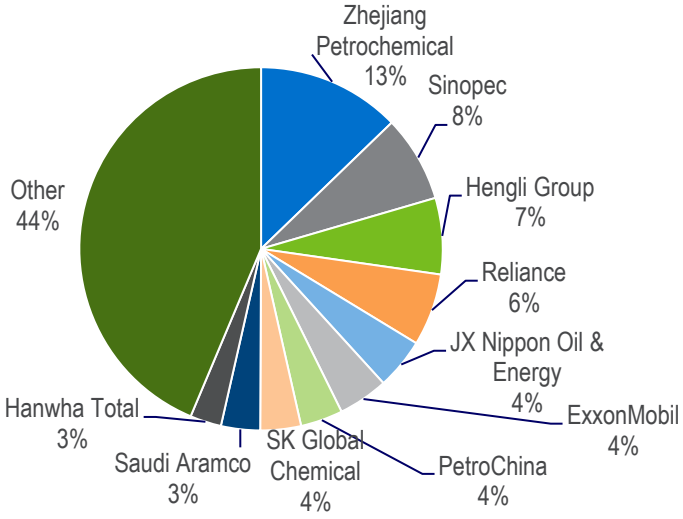
Source: NexantECA.

Mixed xylene is the feedstock required to make paraxylene which is in turn the raw material for manufacturing PTA. Following the sanctions imposed on Russia as a result of the Ukraine conflict, the balance of refinery products in the West went short of octane components for gasoline production. Mixed xylene can be used as an octane component and as a result there was high demand to divert mixed xylenes into the gasoline pool. This resulted in a spike in pricing of mixed xylenes in the West vs Asia and made local PX production uncompetitive in the US and Europe.

The trend has already started to reverse and the premium of mixed xylenes in the West has started to reduce. According to NexantECA, the market forecast is for the reversal to continue into 2024 making paraxylene production more competitive again in the US and Europe. The arbitrage is closing as Western refineries ramp up output of octane components to close the gap and new octane capacity is in the process of started up in the US. According to the Nexant forecast and others, this punitive differential which has manifestly affected operating rates in the US and Europe is forecast to normalize over the coming quarters.

Supply, Demand and Utilization Rates for Paraxylene

Paraxylene Capacity Share by Owner (2022)
70.5 Million Tonnes



Source: NexantECA.

Global PX capacity is heavily concentrated in Asia, driven by the largest PTA and polyester market in China. According to NexantECA, PX capacity in 2022 totaled approximately 91.8 million tonnes. By capacity share, China, North America and Europe made up approximately 44%, 5% and 3% of total capacity, respectively.

There is an increasing amount of interest for a more integrated operating model in refining/crude-petrochemicals. This is particularly evident with the new PX capacity being added in China driven by ambitions of upstream competitiveness for the PET industry. China continues to be the most significant net importer of PX with major suppliers to China primarily neighbouring markets as well as South East Asia and the Middle East. According to NexantECA, China's PX imports reached an all-time high of 15.9 million tonnes in 2018, and subsequently decreased to 10.6 million tonnes in 2022. Heavy capacity addition downstream offset the effect of the new domestic PX capacities. However, the addition of new domestic PX supply is likely to put pressure on existing PX producers and according to NexantECA, will likely see asset closures and rationalization at sites with poorer economics.

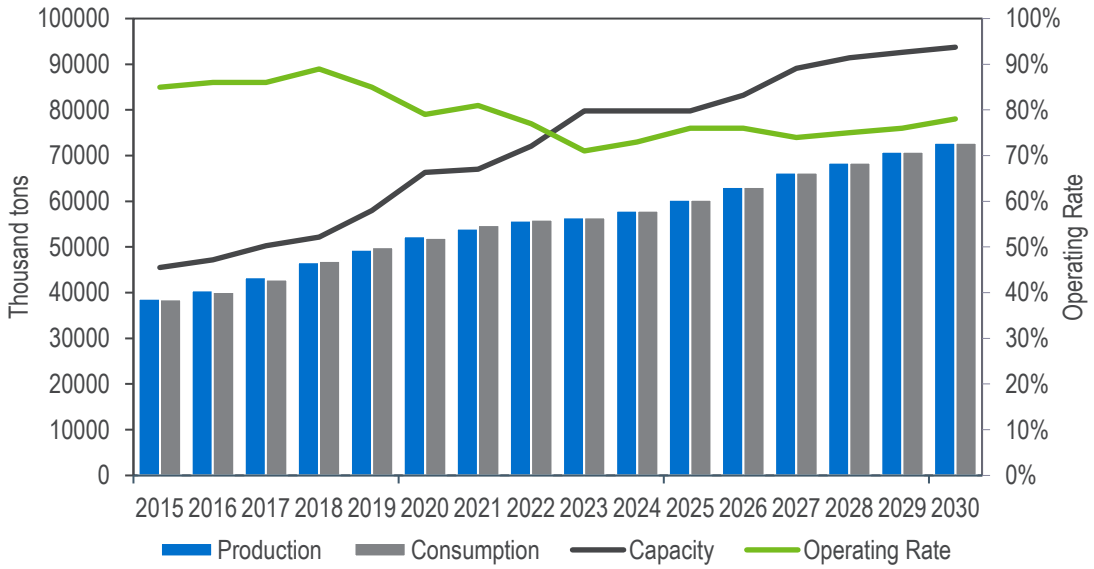
According to NexantECA data, between 2017 and 2022, global capacity in the PX market increased strongly, posting a 7% CAGR over the period, driven by large capacity expansions in North East Asia. PX capacity in China alone increased from 18 million tonnes in 2019 to 32 million tonnes in 2022, according to NexantECA. NexantECA data shows demand in the PX market grew at a slower pace of 5% per annum between 2017 and 2022, causing a decrease in utilization rates.

According to NexantECA, from 2022 to 2027, PX consumption growth is expected to slow to just a 3.4% CAGR and taper to a 3.2% CAGR from 2022 to 2027 due to a maturing of the polyester market, slowing economic growth in China in particular and the emergence of commercial-scale chemical recycling.

NexantECA data shows that between 2017 and 2022, PX utilization rates dropped from 86% to 77%. 2023 is expected to mark a low point, and operating rates are expected to recover towards historical norms starting in 2024. NexantECA expects legislated limits on China's oil refining capacity to restrict the rate of capacity additions in future.

Based on industry experience and views from various third-party data providers, management expects that overall supply and demand balances will be dragged by China, with Europe expected to balance out only when planned investments in Turkey come online. Management further expects North America to see tighter market conditions and remain a significant importer of PX. In the next few years, according to NexantECA, capacity additions should slow down and will see a rationalization of higher cost producers in China and other regions to allow an improvement in utilization rates.

Global Supply, Demand and Trade ("SDT") for PX (2015-2030)



Source: NexantECA.

China. According to NexantECA, downstream investment in China will continue to drive growth in demand for PX demand on an absolute basis, but given the large installed base, at a relatively slower rate. PX consumption growth has been around 9.1% per annum from 2017 to 2022. PX consumption growth is forecasted at 4.1% per annum from 2022 to 2027 and is expected to maintain this level over the next decade.

Europe. According to NexantECA, Europe PX capacity is expected to remain broadly steady at around 3.4 million tonnes in the next couple of years, which is around 5% of global capacity. Pressure from imports has, however, led Indorama to idle one plant for an unspecified period in 2023.

PX producer economics is expected to remain challenged, partly due to the global PX oversupply. While there is some risk of some refinery asset closures, particularly in the next five years, many of the PX units sit within relatively competitive refining assets. Persistently high gasoline prices have greatly reduced the incentive to extract PX at some sites in recent years, with PX prices sometimes below the blended value of PX in gasoline. This has already led to the closure of some smaller and older PX extraction units in several regions, and this could remain a factor over the coming years.

According to NexantECA, PX operating rates in Western Europe dropped by around 20% in 2022 as a result of a temporary distortion in gasoline values which was attributable partly to the war in Ukraine. This has continued to impact operating rates into 2023. NexantECA does not expect this situation to be permanent, but does forecast the closure of some of the smaller PX plants in Europe. The duration of distortion in gasoline values will depend on factors such as regional economic growth and global security concerns, although NexantECA notes that the US PX price premium over China was 20% lower over the first three quarters of 2023 than in the same period in 2022. Western Europe is a net importer of PTA.

Our Aromatics Business is well positioned and benefits from full integration of our PX and PTA production, with the assets normally operating at utilization rates in the high 90% levels. Our recent operating rates have been lower due to higher gasoline prices making it uneconomical to produce PX in the short term.

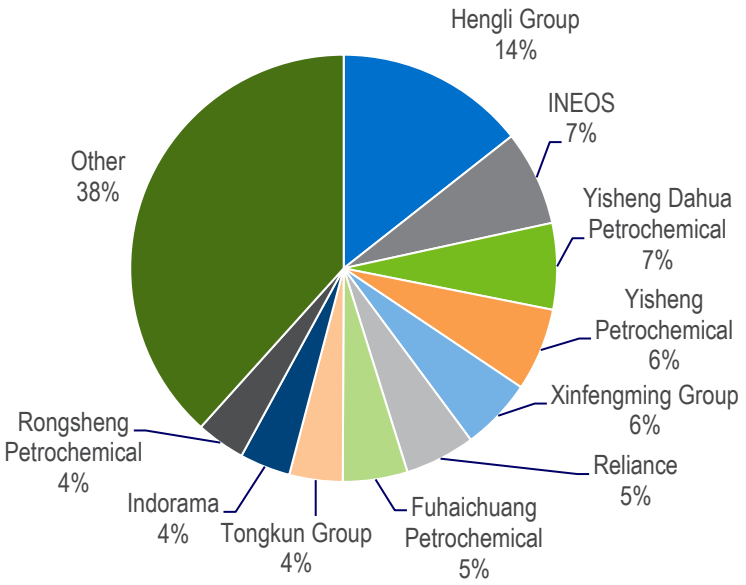
North America. According to NexantECA, North America capacity is expected to remain stable at around 3.8 million tonnes, which equates to 4.5% of global capacity. Production economics are forecast to stay under pressure through the middle of this decade before recovering post-2025. NexantECA notes that a new PTA plant is under construction in the United States that could increase US PX consumption by around 40% from 2025.

The proportion of domestic PX demand filled by net imports has risen to 30% in 2022, signaling the region's increasing reliance on imported volumes. According to NexantECA, this trend is expected to continue, accelerating after Corpus Christi Polymers comes online in 2025, although this start date while feasible could be delayed.

According to NexantECA, PX consumption in 2022 declined by 175,000 tonnes versus 2021, mainly as a result of increased imports of PET, which in turn restricted demand for PX.

Supply, Demand and Utilization Rates for Purified Terephthalate Acid

PTA Capacity Share by Owner (2022)
91.9 *Million Tonnes*



Source: NexantECA.

Global PTA capacity is distributed among the three major regions. According to NexantECA, PTA capacity in 2022 totaled approximately 91.9 million tonnes. By capacity share, China, North America and Europe made up 66%, 6% and 4% of total capacity, respectively.

China dominates the global PTA industry, both in terms of scale and impact of feedstock and product pricing at all points along the polyester value chain by virtue of its scale of consumption and production. India, Pakistan and Turkey are the only other globally significant fiber producers, and capacity in the rest of the world is mainly for PET bottle resin.

According to NexantECA data, between 2017 and 2022, global capacity in the PTA market increased strongly, posting a 7% CAGR over the period, driven by significant capacity expansions in Asia. Demand for PTA also grew over this period albeit at a slightly slower pace of 5% per annum.

Global PTA consumption reached 82 million tonnes in 2022 despite a near halt to consumption growth in China as a result of strict COVID-19 lockdowns. Figures released over the first half of 2023, however, indicated a strong

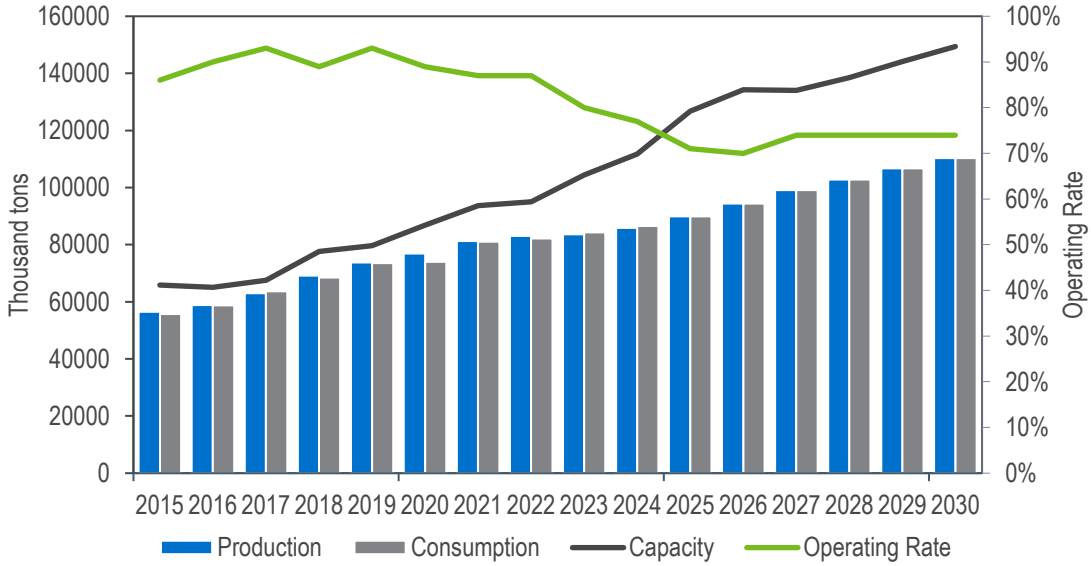
recovery in the fibers industry in China. Total consumption is expected to reach 91 million tonnes in 2027, implying a CAGR of 3.8% from 2022 to 2027.

According to NexantECA, capacity is projected to grow by 39.4 million tonnes from 2022 to 2027. China alone will add 32.2 million tonnes over this 5-year period, representing 82% of total new capacity. Global PTA production is projected to grow at 3.6% per annum and reach 92 million tonnes by 2027.

NexantECA data shows that between 2017 and 2022, PTA utilization rates fell from 93% to 87%, mostly due to lost demand growth under COVID-19, and excess capacity addition in China. Longer term, NexantECA expects to see ongoing heavy capacity additions in PTA over the next few years and corresponding pressure on utilization rates.

According to management estimates, fewer PTA capacity additions are expected in 2023 and inventories along the value chain will normalize during the year. PTA sales in North America and Europe are likely to recover first, followed by global margins, according to management estimates.

Global Supply, Demand and Trade ("SDT") for PTA (2015-2030)



Source: NexantECA.

Below is a discussion of PTA supply, demand and utilization rates in China, Europe and North America.

China. Utilization rates in China fell from 93% in 2017 to 85% in 2022 as a result of heavy capacity additions, particularly from the top-five producers such as Hengli and Yisheng, which are back-integrated with the "crude-to-PX" refinery aromatics concept. Having faced high prices and limited supply of PX, the major polyester groups in China devised crude-to-PX as a means of full back-integration, building world-scale oil refineries with a novel configuration to maximize aromatics production, including around 4 million tonnes of PX at each site. The oversupply forced several plants offline, some of which have remained permanently closed, while others have been restarted under new ownership.

Europe. According to NexantECA, PTA capacity is expected to be broadly static at around 4.1 million tonnes, although some of the less advantaged plants in Europe have faced periodic shutdowns due to weak demand and competitive pressure from Asian PTA imports. While a new PTA plant was completed in Turkey in 2023, it is not integrated with PX, and has so far not operated. It is currently expected to come online in the second half of 2024.

North America. From 2022 to 2027, regional PTA production and consumption are projected to grow at a rate of 3.6% and 5.3% per annum, respectively, as the new Corpus Christi Texas PTA and PET plant becomes operational and displaces PET imports which have reached around one million tonnes per year. The three partners in Corpus Christi Polymers again voted to pause construction of the complex in September 2023 to further explore potential cost savings. This may delay the startup beyond the expected 2025 timeline.

Regional PTA consumption is dominated by the PET resin sector, with no further investment expected in fiber, and further fiber plant closures possible.

PET demand has remained relatively robust and has been proven to be by far the lowest carbon option in beverage packaging in an independently verified life cycle analysis conducted by NexantECA.

The Acetyls Industry

Our Acetyl business operates in the acetic acid value chain. Our core products include (i) acetic acid, (ii) acetate derivatives like acetic anhydride, ethyl acetate ("EtAc"), and vinyl acetate monomer ("VAM"). In addition, we also have access to methanol production at our Atlas JV in Trinidad and Tobago through September 2024. Key end markets served include building and construction, paints and coatings, cigarette filters, washing powders, automotive glass, PET bottles, polyester film/fiber, and herbicides and preservatives. We are the second largest acetic acid producer globally and largest acetic anhydride producer in Western Europe, as per NexantECA.

Acetic acid is a commodity chemical that is primarily produced by the carbonylation of methanol (using methanol and carbon monoxide). While it is traded globally, its transport requires specific measures due to its corrosive nature. As per NexantECA, global acetic acid demand was approximately 15.6 million tonnes in 2022, with approximately 29% of the demand stemming from the production of VAM, approximately 23% from Purified Terephthalic Acid ("PTA"), approximately 22% from acetate esters and approximately 18% from acetic anhydride.

Acetic anhydride is a colorless liquid with a sharp odor and strong lachrymatory properties (causes tears). The major end uses are in cellulose acetate flake (which is mainly used to make cigarette filter tow), pharmaceuticals, and tetraacetylethylenediamine ("TAED"—used as a bleach activator in laundry detergents and for paper pulp). NexantECA estimates world demand at approximately 2.3 million tonnes in 2022, with about 75% used to make cellulose acetate flake. NexantECA expects global acetic anhydride demand to grow at 2.2% on an annual basis during 2022-2030.

VAM is a colorless, flammable, volatile liquid. NexantECA estimates VAM demand at 6.5 million tonnes in 2022. The primary end markets include paints, adhesives, textiles and safety glass sheet for automotive and architectural applications. The top 5 producers account for 47.9% of global capacity in 2022 on an effective shareholding basis.

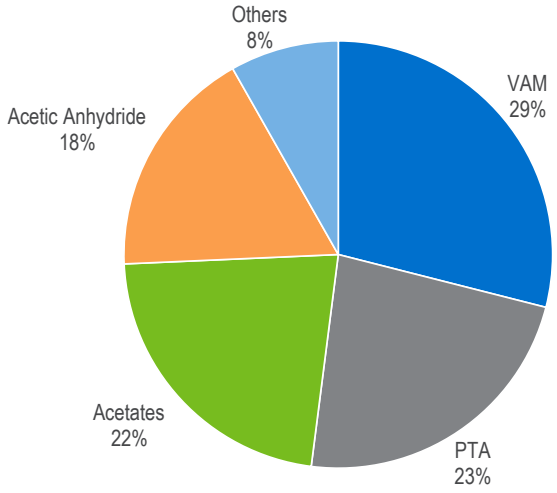
Production of PTA accounts for approximately 23% of global acetic acid demand, according to NexantECA. Production of acetate esters (ethyl and butyl acetate) accounts for approximately 22% of global acetic acid demand, according to NexantECA. Acetate esters are used mainly as solvents for inks, paints and coatings.

Other uses of acetic acid include monochloroacetic acid ("MCAA"), which accounts for 8% of global acetic acid consumption, according to NexantECA.

The Acetic Acid Market

Acetic acid is a clear colorless liquid under normal room temperature and pressure. Acetic acid is traded globally, however, its corrosive nature demands specific measures for its transport. The chart below provides an estimated global acetic acid consumption by downstream applications.

Global Acetic Acid Demand by End-Use (2022)
15.6 Million Tonnes



Source: NexantECA.

Production

Acetic acid can be produced in two ways: (i) synthetically (on-purpose or as a coproduct) and (ii) derived from natural sources.

The synthetic methanol carbonylation production that the Acetyls Business uses is, by far, the major production route (approximately 88% in 2022). In this technology, acetic acid is prepared from carbon monoxide and methanol using low pressure in the presence of an iridium based catalyst. Globally, NexantECA expects this production route to continue growing and reach 89% by 2027.

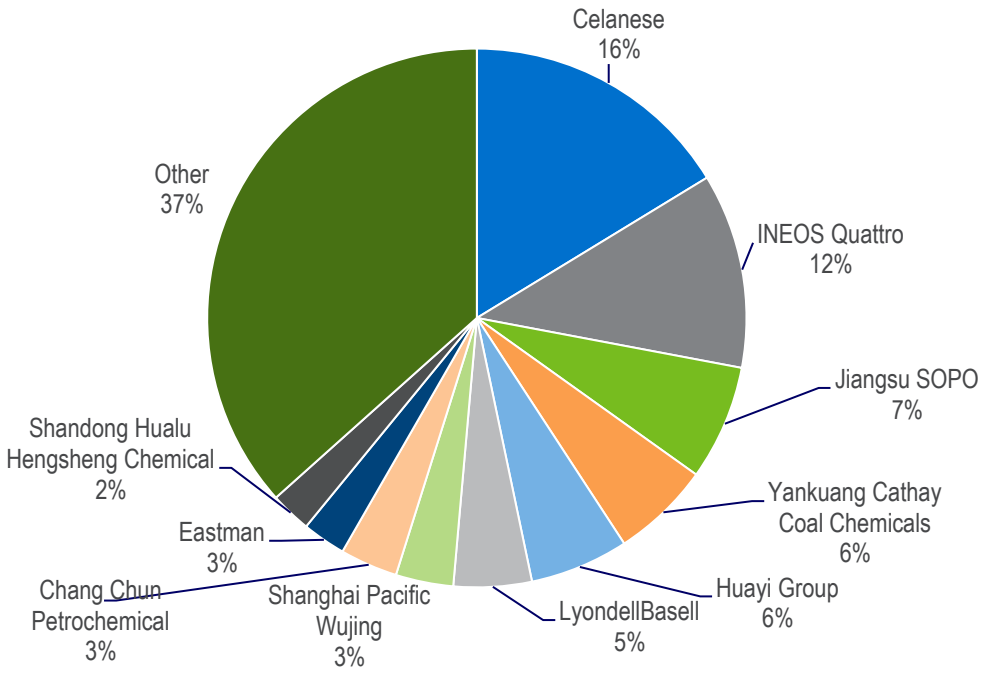
Acetic acid is an ecologically friendly product. It is one of the few chemicals that can be found in most kitchens in aqueous solutions (vinegar).

Competition in the Acetic Acid Market

The 10 largest producers account for approximately 64% of global capacity (on effective shareholding basis) in the acetic acid industry, according to NexantECA. We, along with other large producers like Celanese are forward integrated into the production of several derivatives such as acetic anhydride, and VAM. Our primary competitor in Europe is Celanese and in Asia are Celanese and other Chinese companies like Jiangsu Sopo, Yankuang Cathay and Shanghai Huayi.

According to NexantECA, we were the second largest player globally in acetic acid production in 2022.

Acetic Acid Capacity Share by Owner (2022)
19.8 Million Tonnes



Source: NexantECA.

Supply, Demand and Utilization Rates for Acetic Acid

Global acetic acid capacity is mainly focused in two countries: China (approximately 57% of total capacity in 2022 according to internal estimates) and the US (approximately 16% according to internal estimates). According to NexantECA, total acetic acid capacity in 2022 was approximately 19.8 million tonnes and is expected to increase by an average annual growth rate of 2.9% during 2022-27. NexantECA expects this to be driven by a 5.4% per annum increase in the US (following a 0.6% per annum increase during 2015-22) and a 3.5% per annum increase in China (following a

0.7% per annum increase during 2015-22). In China, most of the acetic acid producers benefit from upstream integration with coal or natural gas. No new capacity addition has been announced for Western Europe for 2022-27.

According to NexantECA, global acetic acid consumption amounted to 15.6 million tonnes in 2022. NexantECA expects demand to grow by 3.4% per annum over 2022-27, outpacing the supply growth of 2.9% per annum during the same period, and operating rates are expected to increase as a result. According to NexantECA, the fastest growing market for acetic acid is the US, where demand is expected to grow by 3.9% per annum during 2022-27 due to increased production of VAM, acetic anhydride and PTA.

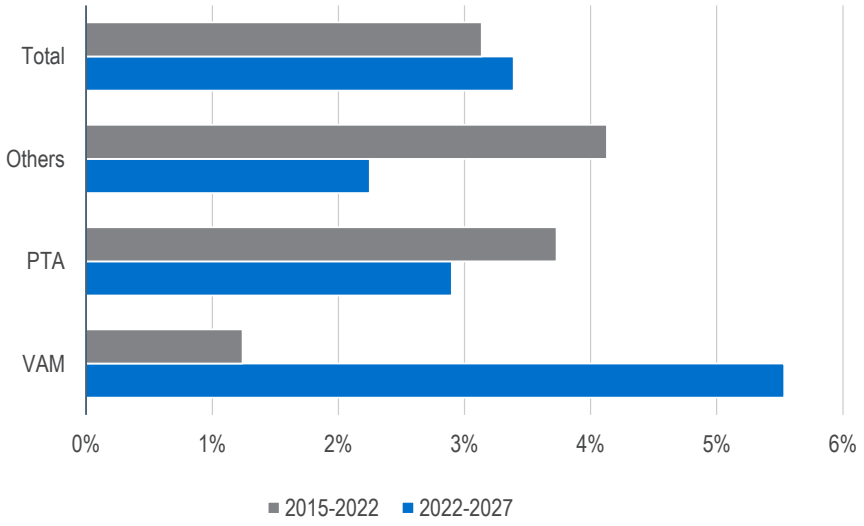
Asia Pacific's demand is expected to increase by 3.6% per annum during 2022-27, ahead of the capacity which is expected to increase at 2.6% per annum, according to NexantECA.

China is expected to continue to exhibit strong demand growth of 4.2% per annum during 2022-27, according to NexantECA, on the back of growing middle-class, urbanization, industrial production gains, as well as its dominance in various export markets. The incremental demand in China is well balanced between PTA, VAM, acetate esters and acetic anhydride. According to NexantECA, the capacity growth is expected to be below the demand growth at 3.5% per annum during 2022-27.

Western Europe's demand is expected to grow at 0.9% per annum during 2022-27, according to NexantECA. VAM demand, driven by polyvinyl acetate and copolymers, is expected to increase by 1.6% during 2022-2027, according to NexantECA.

Overall, on a global basis, VAM is expected to remain the single largest outlet for acetic acid (approximately 32% demand by 2027) with its demand increasing by 5.5% per annum during 2022-27, ahead of acetic acid overall demand growth of 3.4% per annum during 2022-27, according to NexantECA. All other acetic acid derivatives such as acetates, anhydride and other uses including monochloroacetic acid ("Others") are expected to demonstrate modest growth. PTA/Others are expected to grow at 2.9%/2.2% per annum during 2022-27, slightly below the overall acetic acid demand growth, according to NexantECA.

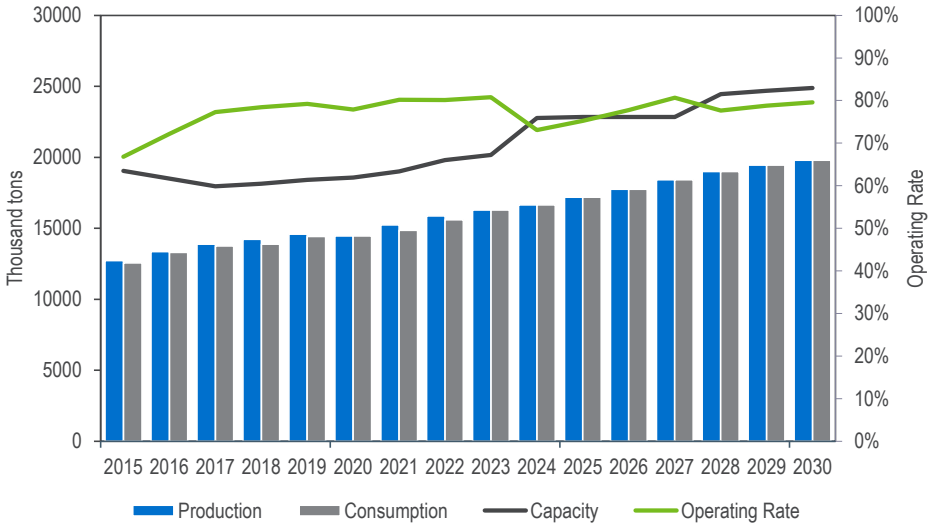
Global Acetic Acid Demand Growth by Application (2015-2027)



Source: NexantECA.

New capacity additions in China are leading to declining operating rates through 2024. NexantECA expects the subsequent demand growth to outpace additions through 2027, and the utilization rates to approach 80% by 2027.

Global Supply, Demand and Trade ("SDT") for Acetic Acid (2015-2030)

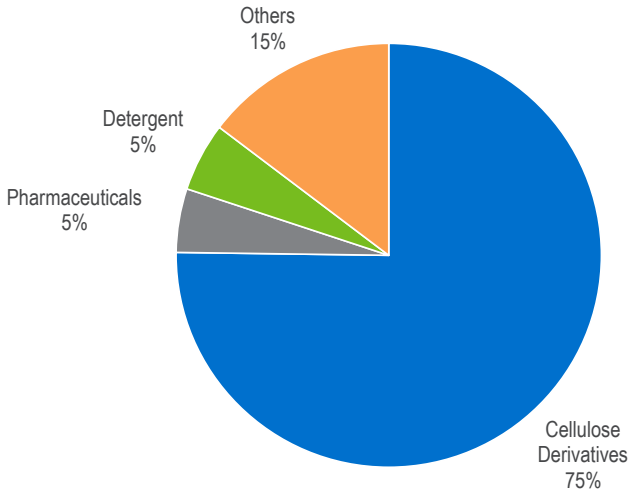


Source: NexantECA.

The Acetic Anhydride Market

Acetic anhydride is a colorless liquid with a sharp odor and strong lachrymatory properties (causes tears). Acetic Anhydride is produced from acetic acid, and can also be produced from recovered acetic acid in cellulose acetate operations. The chart below provides an estimated global acetic anhydride consumption by applications.

Global Acetic Anhydride Demand by End-Use (2022)
2.2 Million Tonnes



Source: NexantECA.

Production

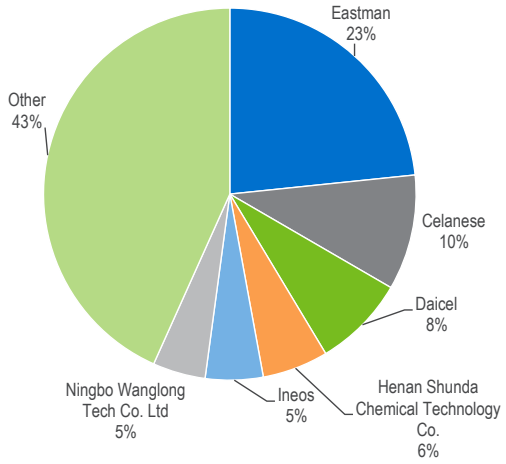
Acetic anhydride is produced in multiple ways. The most common method is the ketene route, which converts acetic acid to ketene (with approximately 65% of global capacity employing this route in 2022), which when reacted with more acetic acid produces anhydride. The other process is through the carbonylation of methyl acetate. We employ a technology that converts methanol and methyl acetate combined into acetic acid and acetic anhydride.

Competition in the Acetic Anhydride Market

In the acetic anhydride market, the 6 largest producers account for approximately 57% of global capacity (on a shareholding basis), according to internal estimates. According to NexantECA, we are the largest producer in Europe and our primary competitor in Europe is Cerdia (formerly Solvay).

Eastman, Celanese and Daicel Chemical are the three largest producers globally. The following charts set forth the major acetic anhydride producers and their shares of the market in 2022 by shareholders.

Global Acetic Anhydride Capacity Share by Owner (2022)
3.5 Million Tonnes



Source: NexantECA.

Supply, Demand and Utilization Rates for Acetic Anhydride

Global acetic anhydride capacity is mainly based in the US and China, followed by Western Europe and Japan. According to NexantECA, acetic anhydride global capacity in 2022 totaled approximately 3.5 million tonnes and is expected to increase by an average annual growth rate of 0.8% during 2022-27.

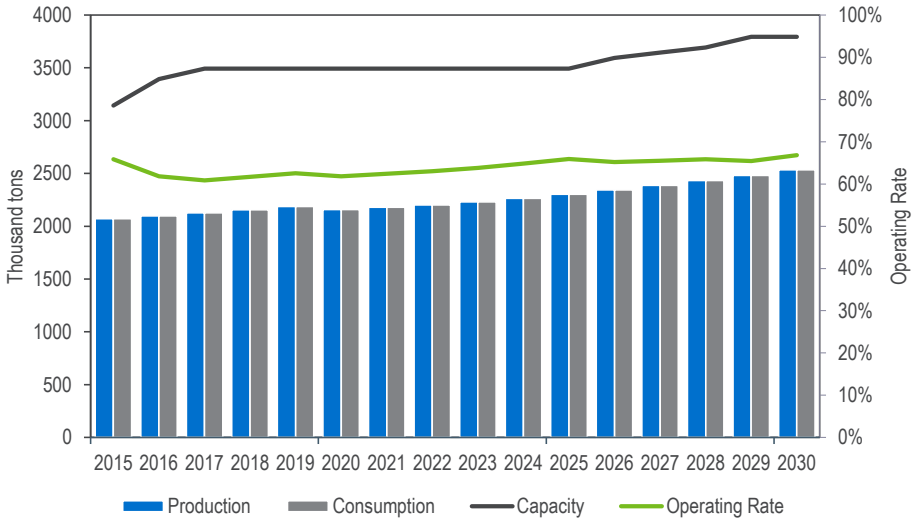
NexantECA expects very limited to no capacity expansion in Western Europe and Japan for the next five years. China's capacity has increased by approximately 550,000 tonnes since 2015, according to NexantECA.

According to NexantECA, global acetic anhydride consumption amounted to approximately 2.2 million tonnes in 2022. Demand is expected to grow by 1.6% over 2022-27. This is mainly driven by the strong demand in China, which, despite the drive towards self-sufficiency, continues to rely on imports.

Overall, operating rates are expected to improve slightly from the current levels of approximately 63% in 2022 to 65% by 2027 as demand growth outpaces supply growth, as per NexantECA.

*Western Europe.*Demand in Western Europe is expected to increase by 2% per annum through 2027, reflecting the rising demand from pharmaceuticals and other applications, namely polymer/resins, herbicides, dyes, flavour and fragrances, modified starch, and artificial sweeteners of acetic anhydride. Operating rates in Western Europe are expected to increase to 81% in 2027 from the current levels of 79% (2022), as demand growth outpaces capacity additions. Over the last five years, operating rates have increased by a modest 2% as no additional capacity came online, while production increased to meet domestic demand coupled with marginal increase in exports.

Global Supply, Demand and Trade ("SDT") for Acetic Anhydride (2015-2030)



Source: NexantECA.

BUSINESS

*In this offering memorandum, all references to "**we**," "**us**", "**our**" and the "**Group**" are to INEOS Quattro Holdings Limited and its consolidated subsidiaries. Any projections and other forward- looking statements in this section are not guarantees of future performance and actual results could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Risk Factors" and "Forward-Looking Statements".*

Introduction

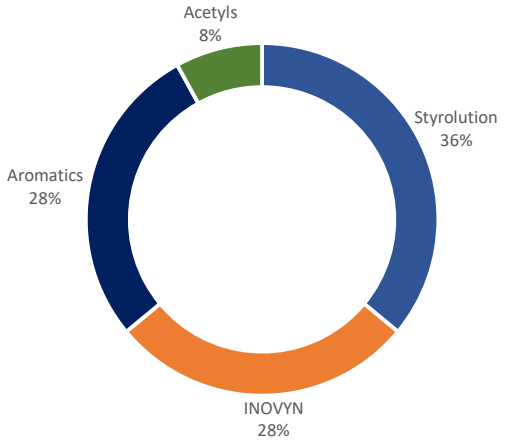
We are a leading global petrochemicals producer, marketer and merchant. Our business operates 45 manufacturing sites in 18 countries in the Americas, Europe and Asia. We have a strong global footprint and leading market positions with respect to our key products. Our business benefits from cost advantages as a result of operating large-scale, highly integrated facilities strategically located near major transportation routes and customer locations.

We operate our business through four business segments: the Styrolution Business, the INOVYN Business, the Aromatics Business and the Acetyls Business. The products we manufacture are derived from crude oil and natural gas and salt, and include styrene, vinyls, aromatic chemical compounds and organic compounds. Our products serve a broad and diverse range of end markets, including packaging, construction, automotive, electronics, household, textiles, agrochemicals and healthcare. We benefit from the cost advantages of operating large scale, well invested, highly integrated facilities strategically located near major transportation facilities and customer locations. We and our predecessors have invested significantly in our production facilities to ensure that they operate efficiently, resulting in integrated, and state of the art production units. We believe these investments allow us to operate at lower cost and higher utilization rates than most of our competitors, and enable us to maintain positive margins and cash flows even during downturns in industry cycles or customer demand.

In the year ended December 31, 2022, we generated €18,172.3 million in revenue with 45% generated from Europe, 24% from North America and 31% from Asia. In addition, our Adjusted EBITDA for the period was €2,572.4 million with 65% generated from Europe, 20% from North America and 15% from Asia. For the six-month period ended June 30, 2023, our revenue was €6,649.1 million and our Adjusted EBITDA was €593.7 million. For the twelve-month period ended June 30, 2023, our revenue was €15,145.9 million and our Adjusted EBITDA was €1,362.0 million

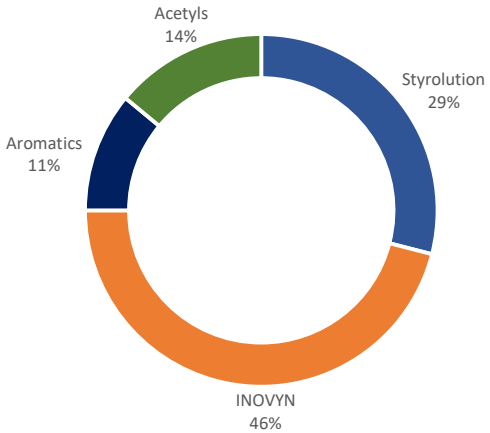
Over the past several years, we have implemented a range of strategic initiatives designed to lower our operating costs, increase our profitability and further enhance our market position. These include fixed asset investments to expand our capacity in higher value products, to enhance productivity at our existing facilities, and to reduce our fixed cost structure through headcount reductions, production line closures and system upgrades. In addition, we have shifted our product portfolio to focus on more differentiated products, exited low-margin businesses and implemented premium pricing strategies designed to improve our margins. We believe these initiatives provide us with a strong platform to drive growth, create significant operating leverage and position us to benefit from volume recovery in our end markets.

Revenue by business segment (2022)



€18,172.3 million

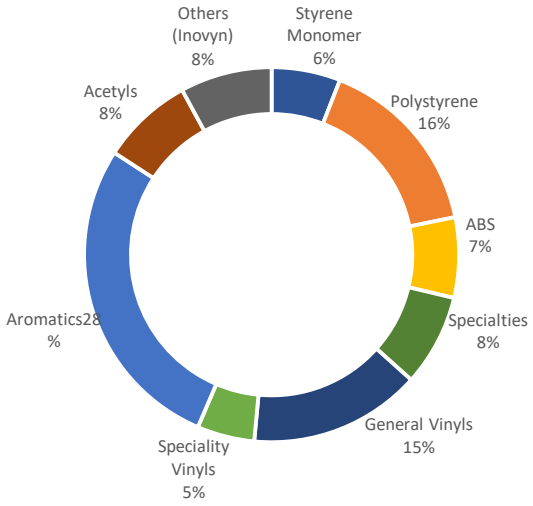
Adjusted EBITDA by business segment (2022)



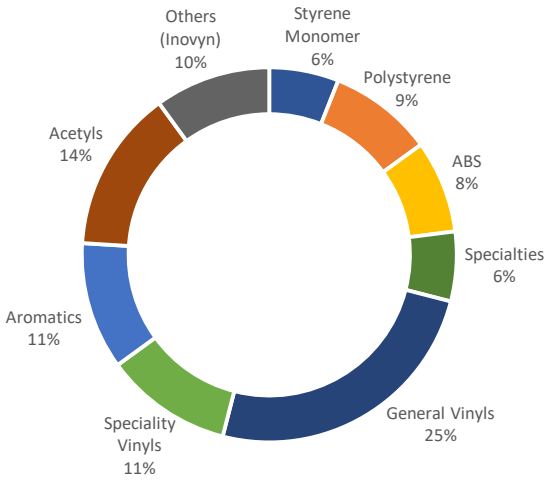
€2,572.4 million

Revenue by product group (2022)

Adjusted EBITDA by product group (2022)

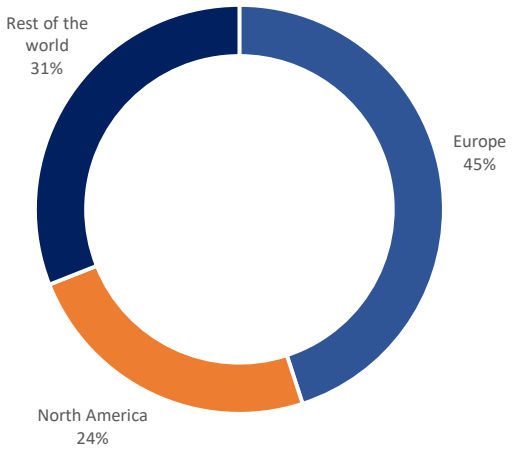


€18,172.3 million



€2,572.4 million

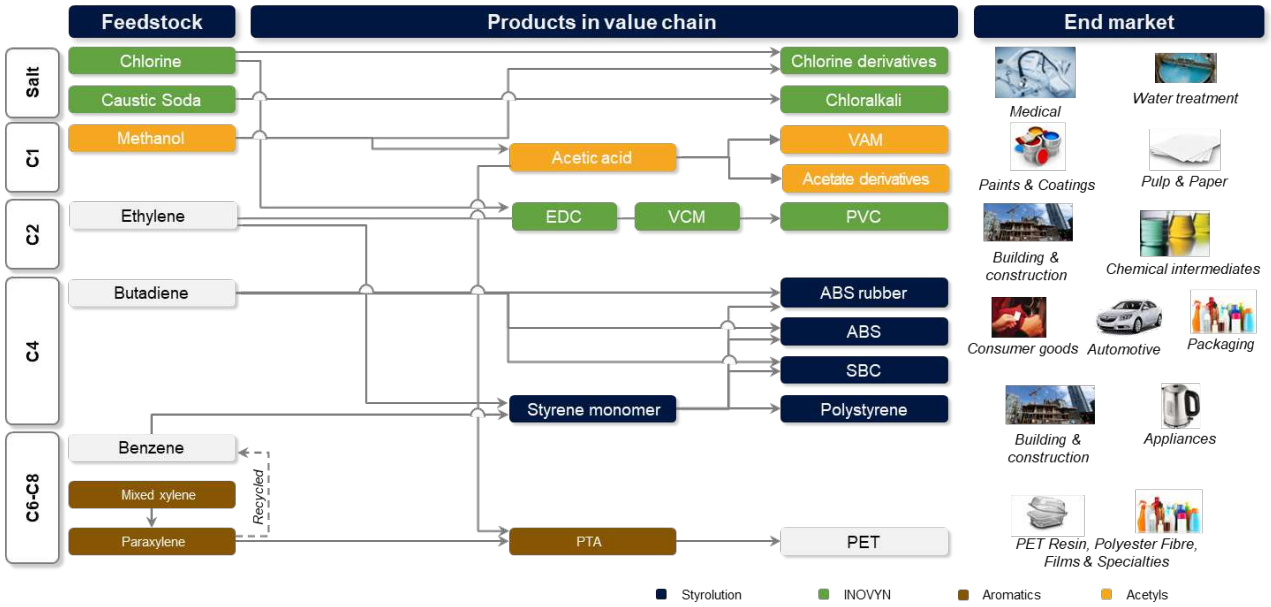
Revenue by geography[(1)] (2022)



€18,172.3 million

(1) Based on location of customer.

The following presents our main products across the petrochemicals value chain:



Source: Company information.

Our History

Our company is the result of the combination of four leading petrochemicals businesses: INEOS Styrolution, INOVYN, and the Aromatics and Acetyls businesses acquired from BP. The combination of the businesses of INEOS Styrolution, INOVYN, the BP Aromatics and Acetyls businesses, created a global leader with broad geographical and product diversity, a balanced portfolio and world class manufacturing platforms.

While the Group was formed in December 2020, some parts of our business are more than 100 years old and our INEOS heritage of both the Styrolution Business and the INOVYN Business is longstanding.

In 2011, the Styrolution Business inherited, with a few exceptions, the global styrenics activities of BASF and INEOS and was initially formed by INEOS and BASF as a 50:50 joint venture. The heritage businesses combined a rich history in innovation and leadership in the styrenics industry and had a record of achieving efficiencies and cost competitiveness, going back over 80 years. For example, the BASF heritage business was responsible for the first styrene monomer synthesis and polystyrene polymerization in 1929 and 1930.

In 2014, INEOS signed a share purchase agreement with BASF SE and BASF Antwerpen NV, as sellers, for the acquisition of BASF's 50% share in INEOS Styrolution Holding GmbH (formerly Styrolution Holding GmbH). Upon consummation of such acquisition, the Styrolution Business became wholly owned by INEOS Industries, but continued to be operated and financed on a standalone basis.

In 2015, the INOVYN Business began as a joint venture between INEOS and Solvay, which had a combined legacy of over 150 years of innovation and leadership in several fields, including polyvinyl chloride. The formation of the joint venture created a leading player in the global PVC market by bringing together the Kerling business of INEOS, which had a track record of acquiring and growing profitably a portfolio of PVC assets with running cost-efficient operations, and the Solvay business, which had a track record of product leadership and research and innovation, particularly in the specialty PVC market.

In 2016, following the consummation of the Solvay exit, INEOS Group Investments Limited became INOVYN Limited's sole shareholder and hence, sole owner of the modern INOVYN Business.

In 2020, we acquired BP's global Aromatics and Acetyls businesses, including properties, loose plant and equipment, feedstock and product inventory, contracts, licenses, intellectual property and information technology systems ("BP Petrochemicals") and formed "INEOS Quattro". The total purchase price for BP Petrochemicals was $5 billion. BP's Aromatics business was developed and grown organically as part of the Amoco Chemicals portfolio, a leader in developing PTA which grew the business through deploying leading proprietary PTA chemical process

technology originally in the U.S. followed by Europe and then China. BP's Acetyls business was developed and grown as part of the BP Chemicals portfolio after the acquisition of the acetic acid technology from Monsanto in the 1970s, starting with the facility at Hull, U.K. and growing through JV partnerships in Asia and Trinidad and Tobago, and a marketing partnership with Eastman in the U.S.

Today, we operate our Aromatics Business and Acetyls Business as two separate segments, along with the Styrolution Business and the INOVYN Business.

Overview of Products

The following table provides an overview of our production capacity and global market position and leading regional market positions (in each case, based on proportionate share production capacity) with respect to our key petrochemical products as of December 31, 2022.

Key product[1]	Production capacity (kilotonnes)	Selected market position (by capacity)
Styrolution Business		
Styrene Monomer	2,230	#3 Global
PS	2,024	#1 Global
ABS	1,101[2]	#3 Global
Specialties	747	#1 Global
INOVYN Business		
Suspension PVC	1,845	#1 in Europe
Emulsion PVC	265	#1 in Europe
Caustic soda	2,078	#1 in Europe
Caustic potash	150	#2 in Europe
Aromatics Businesses		
PTA	6,342[3]	#1 in the U.S. #2 in Europe
PX	1,595	#1 in the U.S. #2 in Europe
Acetyls Business		
Acetic Acid	2,620[4]	#2 Global
Acetic Anhydride	165[5]	#1 in Europe

(1) Sources: NexantECA and internal management estimates.
(2) Capacity is expected to increase by 300 kilotonnes by the end of 2023 following the completion of the new 600-kilotonne plant in Ningbo, China owned in a 50:50 joint venture with Sinopec.
(3) Capacity includes our 61% share in the CAPCO joint venture in Taiwan.
(4) 2,640 kilotonnes capacity at June 30, 2023.
(5) 170 kilotonnes capacity at June 30, 2023.

Business Overview

We operate the Group in four segments: Styrolution, INOVYN, Aromatics and Acetyls.

The Styrolution Business

We sell a comprehensive mix of products that includes both commodity (SM) and standard (PS and ABS Standard) products as well as Styrenic Specialties (ABS Specialties, SAN, SBC, SMMA and copolymers) in our Styrolution Business. Our products are used in a wide variety of focus industries, such as electronics, healthcare, household, packaging, construction and automotive. We currently operate a total of 16 manufacturing facilities across 9 countries within our Styrolution Business.

The INOVYN Business

In our INOVYN Business, we produce general PVC, which is used in a number of industries, including the building and construction, electronics and packaging industries; specialty vinyls, including Emulsion PVC products and specialty Suspension PVC products, which have higher specifications than general purpose PVC; organic chlorine derivatives, which are used throughout the chemical industry, including chlorinated paraffins, chlorinated solvents, allylics and epichlorohydrin; chlor-alkali chemicals, including caustic soda, caustic potash, chlorine and chlorine by-products, brine and water, salt and hydrochloric acid; and hydrogen. We are also actively seeking to produce clean hydrogen. Our INOVYN Business currently operates 15 manufacturing operations in 8 countries.

The Aromatics Business

In our Aromatics Business, we produce a variety of aromatic chemical compounds, including paraxylene ("PX"), purified terephthalic acid ("PTA"), benzene and metaxylene. Our compounds may be used in the production of a variety of products, including, among others, polyester fibres, PET resins, and polyester film and used in a variety of end markets such as textiles, upholstery, household items, food packaging, flexible films and industrial products.

Our Aromatics Business currently has a total of six operating sites in Europe, the United States and Asia, including sites operated by us and sites operated by joint ventures in which we hold an ownership interest.

The Acetyls Business

Our Acetyls Business produces a variety of organic compounds, including acetic acid, acetic anhydride, methanol, ethyl acetate and vinyl acetate, which are used in a variety of end market applications including, among others, building and construction materials, paints and coatings, automotive glass, polyester fibre, PET bottles, surface coatings, inks and solvents, cigarette filters, washing powders, wood acetylation and herbicides and pesticides.

Our Acetyls Business currently has a total of eight sites in seven countries (two in the Americas, one in Europe and five in Asia), including sites operated by us and sites operated by joint ventures in which we hold an ownership interest.

Our Competitive Strengths

We believe that the factors set forth below provide us with competitive advantages in the markets in which we operate.

Leading global positions throughout the petrochemicals value chain

We are a leading global producer, marketer and merchant seller of SM, PS, ABS Standard, Styrenic Specialties, PVC, Emulsion PVC, caustic soda, chlorine derivatives (such as HCI and ECH), PTA, PX and acetic acid. We believe that our global manufacturing scale, wide range of chemical products and deep customer base has allowed us to achieve and maintain leading market positions with respect to our key products.

Based on production capacity at December 31, 2022 as determined by NexantECA on a marketer basis and internal estimates:

- **SM**: We are the third largest producer of SM globally, with an estimated share of production capacity of 5.3%. We are the largest SM producer in North America and the sixth largest producer of SM in Europe.
- **PS**: We are the largest producer of PS globally, with an estimated share of production capacity of 12.8%.
- **ABS**: We are the largest producer of ABS in Europe, accounting for an estimated 47% of European ABS capacity, the third largest producer of ABS globally, accounting for an estimated 8.6% of global ABS capacity, and the second largest producer of ABS in North America, accounting for an estimated 36% of North American ABS production capacity. We are also the tenth largest producer of ABS in Asia (not taking into account the 600-kilotonne ABS plant under construction in Ningbo, China as part of our joint venture with Sinopec).
- **Styrenic Specialties**: We believe that we are the largest global producer of Styrenic Specialties, based on internal estimates.
- **PVC, Caustic Soda and Chlorine Derivatives**: We are the largest producer of suspension PVC, emulsion PVC, caustic soda, allyl chloride and chlorinated paraffins in Europe.
- **ECH and Caustic Potash**: We are the second largest producer of ECH and caustic potash in Europe.
- **Specialty PVC**: We are the world's largest producer of specialty PVC, which includes specialty suspension PVC grades and emulsion PVC.
- **PTA, PX and MX**: We are the largest producer of PTA in the United States and the second largest in Europe with an estimated share of global production capacity of 7%, the largest producer of PX in the United States, with an estimated share of U.S. production capacity of 26%, the second largest producer of PX in Europe, with an estimated share of European production capacity of 20%, and the largest and only one of two producers of MX.

- **Acetic Acid**: We are the second largest global producer of acetic acid, with an estimated share of global production capacity of 13% and the largest producer of acetic anhydride in Europe with an estimated capacity share of 51%.

Highly integrated diversified and complementary product portfolio

We sell a comprehensive mix of products that have extensive applications across a wide variety of industries, with broad geographical reach. We believe that our diversity of products, applications and end markets help minimize our exposure to individual markets, industries, customers and geographic regions and provide a strong natural hedge against economic downturns as the supply and demand cycles tend to vary between our four business segments. In addition, the diversity of the feedstocks used in our four business segments also provides a natural hedge against feedstock price or supply shocks. We operate 45 production facilities across 18 countries, serving more than 5,000 customers. Many of these facilities benefit from up- and/or down-stream integration with producers of our feedstock chemicals and utilities, as well as customers for our products, including INEOS Group affiliates, joint venture partners and third parties.

Geographically diversified with significant presence in key growth markets

Having a strong global presence and revenue sources split among numerous geographic markets, we believe that we are well diversified and display strengths across geographies, with Europe, North America and Asia representing 45%, 24% and 31%, respectively, of our revenue in the year ended December 31, 2022.

With our global reach and a significant production footprint in Europe, North America, and Asia in our Styrolution Business and our joint ventures in Asia and United States operating in our Acetyls Business, we are able to tap into high growth markets, such as Asia, and benefit from current feedstock and energy cost advantages in North America. Similarly, our facilities in our Aromatics Business are low-cost producers across each of our key regions. In addition, as the largest producer of suspension PVC, emulsion PVC, caustic soda and chlorinated paraffins in Europe and the second largest producer of ECH and caustic potash in Europe, in each case based on production capacity as of December 31, 2022, according to NexantECA, we are able to leverage our purchasing power and well-invested infrastructure to maintain a low cost profile and offer competitive prices to our customers, which, in turn, supports the growth of our market position.

Our 45 production facilities across 18 countries are generally strategically located in or near countries with significant demand for our products, thereby reducing transportation costs. Many of our production facilities also benefit from close proximity to advantaged feedstock, giving us an advantage over our competitors. Our new joint venture with Sinopec reinforces our significantly enhanced presence in China and the Eastman Texas City site acquisition further strengthens our footprint in North America.

Market leading technologies with a focus on specialty product offerings

We place significant efforts on research and development and aim to be at the forefront of technological advances in order to support our product innovation initiatives and satisfy our customers' evolving demands. We believe our efforts have resulted in technological advances that allow us to introduce new products tailored to our customers' needs with a particular focus on specialty products, which tend to have more stable demand.

In addition to innovation in specialties products in our Styrolution and INOVYN Businesses, we also have market-leading technologies in respect of processes that have lowered our fixed and variable costs of production and enabled us to be a low-cost producer in each of our business units. For example, the PTA technology platform used in the newer Zhuhai plant has reduced equipment count by 30% from the previous generation of technological design. These technological design advancements have also lowered variable costs by up to $60 per MT and reduced GHG emissions by 65%, water discharge by 75% and solid waste disposal by 95%.

Furthermore, our research and development efforts have also led to innovation and monetization of recycled material, including SM and PET (not only colorless PET, but also pilot plants to recycle currently unrecyclable PET waste, such as black food trays and colored bottles), and the development of bio-attributed PVC.

Low cost production footprint and well-invested asset base

Our world-class facilities are distributed across all major regions. We believe that many of our facilities are considered industry benchmark facilities. We benefit from the cost advantages of operating large-scale, integrated facilities strategically located near major transportation routes and customer locations. The size and scope of our manufacturing operations allow us to benefit from economies of scale in purchasing, production, distribution, marketing,

research and development and the application of best practices throughout our facilities and across the Group. We and our predecessors have made significant investments in our production facilities to enhance their efficiency. We believe these investments allow us to operate at lower cost and higher utilization rates than most of our competitors and help us maintain positive margins and cash flows even during industry downturns or periods of decreased customer demand.

Experienced management team with a strong track record and industry expertise

Our senior management team has been operating INEOS and our predecessors for over 20 years and has a demonstrated track record of achieving profitable growth in the chemicals industry, successfully integrating large acquisitions, dramatically reducing the fixed cost base, and deleveraging the business following such acquisitions. James A. Ratcliffe, our controlling shareholder, and the other existing shareholders have a long and successful record of investing in the chemicals industry. Across the wider INEOS group, including our ultimate parent company and its other subsidiaries, our shareholders have completed 41 significant acquisitions since the formation of INEOS in 1998. Each of these acquisitions has been integrated effectively and has achieved significant cost savings in the acquired businesses. Our management team has extensive experience in the chemicals industry, including working for leading companies such as ICI, DuPont, Dow, Degussa and BP, and a proven ability to increase productivity, reduce costs and control capital expenditures and working capital. We believe the experience of our management team is a distinct competitive advantage.

For example, both our Styrolution and INOVYN Businesses are the result of the combination of legacy INEOS businesses with those of the former joint venture partners (BASF, in the case of our Styrolution Business, and Solvay, in the case of our INOVYN Business). We successfully managed the integration of the legacy INEOS and BASF businesses and the legacy INEOS and Solvay businesses, respectively, and streamlined internal structures to allow our management teams to use their industry knowledge and best practices in order to respond to market opportunities, and take advantage of benefits of scale. Similarly, in the first 18 months since the acquisition of the Aromatics and Acetyls Businesses from BP, our management team has achieved more than $150 million in fixed cost savings, primarily in the areas of management reorganization, IT landscape, removal of BP shared services centers and man-power costs and also achieved significant variable cost improvements. This has been facilitated by the operational independence of the two businesses since their acquisition, leading to greater accountability and control over the businesses' assets and greater focus, understanding and agility in the face of the challenging market conditions.

Leading sustainability platform

We are dedicated to ongoing improvements in sustainability and have placed significant focus on the development of a circular economy for plastics to reduce our environmental footprint. As a member of the INEOS Group of companies, we have committed to achieving the ambitious targets that were set by our parent company for 2025 and 2030. This includes, amongst others, a pledge to incorporate recycled material into our products and ensure 100% of our polymer products can be recycled. For further details, refer to the section "*—Sustainability*". To date, we have more than 30 product grades that contain recycled or renewable material. We believe that our sustainable product range maintains the same performance level as conventional products.

Our sustainable product portfolio offers easily workable, drop-in solutions, as well as more tailored options, to address our customers' two major challenges: litter reduction through products with recycled content and lower CO_2 footprints with bio-attributed products with renewable content. These include our Terluran ECO range of mechanically recycled ABS, which offers drop-in performance with up to 70% recycled content. Polystyrene offers real circularity potential and is one of the best products for food-contact to food-contact recycling even if recycled mechanically. Only PS and PET have this functionality today. This is enabled by a very low contamination uptake in the waste stream that allows polystyrene to undergo multiple mechanical recycling cycles while still performing at equal quality levels as conventional products.

As well as developing recycled product ranges, we are rapidly expanding our range of polymers and chemicals made from renewable materials. We introduced BIOVYN™—the world's first bio-attributed PVC—in 2019, and we now offer bio-attributed versions of many of our other products, including styrene (Styrolux ECO, Styroflex ECO, K-Resin, ECO, NAS ECO, Luran ECO, Luran S ECO, Novodur ECO, Novodur HH ECO), and epichlorohydrin (REODRIN™).

Resilient cash generation

We believe that our application and market diversity reduce the effect of industry cyclicality on our results. In addition, we believe that we benefit from the fact that the supply and demand dynamics of the cycles relating to our petrochemical products are fairly independent, which also helps mitigate some of the cyclicality in the industry. Our position as a low-cost producer allows us to generate robust cash flows even in downturns while following disciplined

and focused capital expenditure for growth and further cost reduction. We have also continued to employ a prudent financial management policy. Our liquidity position since the first quarter of 2022, as measured by cash balances plus undrawn working capital facility amounts, has remained steady, while our operating cash flow over the same period has remained broadly stable as well.

Our Business Strategy

Our principal objectives are to increase the value of the business by generating strong, sustainable and growing cash flows across industry cycles and to maintain our position as a leading global supplier of petrochemicals. To achieve these objectives, we adopted the following key strategies:

Achieve cost savings and realize synergies

Overhead cost reviews are undertaken on a regular basis at all our main sites. We will continue to implement a number of cost-saving initiatives in the fields of procurement, operations and selling, and general and administrative expenses, in order to reduce our fixed and variable cost base and to improve our manufacturing efficiency.

Across the wider INEOS Group, our shareholders have historically succeeded in reducing costs at our acquired businesses by making rapid reductions in underlying fixed costs and implementing an efficient corporate and management structure. Historically, INEOS has been conservative in their approach on cost savings and thus overachieves. They have achieved significant fixed cost reductions in businesses that they have acquired, delivering on average a reduction of approximately 25% of inherited fixed costs in the four-year period post-acquisition. Immediately after the formation of each of our Styrolution Business and our INOVYN Business, we appointed a dedicated team to identify and pursue cost savings opportunities, and since the formation of our Styrolution Business and our INOVYN Business we have realized more than €300 million and €220 million of cost savings on an annualized basis, respectively. We have achieved similar cost savings within the Aromatics and Acetyls Businesses by, among other things, redirecting acetic acid sales from the Hull, U.K. site from the low-margin deep sea export market to co-located and easy access INEOS affiliates at higher-margin market rates; making improvements to variable costs and increased production capacity at the Hull site and the Merak, Indonesia PTA site; and securing favorable mixed xylene contract terms at the Geel site under a ten-year supply contract. Together, these and other initiatives since our acquisition of the Aromatics and Acetyls Businesses have allowed us to realize more than $150 million of cost savings on an annualized basis.

Generate strong cash flow to reduce leverage

We intend to focus on improving cash flow generation by maximizing the utilization of assets, leveraging existing resources and following focused capital expenditure and cost reduction plans. We intend to apply some of the excess cash flow generated from these initiatives to repay debt. We believe that the combination of improved cash flow and EBITDA, along with a reduction in debt will result in reduced leverage levels.

Focus capital investments on high-return projects

Our capital expenditure plan is focused on delivering efficiency improvements on high-return projects. We believe that our technology, personnel and production facilities will allow us to increase our profitability and cash flows while focusing on investments in projects with attractive payback economics. We will also continue to implement de-bottlenecking projects at our facilities in order to increase our production capacity, particularly when the incremental capacity can be achieved without significant additional fixed costs or capital expenditures. As a recent example, we are in the final stages of building 600 kilotonnes of new ABS Standard capacity in Ningbo, China, in a joint venture with Sinopec. The facility is adjacent to our existing Styrolution PS site in Ningbo and further improves our ABS position in inland China, the largest ABS Standard market in the world.

In addition, on August 30, 2023, we signed a shareholder agreement with Sinopec, subject to regulatory approval, for the formation of a second 50:50 joint venture to build a new 300-kilotonne ABS plant in Tianjin, China, which we believe will further enhance our strong vertical integration and reinforce our presence in China. The plant, which is currently under construction, will be based on our world leading Terluran® ABS technology and is planned to come on stream in April 2025.

Maximize utilization of assets

As a low-cost producer, we aim to operate our facilities at high capacities and operating rates. Historically, this has allowed our four Businesses to maintain positive margins and to generate cash flows (even if reduced) during downturns in industry cycles or customer demand, unlike some of our competitors who we believe have higher

production costs. We intend to achieve growth in production volume by improving utilization rates within the defined availability of an asset, improving availability of an asset by minimizing planned and unplanned facility downtime and improving capacity of an asset through de-bottlenecking projects. Our management team has a long track record of improving utilization rates on assets.

Maintain lean corporate structure and incentivize management and employees

Consistent with the INEOS Capital philosophy, we operate under a simple and decentralized, flat organizational structure that minimizes corporate bureaucracy. We believe that a simple and decentralized organizational structure is cost effective and allows our management team the freedom to use their industry knowledge to respond to market opportunities. We also offer compensation arrangements that incentivize our employees. We believe that we can increase the value of our business when our employees share in the value they create. Management and employee bonuses are also linked to the EBITDA-based performance of the business and region in which they work.

Access advantaged feedstock and energy opportunities

We maintain an asset base capable of exploiting feedstock opportunities around the world, providing us with access to a broad range of advantaged feedstock and energy opportunities. We intend to continue exploiting the advantageous pricing of feedstock and energy resulting from expanding global shale gas production. For example, we already purchase approximately 150 kilotonnes per annum of US-sourced ethylene from an INEOS Group affiliate as a feedstock in our Rheinberg and Jemeppe facilities. In addition, our supply agreement with an upstream European refinery gives us access to low-cost feedstock in our Geel PX plant in Belgium.

We will continue to exploit opportunities to lower our energy costs in key areas of our production, particularly in electricity generation and usage. For example, a significant percentage of the energy supplied to our INOVYN Business's Runcorn site is being delivered from an "Energy from Waste" plant operated by Runcorn TPS, in which we hold a 25% economic interest and a 60% voting interest. The energy produced by this plant benefits from environmental incentives and is significantly below market prices, thereby strengthening our cost advantages at this site. We also take the opportunity, when advantageous, to enter into electricity fixed price supply contracts and derivative swap contracts at some of our key energy intensive sites, rather than simply purchasing at the prevailing spot price.

Maintain and grow our leadership positions to enhance our competitiveness

Building on our management's track record of implementing synergies and cost savings, we will continue to implement a series of operational efficiencies and strategic business growth initiatives to retain our market leading positions in Europe, North America and Asia. We also aim to be the industry leader for product and process innovation. For example, we intend to leverage our INOVYN Business's know-how in developing specialty PVC products in order to maintain our position as the world's largest producer of specialty PVC. We will continue to replace our lowest margin general purpose PVC sales with higher value specialty PVC sales. This will mainly be achieved by capital expenditure projects focused on the conversion of general purpose PVC capacity to specialty PVC capacity. In addition, we are emphasizing the development, and increasing the scale, of our high-margin and less cyclical Specialties and ABS Standard grades in our Styrolution Business, including expanding our ABS and ASA capacity in the Americas through the construction of a new 100-kilotonne capacity ASA polymer plant in Bayport, Texas, United States.

In addition, on August 30, 2023, we signed a shareholder agreement with Sinopec for the formation of a second 50:50 joint venture to build a new 300-kilotonne ABS plant in Tianjin, China. The plant, which is currently under construction, will be based on our world-leading Teluran® ABS technology and is planned to come on stream in April 2025. We believe that our well-invested profile of low-cost facilities will allow us to retain our cost advantage and continue to be a supplier of choice and leading innovator in the markets where we operate.

Dedication to sustainability

We aim to operate and develop our business in a way that balances our current and future needs, taking into account relevant economic, environmental and social factors, so that we can sustain and further grow our business for the long term. We strongly believe that sustainable business management and practices will contribute to our long-term business success and strengthen our leading position in the market.

We also believe sustainability is a lever for growth and will enable us to tap into new and emerging business opportunities. As a result, sustainability is a consideration in all our processes. As a member of the INEOS Group, we are committed to achieving the ambitious targets set by the INEOS Group for 2025 and 2030, which include, amongst others, a pledge to ensure 100% of our polymer products can be recycled, as well as an INEOS-wide pledge to incorporate at

least 325 kilotonnes per year of recycled material into products. For further details, refer to the section "*Business—Sustainability*".

Technology leadership

We believe that technology leadership can help us achieve a sustainable cost leadership position. We seek to optimize the overall effectiveness of our asset base by making appropriate investments in maintenance, turnarounds, capital equipment and variable cost improvements, in conjunction with personnel training and site and plant benchmarking, in order to achieve state-of-the-art facilities capable of operating 24 hours a day, seven days a week at high standards of safety and reliability. We intend to further develop our intellectual property and unpatented proprietary know-how in order to advance our product innovation and deliver further process improvements that preserve our preferential cost position relative to our competitors.

Business Segments

Set forth below is a discussion of our four business segments: Styrolution, INOVYN, Aromatics and Acetyls.

The Styrolution Business

Our styrenics product groups are Styrene Monomer, PS (including revenues not otherwise allocated to a product group, including from site services provided by the Styrolution Business as a host to third parties), ABS Standard and Specialties. Our styrenics product range consists of over 1,500 products with over 2,000 applications across various focus industries like electronics, healthcare, household, packaging, construction and automotive. As of June 30, 2023, the Styrolution Business held approximately 800 active patents and patent applications, reflecting our wide product range and more than 100 years of combined industry experience from its heritage businesses.

The following table presents the Styrolution Business's historical revenue and Adjusted EBITDA.

	For the year ended December 31,		For the six months ended June 30,	
	2021	2022	2022	2023
	(in €million)			
Revenue	5,889.7	6,634.3	3,512.8	2,387.9
Adjusted EBITDA[(1)]	1,180.3	748.6	540.3	98.0

(1) Adjusted EBITDA is a non-IFRS measure. *See* "*Presentation of Financial Information*" for a reconciliation of the Parent's results from net income profit before tax to total Adjusted EBITDA.

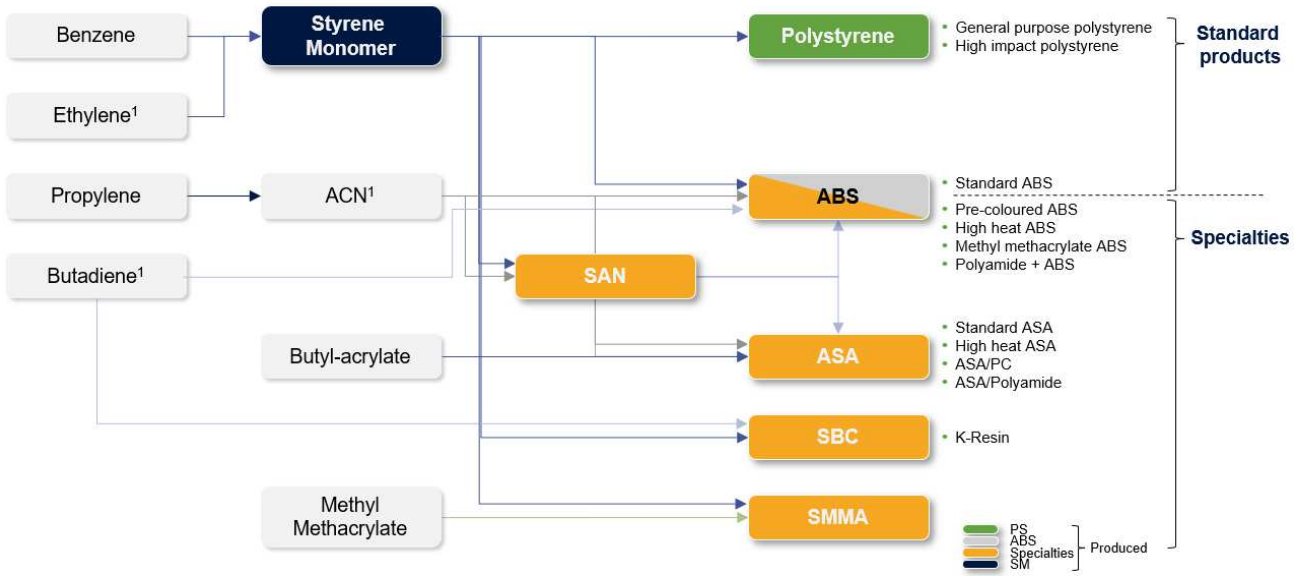
Our styrenics products are broadly organized in two categories: (i) commodity (SM) and standard (PS and ABS Standard) products and (ii) Specialties (ABS Specialties, SAN, SBC, SMMA and copolymers). For commodity and standard products, we believe that we run a lean and cost-efficient setup with relatively few grades (or products), tier 1 product quality, low complexity and limited technical service, but with a clear focus on high delivery reliability, short lead times and quality consistency. Conversely, for Specialties, the primary focus is on providing a high level of customization, application innovation and technical support designed to generate additional value for customers, particularly in our focus industries (*i.e.,* electronics, healthcare, household, automotive and construction), for which we believe our Specialties offer a unique value proposition. We regularly pursue close R&D cooperation with customers.

The Styrolution Business benefits from the cost advantages of operating large-scale, integrated facilities strategically located near major transportation routes and customer locations, including the largest chemical production site in Europe at Antwerp, Belgium, and the largest single production line styrene plant in the world at Bayport (Texas), U.S.

Products and Manufacturing

The Styrolution Business offers a broad range of over 1,500 products, with over 2,000 applications across various industries, with most of the products being customized Specialties. The following diagram sets forth a summary of the inputs and outputs of the production chain for our major products.

Product scope in the styrenics value chain



Source: Company information.

Styrene Monomer (SM). Styrene is a liquid hydrocarbon produced from ethylene and benzene, using either the ethylbenzene dehydrogenation ("EBSM") process or the propylene oxide styrene monomer ("POSM") process. EBSM is the more traditional method for producing styrene, where ethylene is alkylated with benzene to produce ethylbenzene, which is dehydrogenated to produce styrene. This basic method has been used commercially for over 50 years, during which it has been adapted and refined to improve the quality of the end product and to minimize the amount of energy and other resources, such as electricity, fuel, steam and cooling water, used in its production. POSM is an alternative process whereby propylene oxide is produced, and styrene is generated as a co-product. POSM may decline in the future as new methods of producing propylene oxide have been designed, which do not yield any SM as a by-product. Both the EBSM and POSM processes are large-scale and capital intensive. We use the EBSM method to produce our styrene because the alternative, the POSM process, is used only when the primary aim is to produce propylene oxide.

Styrene is an intermediate used in the production of plastics, resins, rubbers and latexes, with key end applications in areas such as packaging, electronics and appliances, construction (primarily insulation) and automotive components.

Because we produce nearly as much SM as we consume in our production of polymers, we consider our polymers business to be vertically integrated. However, there are imbalances in the geographical distribution of our SM production as compared to the location of our polymers production. As a result, we sell a portion of our SM production to external customers, mainly in the Americas, where we have regional production in excess of our consumption. Conversely, we purchase a comparable amount of SM from external suppliers, mainly in Asia, where we have no regional production. We also purchase incremental volumes for captive use in EMEA where we are short despite having regional production in Antwerp, Belgium. Because we could choose to export SM from North America or EMEA if local purchases became disadvantageous, our price exposure on such purchases is limited to trans-Pacific transportation costs and the price risk due to the multiweek shipping time for trans-Pacific deliveries. This is also true of competitors with comparable geographical SM supply and demand imbalances.

Polystyrene (PS). Polystyrene is a thermoplastic resin produced by the polymerization of styrene. It is converted through extrusion, thermoforming or injection molding into end products for a wide range of end applications, including electronics, healthcare equipment, household appliances, construction, toys, office supplies and packaging.

Polystyrene is produced on dedicated lines (*i.e.,* other products are not produced on the same lines). Polymerization of styrene can be initiated by either heat or initiators, and usually occurs in stages with the temperature increasing at each stage. When the polymerization is complete, the polymer is removed from any diluent and/or catalyst and washed. The polymer is then extruded and cut into easily transportable pellets. We produce two types of polystyrene: general purpose polystyrene (GPPS) and high-impact polystyrene (HIPS). Both GPPS and HIPS are used in injection molding and extrusion applications.

General purpose polystyrene (GPPS). GPPS is a clear, hard, usually colorless thermoplastic resin. GPPS is a crystal-clear amorphous product utilized in packaging, foamed containers, foam insulation, cutlery, medical lab-ware, clear cups and containers.

High-impact polystyrene (HIPS). HIPS, one of the most widely used thermoplastics, has great dimensional stability and balanced properties of impact strength and heat resistance, is easily processed and is relatively low in cost. HIPS is essentially GPPS with around 5-10% rubber incorporated through a grafting process in the course of the polymerization process to enhance the mechanical properties. HIPS products are used in refrigerator liners and parts, vending cups and lids, dairy containers, appliance components, cosmetics cases, toys and various consumer products. HIPS is opaque to translucent and is impact resistant.

Customers have some ability to substitute between HIPS and GPPS, and many customers use HIPS and GPPS in a blend. The ability to substitute GPPS for HIPS or to change the respective proportions in the blend is based on the mechanical properties required by the customer.

Acrylonitrile butadiene styrene (ABS). ABS is a tough, opaque, scratch-resistant material with high impact resistance, which can be readily processed by most thermoplastic fabrication techniques, including injection molding (used to produce a variety of consumable and industrial goods) and extrusion (used to produce, among other things, sheet, pipe and electrical conduit). The main applications of ABS include electrical appliances such as vacuum cleaner components, washing machine panels and control devices, information technology devices such as computer and printer housings and automotive parts such as dashboard components, air vents, center consoles and glove boxes. ABS is regarded as a "bridge" polymer between commodity plastics (such as polystyrene, PP and PET) and higher performing engineering thermoplastics (such as nylon/polyamide or polycarbonate ("PC") resins), PET and other alloys with polyesters ("PBT"), polyamide ("PA") and PC. The major advantages of ABS include its high gloss (when produced via the most common "emulsion process"), the ability to be painted or electroplated, impact resistance and heat resistance as well as in general its lower cost compared to other engineering plastics.

ABS is produced through polymerization from three monomers: acrylonitrile (provides thermal and chemical resistance), butadiene (provides rubber-like ductility and impact resistance) and styrene (provides stiffness, the ability to be easily processed and reduces overall cost). ABS resins typically contain at least 50% styrene, with varying proportions of acrylonitrile and butadiene. There are two main processes that can be used to produce ABS: mass and emulsion. In the mass process, styrene and acrylonitrile are mass polymerized in the presence of a rubber substrate (polybutadiene or styrene butadiene elastomer). In the emulsion process, ABS is prepared by polymerizing butadiene in aqueous emulsion using radical initiators, emulsifiers, followed by a grafting step of emulsion polymerizing styrene and acrylonitrile onto the polybutadiene latex elastomer substrate. Today's most cost-efficient, world-class ABS plants employ the emulsion process. The emulsion process allows the production of a wider variety of grades of ABS. Most of our plants are emulsion process plants, and over 90% of global ABS production occurs using the emulsion process. To address niche demands for mass ABS, *e.g.*, in low-gloss applications and extrusion, we operate mass ABS lines in Wingles, France and through our contract manufacturer INEOS ABS in Addyston, U.S.

Because ABS is usually visible in its final applications, ABS is almost always colored before use. The coloring step can be undertaken either by integrated resin producers, by independent compounders or by the customers themselves. Customers with self-coloring facilities generally favor buying natural (uncolored) product and self-coloring for the majority of their requirements but may elect to purchase pre-colored ABS if they desire relatively small volumes and/or a high degree of color consistency.

ABS Standard. Customers who do not have in-house coloring equipment need to buy pre-colored ABS, either from an ABS producer or from a compounder. Independent compounders buy ABS Standard from an ABS producer and then color it themselves for supply to end users. Compounders also compound ABS with other additives to tailor it to their customers' requirements. We offer both standard and pre-colored ABS products, and we treat the latter category as Specialties. We produce ABS Standard products (and some large-volume colors such as "standard black") in four plants (Altamira, Antwerp, Wingles and Ulsan), serving each of the three regions (Americas, Europe, Asia), under the trademark Terluran®, using leading technology with high efficiency.

Specialties. The styrene based copolymers and ABS Specialty market is composed primarily of the following product areas.

ABS Specialty. We typically produce ABS Specialty, or pre-colored ABS, using two-step production processes, enabling us to produce customized colored grades efficiently.

In addition to coloring, alterations in the mix of feedstocks and the use of additives, allow considerable versatility in the tailoring of ABS properties to meet specific customer requirements. Such requirements can, for

example, relate to the impact strength of the ABS (high impact grades), the flow properties (high flow grades), the Vicat softening temperature (high heat grades), the flammability (flame retardant grades), and the platability (plating grades). We also produce medical grade ABS for use in medical applications such as inhalers. Pre-colored ABS is sold under the trademarks Novodur® and Lustran®.

Styrene-acrylonitrile (SAN). SAN is a rigid and transparent polymer made from styrene and acrylonitrile. SAN is one component in the production of ABS, but we also produce high-quality forms of SAN in a dedicated plant in Ludwigshafen (Luran®). SAN has some commercial end uses as a transparent polymer in its own right, including in kitchenware, computer products, battery cases, ball pens and packaging material. SAN is generally produced as an intermediate by-product in the ABS production process. It may also be produced in dedicated SAN plants. The bulk of our SAN is produced as an intermediate product and for consumption into ABS.

Styrenebutadiene block copolymers (SBCs). SBCs are a class of block copolymers of styrene and butadiene produced either as an elastomer (Styroflex® and K-Resin®) or as a rigid product (Styrolux®). Rigid products have a high transparency and are often used to "toughen" GPPS. These products exhibit high surface gloss, rigidity and toughness, they can be printed, and they can be compounded with other materials. The other type of SBCs, elastomers such as styrenebutadienestyrene ("SBS"), have high performance abrasion resistance and are frequently used for injection modeled parts as a hotmelt adhesive or as additives to improve the properties of bitumen. SBCs are produced on dedicated manufacturing lines.

Acrylonitrile styrene acrylate (ASA). ASA is a styrene derivative produced by introducing a grafted acrylic ester elastomer in a polymer matrix consisting of SAN. ASA was first introduced by BASF AG in 1967 under the trademark Luran® S (which we own today), with the goal of creating a material similar to ABS but with better weather resistance. ASA has good toughness and rigidity, chemical resistance and thermal stability, outstanding resistance to weather, ageing and yellowing, and high gloss. ASA is suitable for injection molding, extrusion, blow molding and thermoforming. End uses include automotive components (exterior mirror and lamp housings, radiator grills and dashboard trims), construction (siding panels, window frames, door panels, rain gutters and fences), telecoms (TV antenna parts, cable connection housings), appliances (washing machine panels, refrigerator handles and microwaves), sports and leisure equipment (surfboard and sailboat parts) and sheet applications for pool/spa use. ASA is also blended with polycarbonate for use primarily in higher end automotive applications. We produce both ASA and ASA blends.

Methyl methacrylate acrylonitrile butadiene styrene (MABS). MABS is a tough, transparent plastic, with high brilliance and surface finish. It exhibits good chemical resistance, good tensile strength and stiffness and is easy to process, print on, sterilize and bond with other resins. MABS can be produced in several ways. One method involves the polymerization or blending of grafted rubber with a polymer of styrene, methacrylate and acrylonitrile. Another method involves compounding SAN with polymethyl methacrylate (PMMA) and polymethacrylate butadiene styrene rubber. MABS is used in applications including medical technology and diagnostics, cosmetics and hygiene (*e.g.,* toothbrushes and soap dispensers), sports and leisure (*e.g.,* musical instruments and watches) and home and office (*e.g.,* printers and loudspeakers). We sell MABS under the trademark Terlux®.

Polyamide/ABS (PA+ABS). PA+ABS is a blend based on polyamide and ABS, combining excellent impact strength at high and low temperatures, high surface quality, easy processing, chemical resistance, heat resistance and a high-quality finish. PA+ABS is used in applications in the automotive sector, in housings for power tools, and in garden equipment and sporting goods. PA+ABS is tougher and more durable than either PA or ABS separately. It is formed by reactive compounding the two base products in the presence of a compatibilizer. We sell PA+ABS under the trademark Terblend® N. We also have a special, weather-resistant grade of PA/ASA, which we sell under the trademark Terblend® S.

Styrene methylmethacrylate (SMMA). SMMA resins (NAS®) are clear, non-impact-resistant resins, which can be used in household, packaging, office, medical and electronic applications. Applications for SMMA resins include water filter jugs, vacuum and floor care components, office products, pencil barrels, paper towel dispensers, medical devices and toys. Blends of NAS® with SBC are marketed under the trademark Zylar®. They have high impact strength coupled with high clarity, making these products suitable for applications requiring clear appearance and superior break-resistance.

Eco-product offering. Within all product segments, Styrolution offers a wide range of eco-products and solutions, including Teluran ECO B100, an ABS product that contains bio-attributed content from all three monomers (acrylonitrile, butadiene and styrene monomer), and Styrolution PS ECO, a 100% post-consumer recycled polystyrene solution that is fully recyclable and has the same mechanical and surface properties of its fossil-based equivalent.

Raw Materials and Energy

The principal raw materials and feedstocks for our Styrolution Business are ethylene, benzene, butadiene, butyl acrylate, acrylonitrile, styrene and energy. The costs of these feedstocks are connected to the price of crude oil and natural gas and the availability of crackers, coupled with supply / demand balances for the respective raw materials.

Raw materials may be shipped by pipeline, ship, road or train. Certain of our raw materials, like benzene, butadiene and ethylene, are also available directly on our production sites from adjacent steam cracking facilities or within other integrated chemical complexes.

Except for SM, most of which is sourced inhouse, the majority of our raw materials sourced for our Styrolution Business are supplied under industry standard contracts, usually with duration of one year, from leading industry participants at market prices. This includes arm's length contracts at market prices from INEOS, which cover approximately 10% of our raw material needs. Depending on market conditions, we allow for spot exposure and purchase a portion of our raw material needs (notably benzene and, mainly in Asia, styrene) in the spot markets.

For the North American region, all of the SM we need is produced in-house and only in exceptional situations (for example, for turnaround coverage) we purchase from third parties. Any excess SM is sold into the North American market or exported to our operations as well as third parties in other regions. For the EMEA region, the SM we need is sourced from a mix of in-house production and external purchases. For the APAC region, the SM we need is purchased externally.

Customers

The Styrolution Business has a global and diverse base of approximately 4,000 customers, through which it serves a wide range of end markets in more than 100 countries. The Styrolution Business's strategic focus industries consist of the electronics, healthcare, household, automotive and construction sectors, which we consider to be high-growth markets.

Within each of our end markets, we have long-standing relationships with large and well-established players in the industry (*e.g.,* Samsung, Lego, Covestro, BP, BASF, INEOS, Haier, Midea, BSH, Rehau, Whirlpool, Magna, Nexeo, Pactiv, Thermofisher, B. Braun, BMW, Daimler, BYD and Volkswagen). The top 10 customers in the Styrolution Business, collectively, accounted for 19.3% of our Styrolution Business revenue in the year ended December 31, 2022. No single customer accounted for more than 4% of the Styrolution Business's revenue.

Our external SM customers, mainly in the Americas where our production exceeds our internal needs, include customers across all of the major end markets, including electronics, healthcare, household, automotive, construction (*i.e.,* insulation, paint, and carpet adhesives) and packaging.

Research, Product Development and Engineering

At the time of the formation of the Styrolution Business, INEOS and BASF contributed considerable proprietary know-how, which positioned us as a technologically advanced business from the outset. Today, the Styrolution Business's global asset footprint is complemented by five research and development centers located in the U.S., Europe and South Korea.

Our Styrenics R&D resources are provided through our global R&D centers in Cologne and Antwerp and our regional development centers in Cologne, Wingles, Channahon, and Ulsan, as well as our external R&D partners.

We believe that our styrenics industry research centers facilitate the joint development of high value-added products with our styrenics customers.

Globally, we have the equivalent of approximately 91 full-time employees in our styrenics R&D community, which is composed of units for basic R&D, technology, market development, technical product development, technology service and future business innovation. Our approach to Styrenics research and development is twofold: (i) for commodity (SM) and standard products (ABS Standard, PS), we focus on improving our cost position, developing our eco product portfolio and solutions and making our standard grades more versatile so that they can cover additional applications; whereas (ii) for Specialties, our objective is to develop tailor-made solutions for customers to generate a unique value proposition by end market teams and developing our eco-portfolio and solutions.

Our market development functions are integrated into our marketing organization, and they work directly with our customers to devise innovative solutions for their businesses. To strengthen our Styrenics R&D capabilities, we entered into a partnership with universities and research companies (for example, Neue Materialien Bayreuth, an independent research and technology development provider in the field of new materials). This cooperation goes beyond traditional models of corporate cooperation with academia as it features a dedicated research team that constantly evaluates new technologies for use in styrenics. We believe that this strategic partnership, coupled with our global Styrenics R&D network, accelerates the pace of customer-centric innovation and further positions us for future growth. We recently entered into a collaboration in the field of sustainable materials with the University of Ghent. In Asia and the Americas, we maintain cooperation with established institutes for polymer science (Ulsan University, Rutgers University) to discuss development needs for local projects.

Intellectual Property

The Styrolution Business owns intellectual property associated with our manufacturing, with an extensive range of approximately 800 patents and patent applications covering polymerization processes, products and applications for all major styrenics markets. The Styrolution Business also owns approximately 800 trademark registrations globally. Thus, we maintain a portfolio of registered patents and trademarks in a large number of territories in order to support our global Styrenics sales and to ensure broad freedom to operate. In addition, we maintain trade secrets and proprietary information through customary non-competition undertakings with our employees and contractors and through confidentiality agreements with our contractors, development partners and customers. We receive certain intellectual property and technical knowledge related services from our affiliates on arm's length terms.

Since 2017, we have also created intellectual property in the field of chemical recycling, mechanical recycling and dissolution of styrenic polymers as a result of our active research and development into sustainability topics.

We are not aware of any threatened, proposed or actual proceedings that have been or will be brought against us for infringement of third-party rights or any infringement of our rights by third parties that if successfully prosecuted would have a material and adverse effect upon the Styrolution Business.

Competition

In 2022, we were the third largest global producer of SM by marketer, accounting for an estimated 5.3% of global capacity according to NexantECA. We were also the largest SM producer in North America, where we held an estimated 28.5% market share according to NexantECA. In North America, the second largest producer was LyondellBasell with an estimated 10.4% of regional capacity followed by TotalEnergies and SABIC which both hold 9.9% of regional capacity via their Cosmar joint venture, according to NexantECA. In Europe, we held an estimated 9.0% capacity share according to NexantECA (including through the operation of the largest integrated styrenics plant in Europe at our Antwerp site), placing us fifth in the region. For our Group, Asian demand is either met by Asian producers, primarily from Chinese, Japanese or South Korean sources or through imports from Middle Eastern or U.S. producers. Depending on economics, we might transport our own U.S. based product to meet Asian demand, although, historically, we have not done so consistently.

PS. In 2022, we were the largest global producer of PS, accounting for an estimated 12.8% of global capacity by owner according to NexantECA. We were also the largest producer in Europe, where we held an estimated 24.5% market share, and largest in North America, where we held an estimated 30.8% market share according to NexantECA. In Europe, Trinseo was the second largest producer (19.7%) followed by TotalEnergies (16.1%). In North America, we are the largest producer with a capacity share of 30.4%, followed by TotalEnergies with 27.3% and Trinseo with 15.2%. Part of the assets of other producers are held under the Americas Styrenics organization, which is split evenly between joint venture partners Trinseo and Chevron Phillips. In Asia we expanded our footprint in China through the acquisition of two PS plants in Ningbo and Foshan in February 2019. The acquisition resulted in the Styrolution Business becoming the largest producer, accounting for 7.1% of the market's capacity in 2022. In 2018 we accounted for 4.3% of capacity, resulting in fifth position in the region. The Asian PS market is much more fragmented than the European and North American markets, as demonstrated by the fact that the second largest Asian producer, FCFC, accounted for only an estimated 5.8% of the market in 2022.

ABS Standard. In 2022, we were the third largest global producer of ABS Standard, with an estimated 8.5% of global capacity, behind Chi Mei (15.2%) and LG Chem (13.1%) according to NexantECA. These capacity estimates do not take into account the 600-kilotonne ABS Standard plant under construction in Ningbo, China as part of our joint venture with Sinopec. In Europe, we held a number one position, with an estimated 46.9% market share by capacity in 2022. Trinseo was the second largest producer, representing an estimated 19.6% of the market, followed by Elix Polymers, with an estimated 17.6% market share. In North America, we were the second largest ABS Standard producer by capacity, with an estimated 36.0% market share, behind SABIC (48.6%). In Asia, we had a small capacity footprint

accounting for an estimated 3.1% of the market, which corresponded to a tenth position ranking in Asia. The Asian market for ABS Standard is dominated by Chi Mei, LG Chem and FCFC (17.9%, 15.3% and 8.3% of estimated Asian capacity, respectively).

Specialties. Based on management estimates, we believe we held the number one position for styrenic Specialties globally, as well as in Europe and the Americas in 2022, in each case as measured by owner and treating joint ventures as separate owners from their joint venture partners. However, our presence in China and in wider Asia remains relatively small. Our sites in South Korea and Thailand produce and sell Specialties. We believe our main global competitors in the Specialties product category to be Japanese, Korean and Middle Eastern companies.

Sales, Marketing and Distribution

The sales and marketing of all of our styrenics products is managed by our own global and regional sales teams and product management teams. The styrenics sales and product management teams are distributed across Europe, the Americas and Asia and focus on the interaction with customers on all commercial and technical topics. The product management teams further evaluate any required actions by our R&D, supply chain and productions departments, thereby ensuring fast and effective product life cycle management.

We conduct most of our styrenics sales directly with B2B customers in a wide range of industries. The remainder of our styrenics sales take place through a network of distributors. Most of our sales arrangements are based on sales contracts with a term of one year or less, in line with industry practice. Nevertheless, our customer relationships are long-lasting, with some having been in place for decades.

We have access to a comprehensive transportation network and associated logistics infrastructure. We believe this network enables us to move feedstocks and products at competitive rates. We typically distribute our styrenics products by sea, rail or truck or a combination thereof.

The INOVYN Business

Our INOVYN product groups are:

- *General Purpose Vinyls*: Suspension PVC products and PVC resins ("general purpose PVC"), which are typically used in potable (used for drinking water) and gravity (used for wastewater) pipes, window frames, cable insulation, food and pharmaceuticals packaging, automotive and domestic appliances and medical supplies. According to NexantECA, we are the largest producer of general-purpose PVC in Europe, based on our capacity as of December 31, 2022.

- *Specialty Vinyls*: Emulsion PVC products and specialty grade Suspension PVC products (together, "specialty PVC"), which in general have higher specifications than general purpose PVC and may be used in, among other things, flooring and wallcoverings; clothing and furniture; high-tech dashboards, interiors and endurance components for cars; lightweight composites for clean energy; and medical equipment in hospitals. According to NexantECA, we are the largest producer of specialty PVC in Europe based on our capacity as of December 31, 2022. We believe that we are the number one in Specialty Vinyls globally in terms of sales.

- *Organic Chlorine Derivatives*: Chlorine derivatives for use throughout the chemical industry, including chlorinated paraffins, chlorinated solvents, allylics and ECH. We are a key supplier of ECH to Greater Europe and an important player with significant market share in the U.S. market. We believe that we are number one in terms of merchant market sales since our competitors consume most of their production.

- *Chlor-Alkali*: Chlor-alkali chemicals, including caustic soda and caustic potash, chlorine and chlorine by-products, brine and water and salt, which are all essential ingredients in a wide variety of everyday industrial applications and are used in the production of many of the INOVYN Business's other products. According to NexantECA, we are the largest producer of caustic soda in Europe based on our capacity as of December 31, 2022.

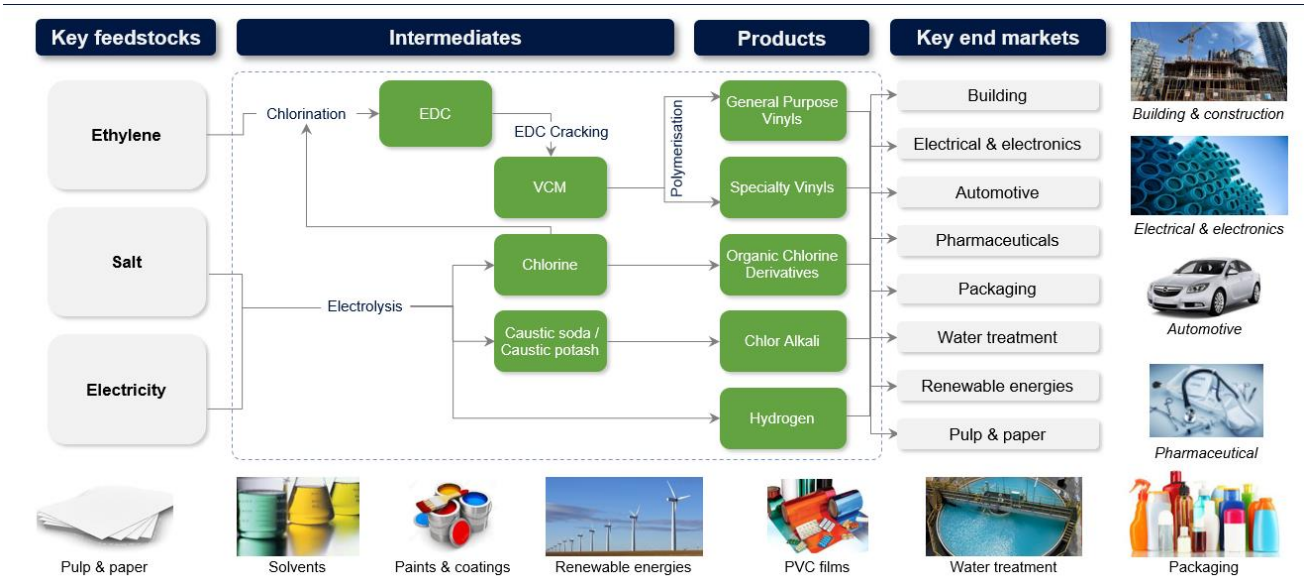
- *Hydrogen*: We produce hydrogen from our existing chlor-alkali cellrooms. We are also actively looking at first intent clean hydrogen production projects on behalf of the INOVYN Business and the wider INEOS group, utilizing our extensive electrolysis know-how which is the critical technology used to produce green hydrogen from renewable energy.

The following table presents the INOVYN Business's historical revenue and Adjusted EBITDA.

	For the year ended December 31,		For the six months ended June 30,	
	2021	2022	2022	2023
		(in €million)		
Revenue	4,225.6	5,136.2	2,699.5	2,015.4
Adjusted EBITDA	974.4	1,176.0	665.4	426.8

The balance and diversification of the INOVYN Business's product portfolio is also supported by the diversification of revenue generated across its business units.

The following diagram sets forth a summary of the inputs and outputs of the production chain for the INOVYN Business's major product families, namely, general purpose PVC, specialty PVC, chlorine derivatives and chlor-alkalis.



Source: Company information.

Products and Manufacturing

EDC, VCM and PVC

VCM is the primary raw material used in the manufacture of PVC resins and is produced by the reaction of ethylene and chlorine, which produces EDC that is transformed into VCM by thermal cracking. PVC resin is then formed by the polymerization of VCM. PVC is made as two main product types, each subdivided into a range of grades to meet the requirements of our customers' specific applications. We produce PVC according to two types of polymerization techniques: suspension PVC, or SPVC (also known as "Suspension PVC"), and emulsion PVC, or E-PVC (also known as paste PVC, P-PVC or "Emulsion PVC"). Some special grades produced by the suspension technique can also be used as a substitute for Emulsion PVC resins. We actively review our range of PVC resin grades in cooperation with our customers to reduce the costs of production, to improve customers' yields with our PVC, to maintain high quality standards and, where possible, to cover a wide range of PVC applications. In the case of specialty PVC, we provide highly tailored technical grades to tackle specific customer needs. Our VCM and PVC resin production facilities are located in Belgium, France, Germany, Norway, Spain, Sweden and the U.K.

We produce VCM principally for our own internal use in the production of PVC and we are able to produce substantially all of our required VCM. In addition, we produce EDC at Zandvliet, Belgium. The Zandvliet operation is based on a chlorine cycle: chlorine produced by INOVYN is supplied to BASF for the production of methylene diphenyl diisocyanate ("MDI"); BASF then sends anhydrous gaseous hydrogen chloride, also called HCl, a by-product of MDI production, back to INOVYN for transformation into EDC, which is used in our downstream operations, particularly at our Jemeppe and Rheinberg facilities, for VCM production. EDC is also manufactured at the site at Runcorn, U.K. via toll manufacturing agreement with VYNOVA, although production has been halted while VYNOVA performs major

plant modifications which are not expected to be completed until the second half of 2024. Most of the EDC is used to feed our VCM asset in Martorell, Spain.

Suspension PVC and Emulsion PV

General purpose PVC includes resins produced for general applications through suspension technology and represents roughly 95% of worldwide volumes as of June 30, 2023. The Suspension PVC production process involves the polymerization of VCM in large-scale batch reactors, in the presence of water, together with catalysts and additives. Once the reaction is essentially complete, unreacted VCM is removed, and the polymer is isolated by centrifuging and drying. Individual grades produced are characterized by their melt flow properties and suitability for rigid (unplasticized) or flexible (plasticized) applications. As of June 30, 2023, the INOVYN Business's annual production capacity of Suspension PVC was approximately 1,845 kilotonnes. Our Suspension PVC production sites are located in Belgium, France, Norway, Spain, Sweden, Germany and the U.K.

Suspension PVC is the type of PVC resin used for virtually all calendaring, extrusion, injection molding and blow molding and for the manufacture of films and foils. Typical applications include potable and gravity pipes, window frames, cable insulation, food and pharmaceutical packaging, automotive and domestic appliance components and medical supplies such as tubing and blood bags. We offer an extensive range of these Suspension PVC grades marketed under the trade name of INOVYN™.

Specialty PVC comprises resins produced via emulsion polymerization (including micro suspension, mini-emulsion, seeded emulsion, latex and nano-emulsion) and also specialty Suspension PVC grades (such as, extender (or filler), copolymer, very-high molecular weight, very-low molecular weight and medical grades). Our Specialty Vinyls business unit is strongly focused on research, innovation, high-technology solutions and key partnerships to generate value for stakeholders. In our Emulsion PVC production process, the polymerization state involves an emulsion of very fine droplets of VCM in water, and the polymerization process takes place to form a stable emulsion, or latex, of polymer in water. After the removal of unreacted VCM, the water is removed by evaporation in spray drying equipment to obtain Emulsion PVC in its final form. Our INOVYN™ Emulsion PVC ranges have been developed to cover all the major application outlets and also the more niche areas of gloves, fine printing, composites, technical textiles and coil coating applications that require more specialized fine grade resins. Our Emulsion PVC manufacturing facilities are located in France, Germany, Norway and Sweden. As of June 30, 2023, our annual production capacity of Emulsion PVC was approximately 265 kilotonnes.

Emulsion PVC is used in a wide range of specialty applications involving coating, molding, dipping and spreading operations, and also extrusion and calendaring. In customers' production processes, Emulsion PVC is generally converted into a usable form by the addition of plasticizers to form a "plastisol", or paste, and mixed with performance enhancers to manufacture flexible plastic products. Typical applications for Emulsion PVC include coated fabrics, conveyor belting, cushion and wear layers of flooring, mastics, wall coverings, and core foams for wind turbines. Individual applications demand specialized grades of Emulsion PVC and, consequently, the development and manufacturing processes are technologically sophisticated and more complex than for Suspension PVC.

Specialty Suspension PVC grades comprises five special product types: extenders (or fillers), copolymers, medical grades and very-low and very-high molecular weight PVC. All of these five types of products are produced through a suspension polymerization process (similar to Suspension PVC) but each one with its own specificity. INOVYN also has specific dryers for this type of production.

In the case of copolymers, the specificity occurs from the addition of a co-monomer, vinyl-acetate, which reacts together with the VCM in batch reactors in the presence of water, together with initiators and additives. Once the reaction is essentially complete, unreacted vinyl-acetate and VCM are removed, and the polymer is isolated by centrifuging and drying. Copolymers are used mainly in specific calendaring applications, such as rigid foils or sleeves for packaging, credit cards, pharmaceutical blister packaging and vinyl records. Our copolymer production facility is located in Jemeppe, Belgium.

In the case of medical grades, the specificity relates to the fact that no antioxidants are added to the recipes during polymerization and any significant changes in the polymerization recipes have to be approved by the customer. Main applications are blood bags and medical tubing. Our medical grades production facilities are located in Jemeppe, Belgium, and in Stenungsund, Sweden.

We also produce very-high and very-low weight PVC resins. The main applications for our very-low molecular weight PVC resins are injection molding of rigid pieces (multi-cavity molds), foams and adhesives. Our low molecular weight Suspension PVC is produced in Jemeppe, Belgium. The main applications for our very-high molecular weight

PVC resins are dynamic gaskets and high-performance membranes, cables and swimming pool liners. Our high molecular weight Suspension PVC is produced in Stenungsund, Sweden.

BIOVYN™

In October 2019, INOVYN launched its latest generation of PVC under the brand name BIOVYN™ becoming the world's first commercial producer of bio-attributed PVC using a supply chain fully certified by The Roundtable on Sustainable Biomaterials ("RSB"). The RSB is a European Commission-approved voluntary scheme used to demonstrate compliance with the sustainability criteria of the EU's Renewable Energy Directive. BIOVYN™ was initially manufactured at Rheinberg, Germany, but certification was extended to our site in Jemeppe, Belgium in 2020 and to Porsgrunn, Norway and Stenungsund, Sweden in 2021. Since 2022, BIOVYN™ production sites are also certified by ISCC+. BIOVYN™ is made using bio-attributed ethylene, a renewable feedstock derived from biomass that does not compete with the food chain. BIOVYN™ is certified as delivering a 100% substitution of fossil feedstock in its production system, enabling a greenhouse gas saving of over 90% compared to conventionally produced PVC.

Bio-attribution is used to measure the extent to which fossil fuel-derived ethylene has been substituted by renewable ethylene. The bio-ethylene is attributed to the finished PVC product by means of a certification process approved by the RSB whereby it is tracked to its precise output in the PVC product. The final product carries an attribution according to the displacement of fossil fuel-derived raw materials. This avoids any physical determination in the finished product and negates the need for huge investments in duplicate tanks and pipes to segregate the renewable and fossil fuel-derived feedstocks from one another.

The development of BIOVYN™ forms part of our wider sustainability program, through which we are developing a new generation of PVC grades that meet both the rigorous product quality and performance needs of our customers, whilst moving us closer towards a circular, carbon-neutral economy for PVC. Driven by the increasing global focus on the circular economy, there is growing demand for specialist, renewable PVC that decouples its production from the conventional use of virgin fossil feedstocks. BIOVYN™ meets that demand and demonstrates that we can substitute the use of virgin fossil feedstocks without compromising the unique product qualities such as durability, flexibility and recyclability that make PVC one of the most widely used, sustainable plastics in the world.

BIOVYN™ has been incorporated into our existing extensive portfolio of both general purpose and specialty PVC grades, underpinning our market leading position and demonstrating our focus on both sustainability and innovation. Sales of this resin started in December 2019 through a collaboration with one of our flooring customers, Tarkett but the customer base has since increased to include companies such as Polestar (automobiles), Pappelina (Swedish rug manufacturer) and Jokasafe® (European Vinyl glove manufacturer).

The bio-attributed ethylene is sourced from the INEOS owned cracker at Cologne, Germany and is delivered via the ARG pipeline to our VCM plant at Rheinberg. The quantities of bio-attributed ethylene accounts for a very small part of our overall ethylene consumption. However, this is a major step forward in our journey to sustainability and demonstrates our commitment to working within the emerging bio-economy and developing innovative solutions that address society's needs.

Chlorine, Caustic Soda and Caustic Potash

Chlorine, caustic soda and caustic potash are produced in cellrooms by passing a powerful electric current through a brine solution (salt dissolved in water). The resultant chemical reaction produces chlorine and caustic soda, or chlorine and caustic potash, in fixed ratios (roughly, in weight, 1.1 units of caustic soda to 1 unit of chlorine and 1.5 units of caustic potash to 1 unit of chlorine), along with a small amount of hydrogen that can be used as fuel or for other chemical applications. Chlorine can be sold in bulk, delivered by pipeline to external customers or used, in gaseous or liquefied form to produce chlorine derivatives.

Caustic soda is a widely used industrial chemical, including in pulp and paper, detergents, packaging, agriculture, environmental protection, water treatment, foodstuffs, health, textiles and in the chemical, construction and car industries. Caustic soda comes in liquid and solid forms. Liquid caustic soda is a strong base used as a chemical reagent, a pH-regulator, an ion exchange resin regenerating agent, catalyst and etching and cleaning agent. Solid caustic soda has similar properties but is manufactured by evaporation of water from liquid caustic soda, followed by solidification into micro pearls. Caustic potash is mainly used in the manufacture of other potassium salts for use in soaps and detergents, fertilizers, airport and aircraft de-icing fluids and batteries.

We produce chlorine and liquid caustic soda at our Antwerp/Lillo, Jemeppe, Rafnes, Rheinberg, Rosignano, Runcorn, Stenungsund and Tavaux sites. We also produce solid caustic soda (from liquid caustic soda) at our Tavaux plant in France.

We use modern membrane technology, which is low-maintenance and energy-efficient, at our Antwerp/Lillo, Jemeppe, Rafnes, Rheinberg, Rosignano, Tavaux sites, and at Runcorn where we co-own the cellroom with VYNOVA. We also have a polymer diaphragm plant at Rheinberg. In response to the European Union's BREF Document for the Production of Chlor-Alkali, which required all European mercury-based chlor-alkali production facilities to cease operations by the end of 2017, the INOVYN Business has incurred substantial capital expenditures and remediation costs on cellroom closure and conversion projects. The VCM/PVC complex at the Martorell site is being supplied by EDC imported by deep-sea vessels to Barcelona with subsequent transport to the Martorell site via rail. We have secured third-party supply arrangements for EDC, which run to a minimum term of 2041, although we have had discretion over the level of offtake since 2022. Some EDC will also be supplied from the INOVYN Business's other manufacturing locations.

We consume most of the chlorine we produce in our cellrooms internally, either in our vinyl chloride monomer ("VCM") production or in the production of products in our Organic Chlorine Derivatives business unit. At some facilities, the chlorine is sold in liquid form to external customers by pipeline, by trucks or by railcars. In the Antwerp area most of our chlorine is supplied to BASF and is used by them to produce MDI. The MDI manufacturing process produces hydrochloric acid as a byproduct, which we use to produce EDC which, in turn, is used to make PVC at Jemeppe and Rheinberg. The chlorine arrangements with BASF effectively share the costs of the chlorine produced, thereby benefiting both BASF and the INOVYN Business.

We use the remainder of our caustic soda to make sodium hypochlorite for sale to the market, to supply our Brine and Water business, and for use in our VCM production facilities.

All of our caustic potash is manufactured at our membrane facility at Lillo in Belgium which is well situated to serve caustic potash customers in Europe and beyond via the nearby port of Antwerp and benefits competitively from having direct pipeline links to its major customers for the co-produced chlorine. It is also strategically positioned to receive imports of potash, a key production raw material.

Hydrogen

We believe that we are in a unique position to lead the transition to a hydrogen-powered economy, with the INOVYN Business and our INEOS affiliates already producing about 50,000 and 400,000 tonnes of hydrogen a year, respectively. As Europe's largest operator of electrolysis cellrooms, which is the critical technology necessary to split water into hydrogen and oxygen using renewable energy, we believe that the INOVYN Business and our INEOS affiliates are uniquely positioned to drive developments in renewable hydrogen. In November 2020, INEOS launched a new business as part of the INOVYN Business to develop and build green hydrogen capacity across Europe, in support of the drive towards a zero-carbon future. This business will focus on ramping up production of clean hydrogen across Europe, not only for INEOS' own sites, but critically for other industries seeking affordable, low-carbon energy. INEOS' approach will not only play a key role in Europe's Green Deal and the U.K.'s Hydrogen Strategy, but it will help to create an economy that is sustainable, workable, and profitable.

INEOS has already announced plans to invest more than €2 billion into water electrolysis projects to make zero-carbon, green hydrogen across Europe. Within the INOVYN Business, Project Aquarius, a potential 20MW green hydrogen plant at Rafnes in Norway, powered by zero-carbon electricity, would be among the first projects to deploy a large scale electrolyzer on a chemical site. This project would lead to a minimum reduction of an estimated 22,000 tonnes of CO_2 per year by reducing the carbon footprint of our operations in Norway. At Antwerp, we are part of a power-to-methanol consortium with the INOVYN Business providing the expertise for a potential 5MW green hydrogen electrolyser plant. In the UK, through the HyNet consortium in the North-West of England, we are planning to develop the largest hydrogen storage project in the world, capable of storing 1.3 TWh of hydrogen. From 2024, we plan to supply compressed fuel-cell quality hydrogen to the mobility and power generation sectors in the UK, supporting the decarbonization of this challenging sector.

Within the wider INEOS group, plans to build a 100MW electrolyser to produce green hydrogen at Cologne in Germany were announced in 2021, with hydrogen from the new unit being used in the production of green ammonia for local industry use. Moreover, over £1 billion is to be invested at Grangemouth, U.K. to switch all its businesses to hydrogen, capturing over one million tonnes of CO_2 each year by 2030.

Epichlorohydrin

We are a key global producer of epichlorohydrin ("ECH") supplying a variety of businesses dealing in epoxy resins for paints and coatings, composites, adhesives, electronics, pulp and paper, water treatment and healthcare. Approximately 80% of our ECH production volume (by tonnage) uses propylene as a raw material; the remaining 20% of

our ECH is manufactured using natural and renewable glycerin as a raw material. The ratio can be varied depending on the relative price of propylene and glycerin.

In the propylene-based process, allyl chloride is a precursor to epichlorohydrin and is sold to customers in Europe and the U.S. We also sell co-products, such as monochloropropene, dichloropropene and trichloropropane, generated in the propylene-based ECH production process, giving us competitive advantage over those players in the market who do not separate and purify these co-products for sale.

In December 2021, we launched REODRIN™, becoming the world's first commercial producer of bio-attributed epichlorohydrin from renewable feedstock. Manufactured at Tavaux, REODRIN™ is made using a second-generation, renewable feedstock that eliminates the use of energy crops and palm materials from the supply chain, therefore using 99% less land and water than conventional feedstocks. It is also certified by ISCC+ as enabling a greenhouse gas saving of almost 70% compared to fossil-based/palm-based epichlorohydrin. Driven by the increasing global focus on a low carbon economy, there is growing demand for a specialist, renewable epichlorohydrin that decouples its production from the use of conventional carbon-intensive feedstocks. REODRIN™ meets that demand and demonstrates we can produce epichlorohydrin with a non-fossil, circular feedstock. REODRIN™ is expected to have numerous value-added applications across a range of industry sectors, including highly specialized end-uses such as composites for wind turbines, wastewater treatment and lightweight coatings for electric vehicles.

Chlorinated Paraffins

We are the largest chlorinated paraffins producer in Europe which is produced by direct chlorination of straight-chain-saturated hydrocarbons in the C_{14}-C_{30} range at our Runcorn facility in the U.K. We produce chlorinated paraffins under the CERECLOR™ brand name for use as a PVC plasticizer, extreme pressure additive for metal working fluids, fire retardant/plasticizer in paints, fire retardant in other compounds, in polyurethane foams, and in a range of rubbers and carbonless copying papers. Please see "*Our Facilities*".

Chlorinated Feedstocks and Solvents

We produce chloromethanes (methylene chloride, chloroform and carbon tetrachloride) by reaction of methane gas with chlorine out of our Tavaux facility in France and our Rosignano facility in Italy, and believe that we are the fourth largest producer in Europe based on production capacity as of June 30, 2023, but expect to become the third largest producer once Blue Cube (Olin) closes its European chloromethanes production capacity, as announced in October 2022. Methylene chloride is used as an effective extraction medium in the synthesis of pharmaceuticals, as a solvent in low temperature metal cleaning, and is consumed in the production of HFC-32. Chloroform is mainly used as a solvent in pharmaceuticals and as a raw material feedstock in the manufacture of HCFC-22, which in turn is consumed in the production of fluoropolymers such as polytetrafluoroethylene ("PTFE") (marketed under the names Teflon, Hostafluon, Fluon and others), and to a lesser extent fluoroelastomers. Our purified carbon tetrachloride is primarily used as a raw material feedstock for the manufacture of perchloroethylene as well as increasing consumption for the production of the next generation fluoro-gases, namely hydrofluoroolefins. We are a leading manufacturer of Perchloroethylene, with the brands PERSTABIL® used as an industrial solvent and for dry cleaning, SOLTENE™ used for metal degreasing; and CATALYST grade used in petrochemical refineries as a chloriding agent, for both isomerization and reforming catalysts.

Chlorine By-Products

We manufacture a range of other chlorinated products which are part of our chlor-alkali business, including mainly:

- *HCl.* We produce hydrochloric acid for use in a wide variety of industrial and chemical applications, including as a manufacturing aid in the pharmaceuticals industry, metallurgy, electronics and the food industry. HCl is mainly produced at our facilities in Tavaux, Rheinberg, Runcorn and Rosignano.

- *Sodium hypochlorite.* We supply sodium hypochlorite, a powerful cleaning agent and disinfectant, to a variety of businesses and utilities companies. We produce sodium hypochlorite mainly at our facilities at Jemeppe, Lillo, Tavaux, Rosignano, Tavazzano, Runcorn and Rafnes.

Brine and Water

Brine is an essential raw material used by the chemical industry. The brine and water division is mainly active in the extraction and purification of brine from salt deposits located on land we own in Cheshire, U.K. Through a process of

solution-mining, we have the capacity to extract up to 40,000 m^3 of brine per year from brine fields located near Northwich in Cheshire, but actual demand from downstream consumers is for approximately 20,000 m^3 per year. The brine fields are situated on salt deposits, located approximately 20 kilometers from our Runcorn facility, and salt is extracted by pumping water into boreholes to create the raw brine solution. The brine is pumped to a processing plant for purification and then distributed through our network of pipelines to our customers. The key raw materials used in the production of brine are water, pumped from nearby rivers, and caustic soda and soda ash, which are used to remove calcium and magnesium salts from the brine. Caustic soda is supplied by our membrane cellroom in Runcorn, and soda ash is supplied externally.

In the U.K., a proportion of our brine capacity is supplied to the cellroom in Runcorn, which we co-own with VYNOVA. The remainder is supplied to our salt plant at Runcorn and the TATA Chemicals' soda ash plant located at Northwich.

In Northwich, our brine and water business division has also successfully developed a gas storage business in Cheshire. This includes projects with two large international energy companies, Uniper and Storengy, both of which have been secured under long-term contracts. We benefit from the long-term contracts because we are able to use the new boreholes that will be drilled by the energy companies to produce new brine solution and salt. We obtained consent for a third large scale gas storage project at the Northwich brinefield in 2017 but we have not yet begun full construction. In 2021, we joined the HyNet consortium to provide a 1.3TWh hydrogen storage facility by converting the original 2017 consented project to support hydrogen storage. HyNet is the North-West of the U.K.'s response to climate change and achieving net-zero GHG emissions. The HyNet project consists of carbon capture and storage of CO_2 from existing carbon emitters and allows the large-scale generation of low carbon hydrogen production from natural gas. The hydrogen will be distributed, first, to industrial/commercial users within the northwest region of the U.K. Later, dispatchable power generation and residential heating will be added to the network. Our hydrogen storage facility will provide much needed flexibility and resilience to the hydrogen distribution network.

Salt

Based at Runcorn, the salt business is one of only two U.K. producers of evaporated salt. The plant uses multiple effect evaporation to produce dried and un-dried vacuum salt, granular salt and salt tablets. Applications are wide ranging and include water softening, human and animal food, food preservation and as a base raw material within the chemical industry. The plant is registered for food production, and food grade pure dried vacuum salt is certificated to the BRC Global Standard for Food Safety. Our customer base is diverse ranging from large corporations to small businesses and retail consumers. The key raw material used in the production of salt is brine, supplied internally, and steam, supplied from the Runcorn TPS Combined Heat and Power Energy from Waste plant, located at Runcorn.

Raw Materials and Energy

The principal raw materials (including feedstock) and input costs for the INOVYN Business are ethylene, naphtha (used in the steam cracker in Feyzin, France), propylene, glycerin, brine/salt, potassium chloride and electricity. In the six months ended June 30, 2023, ethylene, energy (electricity, gas and steam), naphtha, brine/salt, propylene and potassium chloride accounted for 27%, 35%, 8%, 4%, 1% and 4%, respectively, of our INOVYN Business's raw material expenses. We also purchase intermediates, EDC and VCM from third-party suppliers, the volume of which is dependent on the level of turnaround and activity at our own EDC and VCM assets.

We currently source in excess of 70% of our ethylene requirements from INEOS via pipeline, including all of our ethylene required in Norway and Sweden, our bio-attributed ethylene segments for our BIOVYN™ production and, when back online, our ethylene requirements for the VYNOVA EDC toll manufacturing arrangement at Runcorn.

We mainly source the ethylene, naphtha and propylene demand of our INOVYN Business at Tavaux from feedstock provided by a steam cracker in Feyzin, France, in which we have a 42.5% economic interest. We also supplement our ethylene requirements at Tavaux with external contracts with LyondellBasell Group. In Spain, ethylene is supplied by Respsol via our pipeline from Tarragona to the site. Our ethylene contracts are on a take or pay basis, with pricing (apart from US-sourced ethylene) linked to the Ethylene Monthly Contract Price in Europe.

The INOVYN Business's plants in Rheinberg, Jemeppe and Antwerp/Zandvliet are all pipeline-connected to the European ethylene pipeline system ("ARG System"), providing us with access to large crackers in Germany, Belgium and the Netherlands and flexibility in our sourcing, and enabling us to access a key spot market. Ethylene for these plants is currently sourced under contracts from three different producers: BASF, INEOS Olefins & Polymers, BP Refining & Petrochemicals which enhances our sourcing flexibility. The contract with INEOS is for the annual supply of 150 kilotons of U.S. sourced ethylene running to the end of 2024, enabling us to more effectively compete with U.S. and Asian PVC producers in export markets by taking advantage of the U.S. shale gas economics.

Our 42.5%-owned steam cracker at Feyzin sources naphtha at market prices from the refinery on the site, owned by TotalEnergies. On occasions where we need to access the naphtha market for our Tavaux site, we have agreements with TotalEnergies which allow us to source naphtha from a refinery at Lavéra, owned by Petroineos, which is 50% owned by INEOS, or from other deep-sea sources as we have access rights to the naphtha import terminals in the Lavera pocket. We supplement propylene provided from Feyzin for Rheinberg with two external contracts with Helm and TOTAL. Because we manufacture much of our own propylene, we are also able to conduct propylene sales when we need to manage our stock balances or when it is advantageous to do so.

Since the war in Ukraine and the freezing of biodiesel operations, supplies of glycerine have had to be carefully managed and we are currently only purchasing on a spot basis from Musim Mas Group, Cremer Oleo GmbH and Viterra. We are actively looking for new and secure sources of vegetable-based glycerin, in order to further diversify our supply options. In 2022 we secured our first supplies of sustainable used cooking oil-based grades of glycerin for the manufacture of REODRIN, the world's first commercially available bio-attributed epichlorohydrin.

Much of the salt we need for our products comes from internal supply on integrated sites. In general, brine and salt are delivered via pipeline or barge by third parties under long-term contracts with, typically, a single supplier for each site.

We purchase potash externally from two suppliers, namely Canpotex Limited and K+S Kali GmbH, via long-term contracts of at least one year in duration.

Electricity

Electricity is a key raw material and utility throughout our production processes and businesses. The production of chlorine, caustic soda and caustic potash by electrolysis requires large amounts of electricity, and the production of VCM and PVC also requires electricity as a utility. In the six months ended June 30, 2023, the INOVYN Business purchased approximately 2,200 GWh of electricity.

Across most of our sites we purchase electricity directly from wholesale traded electricity markets. Specific arrangements vary from site to site but generally we have access to commonly traded spot and forward market products and purchase through a combination of these.

Electricity across Europe is highly regulated and subject to a range of environmental and climate change-related policies, for example, costs associated with the deployment of renewable electricity generation. As a highly electro-intensive and trade exposed manufacturing sector, the chlor-alkali process is protected to varying extents from the full cost of taxation and environmental policies. For example, in the U.K., the consumption of electricity for electrolysis is fully exempt from the Climate Change Levy. More widely across Europe, a range of policy costs are significantly reduced, typically requiring us to enter into formal agreements obliging us to meet energy improvement targets.

Electricity cannot be stored, and national electricity grid operators must continually perfectly balance supply and demand. This is normally done through matching generation with demand. However, in a number of countries, grids operators offer incentives to large users to vary their consumption in order to help manage supply and demand, through so called Interruptibility or Demand Response arrangements. The relative flexibility of the electrolysis production process is ideal for providing this flexibility to the grid operators while enabling further reduction in our electricity costs. We entered into such arrangements in the U.K., France, Belgium and Italy 2021.

In the U.K., our electricity costs have benefitted from long-term contracts negotiated with Runcorn TPS, our associated undertaking. Runcorn TPS operates a Combined Heat and Power Energy from Waste plant and has entered into contracts to accept and burn fuel derived from waste arising under the Greater Manchester Combined Authority's 25-year private finance initiative ("PFI") contract which runs until April 2034. A second plant owned exclusively by Viridor has also been constructed on the same site and is sharing some of the infrastructure. Both plants are located on land we own at our Runcorn site, and we are committed to buying all electricity from both plants and steam from the Runcorn TPS plant under long-term agreements. Under the current arrangements, electricity is bought at below market prices with the INOVYN Business providing appropriate routes to market and ensuring that all environmental and regulatory incentives are maximized for Runcorn TPS and Viridor.

Electricity is supplied to our Norwegian facilities through a fixed price contract (linked to annual inflation) with Statkraft running until 2035. Electricity supplied to our Stenungsund, Lillo, Martorell and Rheinberg facilities is through market-based contracts with local suppliers. In France, approximately 50% of the electricity requirements for the Tavaux facility are supplied from the Exeltium consortium via an agreement with Solvay, which provides electricity at prices based on nuclear generation costs. Additionally, we exercise our rights under the ARENH scheme to access a further tranche of competitively priced power. The remaining electricity requirements for the site are sourced from the market.

Electricity for the Rosignano facility in Italy is supplied via Solvay Chimica Italia SpA. with roughly 80% of electricity requirements being supplied via a Virtual Interconnector agreement. This agreement provides electricity at a price linked to the German electricity market giving a discount to Italian market prices.

In Jemeppe, Belgium and Newton Aycliffe, U.K., we operate highly efficient CHP plants which produce the majority of our physical electricity requirements. We purchase natural gas to fuel these plants using market-based contracts with local suppliers. On each site, any surplus electricity generated, or top-up required is sold or bought at market prices via local electricity suppliers.

Gas and Steam

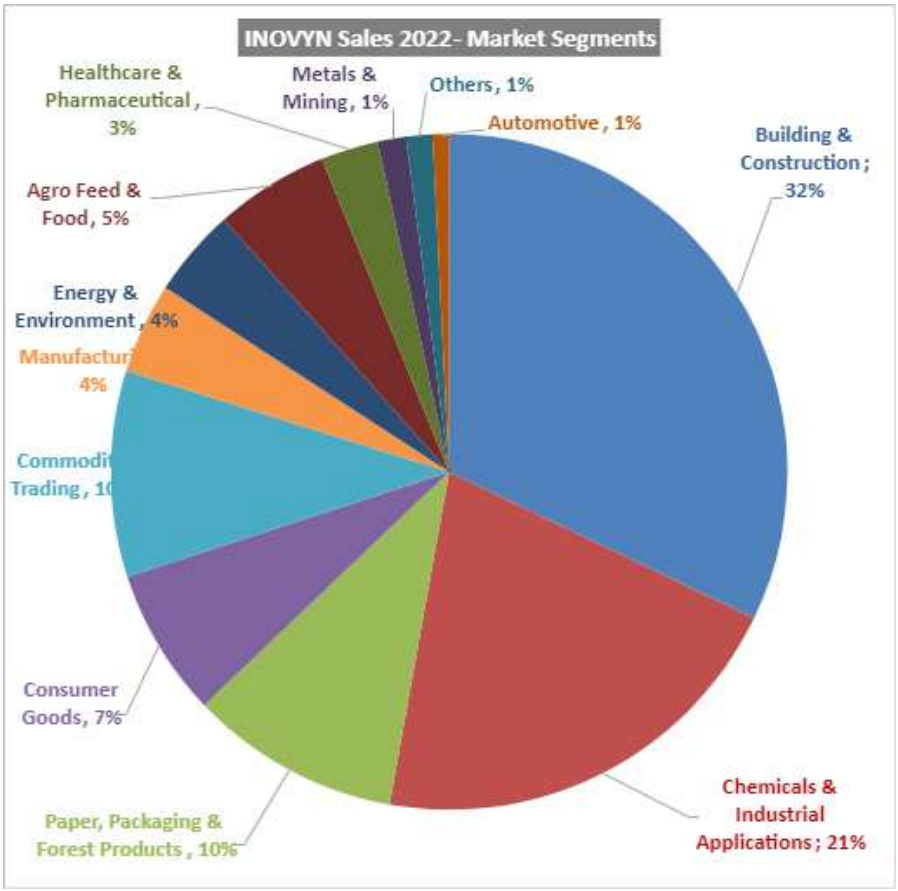
Across the business we use quite significant volumes of fuel gas and steam as sources of heat in the various and extensive chemical transformations that we carry out.

In the six months ended June 30, 2023, the INOVYN Business purchased approximately 2,100 GWh of fuel gas (including volumes of natural gas purchased at Jemeppe and Newton Aycliffe which is used to make electricity in our own-generation CHP plants). At most of our facilities we purchase fuel gas in the form of natural gas from the market. However, at our Rafnes and Stenungsund facilities, fuel gas is purchased from the Olefins & Polymers division of INEOS and Borealis, respectively, as by-products from their gas cracking manufacturing process.

Steam is a further source of heat used in drying, concentrating, distillation and steam cracking processes. In the six months ended June 30, 2023, we purchased approximately 2.0 million tonnes of steam from third parties, including Runcorn TPS in the U.K. which is a related party associated undertaking in which we hold a 25% economic interest. In addition, at some of our facilities we generate our own steam using a mixture of imported fuel gas and by-product hydrogen produced from our cellrooms.

Customers

The INOVYN Business has a global and diverse base of approximately 2,900 customers, through which it serves a wide range of end markets in approximately 125 countries. The INOVYN Business focuses on key end markets, such as building and construction, chemicals and industrial applications, energy, environment and paper, packaging and forest products, which, when considered along with sales to distributors, constituted 75% of the INOVYN Business's sales revenue in for the six months ended June 30, 2023.



Source: Company information.

The INOVYN Business does not depend on any customer for a significant portion of its sales volumes. In the year ended December 31, 2022 and the six months ended June 30, 2023, no customer represented more than 5% of its total sales volume (by tonnage). Our INOVYN Business's top 25 customers represented 40% in the year ended December 31, 2022, and 42% in the six months ended June 30, 2023, respectively, of its total sales volume (by tonnage). Our INOVYN Business is not dependent on any single customer for a significant portion of its sales. Our top 10 INOVYN customers collectively accounted for 23% and 24% of our INOVYN Business's revenue in the year ended December 31, 2022, and in the six months ended June 30, 2023, respectively.

Below is an overview of our main customer profile for each of our product categories.

PVC. Our PVC customers produce materials for the building and construction, consumer goods, manufacturing, packaging, automotive and healthcare and pharmaceutical sectors. PVC applications include pipes, window frames, cable insulation, flooring, wall coverings, domestic appliances, automotive parts, food and pharmaceutical packaging, medical supplies, pharmaceutical products, conveyor belting, mastics, coated fabrics and core foams for wind turbines.

Caustic Soda, Caustic Potash and Salt. Caustic soda and caustic potash are widely used industrial chemicals with numerous applications, including detergents, pulp and paper, packaging, agriculture, environmental protection, water treatment, foodstuffs, health, textiles as well as applications in the chemical, construction and automotive industries. Salt is also used in a range of industrial processes and consumer industries. Our specialty salt is crucial for water treatment and as a food ingredient for a range of manufacturing and consumer applications.

Organic Chlorine derivatives (chloromethanes, chlorinated paraffins, perchloroethylene). The key end market sectors for our chlorine derivatives are chemicals and industrial applications, consumer goods, building and construction, metals and mining sectors. Organic chlorine derivative applications include intermediate chemicals for PTFE production,

pharmaceuticals, additives for metal working fluids, fire retardant/plasticisers, metal degreasing, PU foams, solvents and dry cleaning.

ECH. Our ECH is used by customers in sectors such as chemicals and industrial, energy and environment, healthcare and pharmaceutical, paper, packaging and forest products. ECH is used to make epoxy resins for protective coatings, adhesives, composites for aircraft and wind turbine blades, along with water treatment chemicals and elastomeric materials for use in the automotive and aerospace industries, for roofing membranes, and in paper mills.

Research, Technology and Engineering

We offer a set of innovative product solutions for the INOVYN Business's customers, with over 50 different grades of PVC and a dedicated research and innovation team.

Overview of R&D centers

Our research, technology and engineering facilities are located in Jemeppe, Belgium; Runcorn, U.K.; Porsgrunn, Norway; and Rosignano, Italy. The headquarters for the research and innovation activity is located in Jemeppe and covers hydrogen, electrolysis, VCM, PVC, PVC recycling, allyl chloride, epichlorohydrin, perchloroethylene and chloromethanes processes. The electrolysis pilot plant is located in Rosignano and is focused on improvements in the electrolysis portion of the chlorine and caustic soda or caustic potash manufacturing processes. The main VCM and PVC pilot plants are located in Jemeppe. At Porsgrunn, we have a satellite facility focusing on the improvement of VCM processes, and on the development of new specialty PVC grades for the Nordic countries. The main focus of the Runcorn team is to provide engineering support for all assets and major investment projects in the Group.

The research, technology and engineering activities of the INOVYN Business are focused on:

- developing new resins and new applications and producing products that generate higher value on the market in line with customer and legislative requirements;
- optimizing the product mix along with the different production lines and improving the quality of our existing grades;
- improving variable production costs, reliability and productivity of all processes;
- performing research on the sorting of mixed PVC waste, and on recycling technologies for the resultant PVC-rich waste streams in accordance with environmental regulations;
- assessing and selecting the various water electrolysis hydrogen technologies available on the market, and realizing full process design and making full use of our by-product hydrogen from the brine electrolysis process; and
- developing sustainability roadmaps for all of our sites to set out how we aim to utilize electrification, fuel switching including hydrogen, carbon capture and efficiency improvements to achieve our reductions, as well as defining the timeframe.

To assist in these projects, we have laboratory-scale production facilities that simulate the electrolysis, VCM and PVC cycles from chlorine production to the final processing of PVC resins and its recycling. Our laboratories contain processing equipment and product analysis facilities to provide information on the composition, properties and performance of PVC products. We have established best practices groups for our main products across the INOVYN Business, allowing internal experts to compare their practices and generate ideas for improving safety, quality, capacity and reducing production costs. These resources also actively support our commercial activities in product sales.

In addition to these research activities, the INOVYN Business's Research, Technology and Engineering team is heavily involved in major capital improvement projects, such as the 2019 conversion of our mercury cellroom at Stenungsund and capacity expansions (mainly via de-bottlenecking projects). Our engineering experts are involved in capital improvements from basic design to commissioning and work closely with the research team to ensure the successful transfer of technology to the plants. Moreover, as part of our carbon neutrality roadmap, work on the conversion of a steam-based salt plant in Tavaux, France to a more energy efficient electrical-based salt plant (mechanical vapor recompression process) commenced in 2021 and is expected to be completed in 2024, with an anticipated reduced primary energy consumption of over 200 GWh and a reduction in CO_2 emissions of over 60,000 tonnes per year.

Intellectual Property

The INOVYN Business has developed and maintains a portfolio of more than 100 registered patents and more than 250 trademarks in a number of territories. We maintain our trade secrets and proprietary information through careful

selection of our partners and the locations of our research facilities, through non-competition undertakings with our employees and contractors and through confidentiality agreements with our contractors, developers and customers.

We are not aware of any threatened, proposed or actual proceedings that have been or will be brought against us for infringement of third-party intellectual property rights or any infringement of our intellectual property rights by third parties that, if successfully prosecuted, would have a material adverse effect upon our INOVYN Business.

Competition

Although the global PVC market is fragmented, the European market is relatively consolidated. The INOVYN Business competes with all of the major European PVC producers, some of which are subsidiaries or divisions of large chemical companies.

According to NexantECA, we are the largest producer of Suspension PVC in Europe, based on our capacity as of December 31, 2022, and our main competitors are Kem One, VYNOVA and Westlake (Vinnolit GmbH & Co. KG). According to NexantECA, we are the largest producer of Emulsion PVC in Europe, based on our capacity as of December 31, 2022, and our main competitors are Westlake (Vinnolit GmbH & Co. KG), Orbia (Vestolit GmbH & Co. KG) and Kem One.

In ECH production and sales, we compete with all three of the other major European ECH producers, including Blue Cube (Olin), Westlake (former Hexion Epoxy business) and Spolchemie. According to NexantECA, based on our capacity on December 31, 2022 we are the second largest ECH producer in Europe, but number one in terms of merchant market sales since our competitors consume most of their production.

Our chlor-alkali business unit competes with all the major European caustic soda and caustic potash producers, some of which are subsidiaries or divisions of large chemical companies. The top six producers in the European caustic soda market account for 58% of the market's capacity, but the rest of the market is fragmented. According to NexantECA, we are the largest producer of caustic soda in the European market, based on our capacity as of December 31, 2022, and we believe our four closest competitors are Dow Inc, Covestro A.G., Nouryon and Kem One.

In chloromethanes production and sales, we mainly compete with other European producers, including Blue Cube (Olin), Kem One Holdings SAS and Nobian. In chlorinated paraffins we compete with other European suppliers such as Caffaro Industrie in Italy and Leuna-Tenside in Germany. In October 2022, Blue Cube (Olin) announced the planned closure of their European methylene chloride and chloroform production units.

Sales, Marketing and Distribution

Sales of all of our INOVYN products are managed by our own dedicated sales team by business area. Our core INOVYN sales team is located throughout continental Europe, the Nordic countries and the U.K., and we have a small sales operation in the U.S. Our INOVYN customer service function is organized around two hubs, located in the U.K. and Belgium. Most of the European sales of our key INOVYN products are made directly with key end-users in a wide range of industries, but we also operate with a network of agents to sell into our key export markets. The majority of our INOVYN European sales arrangements are based on structured sales contracts with a term of one year or less.

Our main market for Suspension PVC sales is Europe, especially the countries in the European Union. We typically distribute our INOVYN products by sea and overland by rail or truck. Most of our INOVYN customers are geographically close to our production facilities, allowing us to typically deliver our products within two to three days of an order being placed. If we are responsible for the delivery, the prices of all of our products include applicable delivery and transportation charges. We manage most of our delivery and transportation logistics internally.

Suspension PVC is also sold globally on export markets through a network of distributors and agents covering key global markets, such as Turkey, Middle East, India, Southeast Asia, North East Asia and South America.

Our target markets for specialty PVC are global. Our teams are based in Europe and work with a robust global network of distributors and agents, allowing us to cover our core and export markets in Continental Europe, Nordic countries, U.K., Turkey, Central Asia, North America, South America, Africa and Asia/Pacific countries. Sales quantities are, in general, managed to meet maximum production output and product mix optimization in order to extract the highest added value from the portfolio. We are focused on protecting our stable high margins, on increasing sales to selected customers and products, on creating value through innovation and on growing sales of high-value new products.

Caustic Soda

Our most important caustic soda markets are the U.K., the Nordic countries and mainland Europe (in particular, France, Germany, Benelux and Italy). We are well positioned in Norway and Sweden to distribute caustic soda to the pulp and paper industry in the Nordic countries and have built a strong logistics platform to be able to supply other key pulp and paper producers who rely on bulk shipments of caustic soda.

Caustic Potash

Our most important caustic potash markets are Belgium, Germany, Denmark, France, Netherlands and the U.K.

Chlorine and Chlorine Derivatives

The U.K. and the Benelux countries are core markets for our sales of bulk liquid chlorine and chlorine derivatives. We service a wide range of important industries: water and power companies, food companies, refineries, silica producers and other industrial chemical sectors. Our U.K. and European sales teams manage direct sales to key customers and also manage sales to different sectors using a network of chemical distributors.

We are one of the leading players in the ECH European merchant market. An important part of our ECH in Europe is sold to epoxy resin manufacturers, but in order to reduce exposure to a single market, we also diversify into water treatment, pulp and paper applications.

Chloromethanes markets are largely regional, with the majority of our methylene chloride and chloroform being sold in Europe. Methylene chloride is a traded product, typically sold on a spot basis directly to customers or via distributors, whilst chloroform is mainly sold via long-term contracts. Our chloroform is a vital precursor in the manufacture of PTFE polymers in Europe and we have major long-term chloroform supply contracts with Solvay Specialty Polymers Italy SpA. The CERECLOR™ brand of chlorinated paraffins has a wide range of applications, and we sell globally to the PVC, foam, paints, metal working fluids and sealants and adhesive sectors. Demand for chlorinated paraffins has fallen in recent years following ECHA's decision to add medium chain chlorinated paraffins to the candidate list of Substances of Very High Concern ("SVHC") under the REACH Regulation in July 2021. ECHA launched a consultation in September 2022 to evaluate potential restrictions on the use of medium-chain chlorinated paraffins under REACH Annex XVII. As such, we expect demand for chlorinated paraffins to decline further in the forthcoming years athough no formal ban or restriction is in place. Our INOVYN export and sales teams, based in the U.K., Europe, the U.S. and Asia manage our sales of chloromethanes and chlorinated paraffins through a global network of distributors and agents.

The Aromatics Business

The Aromatics Business primarily produces PTA, and in Europe and North America it also produces PX as feedstock for PTA together with smaller volumes of benzene and metaxylene (U.S. only) as by-products. PTA goes into a variety of products including, among others, polyester fibres, PET resins, and polyester film, which in turn are used in a variety of end markets such as textiles, upholstery, household items, food packaging, flexible films and industrial products. The Aromatics Business benefits from innovative PTA technology, which allows us to maintain an advantageous cost basis and offer competitively priced products to our customers, further strengthening our market position.

The following table presents the Aromatics Business's historical revenue and Adjusted EBITDA.

	For the year ended December 31,		For the six months ended June 30,	
	2021	2022	2022	2023
	(in €million)			
Revenue	3,683.2	5,115.2	2,744.4	1,797.6
Adjusted EBITDA	262.4	284.4	326.2	18.6

The Aromatics Business operates material regional businesses in the U.S., Europe and Asia near the key global aromatics demand centers with advantaged logistics platforms to access feedstocks and serve customers. These regional businesses include five manufacturing sites operated by the Aromatics Business (two in North America, one in Europe and two in Asia), each of which is in the first quartile for cost competitiveness in its region, and a 61% interest in the CAPCO joint venture in Taiwan. The Aromatics Business has board appointment rights at the joint venture.

We believe that the Aromatics Business operates the most efficient assets in every region in which it operates, with leading technology providing cost advantages over competitors.

The Aromatics Business is organized around three regional businesses in Europe, the North America and Asia. Asia represents the largest region in terms of volumes of sales and production capacity for the Aromatics Business, providing advantaged access to the largest demand market in the world in China and across the region. In Asia, the Aromatics Business primarily produces PTA and purchases the PX feedstock in the local market. The Aromatics Business has a similarly sized presence in each of North America and Europe, based on PTA production capacity and sales volumes. The Aromatics Business in North America produces both PX (much of which is used internally in PTA production) and PTA and MX, which are sold to third parties. From our U.S. production facilities, we serve North America, which is considered to be one of the highest profit margin regions in the world for PTA, and the rest of the Americas. The Aromatics Business's production facilities located in Belgium produce PX (all of which is used internally in PTA production) and PTA and primarily serve customers in Europe and Turkey.

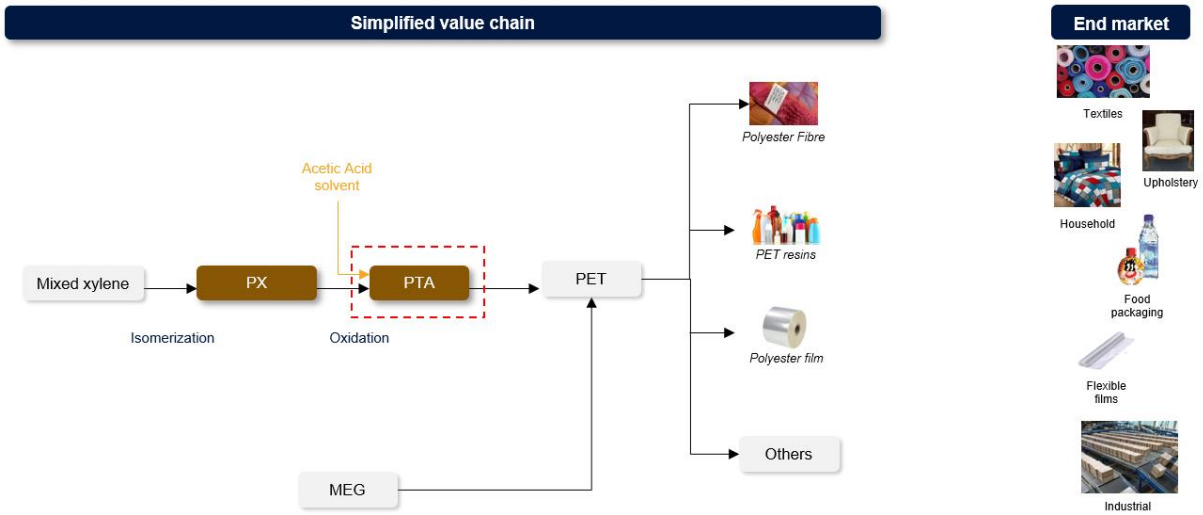
The Aromatics Business benefits from the cost advantages of operating large-scale, integrated facilities strategically located near major transportation routes and customer locations, including the largest and most efficient integrated PX/PTA/PET production site in Europe at Geel, Belgium (30 miles east of Antwerp), with canal, rail and road access on a shared site with INEOS's polypropylene facility and JBF's PET facility, the largest PX production site in North America in Texas City, U.S., which is integrated with a Marathon Oil refinery for feedstocks and other utilities on a shared site with INEOS's Styrolution facility, and the largest PTA facility in North America in South Carolina with sea, rail and road access. In Zhuhai, China, we are part of a value chain cluster, composed of INEOS' largest PTA plant and a 1.2 million tonne per year PET resin plant owned by China Resources. Five of our customers are located within 5 km of the plant and take more than 50% of our production.

The Aromatics Business has made significant investments in their facilities in recent years, with investments in maintenance and growth projects. These projects include PTA technology retrofit projects at Geel (2015/2016), Cooper River (2017), Zhuhai (Z2) (2019) and Merak (completed 2021), which focused on driving cost efficiency and reducing carbon footprint and have also resulted in modest de-bottlenecks at Merak and Cooper River. Other projects focused on safety, health and environmental ("SHE") performance and reliability have also improved the economic position of the Aromatics Business. We believe these investments allow the Aromatics Business to operate at lower cost and higher utilization rates than most of their competitors, and help them to maintain positive margins and cash flows even during industry downturns or periods of decreased customer demand.

Products and Manufacturing

The Aromatics Business primarily sells PTA products. In addition, the Aromatics Business also produces paraxylene (much of which is used internally in PTA production) and metaxylene.

The following diagram sets forth a summary of the inputs and outputs of the production chain for PTA.



Source: Company information.

Purified Terephthalic Acid (PTA)

Terephthalic Acid (TA) is produced by the catalytic air oxidation of paraxylene in a continuous process. The reaction products are continuously discharged from the reactor as a hot slurry of TA in acetic acid. The slurry is cooled by flashing in a series of crystallizers and the crude TA is then separated from the acetic acid through a solvent exchange filter apparatus. The crude TA solid is then re-slurried in water, heated to a temperature where the TA is completely dissolved, and then passed through a heterogenous hydrogenation catalyst to remove impurities that would result in undesirable color in the polyester. Once again, the slurry is cooled by flashing in a series of crystallizers and the Purified Terephthalic Acid (PTA) is then separated from the water through a pressure filter apparatus and rotary steam tube dryer to produce the dry white powder that meets required specifications. All vents from the process pass through process equipment to recover valued components (*e.g.,* un-reacted p-xylene and acetic acid) and are then catalytically oxidized and scrubbed to meet applicable environmental limits. Modern iterations of the process have been highly optimized for low variable operating cost through reaction condition optimization, intensive recovery of the heat of reaction, and heat integration. In addition, the capital cost of a new unit has been reduced through process simplification and the implementation of economies of scale.

Raw Materials and Energy

The majority of the Aromatics raw materials are supplied under short, medium and long-term contracts from leading industry participants at market prices. The principal raw materials (including feedstock) and input costs for the Aromatics Businesses are mixed xylene, paraxylene and acetic acid.

Our Aromatics Business purchases mixed xylene feedstocks in Europe on term contracts with a duration of five years from Total (Antwerp) ending in the first quarter of 2024 and Shell (Germany) ending in the fourth quarter of 2023. We will engage in renegotiation of these contracts in 2023 to deliver terms that secure the flexibility to optimize feedstock purchases between mixed xylene contract purchases, mixed xylene spot purchases and imports of paraxylene depending on market economics. In addition to these two contracts with Total and Shell, we have a medium-term contract with BP Gelsenkirchen (Germany) ending on December 31, 2029, that can be extended further by up to 10 years on agreement between the parties. The Aromatics Business's mixed xylene purchases in the U.S. are made under a three-year contract with Marathon Petroleum Corporation from the co-located Galveston Bay Refinery, which ends in the first quarter of 2026. Mixed xylene prices are primarily linked to crude oil with secondary linkage to the regional / global supply demand dynamics of gasoline.

In Europe, our Aromatics Business operates a Paraxylene (PX) unit at the Geel site to supply the PTA units and purchases PX on both a contract and spot basis to meet the demand requirements of our sites. In North America, the site at Texas City, U.S. may produce more PX than is required at the Cooper River PTA facility. As a result, the commercial strategy around purchasing / selling PX changes each year depending on operating rates and market conditions and there are no medium / long term PX contracts. PX feedstock for all the Asian assets is managed as a portfolio of major term contracts including with ExxonMobil, China National Offshore Oil Corporation, PetroChina, Idemitsu Kosan, SKGC, and ENEOS. These contracts typically have terms of one to two years. PX prices are primarily linked to crude oil with secondary linkage to the regional / global supply demand dynamics of PX, normally with a discount to spot price.

Customers

The Aromatics Business has approximately 150 customers who are typically large B2B customers operating. Most customers are unique to a specific region with limited cross regional crossover.

In Europe, the Aromatics Business targets local sales in Europe and Turkey. This includes JBF, which has a co-located PET plant (Europe's largest) on our Geel site and a 330 kilotonne PTA offtake agreement through 2025. The majority of remaining sales are made to customers via annual contracts with pricing that is based on monthly or quarterly negotiated spreads over European PX prices. Approximately 30% of PTA sales in Europe in the year ended December 31, 2022 went to customers operating in less commoditized price sensitive sectors, where margins are higher and more stable. Our top 10 PTA customers in Europe collectively accounted for 73% and 81% of our PTA revenue in Europe in the year ended December 31, 2022, and the six months ended June 30, 2023, respectively. In North America, the Aromatics Business targets local sales in the Americas and has approximately 10-15 contract customers in North America, with the top three customers accounting for approximately 80% of total PTA sales revenue in North America. Most contracts are priced based on the North America PTA contract price formula with each customer having individually negotiated discounts off this formula price, but two of the top three customers in 2023 have part or all of their volume priced based upon Asian PX. In Asia, the Aromatics Business has approximately 25 contract customers in China, 11 contract customers in Indonesia and 10 contract customers in India, Pakistan and the Middle East. In Asia, PTA is priced off the China PTA marker, with a floor protecting downside in Indonesia. Nan Ya, located in South

Carolina, nearby Cooper River PTA plant and CRC, located close to Zhuhai PTA operations, are the Aromatics Business's largest global customers of PTA, each with approximately 200-800 kilotonnes in sales annually.

Research, Product Development and Engineering

The Aromatics Business's global asset footprint is complemented by a research and development center located in Naperville, United States. R&D spending is primarily focused on improving cost, reducing carbon footprint, raising capital efficiency of the Aromatics operations, supporting license agreements, and developing recycling technology. The Aromatics research and development efforts have resulted in technological advances that offer the business various competitive advantages. For example, the Aromatics Business's PTA technology platform used in the newer Zhuhai plant compared to conventional technology reduced equipment count by 30% from the previous generation of technology, lowered variable costs by up to $60 per MT, and reduced GHG emissions by 65%, water discharge by 75% and solid waste disposal by 95%.

Intellectual Property

The Aromatics Business owns intellectual property associated with our manufacturing, with an extensive range of patents and patent applications, covering processes, products and applications related to the production of PTA, PX, and recycling technology. The Aromatics Business also owns approximately 5 trademark registrations globally. These cover a large number of territories to support our global sales and to ensure broad freedom to operate. In addition, the Aromatics Business maintains trade secrets and proprietary information through customary non-competition undertakings with our employees and contractors and through confidentiality agreements with our contractors, developers and customers.

We are not aware of any threatened, proposed or actual proceedings that have been or will be brought against us for infringement of third-party rights or any infringement of our rights by third parties that if successfully prosecuted would have a material and adverse effect upon the Aromatics Business.

Competition

As of December, 2022, our Aromatics Business had 6,342 kilotonnes of annual PTA production capacity and 1,595 kilotonnes of annual PX production capacity, with total annual production capacity of 7,937 kilotonnes, according to NexantECA. According to NexantECA and internal estimates, in 2022 we were the largest merchant producer of PTA in the United States and the second largest in Europe, with an estimated share of production capacity of 48% and 34% respectively, the third largest producer of PX in the U.S., with an estimated share of U.S. production capacity of 30% and the second largest producer of PX in Europe, with an estimated share of European production capacity of 20%.

Our main PTA competitors in North America are Indorama and Alpek Polyster, with increasing competition from imports from South Korea. The domestic PTA producers in North America other than our Aromatics Business are downstream integrated into PET leaving our Aromatics Business as the only pure play merchant PTA producer.

Indorama also competes in Europe together with PKN Orlen, but the largest competitive pressure comes from imports from South Korea (Hanwha and Taekwang) due to the free trade agreement between the EU / Turkey and South Korea. Most other countries with major PTA capacity, *e.g.,* China, have duties into Europe and North America which make sales significantly less competitive. In China, the key competitors are two global PTA leaders, Yisheng and Hengli, with a further 13 players with production capacities over 1 MT per annum. Our sales volume in the highly crowded East China market has reduced as we optimize the business to increase higher margin export volume opportunities. One third of our Zhuhai production was exported or sold at international prices, which is the highest export rate among China based PTA producers.

Sales, Marketing and Distribution

The Aromatics Business is characterized by a relatively small number of large volume B2B customers. Each of the regional businesses has a dedicated commercial team focused on delivering the customer offer and maximizing margin contribution.

Each regional commercial team consists of:

- A sales team consisting of experienced account managers who own the direct relationship with the customer. Typically, each region has between two to five account managers.

- A business team consisting of production planners, customer service reps, logistics coordinators and business analysts who provide performance insights and market intelligence to the commercial team.

- A feedstocks team focused on securing advantaged feedstocks to the business whilst ensuring high reliability of supply.

- A logistics contracts team focused on creating a robust set of third-party providers focused on driving a highly efficient logistics network fully aligned with the customer offer. Across the global business, products are sold via canal, road, rail and sea containers or a combination thereof.

The Acetyls Business

The Acetyls Business produces acetic acid and a range of derivatives including acetic anhydride, ethyl acetate and vinyl acetate monomer. The Acetyls Business also produces methanol, a key raw material. Acetic acid and its derivatives are used in a wide variety of end market applications, including building and construction materials, paints and coatings, automotive glass, polyester fibre, PET bottles, surface coatings, inks and solvents, cigarette filters, washing powders, wood acetylation, de-icers, bleaching agents, pharmaceuticals, and herbicides and pesticides. According to NexantECA, in 2022 we are the second largest global producer of acetic acid, with an estimated share of global production capacity of 10% and the largest producer of acetic anhydride in Europe with a capacity share of 73%, as measured by production capacity as of December 31, 2022.

The following table presents the Acetyls Business's historical revenue and Adjusted EBITDA.

	For the year ended December 31,		For the six months ended June 30,	
	2021	2022	2022	2023
	(in €million)			
Revenue	1,219.0	1,369.6	770.9	459.3
Adjusted EBITDA	622.0	363.4	272.2	50.3

The Acetyls business is focused around three regional business organizations in Asia, North America and Europe. Asia represents the largest region in terms of volume of sales and production capacity for the Acetyls Business, providing advantaged access to the largest demand market in the world in China and across the region, through its joint ventures. North America is the second largest region by volume of sales and is a marketing business built around an arrangement with Eastman Chemicals pursuant to which the Acetyls Business markets all of the Eastman Chemicals acetic acid production from the Eastman Texas City site and also surplus acetic acid from Eastman's Kingsport site to customers in the U.S., North and South America and Europe. Under this arrangement, the Acetyls Business receives 63% of the related profits. In September 2023, we announced that we had reached an agreement with Eastman to purchase the Texas City site, including the 600 kilotonnes per annum acetic acid plant and all associated third-party activities on the site, for $490 million, subject to working capital and other customary adjustments at closing (the "Eastman Transaction"). The Eastman Transaction is expected to close before the end of 2023, subject to regulatory approvals. The transaction secures ownership of a strategically important acetic acid plant and chemical park in a cost advantaged location. We believe this will allow the business to further grow U.S. operations and benefit financially from existing and future site partners whilst offering further cost synergy opportunities. Europe is the smallest region for the Acetyls Business in terms of volume of sales. We serve Europe from production facilities located in the U.K., producing both acetic acid and acetic anhydride.

The Acetyls Business operates from eight sites in seven countries (two in the Americas, one in Europe and five in Asia), that comprise one site operated directly by the Acetyls Business in the United Kingdom and five sites operated as joint ventures in Asia, a joint venture in Trinidad and Tobago, and, currently, a profit sharing agreement with Eastman Chemicals in the U.S., which will become a wholly-owned site upon completion of the Eastman Transaction. The Acetyls Business had a production capacity of 3,810 kilotonnes (including 2,640 kilotonnes of acetic acid capacity, 170 kilotonnes of acetic anhydride capacity, 250 kilotonnes of VAM capacity, and 700 kilotonnes of methanol capacity) at June 30, 2023.

The Acetyls Business's joint ventures in Asia are organized as standalone legal entities with their own boards of directors, where the Acetyls Business has board appointment rights to each joint venture. The Acetyls Business is also responsible for technology and catalyst support to the joint ventures and is the sole supplier of catalyst to the joint ventures. Each joint venture markets its own production in-country and the Acetyls Business has exclusive off-take rights for all exports. Currently, we benefit from a profit-sharing agreement with Eastman Chemicals at Eastman's Texas City site. Following the completion of the Eastman Transaction, the acetic acid operations will be solely for our account. We

also operate a purchase for resale contract with Eastman for acetic acid, marketing surplus acetic acid supplied from the Eastman Kingsport site in the U.S.

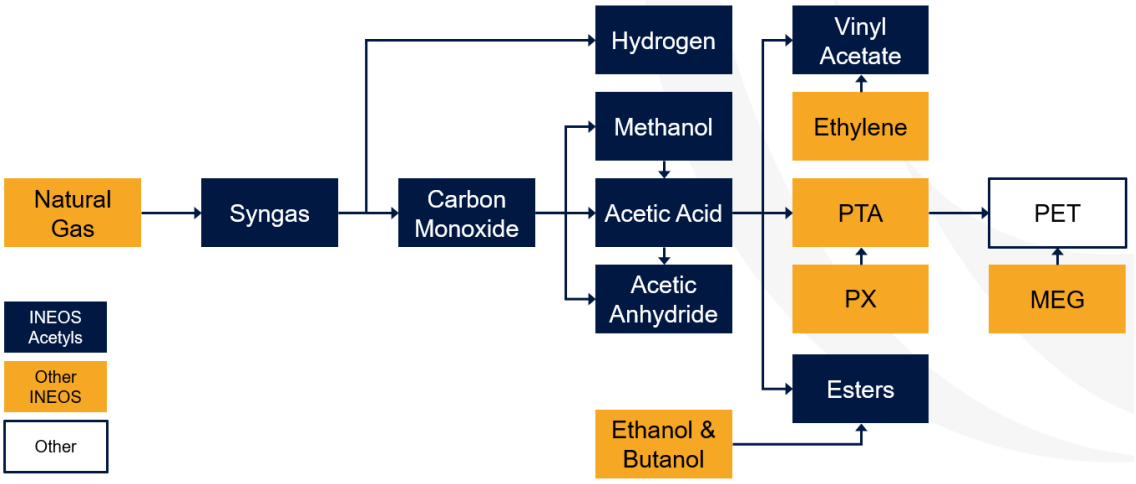
The Acetyls Business partners, through its joint ventures in Asia, with leading producers in the region benefiting from site integration and advantageous feedstock supply. The Acetyls Business also benefits from downstream integration with the INEOS Aromatics Business for PTA and with the wider INEOS Group in the production ethyl acetate and butyl acetate.

In 2020 and 2021, the Acetyls Business made investments in our Korean joint venture plant at Ulsan in a de-bottlenecking project and a new VAM plant, and is investing to convert the Ulsan plant's feedstock from low sulphur fuel oil to natural gas that will improve the economic position of the joint venture and provide an increase in capacity from 2024. In our Chongqing joint venture, the business invested in a 70 kilotonne de-bottlenecking project which was successfully commissioned in 2022.

Products and Manufacturing

The Business primarily sells acetic acid. It also sells acetic anhydride in Europe and produces methanol in Trinidad and Tobago through a joint venture.

The following diagram and graphic set forth a summary of the inputs and outputs of the production chain for our Acetyls Business's major product families, as well as the wide range of downstream uses of our products.





Source: Company information.

Acetic Acid

Acetic acid is manufactured using our proprietary Cativa process through the carbonylation of methanol with carbon monoxide. The carbon monoxide feedstock is derived from synthesis gas (also known as syngas – a mixture of carbon monoxide and hydrogen produced from either natural gas or coal). Carbon monoxide and methanol are mixed at elevated temperatures and pressures, and in the presence of an iridium catalyst produce acetic acid. The acid from the reaction is purified, with the wastes recycled to the main reaction and the purified acetic acid cooled and sent to storage. The various by-products are either recycled or incinerated.

Acetic Anhydride

Our proprietary technology also allows the simultaneous production of both acetic acid and acetic anhydride. The nature of the chemistry means that the feedstocks are the same (methanol and carbon monoxide) as for acetic acid, as the required acetic acid can be produced by the reaction and recycled. The crude mixture of products is purified, and the acetic acid separated then either recycled or purified for sale, while the acetic anhydride is purified for sale.

Methanol

Methanol is manufactured by reacting pressurized synthesis gas in the presence of a catalyst. The required synthesis gas is produced by steam reforming natural gas or the gasification of coal, which is then compressed and sent to the methanol reactor where in the presence of the catalyst, raw methanol is made. The last stage of the methanol production process is distillation, where the liquid raw methanol mixture is heated to separate the components to obtain pure methanol.

Raw Materials and Energy

The Acetyls Business's raw materials are supplied under a mixture of short and medium contracts from leading industry participants at market prices. The principal raw materials (including feedstock) and input costs for the Acetyls Business are methanol and carbon monoxide.

The Acetyls Business's European operations and Eastman Chemicals' Texas City operations currently source methanol for the production of acetic acid via short-term arrangements with third parties.

Carbon monoxide is a key raw material in the production of acetic acid and is produced either by the reforming of natural gas with steam, or the partial oxidation of hydrocarbons with oxygen. Across the Acetyls Business's portfolio of assets, both technologies are used with differing feedstocks and different participation models as follows:

Asset	**Technology**	**Feedstock**	**Participation (Make vs buy CO)**
Hull (U.K.)	Reformer and POx	Natural Gas	Make
Texas City (U.S.)	POx	Natural Gas	Buy
Ulsan (South Korea)	POx	Low Sulphur Fuel Oil	Make
Mai Lao (Taiwan)	POx	Naphtha	Make
Chongqing (China)	Reformer	Natural Gas	Make
Nanjing (China)	Reformer	Natural Gas	Buy
Kerteh (Malaysia)	Reformer	Natural Gas	Buy

The Korean joint venture is investing in a project to convert its feedstock to natural gas that is expected to improve the feedstock cost position from the second quarter of 2024.

Customers

In Europe, the Acetyls Business has two co-located acetic acid customers, INEOS Europe and Mitsubishi, at the Hull site. In Europe, six sectors make up approximately 90% of acetic acid demand, with each sector typically led by two or three major companies. These main sectors are ethyl acetate (INEOS), VAM (Celanese and Wacker), PTA (INEOS, Indorama, PKN), butyl acetate (INEOS, BASF, Oxea), MCA (CABB, Nouryon, PCC), and acetic anhydride (INEOS, Cerida and Lonza). The Acetyls Business has approximately 100 European acetic acid customers, with the top 16 customers accounting for approximately 80% of the total European acetic acid sales revenue.

Our Acetyls Business's top 10 customers collectively accounted for 36% and 35% of the revenue in the year ended December 31, 2022 and the six months ended June 30, 2023, respectively. In the U.S., three sectors (VAM, esters and PTA) account for more than 65% of acetic acid demand, with peracetic acid, a strongly growing fourth sector. Demand in the U.S. is spread across over 100 consumers, with the top 10 customers accounting for approximately 66% of demand for 2022. Approximately 60% of sales in 2022 were made on a cost-plus formula with the prices for the remaining sales based on monthly or quarterly negotiation with the customer or market indices.

Sales of acetic acid in Asia are predominately managed directly by our joint ventures, although we have exclusive off-take rights for all exports and sell this directly into the Asian markets.

Research, Product Development and Engineering

The Acetyls Business's R&D resources are provided through our global R&D site in Hull, with approximately 20 full time employees. R&D spending is primarily focused on improving operating costs and supporting our joint ventures. The Acetyls Business's research and development efforts have resulted in advances that offer us various competitive advantages.

For example, our own Cativa® technology has been continuously optimized and commercially operated in multiple plants since first being deployed 25 years ago. The latest development, Cativa® XL process, offers advantaged capital efficiency through reduced process complexity and variable cost improvements through efficient heat integration leading to reduced steam consumption.

Intellectual Property

The Acetyls Business owns intellectual property associated with our manufacturing, with an extensive range of patents and patent applications covering processes, products and applications for the production of acetic acid, acetic anhydride and VAM. We also own 2 trademark registrations globally. This IP covers a large number of territories to support our global sales and to ensure broad freedom to operate. In addition, we maintain trade secrets and proprietary information through customary non-competition undertakings with our employees and contractors and through confidentiality agreements with our contractors, developers and customers.

We are not aware of any threatened, proposed or actual proceedings that have been or will be brought against us for infringement of third-party rights or any infringement of our rights by third parties that if successfully prosecuted would have a material and adverse effect upon the Acetyls Business.

Competition

We are the second largest producer globally of acetic acid and the largest producer of acetic anhydride in Europe, with a share of global production capacity of 13% and 51%, respectively, according to NexantECA and management estimates. Our acetic acid producing assets compete with all the major global acetic acid producers, including Celanese, Jiangsu Sopo, Huayi Group, Yankuang Cathay and LyondellBasell. Our primary acetic anhydride competitors include Cerdia and Lonza.

Sales, Marketing and Distribution

The Acetyls Business is characterized by a relatively small number of large volume B2B customers, with a small portion of sales managed through distributors. Each region has a dedicated commercial team focused on delivering the customer offer and maximizing margin contribution.

Each regional commercial team consists of:

- A sales team consisting of experienced account managers who own the direct relationship with the customer. Typically, each region has between three to five account managers.
- A business team consisting of production planners, customer service representatives, logistics coordinators and business analysts who provide performance insights and market intelligence to the commercial team.
- A logistics contracts team focused on creating a robust set of third-party providers focused on driving a highly efficient logistics network fully aligned with the customer offer. Across the global business, products are sold via canal, road, rail and sea containers or a combination thereof.

Our Facilities

Overview

We are a geographically diverse global producer of various styrenics, vinyls, aromatics and acetyls products. We are present in all key industries, regions and, as of June 30, 2023, operated (including joint ventures) a total of 45 manufacturing facilities in 18 countries. Our plants are well maintained, and we believe they constitute an industry benchmark for world class facilities as they rank among the most cost efficient globally.

Our facilities are located in the Americas, Europe and Asia. We own most of our facilities and we have lease agreements for buildings and/or equipment for the facilities we do not wholly own. With these facilities, we believe we offer customers throughout the world a high standard of service as well as consistent product quality. Most of our facilities are situated on integrated chemical sites, facilitating the secure and efficient delivery of our principal raw materials. The following table provides information regarding these facilities as of June 30, 2023:

Region	Country	Location/Facility[1]	Business	Principal products manufactured	Capacity (kta)[2],[3]
Europe	**Belgium**	Antwerp	Styrolution	SM	560
			Styrolution	PS	475
			Styrolution	ABS	260
			Styrolution	SBC	65
			Styrolution	Other products contributed — Ethylbenzene	350
		Antwerp/Lillo	INOVYN	Caustic Soda	443
			INOVYN	Caustic Potash	150
			INOVYN	Chlorine	500
		Geel	Aromatics	PTA	1,400
			Aromatics	PX	670
			Aromatics	Other products contributed — Benzene	92
		Jemeppe	INOVYN	Suspension PVC	525
			INOVYN	VCM	525
			INOVYN	Caustic Soda	182
			INOVYN	Chlorine	165
			INOVYN	Salt	650
	France	Feyzin (42.5%)	INOVYN	Ethylene and Propylene	170
		Tavaux	INOVYN	Suspension PVC	200
			INOVYN	Emulsion PVC	75
			INOVYN	VCM	335
			INOVYN	Chloromethanes, ECH and Perchloroethylene	125
			INOVYN	Caustic Soda[4]	396
			INOVYN	Chlorine	360
		Wingles	Styrolution	PS	116
			Styrolution	ABS	50
	Germany	Cologne	Styrolution	ABS	120
		Ludwigshafen	Styrolution	Other Specialties[5]	227
			Styrolution	ABS	50
		Rheinberg	INOVYN	Suspension PVC	240

Region	Country	Location/Facility[1]	Business	Principal products manufactured	Capacity (kta)[2],[3]
			INOVYN	Emulsion PVC	45
			INOVYN	VCM	300
			INOVYN	ECH and other allylics	63
			INOVYN	Caustic Soda	120
			INOVYN	Chlorine	180
		Schwarzheide	Styrolution	Compounding of Specialties	55
	Italy	Rosignano	INOVYN	Chloromethanes	35
			INOVYN	Caustic Soda	165
			INOVYN	Chlorine	150
	Norway	Porsgrunn	INOVYN	Suspension PVC	155
			INOVYN	Emulsion PVC	55
		Rafnes	INOVYN	VCM	570
			INOVYN	Caustic Soda	353
			INOVYN	Chlorine	320
	Spain	Martorell	INOVYN	Suspension PVC	280
			INOVYN	VCM	290
	Sweden	Stenungsund	INOVYN	Suspension PVC	145
			INOVYN	Emulsion PVC	90
			INOVYN	VCM	160
			INOVYN	Caustic Soda	138
			INOVYN	Chlorine	123
	U.K.	Hull	Acetyls	AA[6]	555
			Acetyls	ANH	170
		Newton Aycliffe	INOVYN	Suspension PVC	300
		Northwhich	INOVYN	Brine and Water	11,000
		Runcorn (50%)	INOVYN	Chlorinated Paraffin	56
			INOVYN	Caustic Soda	281
			INOVYN	Chlorine	255
			INOVYN	Salt	550
Americas	**Canada**	Sarnia	Styrolution	SM	445
	Mexico	Altamira	Styrolution	PS	175
			Styrolution	ABS	110
			Styrolution	SBC	45
			Styrolution	Other Specialties[5]	70
	Trinidad and Tobago	Point Lisas (37%)	Acetyls	Other products contributed — MN	700
	U.S.	Addyston	Styrolution	ABS	166
		Bayport[7]	Styrolution	SM	771
		Channahon	Styrolution	PS	399
		Cooper River	Aromatics	PTA	1,400
		Decatur	Styrolution	PS	193
		Texas City	Styrolution	SM	454

Region	Country	Location/Facility[1]	Business	Principal products manufactured	Capacity (kta)[2],[3]
			Aromatics	PX	925
			Aromatics	Other products contributed — MX	135
			Acetyls	AA[6]	600
Asia	**China**	Chongqing (51%)	Acetyls	AA[6]	260
			Acetyls	Other products contributed — EA	50
		Foshan	Styrolution	PS	200
		Nanjing (50%)	Acetyls	AA[6]	275
		Ningbo[8]	Styrolution	PS	200
		Zhuhai (92%)	Aromatics	PTA	2,500
	Indonesia	Merak	Aromatics	PTA	575
	Malaysia	Kerteh (70%)	Acetyls	AA[6]	390
	South Korea	Ulsan (51%)[8]	Acetyls	AA[6]	370
			Acetyls	Other products contributed — VAM	250
		Ulsan	Styrolution	PS	266
			Styrolution	ABS	250
			Styrolution	Other Specialties[5]	43
		Yesou	Styrolution	SBC	55
	Taiwan	CAPCO (61%)	Aromatics	PTA	467
		Mai Lao (50%)	Acetyls	AA[6]	190
	Thailand	Map Ta Phut	Styrolution	ABS	95

Source: Company information.

(1) We own all the production facilities except where otherwise indicated.
(2) Capacity figures represent our percentage of ownership interest in the facility, with the exception of the Acetyls capacity figures at the Texas City location. We currently benefit from a profit-sharing agreement with Eastman Chemicals at Eastman's Texas City site and sell 100% of the products on Eastman's behalf. We include 100% of the capacity of the site in our Acetyls capacity figure. Following the completion of the Eastman Transaction we will own 100% of the capacity at the Texas City site.
(3) The unit kta is kilotonnes per annum.
(4) Includes 106 kta of solid caustic soda capacity.
(5) ABS (Novodur), SAN (Luran), ASA (Luran S), MABS (Terlux), PA+ABS (Terblend N).
(6) AA (Acetic Acid), ANH (Acetic Anhydride), MX (Metaxylene), BZ (Benzene), EA (Ethyl Acetate), MN (Methanol), VAM (Vinyl Acetate Monomer).
(7) This facility is also home to the new 100 kilotonne ASA production site that is currently under construction and is expected to be completed in the fourth quarter of 2023.
(8) A new vinyl acetate monomer plant was commissioned in 2020. The site now has 370 kilotonnes of acetic acid capacity and 250 kilotonnes of vinyl acetate monomer capacity. A project to convert feedstock from LSFO to natural gas is underway and is expected to improve the feedstock cost position from the second quarter of 2024.

Turnarounds

Our manufacturing facilities are periodically shut down for scheduled turnarounds to carry out necessary inspections and testing, to comply with industry regulations and to carry out any necessary maintenance activities. SM facilities typically undergo major turnarounds every three to five years, with each turnaround lasting four to six weeks. PS, ABS and Specialties facilities are subject to a somewhat shorter shutdown cycle. VCM crackers typically undergo major turnarounds every two to four years, with each turnaround lasting three to six weeks. Similarly, cellrooms used in chlor-alkali production typically undergo major turnarounds lasting two to four weeks every one to three years. Chlorine derivative plants have turnarounds every two to three years lasting three to four weeks. Turnarounds for PVC plants are

more frequent, typically every one to two years, but generally last only one to two weeks, with one exception which is every three years and lasts three weeks. PTA facilities typically undergo major turnarounds every 24 to 30 months, with each turnaround lasting about four weeks. Extending this period to 36 months is possible, but not without reliability penalty. Our PX facilities typically undergo major turnarounds every five years, with aspiration to extend the period to six. Each turnaround of our PX facilities typically lasts four to five weeks. Acetic acid facilities typically undergo major turnarounds every three years, with each turnaround lasting six weeks.

Health, Safety, Security and Environment (HSSE)

Overview

Our facilities and operations are subject to a wide range of HSSE laws and regulations in each of the jurisdictions in which we operate. These requirements govern, among other things, the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, air emissions (including GHG emissions), noise emissions, operation and closure of landfills, human health and safety, process safety and risk management, the evaluation and registration of chemicals and the cleanup of contaminated sites. Many of our operations require permits and controls to monitor or prevent pollution. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to maintain compliance with current and future HSSE laws, regulations and permits. Our aggregate HSSE capital expenditures in 2022 were €265 million.

Violations of HSSE requirements may result in substantial fines or penalties, the imposition of other civil or criminal sanctions, cleanup costs, claims for personal injury, health or property damages, requirements to install additional pollution control equipment, or restrictions on, or the suspension or non-renewal of, our operating permits or activities. At certain sites where we operate, regulators have alleged or we have otherwise identified potential or actual non-compliance with HSSE laws and/or the permits which authorize operations at these sites. Some of these allegations or instances of non-compliance are ongoing and our capital programme includes spend that we believe will be sufficient to attain and/or maintain compliance. Nevertheless, estimates for achieving compliance with future instances of HSSE noncompliance are inherently imprecise, and the imposition of unanticipated costs could have a material adverse effect on our business and financial condition. In addition, we have in the past paid, and in the future may pay, penalties to resolve such matters. We are also in the process of investigating or remediating, hazardous materials in the soil and groundwater at locations where we operate and/or adjacent properties and/or natural resources at public and private lands not owned by us and/or sites where our facilities dispose of hazardous wastes, such as at the INOVYN Runcorn site, at which we are investigating the extent of mercury and chlorinated solvent contamination in groundwater. In addition, pursuant to HSSE laws and regulations relating to financial responsibility, we may be required to post bonds, create trust funds or provide other assurances that we will be able to address contamination at our sites and comply with our decommissioning obligations once our facilities reach the end of their useful lives. The enactment of new, or changes in existing, HSSE regulations or the more stringent enforcement of such requirements could result in significant unanticipated operating or capital expenditures, limit or interrupt our operations or businesses, or require us to modify our facilities or production.

Other HSSE laws and regulations may impose restrictions upon product or raw material use, import or sale by us or our customers. For example, it is possible that certain of our products or by- products or the raw materials we use may, in the future, be classified as hazardous or harmful, which could impact our production or demand for our products and, in turn, could materially and adversely affect our business and/or results of operations.

We believe that our operations are currently in material compliance with all HSSE laws, regulations and permits. We actively address compliance issues in connection with our operations and properties and we believe that we have systems in place to minimize the risk that environmental costs and liabilities will have a material adverse impact on us. Nevertheless, estimates of future environmental costs and liabilities are inherently imprecise, and the imposition of unanticipated costs or obligations could have a material adverse effect on our business, financial condition or results of operations in any period in which those costs are incurred.

Greenhouse Gas and Other Air Emissions Regulations

Our operations in Europe are covered by the European Union Emissions Trading System (the "EU ETS"), an EU-wide system for industrial greenhouse gas ("GHG") emissions. Industrial sites receive or purchase allowances ("EUAs") to emit GHGs and must surrender one allowance for each ton of carbon dioxide or equivalent amount of other GHGs emitted. Companies that have lower GHG emissions than their allowances cover are able to sell the excess allowances, whereas those that emit more must buy additional allowances through the EU ETS. We receive fewer free allowances than our actual emissions and as a consequence are required to purchase additional allowances from the traded market. Going forward, we expect continued reduction in the number of free allowances granted to industrial sites that emit GHGs. In addition, as a result of the Paris Agreement, the European Union committed in December 2020 to

reduce GHG emissions in its member states to no more than 55% of 1990 levels by 2030 (on a like-for-like basis), on the condition that other major economies undertake to do their part in the global attempt to reduce emissions and commit to taking steps to achieve Net Zero GHG emissions in the EU by 2050. The European Climate Law, adopted by the European Union in July 2021, includes legally binding targets to achieve climate neutrality by 2050 and to reduce net GHG emissions by at least 55% by 2030 (on a like-for-like basis). Such targets are binding on all EU member states.

As a consequence of Brexit, the U.K. government is no longer subject to the EU legislation that commits EU member states to reducing carbon emissions, increasing energy efficiency and increasing renewable energy production, including in respect of the European Climate Law recently adopted by the European Commission. In addition, the United Kingdom is no longer a participant in the EU ETS. In January 2021, the U.K. implemented a U.K. Emissions Trading Scheme ("U.K. ETS"). Like the EU ETS, the U.K. ETS has industrial sites receiving or purchasing allowances to emit GHGs and surrendering one allowance for each ton of carbon dioxide emitted. Companies which emit less GHGs than their allowances cover are able to sell the excess allowances, whereas those which emit more must buy additional allowances through the U.K. ETS. At present, no agreement to link the carbon pricing systems in the EU and the U.K. has been formalized. In addition, as a result of the Paris Agreement, in June 2019, the U.K. government enacted legislation requiring reduction of emissions to Net Zero by 2050, including a target to reduce emissions by 68% of 1990 levels by 2030, and more recently committed to a target to reduce emissions by 78% of 1990 levels by 2035. In connection with Brexit, the U.K. government also introduced legislation designed to transfer responsibility for the Industrial Emissions Directive ("IED"), which takes an integrated approach to controlling pollution and sets strict industry standards for the most polluting industries, and the BAT Conclusion, which contain emissions limits associated with Best Available Techniques ("BAT"), to competent authorities in the U.K. and to put in place a process for determining future U.K. BAT Conclusions for industrial emissions. The U.K. government's Clean Air Strategy for England sets out actions for determining future U.K. BAT for industrial emissions. Our operations in the U.K. will continue to operate under the legislative framework applied in the U.K. In addition, in 2021, the U.K. Environment Act was enacted which provides the U.K. Government with authority to set new binding targets for air quality, water, biodiversity and waste reduction.

Air emissions regulations in the U.S. and Canada include, among other things, emissions control monitoring and reporting of GHG and other air emissions at certain facilities, including those that produce and distribute petrochemical and other products. We actively monitor state, regional, provincial and federal GHG initiatives and other regulatory developments in anticipation of any potential impacts on or costs to our operations. In January 2021 the U.S. rejoined the Paris Agreement. The Paris Agreement's metric for tracking emissions targets is country specific "nationally determined contributions" (NDC's). The agreement mandates NDC targets change every five years and reflect each country's "highest possible ambition". NDC's are reported to the United Nations Framework Convention on Climate Change Secretariat and filed into an official public registry. As such, the U.S. Congress is expected to consider comprehensive federal legislation regarding climate change, in addition to various regional initiatives regarding emissions associated with climate change that are in effect or proposed. The nature, scope and timing of any proposed legislation, including climate change legislation and/or other proposed rules regulating GHGs, is highly uncertain and, currently, we do not know what precise effect, if any, such legislation will have on our financial condition and operations.

In the U.S., stringent controls on certain air emissions, including the need to purchase nitrogen oxide emissions credits for certain of our facilities in Texas, impact our operations and, indirectly, the cost of our products. Credit pricing is subject to general economic conditions, but we believe such credits should remain available and affordable. The USEPA issued revised ozone standards in late 2015, which require states to restrict or prohibit emissions that "significantly contribute" to non-attainment of, or interfere with a state's ability to maintain, the revised ozone standard in other "downwind" states. After consideration to reverse its position and retain the original standard, in December 2020, the USEPA decided to retain the existing 2015 ozone NAAQS standard citing that the current NAAQS protects the public health, with an adequate margin of safety, including the health of at-risk populations, and protect the public welfare from adverse effects. At this time, it is not clear whether further regulatory changes to be issued by states and/or the federal government will contain stricter limits for nitrogen oxides, including best available control technology, or other operating limitations that could cause us to incur additional compliance and/or capital costs and/or adversely impact our production and our results of operations. The USEPA has recently proposed an update to regulations under the Clean Air Act that would require monitoring of, and reductions where air concentrations are above action levels for, certain air pollutants at fenceline of certain plastics and chemical plants. The USEPA's proposal for fenceline monitoring includes benzene and 1,3 butadiene, key inputs for our Styrolution Business.

In Ontario, Canada, the Petrochemical Industry Standard (PCIS) came into effect on July 1, 2016. We have taken measures in our capital investment plan to upgrade our Ontario operations to reduce benzene emissions in accordance with the requirements set out under this standard. We do not expect that the costs of implementing such measures will have a material adverse effect on our financial position or operations.

In South Korea, we are subject to the Framework Act on Low Carbon Green Growth, requiring us to prepare an emissions inventory and, in cooperation with the national government, to set and comply with carbon emissions reductions targets. We are currently conducting an inventory as well as an engineering study to evaluate options for reducing carbon emissions. It is not expected that the costs involved in implementing these measures will have a material adverse effect on our competitive or financial position or our ongoing results of operations. South Korea has proposed or is considering additional regulations on air emissions and we are actively monitoring the progress of those legislative initiatives.

Chemical Regulation and Product Stewardship

The EU regulates chemical products within the EU by imposing on all affected industries the responsibility for ensuring and demonstrating the safe production, use and disposal of chemicals. The Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") Regulation requires the registration of all chemicals produced or imported into the EU (either alone, in mixtures, or in certain cases, in articles) with the European Chemicals Agency ("ECHA"). Our U.K. operations are now subject to an equivalent U.K. version of the REACH regulation: U.K.-REACH, with the U.K. Health and Safety Executive fulfilling the role of ECHA. The regulation requires formal documentation in the form of a dossier of the hazard data for each substance registered, as well as risk assessments for their registered uses. Most uses of high hazard substances such as those classified as carcinogens or "substances of very high concern," will require authorization by the ECHA. REACH also requires extensive toxicological testing, documentation and risk assessments of the substances we produce and of many of our raw materials, though the responsibilities for dossier submission are typically handled by our suppliers.

We manufacture various hazardous products and by-products and we continuously engage with the ECHA to ensure that the hazard status of the substances is consistent with the available data. We believe that we are currently in material compliance with the requirements of the REACH regulation. Methyl chloride, carbon tetrachloride, methylene chloride and medium-chain chlorinated paraffins have undergone substance evaluation as part of the Community Rolling Action Plan. Some hazard clarifications may change in the future or result in restrictions in certain consumer uses.

For example, under the REACH Regulation, VCM and EDC, as well as other substances we use in our production processes or products, are designated as "Substances of Very High Concern" ("SVHC"). Accordingly, there are additional risks, costs and requirements associated with the processing, distribution, sale and transport of these substances, although we believe that our on-going strategies to evolve our manufacturing towards large, fully integrated (chlorine to EDC to VCM to PVC) sites reduces such risks to the business. Companies that use EDC as a solvent are required to obtain prior authorization. However, the use of EDC to manufacture VCM is exempted from the authorization procedure since it is for intermediate use only. INOVYN's Medium Chain Chlorinated Paraffin products are now designated as SVHC in the EU and as a result we are engaging with the ECHA on the development of a restriction to its manufacture, use and placing on the market. This restriction is due to be published in the second quarter of 2024 with a minimum of 24 months for restrictions under discussion to come into force. Please see *"Risk Factors— Our businesses could be adversely affected by chemical safety regulations applicable to our products and raw materials or negative public perceptions of our products*. Additionally, EDC is subject to the EU Prior Informed Consent ("PIC") Regulation, meaning that exports of it from the EU are subject to licensing by ECHA. The U.K. has implemented a mirror PIC scheme following the BREXIT process for exports of EDC from the U.K. INOVYN is registered with the relevant IT systems with the European Chemicals Agency and U.K. equivalent to obtain PIC licenses for any such shipment.

In addition to being extensively used in the chemicals industry, acetic anhydride is a category 2A drug precursor and therefore is subject to stricter regulations to prevent its use in illicit narcotic substances. The Acetyls Business is required to have End User Declarations (EUDs) and valid Customer Registration documents from the competent authorities prior to any sale.

As a corollary to the REACH Regulation, the EU has adopted the Classification, Labeling and Packaging Regulation ("CLP") to harmonize the EU's system of classifying, labeling and packaging chemical substances with the United Nation's Globally Harmonized System. This regulation standardizes communication of hazard information of chemicals and promotes regulatory efficiency. It introduces new classification criteria, hazard symbols and labeling phrases, while taking account of elements that are part of the current EU legislation. We believe we are in material compliance with applicable regulations under CLP, which affects many of our products, including products imported into the EU. In Europe there is a broad policy initiative titled as the Chemical Strategy for Sustainability ("CSS") covering a complete overhaul of chemical legislation, encompassing polymers requiring regulation referred to above, but many other aspects, such as initiatives introducing sustainability by design and new classification categories covering, for example, endocrine substances. The political objective is summarized in the Green Deal with the aim of developing a toxic free environment through improved regulation. The EU has completed a review of the CLP regulation as part of the CSS and new hazard classifications have been added to the CLP regulation for use beginning in 2025.

In the U.S., our products are subject to environmental, health and industrial hygiene regulations of TSCA requiring the registration and safety analysis of the substances contained in them. Pursuant to the Frank R Lautenberg Chemical Safety for the 21st Century Act, passed in 2016, the USEPA is currently revising TSCA regulations to comply with the new law which may result in additional or more stringent regulatory testing, labelling and notification requirements; risk screening of certain of our products by USEPA; and new or more stringent regulatory obligations and/or restrictions, including, potentially, prohibitions on manufacture and sale of certain products. USEPA has published lists of chemical substances that are the subject of USEPA's initial chemical risk evaluations, as required by TSCA, which includes chemicals that we manufacture. In addition, while styrene and ethylbenzene were not among the first 40 chemicals for prioritization identified in March 2019, their review is expected as they were on the previous TSCA chemical Work Plan list. The next USEPA prioritization is expected in the first quarter of 2024 and it is possible that the USEPA could order styrene/ethylbenzene testing to support prioritization. We understand that the USEPA plans to issue a TSCA Section 8(d) Rule for ethylbenzene shortly that will require manufacturers and importers of ethylbenzene to submit or identify all unpublished health and safety studies (including some workplace exposure studies) in their possession or known to them. Moreover, we are engaged in ongoing discussions with the USEPA regarding risk reduction measures in relation to the use of medium-chain chlorinated paraffins and long-chain chlorinated paraffins in our U.S. facilities and have signed up to a new testing program with other manufacturers to assess the risks and hazards associated with these substances. There is a possibility that the results of these tests may result in restrictions on uses for such products in the U.S. market, which could have an adverse effect on our business, financial condition or results of operations.

Styrene monomer and ethylbenzene, in particular, require specialized handling procedures due to their acute and chronic toxicity. In the U.S., the National Toxicity Program of the Department of Health and Human Services has classified styrene as "reasonably anticipated" to be a human carcinogen. In addition, the USEPA has been reviewing ethylbenzene toxicology and environmental exposure through its Integrated Risk Information System ("IRIS"). ECHA has also classified styrene as a substance "suspected of damaging the unborn child" and as causing "damage to hearing organs" through prolonged or repeated exposure under the REACH and CLP Regulations. In Europe, the Netherlands has recently filed an intention for a proposal to classify styrene as a suspected carcinogen. The review process, which will be carried out by ECHA, is expected to take several years. Further regulation or a reclassification of styrene could result in additional restrictions in the future on our manufacturing operations, including stricter air and water emissions limits, more burdensome requirements for additional ventilation or personal protective equipment at our facilities, or on our sale or distribution of styrene, including relevant warnings on material safety data sheets or on the packaging for our products and restrictions on use in certain types of products, as well as legal action relating to product and other liabilities.

The International Agency for Research on Cancer has also classified styrene as "probably" carcinogenic to humans. Subsequently, the European Commission mandated the European Food Safety Authority (the "EFSA") to review styrene with respect to its use in plastics used in food contact applications. In its initial opinion, the EFSA stated that concern for genotoxicity associated with oral exposure to styrene could not be ruled out. Subsequently, the European Commission began developing risk management precautionary measures for styrene, with a Specific Migration Limit, which could restrict certain applications for these plastics. In addition, the European Commission has given a further mandate to the EFSA to render conclusions on the genotoxicity of styrene with respect to the use of styrenic polymers in food contact applications. Completion of the EFSA's assessment is currently not expected prior to August 2024.

Classification of styrene as "probably" carcinogenic to humans, along with tightening occupational exposure legislation related to styrene and other monomers, could result in additional restrictions on our manufacturing operations, including more burdensome requirements for additional ventilation or protective equipment for workers at our plants, or on our sale or distribution of styrene, including relevant warnings on our material safety data sheets or on the packaging for our products, as well as legal action relating to product and other liabilities. In addition, acrylonitrile has recently been reviewed by ECHA, resulting in a substantial reduction of the permitted occupational exposure limit.

Butadiene has been classified as a known human carcinogen by the IARC, the NTP and USEPA. The U.S. Occupational Safety and Health Administration currently limits the permissible employee exposure to butadiene. In 2023, ECHA began a review to assess potential occupational exposure limits for butadiene. If future studies on the health effects of butadiene result in additional regulations in the U.S. or new regulations in Europe that further restrict or prohibit the use of, and exposure to, butadiene, we could be required to change our operations, which could affect the quality of our products and increase our costs.

Several states in the U.S. are, or are in the process of, including chemicals of concern relating to our monomer products and polymer products, such as styrene and ethylbenzene, in their safety legislation, requiring additional declarations, labelling or reporting requirements. In addition, in the EU, additional requirements under REACH are contemplated which would specifically regulate polymers, in addition to the existing regulation that covers the registration of substances. If enacted, this could lead to an increased regulatory burden or new constraints for production

or use of styrenic polymers. Discussions are at an early stage and it is unclear currently how our polymers may be affected.

Other jurisdictions across the world are considering, or have proposed or enacted, similar chemical control legislation to the EU REACH regulation or simpler Global Inventory legislation. For example, South Korea and Turkey have enacted similar legislation to REACH. In Ontario, Canada, on December 31, 2021, the Toxics Reduction Act was repealed in favor of the federal Chemicals Management Program. We have submitted numerous pre-registrations under Turkey's REACH regulation ("KKDIK") and are developing registration processes for full registration. We have also pre-registered products under the Eurasia REACH scheme. For the U.K., we have a combination of grandfathered registrations from the EU but have also submitted numerous inquiry and notification dossiers to ensure maximum flexibility of supply to the U.K. market.

Our polymer products have widespread end uses in a variety of tightly regulated consumer industries, including food packaging and medical applications. Regulations relating to sensitive end consumer applications such as food contact and toys are evolving rapidly in several jurisdictions. This is giving increasing concern related to residual monomer levels, such as acrylonitrile and butadiene, with some of our products. This is also imposing increasing requirements for improved risk assessments of our products. For example, recent amendments to the EU Plastics Food Contact Regulation require that all substances where genotoxicity has not been ruled out be communicated to the customer in the document of compliance, and have resulted in reduced levels of permitted migration. At present, this has resulted in only limited restrictions on our grade range. However, new or stricter requirements for these products could have an impact on our business.

In May 2022, the European Commission requested the ECHA to produce an investigation report on PVC and its additives and their potential risks to human health and the environment from PVC and its additives, including whether further regulatory measures beyond those already in place are needed. VinylPlus® (the European-wide voluntary industry initiative to which INOVYN is a significant contributor) responded to the investigation by providing extensive information on PVC and its additives, their alternatives, and potential impacts. We believe this demonstrates our industry's confidence and belief that PVC is safe, increasingly sustainable and circular and that its applications play a vital role in society. ECHA's investigation is on-going and the report is not expected to be published before November 2023.

Prevention of Major Accidents and Process Safety

Risks are inherent in the chemical and petrochemical businesses, particularly risks associated with safety, health and the environment, and each of our facilities actively assesses and manages such risks as required by law. Within the European Union, an EU directive on the control of major accident hazards (the "Seveso III Directive"), regulates facilities that present a risk of accidents involving dangerous substances and imposes specific plans and procedures on them, particularly for the storage of such substances. The Seveso III Directive, which replaced the previous Seveso II Directive on June 1, 2015, provides for control measures aimed at preventing and limiting the consequences of major accidents. All of our major production sites are in the top tier of regulation under the Seveso III Directive due to the quantity of dangerous substances stored at them. As such, we must establish a major accident prevention policy, safety reporting system, safety management system and emergency plan compliant with the requirements of the Seveso III Directive.

In the United States, our manufacturing facilities are subject to the USEPA's Risk Management Program ("RMP"), which requires facilities that produce, handle, process, distribute or store certain highly hazardous chemicals to develop a risk management plan and program in the event of an accidental release of such chemicals. RMP also requires facilities to assess potential impacts to off-site populations in the event of a credible worst-case release and to document the policies, procedures, equipment and work practices in place to mitigate identified risks. Similar risk management requirements are imposed upon our facilities under the Emergency Planning and Community Right-to-Know Act, which contains chemical emergency response planning, accident release and other reporting and notification requirements applicable to our U.S. manufacturing facilities.

In addition, our U.S. facilities are subject to standards including the OSHA Process Safety Management ("PSM") standard, which requires development of a program to manage workplace risks associated with highly hazardous chemicals. As part of our program, we have pursued certifications within OSHA's Voluntary Protection Program ("VPP"). In addition, many of our U.S. sites also report PSM incidents as required by API 754 as part of the database maintained by the American Fuel and Petrochemical Manufacturers association.

For locations outside the EU and U.S., country specific regulations continue to be developed for the prevention of major process safety accidents, including for our facilities in Korea, Thailand and China.

As part of our oversight of risk the management, the Board of Directors for each business operates a "Letter of Assurance" process whereby each of the Operations Directors/Site Managers reviews compliance with local regulations and the effectiveness of the safety management system. They then formally inform their Executive Team and Chief Executive in writing about any issues about which they need to be concerned. This process is intended to provide assurance that all of our businesses are in compliance in all material respects with applicable requirements in the countries in which they operate.

Security and Crisis Management

The U.S. Department of Homeland Security ("DHS") requires compliance by our facilities as defined in the Marine Transportation Security Act ("MTSA"), the Chemical Facilities Anti-Terrorism Standards (CFATS) and U.S. Department of Transportation Hazardous Materials regulations.

The DHS, the U.S. Federal Emergency Management Administration and individual state emergency management regulators require that all sites hosting emergency response teams train responders. It is required that the emergency response teams and incident management teams have the knowledge, skills and equipment to allow them to work in concert with local, state, and Federal agencies in a framework defined by the National Incident Management System ("NIMS"). NIMS or equivalent training is conducted at sites to meet the intent of NIMS requirements. This allows the site responders to join with the governmental group in cases of widespread emergencies, including pandemics, where multiple agencies and organizations are involved.

Proposed EU legislation would require similar actions at certain of our European facilities. Our facilities across all jurisdictions are periodically assessed to ensure that they meet appropriate security standards and safeguards and have appropriate systems for emergency response and crisis management.

The INOVYN Business, following security assessments performed in previous years by external security experts, is in the process of a capital investment program to improve closed circuit television, fencing and turnstile gate entry at its facilities. Similar to INOVYN, security audits (security vulnerability assessments) have been completed at Styrolution facilities worldwide. Corrective actions have been completed and Styrolution facilities are now in compliance with INEOS Group facility security guidelines.

Environmental Remediation and Closure Liabilities

Environmental laws and regulations may require us to investigate, remediate or otherwise address impacts resulting from the disposal or release of hazardous substances or wastes at our current or former sites or at other third-party properties or facilities used in connection with our business. Under some of these laws and regulations, including the U.S. Superfund law, a current or previous owner or operator of property, or a party who sent, or arranged to send, wastes to such a property, may be held liable for the costs related to clean-up of hazardous substances on that property regardless of whether that party knew of or caused the contamination and regardless of whether the practices that resulted in the contamination were legal at the time they occurred.

Some of our production and R&D centers, particularly those with an extended history of industrial use, have known or suspected soil and groundwater contamination, and in some cases, the contamination is believed to have migrated off site. We are currently, and from time to time have been or may be, required to investigate and remediate releases of hazardous substances or wastes at or migrating from certain of these sites, as well as properties we formerly owned, leased or operated. We are currently remediating a number of sites with known contamination and we are incurring, have in the past incurred, and may in the future incur, costs to investigate, remediate or contain such contamination. In addition, we are currently managing the phase-out of mercury at our chlor-alkali facilities. Our aim is to meet regulatory requirements with a risk-based approach according to the "Responsible care program of the chemical industry" supported by Euro Chlor. At certain locations, we are also investigating and/or remediating environmental impacts related to these historical operations. We have been and could, in the future, be responsible for investigating and cleaning up mercury or other contamination at off-site locations where we or our predecessors disposed of or arranged for the disposal or treatment of hazardous substances or wastes. In addition, the sale, expansion or closure of our production and R&D centers could trigger obligations with respect to existing contamination that, but for the sale, expansion or closure, we would not otherwise be required to undertake. We are, from time to time, identified as a potentially responsible party at third-party or Superfund sites.

We may also be subject to claims alleging property damages or personal injuries, including those resulting from releases or migration of hazardous materials beyond the boundaries of our production or R&D centers and/or for the costs of addressing or repairing damages to public water bodies or other natural resources. In connection with contaminated properties, as well as our operations generally, we also could be subject to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property or natural

resources damages resulting from contamination by hazardous substances or wastes or human exposure to such materials that is caused by our operations, facilities or products. Baseline surveys of soil and groundwater conditions have already been conducted at many of our sites in the EU in connection with obtaining our Integrated Pollution Prevention and Control ("IPPC") permits and/or national or local contaminated land regulations. The data from those surveys have been reported to the relevant authorities. We also periodically monitor groundwater at our sites, whether or not it is required by the environmental authority. In compliance with the Industrial Emissions Directive ("IED"), we are also conducting new baseline surveys on the required timeframe.

The process of investigation and remediation can be lengthy, varies from site to site, and is subject to changing legal requirements and developing technologies over a number of years. Based on currently applicable requirements, we believe that we will be able to address any currently known contamination at, or under, our operating sites, and we do not expect that the costs of environmental remediation will have a material adverse effect on our competitive or financial position or our ongoing results of operations. Nevertheless, the discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate known contamination at our facilities, including in connection with newly acquired properties, could result in substantial costs in excess of currently budgeted amounts for such matters. We could in the future be required to establish or substantially increase financial reserves to address such obligations or liabilities.

HSSE Principles

We remain very strongly committed to excellent HSSE performance and believe we are a top decile performer within the chemicals industry. In 2013, INEOS converted its safety performance monitoring to mirror the U.S. OSHA standard. This enabled a common platform for comparisons and increased the number and types of injury data collected and analyzed. Across the wider INEOS group, the OSHA rate for the combined INEOS and contractor workforce has decreased in recent years from a high of 0.52 injuries per 200,000 hours in 2013 to only 0.18 in 2021 and 0.16 in 2022. In 2021, the average rate of injuries per 200,000 hours for the American Petroleum Institute and American Chemistry Council were 0.50 and 0.69, respectively. The OSHA rates for our Styrolution Business, INOVYN Business, Aromatics Business and Acetyls Business for the year ended December 31, 2022 were 0.12, 0.21, 0.00 and 0.23, respectively. The OSHA rates for the six months ended June 30, 2023 were 0.22 for our Styrolution Business, 0.07 for our INOVYN Business, 0.10 for our Aromatics Business and 0.10 for our Acetyls Business.

We strive to operate throughout the world with a commitment to doing what is needed to protect the environment and to comply with all applicable regulations in the countries in which we operate. Our focus is on prevention of process safety incidents and we have developed internal audit programs (20 HSSE principles) designed to monitor and correct any deviations from acceptable performance.

Our aim is to avoid injuries to the community, employees and contractors. We focus on reducing major plant losses of containment of chemicals with health and safety impact. Core to our HSSE standards is our HSSE policy, which promotes executive management and individual responsibility, adherence to operating procedures and training and requires our sites to be designed, operated and managed with the goal of preventing major incidents.

Employee Matters

As of June 30, 2023, we had approximately 8,895 employees worldwide. Of our employee population, 63% work in EMEA, 15% in the Americas, 12% in Asia Pacific and 10% are employed in global roles.

In part due to the technological and highly technical nature of our business, we put an emphasis on the acquisition and maintenance of skills and qualifications by our teams. Accordingly, we align our training programs to promote the development of our employees at all levels of our organization. Our remuneration policy consists of monetary and non-monetary components. We aim to pay our employees above market rates, including by providing for potentially large variable portions in annual compensation. We harmonize our local compensation practice with country-specific conditions, using chemical industry benchmarks for each of our locations. We also offer substantially all our employees pension schemes or similar benefits, depending on the legal, economic and fiscal environment of each country in which we operate.

Membership in trade unions varies in accordance with the business areas, local practice and countries in which we operate. Other than management and professional personnel, as well as head office staff, the majority of our employees are represented by local trade unions or works councils or employee fora and covered by collective bargaining agreements. These agreements typically govern, among other things, terms and conditions of employment and dispute resolution procedures. Terms and conditions of union agreements reflect the prevailing practices in each country.

Historically, we have enjoyed good labor relations, and we are committed to maintaining these relationships. There have been no material work stoppages or strikes at any of our sites during the past three years. We take a constructive approach to union relationships where there are unionized sites, and we have been able to secure the cooperation of both unions and the workforce with regard to significant changes and the process of continuous improvement of our businesses.

Insurance

Our wholly owned sites benefit from insurance coverage under the group-wide INEOS Group insurance programs, while some of our smaller joint ventures are covered by separate insurance arrangements. Our plants, machinery, equipment, inventories and other assets are insured under such programs on an all-risk basis for property damage, business interruption, machinery breakdown, public liability risks (*e.g.*, third-party injury and product liability and environmental risks), marine risks, construction risks and certain financial risks (*e.g.*, directors' and officers' liability insurance). The insurance policies renew each year on June 1.

Our major construction projects, defined as those with a total investment cost above €100 million, are insured separately with bespoke project insurance policies.

We believe our insurance policies are generally in accordance with customary industry practices, including deductibles and limits of coverage. Our broker, lead insurers and underwriters perform risk engineering surveys and routinely inspect all assets. Under the global INEOS Group insurance program, we have to regularly revalue our assets. Such periodic valuations, which are prepared by third parties, are used by our insurance broker to establish the estimated replacement value ("ERV") of our properties and compare the ERV to the values we have declared for such properties. Insurance coverage relating to environmental matters tends to be subject to significant limitations and exclusions. If INEOS were to cease to hold at least a 50% interest in our business, we may no longer be entitled to coverage under these policies.

Legal proceedings

Like our competitors, we are, and in the future may from time to time be, involved in proceedings or litigation arising in the ordinary course of business. We do not believe that the ultimate resolution of these matters will materially affect our financial condition or results of operations.

INEOS Aromatics Belgium NV is an interested party in a case brought in March 2023 by two non-governmental organisations ("Applicants") against the Flemish government. The Applicants seek the annulment of our permit to operate at Geel, which had been renewed by the Flemish authorities. The Applicants assert that in assessing our permit renewal application, the Flemish authorities failed to properly apply EU regulations which require assessment of water pollution arising from operations and did not assess whether continued operations would deteriorate the condition of the body of surface water at Geel. We are supporting the Flemish government's position that there is no deterioration in the surface water and that consequently there is no case to revoke the Geel permit. The parties are waiting for the first court hearing to be scheduled.

The Acetyls Business has recently been the subject of a tax audit in Trinidad and Tobago relating to the years 2005-2013, that focused on various fixed price contracts used to mitigate risk resulting from the volatile prices of products produced at the business joint venture site. A final hearing before the Trinidad and Tobago Tax Appeal Board was held on February 4, 2020. The decision of the Tax Appeal Board is appealable by the Acetyls Businesses and the Trinidad and Tobago Board of Inland Revenue. As of June 30, 2023, our share of exposure as a result of this tax audit is approximately $320 million. As part of the BP Acquisition, BP has also given an indemnity with respect to this matter.

Sustainability

Improving the sustainability of our business and operations is central to the way we work. It is of critical importance to our employees, to our partners and customers, to the communities in which we operate and to our investors. It drives innovation across all our businesses and sites.

Our sustainability strategy is to develop and safely manufacture the products needed to address the evolving challenges of climate change, public health, resource scarcity, urbanization and waste in a way which drives us all towards a net zero emissions economy by 2050. The INEOS Group has set a target of net zero greenhouse gas ("GHG") emissions by 2050. To achieve this target, we are taking specific actions, including the following:

- Continuous improvement of energy and process efficiency

We are working across all our businesses and sites to make significant reductions in energy use and associated GHG emissions. For example, we have a salt plant upgrade project in Tavaux, France which utilizes best-in-class mechanical vapor recompression unit technology. The project is expected to be completed in 2024 and will reduce steam consumption by 360 kilotonnes per annum with a corresponding 58 kilotonnes reduction in CO_2 emissions, which is equivalent to reducing the total Tavaux site's carbon footprint by 16% as compared to operations as of the date of this offering memorandum. At our Antwerp site, we are installing a hydrogen boiler to produce 116 kilotonnes of steam leading to a reduction in CO_2 emissions of 22 kilotonnes per annum. The plant is anticipated to start up in 2024. As another example, our PTA technology allowed the latest PTA plant in Zhuhai to reduce GHG emissions by 65%, water discharge by 75% and solid waste disposal by 95% compared to conventional technologies.

- Investment in green hydrogen and blue hydrogen for use as a fuel on sites and as a feedstock

The INOVYN Business, for example, is already Europe's largest existing operator of electrolysis, the critical technology necessary to produce green hydrogen for power generation, transportation, and industrial use. We also have extensive experience in the storage and handling of hydrogen which puts us in a unique position to drive progress towards a carbon-free future based on hydrogen. A recent launch of our new clean hydrogen business within the INOVYN Business allows us to use our existing capabilities to facilitate the use of hydrogen as a key part of the transition to net-zero. The recently announced commitment of €2 billion from INEOS Group will be coordinated by the newly created Hydrogen Business Function within the INOVYN Business. The first plants are proposed to be built in Norway, Germany and Belgium in the next 10 years with investments also planned in the U.K. and France. We are aiming to bring our production of hydrogen to 400,000 tonnes a year, which would replace the equivalent of around 2 billion liters of diesel.

The Acetyls Business is planning a long-term project to switch fuel to hydrogen at the Hull site, in the United Kingdom. The site has a large demand for heat that can only be met by burning fuel. Currently, this is done with natural gas, resulting in over 350 kilotonnes of CO_2 being emitted every year. Once completed, the project will enable our Hull site to switch to using its own clean hydrogen instead of natural gas. Burning hydrogen will not release any CO_2, decarbonizing the site. This fuel switching would reduce Scope 1 GHG emissions by approximately 80% - the equivalent of taking ~140,000 petrol cars off the road. The business will create a center of expertise in hydrogen fuel switching, allowing further work to decarbonize the Acetyls Business's global assets. This fuel switch project is also part of a wider roadmap for the Hull site to become a net-zero acetic acid production site.

- Increased purchase of renewable energy to substitute for fossil derived energy of renewable energy

INEOS has already signed power purchase agreements for renewable energy with a remaining contracted volume of 1,600,000 megawatt hours.

- Use of bio-based feedstocks to reduce dependency on fossil-based materials and deliver bio-based products

For example, in 2022, we continued to further expand our BIOVYN™ production and also increased the number of audited manufacturing sites accredited to the Roundtable for Sustainable Biomaterials Standard ("RSB") and added the International Sustainability and Carbon Certification ("ISCC") to the BIOVYN™ product range. BIOVYN™ is the world's first bio-attributed PVC and represents a paradigm shift for the PVC industry. It delivers a greenhouse gas saving of over 90%, moving us towards a carbon-neutral, circular economy and offers customers an immediate choice should they wish to invest in a PVC resin with an almost zero carbon footprint. The feedstock from BIOVYN™ is derived from second generation biomass from the timber industry. This has the advantage of not competing with the food chain. A wide range of INOVYN customers are now taking delivery of BIOVYN™ feedstock for use in pipes, flooring, automotive as well as a wide range of other applications.

In 2021, we launched REODRIN™, a bio-attributed epichlorohydrin largely used in the process of manufacturing epoxy resins for use such as in wind turbines and composite materials and is made from non-fossil, circular feedstock. Manufactured at Tavaux, France, REODRIN™ is produced using a second generation, renewable feedstock that eliminates the use of energy crops and palm materials from the supply chain, therefore using 99% less land and water than conventional feedstocks. Furthermore, REODRIN™ is certified as enabling a greenhouse gas saving of almost 70% compared to fossil-based/palm-based epichlorohydrin.

- Commitments to achieve INEOS-wide recycling targets

We have committed to achieve the following INEOS-wide targets by 2025:

- Using 30% recycled content (on average) in products in polystyrene packaging in Europe
- Incorporating at least 325 kilotonnes of recycled material into products across the INEOS Group
- Ensuring 100% of our polymer products can be recycled.

In addition, we committed to achieving a new INEOS-wide target to incorporate 850 kilotonnes of recycled and bio-sourced material into polymer products by 2030.

In addition to our target of net zero GHG by 2050, we strive to become the low carbon partner of choice for the full range of industry sectors including building and construction, automotive, medical and healthcare, food and crop protection, and water treatment. For example, in June 2021, the INOVYN Business published our first range of Environmental Product Declarations ("EPD"), confirming our position as Europe's premier low-carbon producer of vinyl and chlor-alkali products. INOVYN's EPDs were prepared using industry best practice methodology by the Institute for Energy and Environmental Research (IFEU) Heidelberg, one of Europe's most respected and independent ecological institutes.

EcoVadis and Sustainalytics Awards

Our progress on sustainability has been recognized by the achievement of a gold award for INEOS AG, one of our ultimate parent undertakings, in a December 2022 sustainability assessment by EcoVadis. This assessment looks in detail at our work on environment, ethics, labor and human rights, and sustainable procurement. The gold rating places INEOS AG in the top 8% of all companies assessed and covers not only the Group but also certain of its affiliates across wider INEOS. INEOS AG was especially recognized for its environmental performance, reflecting the commitment to carbon emission reduction targets and to recycling and the circular economy. In addition, the Parent, INEOS Quattro Holdings Limited, received a low risk rating from Sustainalytics, placing the Parent within the top 3% of assessed commodity chemicals companies as of October 25, 2023. For information on the risks related to ESG Risk Ratings see "*ESG Ratings*" and "*Risk Factors— Risks Relating to Our Business and Industry— A failure to identify, manage and provide transparency regarding our exposure to environmental, social and governance ("ESG") related risks may have adverse implications for our business and our reputation and may adversely affect the value of the Notes. The third-party ESG Risk Ratings referenced in this offering memorandum may not accurately reflect our risks based on environmental, social and governance matters".* The third-party ESG Risk Ratings referenced in this offering memorandum may not accurately reflect our risks based on environmental, social and governance matters. Any actual or perceived lack of transparency or underperformance regarding ESG matters as a result of increasing scrutiny and changing expectations from investors, lender and other market participants may adversely affect the value of the Notes.

Sustainability Governance

Our Businesses report their sustainability performance to stakeholders in the INEOS-wide sustainability report. This report, published in June 2023, details INEOS-wide global sustainability performance as a group over the 2022 calendar year. It has been produced in accordance with Global Reporting Initiative standards (GRI 1 Foundation 2021). Selected disclosures in the report have been externally assured by KPMG in accordance with ISAE 3000, as described in the Assurance Report within.

We have implemented our sustainability strategy in accordance with INEOS-wide policies governing sustainability performance. These policies include the INEOS-wide Code of Conduct, Supplier Code of Conduct, SHEQ policy, 7 life-saving rules, 20 principles of behavioral and process safety, and INEOS Group Guidance Notes. Our Businesses are subject to INEOS-wide targets set by the shareholders for Safety, Health & Environment, GHG emissions reductions, and, for the polymers businesses, recycling targets.

The Chief Executive of each business is accountable for development of a strategy and plans to ensure that the business remains sustainable in the longer term. The strategy is reviewed annually with the shareholders. Each Business sets targets annually based on its business plan. Progress against targets is reported and reviewed at Executive Committee ("EXCO") meetings with the shareholders at least six times per year.

In 2022, each business CEO appointed a gatekeeper for ESG oversight. This dedicated employee is responsible for monitoring and managing the sustainability performance of all sites in their business in relation to the environment, people in the value chain, fair business, ethics, and the workforce.

To monitor the evolution of our environmental performance, we have integrated performance metrics on energy and water use, material yield, waste management and air emissions into our business and site procedures. The continuous tracking and improvement of our data accuracy and our improvement projects reflect the expertise of our manufacturing processes, and our target of operational excellence. Compliance with required regulations, especially for waste and air emissions, is part of our HSSE Excellence program and is managed by site, by regional and global HSSE representatives.

This includes reporting data, investigation environmental incidents, risk assessments, defining and reviewing processes as well as internal and external ISO audits. In 2022, our Styrolution Business's North American headquarters as well as three manufacturing sites were successfully certified for ISO 14001. Our Styrolution Business achieved 100% ISO 14001 certification at the end of 2022, our INOVYN Business achieved 92% ISO 14001 certification at the end of 2022 and the Acetyls Businesses achieved 100% ISO 14001 certification at the end of 2022. Aromatics Businesses achieved 80% ISO 14001 certification at the end of 2022.

Besides formal governance processes, we are part of the INEOS-wide operated Climate and Energy Network ("CEN") which helps ensure coordination across all businesses INEOS-wide on carbon, energy and resource matters. Cross business CEN teams share information and best practice on policy, advocacy, external developments, new business opportunities and innovation. The network also assembles data from the different businesses to provide business and INEOS-wide views on GHG emissions, energy usage, water usage, and waste. The network has more than 1,000 active members across all businesses.

The efforts of the INEOS Group are aligned with 10 of the United Nations Sustainable Development Goals ("United Nations SDGs"), with particular emphasis on the following areas: good health and well-being, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, sustainable cities and communities, responsible consumption and production, climate action, life below water and partnerships for the goals.

MANAGEMENT

Executive Officers and Directors of INEOS Limited

INEOS Limited, a company incorporated in the Isle of Man, is our ultimate parent undertaking. INEOS Limited was incorporated on March 24, 2016 and became the ultimate parent undertaking on December 1, 2016.

The following table sets forth the name, age (as of October 31, 2023) and principal position of each of INEOS Limited directors and officers:

Name	Age	Position
James A. Ratcliffe	71	Chairman
Andrew Currie	67	Member of the Board
John Reece	66	Member of the Board
Graeme Leask	55	Member of the Board
Simon Morland	38	Member of the Board

James A. Ratcliffe has been the Chairman of INEOS Capital since 1998. Mr. Ratcliffe, who has over 30 years of experience in the chemical industry, is experienced in managing buyouts of chemical companies. In 1992, he led the successful buyout of Inspec Group plc. In 1998, he left Inspec to lead the acquisition of INEOS plc (now INEOS Oxide) from Inspec. Mr. Ratcliffe started his career with Exxon Chemicals before moving to Courtaulds. He then completed his MBA at London Business School before joining Advent International and then Inspec.

Andrew Currie has been a director of INEOS Capital since 1999. He was previously Managing Director, Laporte Performance Chemicals, having served as a director of the Inspec Group from 1994 until the Laporte acquisition of Inspec in 1998. Mr. Currie has a degree in natural sciences from Cambridge University and spent the first 15 years of his career with BP Chemicals in various technical and business management functions.

John Reece joined INEOS Capital as Finance Director in January 2000. He was previously a partner with PricewaterhouseCoopers, where he advised companies in the chemical industry. Mr. Reece has a degree in economics from Cambridge University and is a Chartered Accountant.

Graeme Leask became a director of INEOS Limited in 2022. Mr. Leask joined the Group in 2002 and has been the CFO of INEOS Group Holdings S.A. since 2006 and CFO of the Parent since 2022. He previously worked at PricewaterhouseCoopers, where he advised companies in the chemical industry in the United Kingdom and the United States. Mr. Leask has a degree in geography from Oxford University and is a Chartered Accountant.

Simon Morland became a Director of INEOS Limited in 2023. Mr. Morland joined INEOS in 2019 and is part of the Group Finance team. Prior to joining INEOS, Mr. Morland held the positions of CFO and Director of Corporate Development at a technology business. He previously worked at Deloitte, where he provided tax and M&A advice to a range of individuals and corporates across the UK, Europe and US. Mr. Morland has a degree in history from the University of York and is a Chartered Tax Advisor.

INEOS Limited provides operational management services to us.

All of the members of the board of directors and officers of INEOS Limited have their business address at First Names House, Victoria Road, Douglas, IM2 4DF, Isle of Man.

Executive Committee of the Parent

The following table sets forth the name, age (as of October 31, 2023) and principal position of each of the principal Executive Committee members.

Name	Age	Position
Kevin J. McQuade	66	Chairman, Styrolution & Aromatics
Robert Nevin	65	Chairman, INOVYN & Acetyls
Graeme Leask	55	Chief Financial Officer

Kevin J. McQuade has been EXCO Chairman of the Styrolution Business since 2020 and the Aromatics Business since 2021. He was previously Chief Executive Officer of the Styrolution Business, having served as Managing

Director of our predecessor company from its its formation in 2011 until 2015. Mr. McQuade has over 40 years of relevant experience and has chemical engineering degrees from The Cooper Union and the University of Delaware and an MBA from New York University.

Robert Nevin has been Chairman of the INOVYN and Acetyls Businesses since 2021. He has over 40 years of experience within the petrochemical business and has lived and worked in both the US and Europe. Having held a number of senior engineering, commercial and general management roles at BP Chemicals for 25 years, he joined INEOS in 2005 following their acquisition of BP Chemicals, and took up various Chairman and CEO roles. Robert holds a bachelor of science in mechanical engineering and is a chartered engineer.

Graeme Leask. See "*—Executive Officers and Directors of INEOS Limited*" above.

Directors of INEOS Quattro Finance 2 Plc

Johanathan Frank Ginns, Graeme Wallace Leask and Debra Smeeton are the directors of INEOS Quattro Finance 2 Plc. Their business address is Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom.

Governance Structure of the Group

We utilize the same governance structure as has been successfully employed by INEOS for many years. The Styrolution Business, the INOVYN Business, the Aromatics Business and the Acetyls Business are run independently with separate executive management teams and each business is reported separately in our accounts. The executive management teams of each of the businesses are led by the Chief Executive Officer and will be accountable for all business activities. The Chief Executive Officer reports to the designated Chairperson who represents the interests of the Group's shareholders.

Executive Committee meetings are held every four to six weeks and are chaired by the Chairperson and attended by the executive management teams and shareholders.

Governance matters are managed consistent with the governance practices of INEOS Group. Environmental, social and governance matters are covered at each Executive Committee meeting, starting with health, safety and environment. Day to day management of compliance and related matters are overseen by a compliance manager who reports to the executive management teams of each of the four businesses. Overall governance and assurance to the shareholders is provided by Group Treasury and Group Legal Compliance.

Compensation of Directors and Executive Officers

An aggregate of €1.6 million was paid to our executive officers and directors in their capacity as directors and officers of the Parent in 2022.

PRINCIPAL SHAREHOLDERS

As of June 30, 2023, all of the issued share capital of the Parent was held directly by INEOS Industries Holdings Limited. The issued share capital of INEOS Industries Holdings Limited is held by INEOS Industries Limited. The issued share capital of INEOS Industries Limited is held by INEOS Holdings AG. INEOS AG holds all of the issued share capital of INEOS Holdings AG. In turn, all of the issued share capital of INEOS AG is held by INEOS Limited. INEOS Limited became the ultimate parent undertaking of the Group on December 1, 2016. See also "*Management*" and "*Certain Relationships and Related Party Transactions*".

The following table sets forth information regarding the ownership of INEOS Limited's share capital, as of June 30, 2023, by each person or group known by us to be the owner of 5% or more of the share capital of INEOS Limited.

	Number of Ordinary Shares	Number of Preferred Tracker Shares	Percentage of Total INEOS Limited Share Capital
James A. Ratcliffe	2,295,391,680	3,397,127	61.73%
Andrew Currie	711,501,880	3,261,544	19.19%
John Reece	707,106,440	3,242,454	19.08%
Graeme Leask	—	—	—
Simon Morland	—	—	—
TOTAL	**3,714,000,000**	**9,901,125**	**100.00%**

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We enter into transactions with certain related parties or our affiliates from time to time and in the ordinary course of our business. These transactions include, among others, the purchase of feedstock. We believe these agreements are on terms no more favorable to the related parties or our affiliates than what they would expect to negotiate with disinterested third parties.

Below is a summary of certain relationships with the INEOS Group and of our most relevant transactions between the Group and related parties.

Relationship with INEOS Limited and INEOS AG

James A. Ratcliffe, Andrew Currie and John Reece are shareholders in INEOS Limited. INEOS Limited and INEOS AG, a subsidiary of INEOS Limited, provide operational management services to the Group through a management services agreement. For the six-month period ended June 30, 2023, management fees of €33.8 million (June 30, 2022: €29.8 million) were charged to the Parent's income statement. For the year ended December 31, 2022, management fees of €59.5 million (2021: €55.3 million) were charged to the Parent's income statement. As of June 30, 2023, amounts owed to INEOS Limited were nil and amounts owed to INEOS AG were €nil. There were no outstanding balances owed to INEOS AG or INEOS Limited as of December 31, 2022 and 2021.

James A. Ratcliffe, Andrew Currie and John Reece control INEOS Industries (and therefore the Parent) through their shareholdings in INEOS Limited. Messrs. Ratcliffe, Currie and Reece, through INEOS AG, also control (i) INEOS Group Holdings SA, which produces a range of chemicals including petrochemicals, (ii) INEOS Industries Limited, a portfolio of businesses, including the Group, INEOS Olefins & Polymers UK and INEOS Upstream Limited, an oil and gas exploration, production and transportation business, (iii) INEOS Enterprises Holdings Limited, a portfolio of businesses, including Pigments, Composites and Solvents and (iv) INEOS Technologies (Holdings) Ltd., which operates an electrolysis technology business.

See "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—The interests of our principal shareholders and of the INEOS Group may conflict with your interests*", "*Management*", Note 29 to the 2022 Audited Consolidated Financial Statements and Note 29 to the 2021 Audited Consolidated Financial Statements, each of which is included elsewhere in this offering memorandum.

Parent entities and their subsidiaries not included within the Group

Material trading and non-trading transactions by the Group with the entities controlled by INEOS Limited are as follows:

	For the year ended December 31,		For the six months ended June 30,	
	2021	2022	2022	2023
	(in €million)			
Sale of products	323.6	338.1	173.2	126.5
Purchase of raw materials	(1,229.3)	(1,488.1)	(718.7)	(548.5)
Cost recoveries	89.3	117.3	41.2	51.4
Services received	(139.7)	(223.9)	(98.7)	(106.2)
Net interest	(1.7)	(1.8)	(0.9)	(0.4)

	As of December 31,		As of June 30,
	2021	2022	2023
		(in €million)	
Trade and other receivables	62.1	97.0	84.7
Loans receivable[(1)]	—	500.8	—
Trade and other payables	(264.4)	(172.4)	(150.4)
Interest-bearing loans and borrowings	(39.8)	(41.7)	(42.5)

(1) An inter-company loan of €500.0 million with the immediate parent company of the Group is included within the current amounts owed by related parties and associated undertakings. This inter-company loan is unsecured, attracts interest at commercial rate and had a maturity of 2 December 2023. Subsequent to the year-end, this loan was fully settled through a dividend distribution approved on January 23, 2023.

In general, all outstanding balances with INEOS companies are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date, with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to these entities as of June 30, 2023, December 31, 2022 and 2021, respectively.

Jointly controlled entities and associated undertakings held within the Group

Material trading and non-trading transactions with these entities during the period were as follows:

	For the year ended December 31,		For the six months ended June 30,	
	2021	2022	2022	2023
	(in €million)			
Sale of products	79.8	88.6	7.0	22.7
Purchase of raw materials	(570.5)	(553.0)	(314.5)	(173.9)
Cost recoveries	191.5	236.1	150.1	57.7
Services received	—	(0.4)	—	—
Net interest	2.0	2.1	0.8	1.6

	As of December 31,		As of June 30,
	2021	2022	2023
	(in €million)		
Trade and other receivables	46.7	77.8	32.2
Trade and other payables	(164.4)	(67.1)	(67.1)
Deferred consideration	—	239.0	240.5
Interest-bearing loans and borrowings	14.4	75.1	67.3

In general, all outstanding balances with these related parties are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to these entities as of June 30, 2023, December 31, 2022 and 2021, respectively.

The deferred considerations are related to future instalments to be received from Sinopec on the achievement of certain milestones, which are expected to be fulfilled by December 2023.

Entities controlled by the shareholders of INEOS Limited

The partners of INEOS Capital Partners own a controlling interest in the share capital of INEOS Limited and Screencondor Limited. During the year ended December 31, 2022, the Group made no sales or purchases with these companies (2021: nil). As at December 31, 2022, amounts owed by Screencondor Limited were €1.2 million (2021: €1.2 million).

During the six-month period ended June 30, 2023, the Group made no sales or purchases with these companies (June 30, 2022: €nil). As at June 30, 2023, amounts owed by Screencondor Limited were €1.5 million (December 31, 2022: €1.4 million).

Relationships with related parties

Many manufacturing sites in the INOVYN Business have ethylene supply agreements with indirect subsidiaries of INEOS Limited, representing around 70% of total supplies. The INOVYN Business has an agreement with INEOS Olefins Norge A.S. to supply its Rafnes and Stenungsund sites with a total of approximately 280 kilotonnes of ethylene per year on contracts running to the end of 2025. The INOVYN Business's Jemeppe and Rheinberg have ethylene contracts totaling 220 kilotonnes per annum with the Olefins and Polymers division of INEOS, 150 kilotonnes of which is sourced from the U.S. under a contract running to the end of 2024. At its Runcorn facility, the INOVYN Business's U.K. ethylene requirements for the manufacture of EDC is sourced by INEOS Commercial Services Limited, although no purchases will be made in 2023 and the first half of 2024 as VYNOVA's plant (which toll manufactures EDC for the INOVYN business) undergoes major plant modifications. The prices under all of the aforementioned agreements are generated by reference to market indicators, in particular, the monthly contract price for ethylene quoted in ICIS ethylene

pricing reports and are on terms no less favorable to the INOVYN Business than what we would expect to negotiate with disinterested third parties.

The INOVYN Business's cellrooms in various countries are supplied with anodes, cathodes and membranes from INEOS Technologies Limited, and INOVYN sources oxychlorination catalysts and additives used in the manufacture of EDC and PVC from INEOS Technologies (Vinyls) Limited.

The INOVYN Business has trading agreements in place for the supply of general purpose PVC, caustic soda and hydrochloric acid to the wider INEOS group.

At Lillo in Antwerp, Belgium, the INOVYN Business shares the manufacturing site with the Olefins and Polymers Europe division of INEOS Group and various recharges of utilities and services are made between both businesses as a consequence. For example, the INOVYN Business supplies the Olefins and Polymers division with electricity and water, and provides various site services such as fire brigade, pipe maintenance and internal railway. Conversely, the INOVYN Business is supplied with nitrogen and receives wastewater treatment and ambulance services. At Rafnes in Norway, the INOVYN Business has similar arrangements with the INEOS Olefins & Polymers Europe business who also occupy the site.

Where possible, the INOVYN Business also sources certain production inputs and other products, such as information technology licenses, from certain affiliates in the INEOS Group in order to obtain volume rebates that it might not be entitled to if it purchased the inputs or products on its own. In particular, INOVYN's information technology has historically been highly integrated with the INEOS Group. The INOVYN Business also licenses certain of the intellectual property used in its business from certain of its affiliates in the INEOS Group.

The INOVYN Business owns a 60% shareholding in Runcorn TPS which operates a Combined Heat and Power Energy from Waste plant in the United Kingdom, from which INOVYN purchases both steam and electricity for the benefit of its Runcorn manufacturing operations. The INOVYN Business also derives income from the leasing of land to Runcorn TPS, and from the provision of management and administrative services to Runcorn TPS.

The Acetyls Businesses supply acetic acid to other parts of the INEOS group mainly to the INEOS EtAc plant in Hull and to the INEOS esters facilities in Antwerp and between the Aromatics and Acetyls Businesses. The INEOS EtAc plant in Hull and the esters facilities in Antwerp has historically relied on third-party shipping imports of acetic acid in their production processes. In addition, the Acetyls Business has historically sold a portion of its acetic acid production at relatively low margins via deep-sea exports. As with standard INEOS practice, these relationships will be based on references to market indicators and are on terms no less favorable to the Acetyls Business than what would be expected if negotiated with disinterested third parties.

The Styrolution Business has agreements for sales and/or purchase of goods and services with related INEOS businesses, primarily for raw materials and utilities. In addition, INEOS Styrolution acts as exclusive distributor for INEOS ABS (U.S.) in Addyston, Ohio, and has been the one face to the market for all its products since 2015. INEOS Styrolution supplies INEOS ABS (U.S.) LLC with styrene monomer for the ABS production and resales finished products to external parties. Significant risks and rewards associated with selling the finished goods as well as the inventory risk remain with INEOS ABS (U.S.) LLC, while INEOS Styrolution receives a distribution fee.

Service (Level) Agreements

Various service agreements and service-level agreements exist between us and members of the INEOS Group. These agreements cover services such as information technology, office use, management services and project services. Such services are rendered on a cost-plus basis. These agreements generally permit the recipient and the service provider the right to continue or terminate services with an agreed notice period, though the service provider does not have the right to terminate if no reasonable alternative service provider exists.

Raw Materials Purchase Agreements

We have several purchase agreements with the INEOS Group governing the purchase of raw materials. The agreements are usually based on similar forms, with jurisdiction- and site-specific differences, as well as certain commercial terms set out in separate term sheets. Absent certain extraordinary termination events, our strategic raw material contracts may generally not be terminated prior to the expiry of the term. These agreements require agreed notice periods prior to termination. Purchase volume levels are set forth in the agreements and unit prices are determined by market price indicators. These indicators are based on arm's-length principles and are in line with market benchmarks.

DESCRIPTION OF OTHER INDEBTEDNESS

The following summary of provisions of the documents listed below governing certain of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

2014 Term Loan Facilities Agreement

Overview

The 2014 Term Loan Facilities Agreement provides for term loans (the "2027 Term Loans") to INEOS Styrolution US Holding LLC ("US Finco") denominated in dollars (the "2027 Dollar Term Loans") and to INEOS Styrolution Group GmbH ("ISGG" and, together with US Finco, the "2027 Term Loan Borrowers") denominated in euro (the "2027 Euro Term Loans" and, together with the 2027 Dollar Term Loans, the "2027 Term Loans"), in an aggregate principal amount of $202.3 million and €450.0 million, respectively. The 2027 Dollar Term Loans and the 2027 Euro Term Loans were made in a single drawing on January 31, 2020. At June 30, 2023, $195.7 million and €450.0 million were outstanding under the 2027 Dollar Term Loans and the 2027 Euro Term Loans, respectively.

Unless defined otherwise, capitalized terms used in this Section "*—2014 Term Loan Facilities Agreement*" have the meaning assigned to them in the 2014 Term Loan Facilities Agreement.

Interest and Fees

The outstanding 2027 Dollar Term Loans bear interest at a rate per annum equal to, at the option of US Finco, (a) the applicable Term SOFR plus 0.10% (subject to a floor of 0% per annum) plus the Applicable Margin specified below for such loans or (b) the Alternate Base Rate (subject to a floor of 1.00% per annum) plus the Applicable Margin specified below for such loans (the "ABR Loans"). The outstanding 2027 Euro Term Loans bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0.50% per annum) plus the Applicable Margin specified below for such loans (together with the 2027 Dollar Term Loans bearing interest by reference to Term SOFR, the "Term Benchmark Loans").

The Applicable Margin is:

- in the case of 2027 Dollar Term Loans bearing interest at a rate determined by reference to Term SOFR, 2.00%;
- in the case of 2027 Dollar Term Loans bearing interest at a rate determined by reference to the Alternate Base Rate, 1.00%; and
- in the case of 2027 Euro Term Loans, 2.00%.

The Alternate Base Rate is a rate per annum determined as the highest of (a) a specified prime rate, (b) the Federal Funds rate plus 0.50% and (c) Term SOFR for an interest period of one month plus 0.10% (subject to a floor of 0% per annum) plus 1.00%.

Overdue amounts owing under the 2014 Term Loan Facilities Agreement bear interest (a) in the case of overdue principal or overdue interest, at the interest rate that would otherwise be applicable plus 2.00% per annum and (b) in the case of any overdue fee or premium, at the interest rate that would apply to ABR Loans plus 2.00% per annum.

Security and Guarantees

The 2027 Term Loans share the same security package as the Notes, the 2027 Senior Secured Notes, the 2026 Senior Secured Notes, the 2026 Term Loans, the 2030 Term Loans and certain hedging liabilities (including certain metals arrangements) and certain cash management liabilities. See "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—Security*".

The obligations under the 2027 Term Loans are jointly and severally guaranteed on a senior basis by the 2027 Term Loan Borrowers, the Parent, the Company and certain other subsidiaries of the Parent (collectively, the "Guarantors").

No later than 150 days after the end of the financial year of the Parent (or such longer period as the administrative agent under the 2014 Term Loan Facilities Agreement may agree to), (i) the Consolidated Adjusted EBITDA of the 2027 Term Loan Borrowers and Guarantors must be at least 85% of the Consolidated Adjusted EBITDA

of the Parent, the Company and its restricted subsidiaries (the "Financial Group") and (ii) the Total Assets of the 2027 Term Loan Borrowers and Guarantors must be at least 85% of the Total Assets of the Financial Group, in each case subject to certain exceptions.

Covenants

Subject to certain agreed exceptions, the 2014 Term Loan Facilities Agreement contains negative covenants substantially similar to the negative covenants applicable to the 2020 Term Loan Facilities Agreement, the Notes, the 2027 Senior Secured Notes and the 2026 Senior Secured Notes, including covenants restricting the ability of the 2027 Term Loan Borrowers, the Company, the Restricted Subsidiaries of the Company and, in certain cases, the Parent to:

- incur or guarantee additional indebtedness;
- make restricted payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create or incur certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of restricted subsidiaries to pay dividends or make other payments to the Company;
- engage in certain transactions with affiliates;
- designate unrestricted subsidiaries;
- consolidate, merge or transfer all or substantially all assets; and
- impair the security interests for the benefit of the 2027 Term Loan lenders.

In addition, the 2014 Term Loan Facilities Agreement also contains a negative covenant restricting the ability of the 2027 Term Loan Borrowers, the Parent, the Company and the Guarantor from layering debt.

The Parent is also subject to more stringent restrictions upon its activities (for example, in relation to the ownership of assets and the liabilities that it may incur).

The 2014 Term Loan Facilities Agreement also contains customary affirmative covenants, including covenants relating to:

- the provision of financial statements and certain other information and notices;
- inspections;
- maintenance of certain insurance;
- payment of taxes;
- preservation of existence and consolidated corporate franchises;
- compliance with laws (including environmental laws);
- anti-corruption laws and applicable sanctions;
- certain ERISA and pension matters;
- maintenance of certain properties;

- changes in fiscal years and fiscal quarters;
- additional guarantors and security;
- use of proceeds;
- further assurances;
- use of commercially reasonable efforts to maintain certain ratings;
- auditors, books and records; and
- certain other covenants, including a covenant relating to the Intercreditor Agreement and additional intercreditor agreements.

The 2014 Term Loan Facilities Agreement does not contain any financial maintenance covenants.

Repayment

The 2027 Dollar Term Loans are to be repaid in equal quarterly installments, in aggregate annual amounts equal to 1% of the original principal amount of the 2027 Dollar Term Loans (subject to adjustment as set forth below). The 2027 Euro Term Loans and the balance of the 2027 Dollar Term Loans are payable, subject to certain exceptions, on January 31, 2027. No amounts repaid by the 2027 Term Loan Borrowers in respect of the 2027 Term Loans may be reborrowed.

Prepayments

Mandatory prepayments of the 2027 Term Loans are required in an amount equal to:

- starting with the financial year ended on December 31, 2020, 50% (reduced to 25% when the Consolidated Total Net Leverage Ratio is less than or equal to 3.00 to 1.00 but greater than 2.50 to 1.00 and 0% when the Consolidated Total Net Leverage Ratio is less than or equal to 2.50 to 1.00) of annual excess cash flow of the Financial Group (subject to certain adjustments) (such amount the "2027 Term Loan ECF Prepayment Amount");
- 100% of the net cash proceeds from certain sales or other dispositions of material assets outside the ordinary course of business (subject to reinvestment rights and repayment of certain other senior debt); and
- 100% of the net cash proceeds from any issuance or incurrence of debt, other than debt permitted under the 2014 Term Loan Facilities Agreement.

All mandatory prepayments of the 2027 Term Loans will be made without premium or penalty (except for reimbursement of breakage and redeployment costs in the case of Term Benchmark Loans) and will be applied in such order as the applicable 2027 Term Loan Borrower may specify (or, absent such specification, in direct order of maturity). If, at the time any such mandatory prepayment of 2027 Term Loans is required, the Company or any of its Restricted Subsidiaries is required to prepay or repurchase (or offer to prepay or repurchase) any other Senior Secured Indebtedness with any portion of the 2027 Term Loan ECF Prepayment Amount pursuant to the terms of such other Senior Secured Indebtedness, then the applicable 2027 Term Loan Borrowers may apply such portion of the 2027 Term Loan ECF Prepayment Amount on a *pro rata* basis (subject to certain requirements and exceptions) to the prepayment or repurchase of such other Senior Secured Indebtedness and the amount of the prepayment of the 2027 Term Loans that would otherwise have been required.

Voluntary prepayments of the 2027 Term Loans will be permitted without premium or penalty (except for reimbursement of breakage and redeployment costs in the case of Term Benchmark Loans) and will be applied to the remaining scheduled amortization installments of principal of the 2027 Term Loans as directed by the 2027 Term Loan Borrowers (or, absent such specification, in direct order of maturity).

Events of Default

The 2014 Term Loan Facilities Agreement sets out certain events of default, the occurrence of which would allow the lenders to accelerate all outstanding loans, including, among other events and subject in certain cases to agreed grace periods, thresholds and other qualifications:

- non-payment of amounts due under the 2027 Term Loans or under the other Senior Finance Documents;
- breach of covenants;
- inaccuracy of representations and warranties in any material respect;
- cross defaults to other indebtedness and certain judgment defaults (except those related to breach of financial covenants in such other indebtedness);
- invalidity or unlawfulness of the 2014 Term Loan Facilities Agreement and other Senior Finance Documents;
- certain bankruptcy and insolvency events and proceedings;
- the occurrence of certain ERISA-related events;
- the occurrence of a customary change of control; and
- certain breaches of the Intercreditor Agreement and related documents.

Miscellaneous

The 2014 Term Loan Facilities Agreement permits the 2027 Term Loan Borrowers to request the establishment of one or more additional tranches of term loans in principal amounts of not less than $25 million (or, if in euro, €25 million) individually, subject to certain conditions specified in the 2014 Term Loan Facilities Agreement.

The 2014 Term Loan Facilities Agreement permits the 2027 Term Loan Borrowers to request extensions of the final maturity of all or a portion of the 2027 Term Loans and, in that connection, there may be an increase in the interest rates and/or fees payable with respect to the extended 2027 Term Loans. Such extensions shall be subject to certain conditions described in the 2014 Term Loan Facilities Agreement.

The 2014 Term Loan Facilities Agreement contains customary "yank-a-bank" provisions allowing the 2027 Term Loan Borrowers to replace a lender in circumstances where such lender (a) is a non-consenting lender in connection with amendments and waivers requiring the consent of all lenders or all affected lenders so long as the required lenders have consented to such amendments or waivers, (b) requests to be compensated for increased costs, taxes and similar items or (c) is a defaulting lender.

The 2014 Term Loan Facilities Agreement contains customary loan buyback provisions, which will permit the Borrowers or affiliates to purchase 2027 Term Loans from lenders, subject to certain conditions, including, in the case of purchases by the Borrowers, a requirement that the loans purchased are automatically and permanently cancelled.

The 2014 Term Loan Facilities Agreement contains customary conversion provisions, which allow the lenders or the administrative agent, as applicable, to establish an alternate rate of interest to Term SOFR or EURIBOR in certain circumstances such as when (i) the administrative agent determines that the relevant interest benchmark is no longer available, (ii) the lenders incur increased costs or reductions in the amounts received or receivable with respect to any Term Benchmark Loan or (iii) the making or continuance of any Term Benchmark Loan becomes unlawful.

The 2014 Term Loan Facilities Agreement is governed by New York law.

2020 Term Loan Facilities Agreement

Overview

The 2020 Term Loan Facilities Agreement provides for (i) term loans B maturing in 2026 to INEOS US Petrochem LLC (the "US Borrower") denominated in dollars (the "2026 Dollar Term Loans") and to INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) (the "U.K. Borrower" and, together with the US Borrower, the "TL

Borrowers") denominated in euro (the "2026 Euro Term Loans" and, together with the 2026 Dollar Term Loans, the "2026 Term Loans"), in an original aggregate principal amount of $2,000.0 million and €1,500.0 million, respectively; and (ii) term loans B maturing in 2030 to the US Borrower denominated in dollars (the "2030 Dollar Term Loans" and, together with the 2026 Dollar Term Loans, the "Existing Dollar Term Loans") and to the UK Borrower denominated in euro (the "2030 Euro Term Loans" and, together with the 2030 Dollar Term Loans, the "2030 Term Loans"; the 2026 Euro Term Loans and the 2030 Euro Term Loans together, the "Existing Euro Term Loans"), in an aggregate principal amount of $500.0 million and €375.0 million, respectively. The Existing Dollar Term Loans and Existing Euro Term Loans are collectively referred to herein as the "Existing Term Loans". The 2020 Term Loan Facilities Agreement was amended by a joinder and amendment agreement dated the Issue Date. In addition to the Existing Term Loans, the 2020 Term Loan Facilities Agreement as so amended provides term loans B maturing in 2029 to the US Borrower denominated in dollars (the "New Dollar Term Loans") and to the UK Borrower denominated in euro (the "New Euro Term Loans" and, together with the New Dollar Term Loans, the "New Term Loans"; the "New Term Loans" together with the "Existing Term Loans" are collectively referred to as the "Term Loans"), in an aggregate principal amount of $1,100.0 million and €875.0 million, respectively.

On January 29, 2021, €180.0 million outstanding principal amount of term loans A maturing in 2025, which had been borrowed under the 2020 Term Loan Facilities Agreement, were repaid. On May 31, 2022, €120.0 million and $140 million outstanding principal amount of term loans A maturing in 2023 and $210 million outstanding principal amount of term loans A maturing in 2025, all of which had been borrowed under the 2020 Term Loan Facilities Agreement, were repaid. In addition, a $300.0 million revolving credit facility maturing in 2023 under the 2020 Term Loan Facilities Agreement was canceled in full on September 13, 2021.

The 2026 Term Loans were made in a single drawing on January 29, 2021. At June 30, 2023, $1,960.0 million and €1,500.0 million were outstanding under the 2026 Dollar Term Loans and the 2026 Euro Term Loans, respectively.

The 2030 Term Loans were made in a single drawing on March 14, 2023. At June 30, 2023, $500.0 million and €375.0 million were outstanding under the 2030 Dollar Term Loans and the 2030 Euro Term Loans, respectively.

The New Term Loans were made in a single drawing on the Issue Date.

Unless defined otherwise, capitalized terms used in this Section "*—2020 Term Loan Facilities Agreement*" have the meaning assigned to them in the 2020 Term Loan Facilities Agreement.

Interest and Fees

The Existing Dollar Term Loans bear interest, and the New Dollar Term Loans are expected to bear interest, at a rate per annum equal to, at the option of the applicable TL Borrower, (a) applicable Term SOFR (plus (i) solely in the case of the 2026 Dollar Term Loans, certain credit spread adjustments ("CSAs") between 0.11448% and 0.71513% and subject to a floor of 0.50% per annum and (ii) for all other cases, a credit spread adjustment of 0.10% and subject to a floor of 0% per annum) plus the Applicable Margin specified below for such loans or (b) the Alternate Base Rate (subject to a floor of 1.50% per annum in case of the 2026 Dollar Term Loans and 1.00% per annum in all other cases) plus the Applicable Margin specified below for such loans. The Existing Euro Term Loans bear interest, and the New Euro Term Loans are expected to bear interest, at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus the Applicable Margin specified below for such loans (together with the Dollar Term Loans bearing interest by reference to Term SOFR, the "Term Benchmark Loans").

As of June 30, 2023, the Applicable Margin was, and as of the Issue Date the Applicable Margin is be:

- in the case of 2026 Dollar Term Loans bearing interest at a rate determined by reference to the Alternate Base Rate, 1.75%;
- in the case of 2026 Dollar Term Loans bearing interest at a rate determined by reference to Term SOFR and 2026 Euro Term Loans, 2.75%.
- in the case of 2030 Dollar Term Loans bearing interest at a rate determined by reference to the Alternate Base Rate, 2.75%;
- in the case of 2030 Dollar Term Loans bearing interest at a rate determined by reference to Term SOFR, 3.75%;
- in the case of 2030 Euro Term Loans, 4.00%;

- in the case of New Dollar Term Loans bearing interest at a rate determined by reference to the Alternate Base Rate, 3.25%;

- in the case of New Dollar Term Loans bearing interest at a rate determined by reference to Term SOFR, 4.25%; and

- in the case of New Euro Term Loans, 4.50 %.

As of June 30, 2023, all of the Existing Dollar Term Loans bore interest at a rate determined by reference to Term SOFR.

The Alternate Base Rate will be a rate per annum determined as the highest of (a) a specified prime rate, (b) the Federal Funds rate plus 0.50% and (c) Term SOFR for an interest period of one month (plus the applicable CSAs and subject to the applicable floors for Term SOFR), plus 1.00%.

Overdue amounts owing under the 2020 Term Loan Facilities Agreement bear interest (a) in the case of overdue principal or overdue interest, at the interest rate that would otherwise be applicable plus 2.00% per annum and (b) in the case of any overdue fee or premium, at the interest rate that would apply to Revolving Loans bearing interest at a rate determined by reference to the Alternate Base Rate plus 2.00% per annum.

Security and Guarantees

The 2026 Term Loans and the 2030 Term Loans share, and the New Term Loans will share, the same security package as the 2027 Term Loans, the Notes, the 2026 Senior Secured Notes and the 2027 Senior Secured Notes and certain hedging liabilities (including certain metals arrangements) and certain cash management liabilities.

The obligations under the 2026 Term Loans, the 2030 Term Loans and the New Term Loans are or will be, as applicable, jointly and severally guaranteed on a senior basis by the TL Borrowers and the Guarantors.

No later than 150 days after the end of the Parent's financial year (210 days after the end of the fiscal year ended December 31, 2020), commencing with the financial year ended on December 31, 2020 (or such longer period as the administrative agent under the 2020 Term Loan Facilities Agreement may agree to), (i) the Consolidated Adjusted EBITDA of the TL Borrowers and the Guarantors must be at least 85% of the Consolidated Adjusted EBITDA of the Financial Group and (ii) the Total Assets of the TL Borrowers and the Guarantors must be at least 85% of the Total Assets of the Financial Group, in each case subject to certain exceptions.

Covenants

Subject to certain agreed exceptions, the 2020 Term Loan Facilities Agreement contains (and, as amended, will contain) negative covenants substantially similar to the negative covenants applicable to the Notes, the 2027 Senior Secured Notes, the 2026 Senior Secured Notes and the 2014 Term Loan Facilities Agreement, including covenants restricting the ability of the TL Borrowers, the Company, the Restricted Subsidiaries of the Company and, in certain cases, the Parent, to:

- incur or guarantee additional indebtedness;

- layer debt;

- make restricted payments, including dividends or other distributions;

- prepay or redeem subordinated debt or equity;

- make certain investments;

- create or incur certain liens;

- transfer, lease or sell certain assets;

- enter into arrangements that impose restrictions on the ability of restricted subsidiaries to pay dividends or make other payments to the Company;

- engage in certain transactions with affiliates;
- designate unrestricted subsidiaries;
- consolidate, merge or transfer all or substantially all assets; and
- impair the security interests for the benefit of the lenders under the 2020 Term Loan Facilities Agreement.

The Parent is also subject to more stringent restrictions upon its activities (for example, in relation to the ownership of assets and the liabilities that it may incur).

The 2020 Term Loan Facilities Agreement also contains (and, as amended, will contain) customary affirmative covenants, including covenants relating to:

- the provision of financial statements and certain other information and notices;
- inspections;
- maintenance of certain insurance;
- payment of taxes;
- preservation of existence and consolidated corporate franchises;
- compliance with laws (including environmental laws);
- anti-corruption laws and applicable sanctions;
- certain ERISA and pension matters;
- maintenance of certain properties;
- changes in fiscal years and fiscal quarters;
- additional guarantors and security;
- use of proceeds;
- further assurances;
- use of commercially reasonable efforts to maintain certain ratings;
- auditors, books and records; and
- certain other covenants, including a covenant relating to the Intercreditor Agreement and additional intercreditor agreements.

Repayment

The 2026 Dollar Term Loans, the 2030 Dollar Term Loans, and the New Dollar Term Loans are to be repaid, in quarterly installments beginning on September 30, 2021, September 30, 2023 and June 30, 2024, respectively, in aggregate principal amounts equal to 0.25% of the original aggregate principal amount of the 2026 Dollar Term Loans, the 2030 Dollar Term Loans and the New Dollar Term Loans, respectively (subject to adjustment as set forth below). The 2026 Euro Term Loans and the balance of the 2026 Dollar Term Loans are payable, subject to certain exceptions, on January 15, 2026 (or if such date is not a business day, the immediately preceding business day). The 2030 Euro Term Loans and the balance of the 2030 Dollar Term Loans are payable, subject to certain exceptions, on March 14, 2030 (or if such date is not a business day, the first succeeding business day). The New Euro Term Loans and the balance of the New Dollar Term Loans are payable, subject to certain exceptions, on March 31, 2029 (or if such date is not a business day, the first succeeding business day). No amounts repaid by the TL Borrowers in respect of the Term Loans may be reborrowed.

Prepayments

Mandatory prepayments of the Term Loans will be required (subject to certain exceptions) in an amount equal to:

- 50% (reduced to 25% if the Consolidated Total Net Leverage Ratio is less than or equal to 3.75 to 1.00 but greater than 3.25 to 1.00 and 0% if the Consolidated Total Net Leverage Ratio is less than or equal to 3.25 to 1.00) of annual excess cash flow of the Financial Group (subject to certain adjustments) (such amount, the "ECF Prepayment Amount");

- 100% of the net cash proceeds from certain sales or other dispositions of material assets outside the ordinary course of business (subject to reinvestment rights and repayment of certain other senior debt); and

- 100% of the net cash proceeds from any issuance or incurrence of debt, other than debt permitted under the 2020 Term Loan Facilities Agreement.

All mandatory prepayments of the Term Loans will be applied ratably among the classes of Term Loans. All mandatory prepayments of the Term Loans will be made without premium or penalty (except for reimbursement of breakage and certain redeployment costs) and will be applied in such order as the applicable TL Borrower may specify (or, absent such specification, in direct order of maturity). If, at the time any such mandatory prepayment of the Term Loans is required, the Company or any of its Restricted Subsidiaries is required to prepay or repurchase (or offer to prepay or repurchase) any other Senior Secured Indebtedness with any portion of the ECF Prepayment Amount pursuant to the terms of such other Senior Secured Indebtedness, then the applicable TL Borrowers may apply such portion of the ECF Prepayment Amount on a *pro rata* basis (subject to certain requirements and exceptions) to the prepayment or repurchase of such other Senior Secured Indebtedness and the amount of the prepayment of the Term Loans that would otherwise have been required.

Voluntary prepayments of the Existing Term Loans will be permitted without premium or penalty (except for reimbursement of breakage and certain redeployment costs and, in respect to the 2030 Term Loans, in case of any Repricing Transaction on or prior to March 14, 2024, a 1.00% prepayment premium) and will be applied to the remaining scheduled amortization installments of principal of the such Term Loans as directed by the TL Borrowers (or, absent such specification, in direct order of maturity). Voluntary prepayments of the New Term Loans are expected to be permitted without premium or penalty (except for reimbursement of breakage and certain redeployment costs and, in case of any Repricing Transaction on or prior to the date that is the later of (i) 365 days after the date of effectiveness of the joinder and amendment agreement establishing the New Term Loans, and (ii) the date that is the earlier of (x) January 29, 2026 and (y) the date on which the euro equivalent of the aggregate principal amount the 2026 Term Loans and the 2026 Senior Secured Notes is less than €500 million, a 1.00% prepayment premium) and will be applied to the remaining scheduled amortization installments of principal of such Term Loans as directed by the TL Borrowers (or, absent such specification, in direct order of maturity).

Events of Default

The 2020 Term Loan Facilities Agreement sets out certain events of default, the occurrence of which would allow the lenders to accelerate all outstanding loans, including, among other events and subject in certain cases to agree to grace periods, thresholds and other qualifications:

- non-payment of amounts due under the 2020 Term Loan Facilities Agreement or under the other Senior Finance Documents;

- breach of covenants;

- inaccuracy of representations and warranties in any material respect;

- cross defaults to certain other indebtedness and certain judgment defaults (except related to breach of financial covenants in such other indebtedness);

- invalidity or unlawfulness of the 2020 Term Loan Facilities Agreement and other Senior Finance Documents;

- certain bankruptcy and insolvency events and proceedings;

- the occurrence of certain ERISA-related events;

- the occurrence of a customary change of control; and

- certain breaches of the Intercreditor Agreement and related documents.

Miscellaneous

The 2020 Term Loan Facilities Agreement will permit the TL Borrowers and such other borrowers as may be designated from time to time under the 2020 Term Loan Facilities Agreement to request the establishment of one or more additional tranches of term loans ("Incremental Term Loans") or revolving commitments in principal amounts of not less than $25 million (or, if in euro, €25 million) individually, subject to certain conditions specified in the 2020 Term Loan Facilities Agreement. In the event that the TL Borrowers borrow Incremental Term Loans (other than any Incremental Term Loans incurred under the "fixed amount" basket in the 2020 Term Loan Facilities Agreement for the incurrence of Incremental Term Loans) consisting of "tranche B term loans" denominated in the same currency as the New Dollar Term Loans or the New Euro Term Loans, as applicable, on or prior to the date that is 365 days after the date of the effectiveness of the joinder and amendment agreement establishing the New Term Loans, it is expected that the interest rate on the New Dollar Term Loans or the New Euro Term Loans, as applicable, will equal the All-In Yield on such Incremental Term Loans less 50 basis points.

The 2020 Term Loan Facilities Agreement permits the TL Borrowers to request extensions of the final maturity of all or a portion of the Term Loans and, in that connection, there may be an increase in the interest rates and/or fees payable with respect to such extended Term Loans. Such extensions shall be subject to certain conditions described in the 2020 Term Loan Facilities Agreement.

The 2020 Term Loan Facilities Agreement contains customary "yank-a-bank" provisions allowing the TL Borrowers to replace a lender in circumstances where such lender (a) is a non-consenting lender in connection with amendments and waivers requiring the consent of all lenders or all affected lenders so long as the required lenders have consented to such amendments or waivers, (b) requests to be compensated for increased costs, taxes and similar items or (c) is a defaulting lender.

The 2020 Term Loan Facilities Agreement contains customary loan buyback provisions, which will permit the TL Borrowers or affiliates to purchase Term Loans from lenders, subject to certain conditions, including, in the case of purchases by the TL Borrowers, a requirement that the loans purchased are automatically and permanently cancelled.

The 2020 Term Loan Facilities Agreement contains customary conversion provisions, which allow the lenders or the administrative agent, as applicable, to establish an alternate rate of interest to Term SOFR or EURIBOR in certain circumstances such as when (i) the administrative agent determines that the relevant interest benchmark is no longer available, (ii) the lenders incur increased costs or reductions in the amounts received or receivable with respect to any Term Benchmark Loan or (iii) the making or continuance of any Term Benchmark Loan becomes unlawful.

The 2020 Term Loan Facilities Agreement is governed by New York law.

Senior Secured Notes due 2027

Overview

On January 31, 2020, ISGG issued €600,000,000 aggregate principal amount $2^1/_4$% Senior Secured Notes due 2027 (the "2027 Senior Secured Notes") under an indenture dated as of January 31, 2020 (the "2027 Senior Secured Notes Indenture"), among, *inter alios*, ISGG, as the issuer, the Guarantors named therein, as guarantors, The Bank of New York Mellon, London Branch, as trustee (as supplemented from time to time, the "2027 Senior Secured Notes Trustee"), The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar, paying agent and Luxembourg transfer agent and Barclays Bank PLC, as Security Agent. On April 29, 2021, HSBC Corporate Trustee Company (UK) Limited succeeded Barclays Bank PLC as Security Agent under the 2027 Senior Secured Notes Indenture. As of June 30, 2023, there were €600,000,000 aggregate principal amount of the 2027 Senior Secured Notes issued and outstanding.

Unless defined otherwise, capitalized terms used in this Section "—*Senior Secured Notes due 2027*" have the meaning assigned to them in the 2027 Senior Secured Notes Indenture.

Ranking

The 2027 Senior Secured Notes are the general senior secured obligations of ISGG and rank *pari passu* in right of payment with its existing and future indebtedness that is not expressly subordinated to the 2027 Senior Secured Notes

(including, without limitation, indebtedness under the Existing Term Loan B Facilities Agreements, the Notes, the 2026 Senior Secured Notes and certain hedging obligations and cash management arrangements), are guaranteed on a senior secured basis by the Guarantors, rank effectively senior to all existing and future indebtedness of ISGG that is unsecured or secured by liens ranking behind the liens securing the 2027 Senior Secured Notes to the extent of the value of the collateral securing the 2027 Senior Secured Notes and rank senior in right of payment to all existing and future obligations of ISGG expressly subordinated in right of payment to the 2027 Senior Secured Notes, including its guarantee of obligations under the Existing Senior Notes. In addition, the 2027 Senior Secured Notes are effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of, including trade payables and letters of credit issued by, the subsidiaries of ISGG that are not guarantors, and effectively subordinated to all existing and future indebtedness of ISGG that is secured by property or assets that do not secure the 2027 Senior Secured Notes to the extent of the value of the collateral securing such indebtedness.

Interest Rates, Payment Dates and Maturity

The 2027 Senior Secured Notes bear interest at a rate of $2^{1}/_{4}$% per annum. Interest on the 2027 Senior Secured Notes is payable semi-annually in arrears on January 15 and July 15 of each year, beginning July 15, 2020. The 2027 Senior Secured Notes will mature on January 16, 2027.

Guarantees

The 2027 Senior Secured Notes are jointly and severally guaranteed on a senior secured basis by the Guarantors.

The guarantee of each Guarantor is its general senior secured obligation and (i) ranks *pari passu* in right of payment with all existing and future obligations of such Guarantor that are not expressly subordinated in right of payment to such guarantee, including obligations under the Existing Term Loan B Facilities Agreements, the Notes, the 2026 Senior Secured Notes, certain hedging obligations and cash management arrangements, (ii) ranks effectively senior to all existing and future obligations of such Guarantor (including its obligations under the 2026 Senior Notes Indenture) that are unsecured or secured by liens ranking behind the liens securing the 2027 Senior Secured Notes to the extent of the value of the collateral securing the 2027 Senior Secured Notes, (iii) ranks senior in right of payment to all existing and future obligations of such Guarantor that are expressly subordinated in right of payment to such guarantee, including the guarantees of the Existing Senior Notes (but not, in the case of the Existing Senior Notes Issuer or the Parent, its obligations under the Existing Senior Notes, or the guarantee thereof), (iv) is effectively subordinated to any existing and future obligations of such Guarantor that are secured by liens senior to the liens securing such guarantee, or secured by property and assets that do not secure such guarantee, to the extent of the value of the property and assets securing such indebtedness and other liabilities and (v) is structurally subordinated to all liabilities (including trade payables) and preferred stock of each subsidiary of the applicable Guarantor that is not a guarantor of the 2027 Senior Secured Notes.

Security

The 2027 Senior Secured Notes and the related guarantees are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the Existing Term Loan B Facilities Agreements, the Notes, the 2026 Senior Secured Notes and certain hedging obligations and cash management arrangements.

Optional Redemption and Change of Control

The 2027 Senior Secured Notes are subject to redemption at any time on or after January 15, 2023, at the option of ISGG, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January 15 of the year indicated below:

Year	2027 Senior Secured Notes Redemption Price
2023	101.125%
2024	100.5625%
2025 and thereafter	100.000%

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

In connection with any tender offer for, or other offer to purchase, all of the 2027 Senior Secured Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding 2027 Senior Secured Notes validly tender and do not validly withdraw such 2027 Senior Secured Notes in such tender offer and ISGG, or any other person making such tender offer in lieu of ISGG, purchases all of the 2027 Senior Secured Notes validly tendered and not validly withdrawn by such holders, ISGG or such other person will have the right, subject to certain notice requirements, to redeem all (but not less than all) 2027 Senior Secured Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any early tender premium or similar payment, any accrued and unpaid interest and certain additional amounts) paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest thereon and certain additional amounts, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date).

Upon the occurrence of certain change of control events, each holder of 2027 Senior Secured Notes may require ISGG to repurchase all or a portion of its 2027 Senior Secured Notes at a purchase price equal to 101% of the principal amount of such 2027 Senior Secured Notes, plus certain additional amounts and accrued and unpaid interest to, but not including, the date of purchase.

If the Company or any of its Restricted Subsidiaries sells assets under certain circumstances, it is required to make an offer to purchase the 2027 Senior Secured Notes at 100% of the principal amount of the 2027 Senior Secured Notes, plus accrued and unpaid interest to, but not including, the date of purchase, with the excess proceeds from the sale of the assets.

In addition, in the event that ISGG becomes obligated to pay Additional Amounts to holders of the 2027 Senior Secured Notes as a result of changes affecting withholding taxes applicable to payments on the 2027 Senior Secured Notes, it may redeem the 2027 Senior Secured Notes in whole but not in part at any time at 100% of the principal amount of the 2027 Senior Secured Notes plus accrued and unpaid interest, if any, to, but not including, the redemption date.

Covenants

The 2027 Senior Secured Notes Indenture contains covenants that, among other things, limit the ability of the Company and its Restricted Subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- layer debt;
- make restricted payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create or permit to exist certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of the Company and its Restricted Subsidiaries to pay dividends or make other payments to the Company;
- engage in certain transactions with affiliates;
- consolidate, merge or transfer all or substantially all of the Company's assets and the assets of its Restricted Subsidiaries on a consolidated basis;
- impair the security interests for the benefit of the holders of the 2027 Senior Secured Notes; and
- amend certain documents.

These covenants are subject to a number of important limitations and exceptions.

Events of Default

The 2027 Senior Secured Notes Indenture contains customary events of default, including, among others, the non-payment of principal, interest or certain additional amounts on the 2027 Senior Secured Notes, certain failures to perform or observe any other obligation under the 2027 Senior Secured Notes Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of ISGG, the Company or any Significant Restricted Subsidiary. The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the 2027 Senior Secured Notes.

Senior Secured Notes due 2026

Overview

On January 29, 2021, the Issuer issued €800,000,000 aggregate principal amount $2^1/_2$% Senior Secured Notes due 2026 (the "Euro 2026 Senior Secured Notes") and $500,000,000 aggregate principal amount $3^3/_8$% Senior Secured Notes due 2026 (the "Dollar 2026 Senior Secured Notes" and, together with the 2026 Euro Senior Secured Notes, the "2026 Senior Secured Notes") under an indenture dated as of January 29, 2021 (as supplemented from time to time, the "2026 Senior Secured Notes Indenture"), among, *inter alios*, the Issuer, as the issuer, the Guarantors named therein, as guarantors, HSBC Corporate Trustee Company (UK) Limited, as trustee (the "2026 Senior Secured Notes Trustee") and Barclays Bank PLC, as Security Agent. On April 29, 2021, HSBC Corporate Trustee Company (UK) Limited succeeded Barclays Bank PLC as Security Agent under the 2026 Senior Secured Notes Indenture.

Unless defined otherwise, capitalized terms used in this Section "—*Senior Secured Notes due 2026*" have the meaning assigned to them in the 2026 Senior Secured Notes Indenture.

Ranking

The 2026 Senior Secured Notes are the general senior secured obligations of the Issuer and rank *pari passu* in right of payment with its existing and future indebtedness that is not expressly subordinated to the 2026 Senior Secured Notes (including, without limitation, indebtedness under the Notes, the 2027 Senior Secured Notes and certain hedging obligations and cash management arrangements), are guaranteed on a senior secured basis by the Guarantors, rank effectively senior to all existing and future indebtedness of the Issuer that is unsecured or secured by liens ranking behind the liens securing the 2026 Senior Secured Notes to the extent of the value of the collateral securing the 2026 Senior Secured Notes and rank senior in right of payment to all existing and future obligations of the Issuer expressly subordinated in right of payment to the 2026 Senior Secured Notes. In addition, the 2026 Senior Secured Notes are effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of, including trade payables and letters of credit issued by, the subsidiaries of the Issuer that are not Guarantors, and effectively subordinated to all existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the 2026 Senior Secured Notes to the extent of the value of the collateral securing such indebtedness.

Interest Rates, Payment Dates and Maturity

The Euro 2026 Senior Secured Notes bear interest at a rate of $2^1/_2$% per annum. The Dollar 2026 Senior Secured Notes bear interest at a rate of $3^3/_8$% per annum. Interest on the 2026 Senior Secured Notes is payable semi-annually in arrears on January 15 and July 15 of each year, beginning July 15, 2021. The 2026 Senior Secured Notes will mature on January 15, 2026.

Guarantees

The 2026 Senior Secured Notes are jointly and severally guaranteed on a senior secured basis by the Guarantors.

The guarantee of each Guarantor is its general senior secured obligation and (i) ranks *pari passu* in right of payment with all existing and future obligations of such Guarantor that are not expressly subordinated in right of payment to such guarantee, including obligations under the Existing Term Loan B Facilities Agreements, the Notes, the 2027 Senior Secured Notes, certain hedging obligations and cash management arrangements and, in the case of the Existing Senior Notes Issuer and the Parent, the Existing Senior Notes and the guarantee thereof, respectively, (ii) ranks effectively senior to all existing and future obligations of such Guarantor (including its obligations under the Existing Senior Notes Indenture) that are unsecured or secured by liens ranking behind the liens securing the 2026 Senior Secured Notes to the extent of the value of the collateral securing the 2026 Senior Secured Notes, (iii) ranks senior in right of payment to all existing and future obligations of such Guarantor that are expressly subordinated in right of payment to such guarantee, including the guarantees of the Existing Senior Notes (but not, in the case of the Existing Senior Notes

Issuer or the Parent, its obligations under the Existing Senior Notes or the guarantee thereof) and (iv) is effectively subordinated to any existing and future obligations of such Guarantor that are secured by liens senior to the liens securing such guarantee, or secured by property and assets that do not secure such guarantee, to the extent of the value of the property and assets securing such indebtedness and other liabilities and (v) is structurally subordinated to all liabilities (including trade payables) and preferred stock of each subsidiary of the applicable Guarantor that is not a guarantor of the 2026 Senior Secured Notes.

Security

The 2026 Senior Secured Notes and the related guarantees are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the Notes, the 2027 Senior Secured Notes and certain hedging obligations and cash management arrangements.

Optional Redemption and Change of Control

The Euro 2026 Senior Secured Notes are subject to redemption at any time on or after January 15, 2023, at the option of the Issuer, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January 15 of the year indicated below:

Year	Euro 2026 Senior Secured Notes Redemption Price
2023	101.250%
2024	100.625%
2025 and thereafter	100.000%

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

In connection with any tender offer for, or other offer to purchase, all of the Euro 2026 Senior Secured Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding Euro 2026 Senior Secured Notes validly tender and do not validly withdraw such Euro 2026 Senior Secured Notes in such tender offer and the Issuer, or any other person making such tender offer in lieu of the Issuer, purchases all of the Euro 2026 Senior Secured Notes validly tendered and not validly withdrawn by such holders, the Issuer or such other person will have the right, subject to certain notice requirements, to redeem all (but not less than all) Euro 2026 Senior Secured Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any early tender premium or similar payment, any accrued and unpaid interest and certain additional amounts) paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest thereon and certain additional amounts, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date).

The Dollar 2026 Senior Secured Notes are subject to redemption at any time on or after January 15, 2023, at the option of the Issuer, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January 15 of the year indicated below:

Year	Dollar 2026 Senior Secured Notes Redemption Price
2023	101.6875%
2024	100.84375%
2025 and thereafter	100.000%

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

In connection with any tender offer for, or other offer to purchase, all of the Dollar 2026 Senior Secured Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding Dollar 2026 Senior Secured

Notes validly tender and do not validly withdraw such Dollar 2026 Senior Secured Notes in such tender offer and the Issuer, or any other person making such tender offer in lieu of the Issuer, purchases all of the Dollar 2026 Senior Secured Notes validly tendered and not validly withdrawn by such holders, the Issuer or such other person will have the right, subject to certain notice requirements, to redeem all (but not less than all) Dollar 2026 Senior Secured Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any early tender premium or similar payment, any accrued and unpaid interest and certain additional amounts) paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest thereon and certain additional amounts, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date).

Upon the occurrence of certain change of control events, each holder of 2026 Senior Secured Notes may require the Issuer to repurchase all or a portion of its 2026 Senior Secured Notes at a purchase price equal to 101% of the principal amount of such 2026 Senior Secured Notes, plus certain additional amounts and accrued and unpaid interest to, but not including, the date of purchase.

If the Company or its Restricted Subsidiaries sells assets under certain circumstances, the Issuer is required to make an offer to purchase the 2026 Senior Secured Notes at 100% of the principal amount of the 2026 Senior Secured Notes, plus accrued and unpaid interest to, but not including, the date of purchase, with the excess proceeds from the sale of the assets.

In addition, in the event that the Issuer becomes obligated to pay Additional Amounts to holders of the 2026 Senior Secured Notes of any series as a result of changes affecting withholding taxes applicable to payments on the 2026 Senior Secured Notes, it may redeem the relevant series of 2026 Senior Secured Notes in whole but not in part at any time at 100% of the principal amount of such series of 2026 Senior Secured Notes plus accrued and unpaid interest, if any, to, but not including, the redemption date.

Covenants

The 2026 Senior Secured Notes Indenture contains covenants that, among other things, limit the ability of the Company and its Restricted Subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- layer debt;
- make restricted payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create or permit to exist certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of the Company and its Restricted Subsidiaries to pay dividends or make other payments to the Company;
- engage in certain transactions with affiliates;
- consolidate, merge or transfer all or substantially all of the Company's assets and the assets of its Restricted Subsidiaries on a consolidated basis;
- impair the security interests for the benefit of the holders of the 2026 Senior Secured Notes; and
- amend certain documents.

These covenants are subject to a number of important limitations and exceptions.

Events of Default

The 2026 Senior Secured Notes Indenture contains customary events of default, including, among others, the non-payment of principal, interest or certain additional amounts on the 2026 Senior Secured Notes, certain failures to perform or observe any other obligation under the 2026 Senior Secured Notes Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of the Company, the Issuer or any Significant Restricted Subsidiary. The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the 2026 Senior Secured Notes.

Senior Notes due 2026

Overview

On January 29, 2021, INEOS Quattro Finance 1 Plc (the "Existing Senior Notes Issuer") issued €500,000,000 aggregate principal amount 3¾% Senior Notes due 2026 (the "Existing Senior Notes") under an indenture dated as of January 29, 2021 (as supplemented from time to time, the "2026 Senior Notes Indenture"), among, *inter alios*, the Existing Senior Notes Issuer, as the issuer, the guarantors named therein, as Guarantors, HSBC Corporate Trustee Company (UK) Limited, as trustee (the "Existing Senior Notes Trustee") and Barclays Bank PLC, as Security Agent. On April 29, 2021, HSBC Corporate Trustee Company (UK) Limited succeeded Barclays Bank PLC as Security Agent under the 2026 Senior Notes Indenture.

Unless defined otherwise, capitalized terms used in this Section "—*Senior Notes due 2026*" have the meaning assigned to them in the 2026 Senior Notes Indenture.

Ranking

The Existing Senior Notes are the general senior obligations of the Existing Senior Notes Issuer and rank *pari passu* in right of payment with its existing and future indebtedness that is not expressly subordinated to the Existing Senior Notes, are guaranteed by the Guarantors on a senior subordinated basis (or, in the case of the guarantee by the Parent, on a senior basis), rank effectively subordinated to all existing and future indebtedness of the Existing Senior Notes Issuer that is secured by liens on assets that do not secure the Existing Senior Notes or by liens ranking behind the liens securing the Existing Senior Notes, in each case to the extent of the value of such collateral (including, without limitation, the Existing Senior Notes Issuer's guarantees under the Indenture, the 2027 Senior Secured Notes Indenture, the 2026 Senior Secured Notes Indenture and certain hedging obligations and cash management arrangements) and rank senior in right of payment to all existing and future obligations of the Existing Senior Notes Issuer expressly subordinated in right of payment to the Existing Senior Notes. In addition, the Existing Senior Notes are effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of, including trade payables and letters of credit issued by, the subsidiaries of the Issuer that are not Guarantors.

Interest Rates, Payment Dates and Maturity

The Existing Senior Notes bear interest at a rate of 3¾% per annum. Interest on the Existing Senior Notes is payable semi-annually in arrears on January 15 and July 15 of each year, beginning July 15, 2021. The Existing Senior Notes will mature on July 15, 2026.

Guarantees

The Existing Senior Notes are jointly and severally guaranteed on a senior subordinated basis by the Guarantors (other than the Parent, which guarantees the Existing Senior Notes on a senior basis).

The guarantee of each Guarantor (other than that of the Parent) is its general senior subordinated obligation and (i) ranks behind all of the existing and future senior obligations of such Guarantor, which includes the Guarantors' obligations under the Existing Term Loan B Facilities Agreements, the Indenture, the 2027 Senior Secured Notes Indenture, the 2026 Senior Secured Notes Indenture, certain hedging obligations and cash management arrangements, (ii) ranks equally with the existing and future senior subordinated indebtedness of the Guarantors, (iii) ranks senior in right of payment to all existing and future obligations of such Guarantor that are expressly subordinated in right of payment to such guarantee, (iv) are effectively subordinated to all existing and future secured obligations of such Guarantor to the extent of the value of the collateral securing such obligations and (v) are structurally subordinated to all liabilities (including trade payables) and preferred stock of each subsidiary of the applicable Guarantor that is not a guarantor of the Existing Senior Notes.

Security

The Existing Senior Notes and the related guarantees are secured by second-ranking security interests (subject to certain exceptions) over the shares of the capital stock of the Company and the loans by the Existing Senior Notes Issuer to the Company of the proceeds of the Existing Senior Notes (the "Existing Senior Notes Proceeds Loan") and the Senior Notes Proceeds Loan. These security interests rank behind the security interests granted over those assets in favor of the creditors of certain other indebtedness, including under the 2027 Senior Secured Notes Indenture, the 2026 Senior Secured Notes Indenture and the Indenture.

Optional Redemption and Change of Control

The Existing Senior Notes are subject to redemption at any time on or after January 15, 2023, at the option of the Existing Senior Notes Issuer, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January 15 of the year indicated below:

Year	2026 Senior Notes Redemption Price
2023	101.875%
2024	100.9375%
2025 and thereafter	100.000%

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

In connection with any tender offer for, or other offer to purchase, all of the Existing Senior Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding Existing Senior Notes validly tender and do not validly withdraw such Existing Senior Notes in such tender offer and the Existing Senior Notes Issuer, or any other person making such tender offer in lieu of the Existing Senior Notes Issuer, purchases all of the Existing Senior Notes validly tendered and not validly withdrawn by such holders, the Existing Senior Notes Issuer or such other person will have the right, subject to certain notice requirements, to redeem all (but not less than all) Existing Senior Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any early tender premium or similar payment, any accrued and unpaid interest and certain additional amounts) paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest thereon and certain additional amounts, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date).

Upon the occurrence of certain change of control events, each holder of Existing Senior Notes may require the Existing Senior Notes Issuer to repurchase all or a portion of its Existing Senior Notes at a purchase price equal to 101% of the principal amount of such Existing Senior Notes, plus certain additional amounts and accrued and unpaid interest to, but not including, the date of purchase.

If the Parent or its any of its Restricted Subsidiaries sells assets under certain circumstances, the Existing Senior Notes Issuer is required to make an offer to purchase the Existing Senior Notes at 100% of the principal amount of the Existing Senior Notes, plus accrued and unpaid interest to, but not including, the date of purchase, with the excess proceeds from the sale of the assets.

In addition, in the event that the Existing Senior Notes Issuer becomes obligated to pay Additional Amounts (as defined in the 2026 Senior Notes Indenture) to holders of the Existing Senior Notes as a result of changes affecting withholding taxes applicable to payments on the Existing Senior Notes, it may redeem the Existing Senior Notes in whole but not in part at any time at 100% of the principal amount of the Existing Senior Notes plus accrued and unpaid interest, if any, to, but not including, the redemption date.

Covenants

The 2026 Senior Notes Indenture contains covenants that, among other things, limit the ability of the Parent and its Restricted Subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;

- layer debt;
- make restricted payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create or permit to exist certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of the Parent and its Restricted Subsidiaries to pay dividends or make other payments to the Parent;
- engage in certain transactions with affiliates;
- consolidate, merge or transfer all or substantially all of the Parent's assets and the assets of its Restricted Subsidiaries on a consolidated basis;
- impair the security interests for the benefit of the holders of the Existing Senior Notes; and
- amend certain documents.

These covenants are subject to a number of important limitations and exceptions.

Events of Default

The 2026 Senior Notes Indenture contains customary events of default, including, among others, the non-payment of principal, interest or certain additional amounts on the Existing Senior Notes, certain failures to perform or observe any other obligation under the 2026 Senior Notes Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of the Parent, the Existing Senior Notes Issuer or any Significant Restricted Subsidiary (as defined in the 2026 Senior Notes Indenture). The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the Existing Senior Notes.

The Styrolution Securitization Program

In 2011, ISGG and certain of its subsidiaries (the "Sellers") entered into a three-year €500.0 million trade receivables securitization (as amended, supplemented, varied, novated, extended or replaced from time to time, the "Styrolution Securitization Program"). The margins on amounts drawn and the commitment fee on amounts undrawn under the Styrolution Securitization Program have been amended from time to time, most recently on June 28, 2021. Amongst other things, the Styrolution Securitization Program has been updated to include additional banking partners and new selling entities, most recently on June 10, 2022. The overall facility amount has also been amended from time to time, most recently to €600.0 million. The scheduled termination date for the facility was extended to June 30, 2024. As of December 31, 2022, we had nil gross indebtedness outstanding under the Styrolution Securitization Program.

Under the Styrolution Securitization Program, all trade receivables originated by the Sellers (other than those receivables that are specifically identified as "excluded receivables") are sold to a bankruptcy remote special purpose vehicle incorporated under the laws of the Republic of Ireland, INEOS Styrolution Receivables Finance Designated Activity Company (DAC) (the "SPV"). The SPV finances these purchases from borrowings, primarily funded through an asset-backed commercial paper ("ABCP") conduit. The cost of funding for the ABCP conduit reflects the rating of the pooled financial assets in which they invest, thus allowing the Styrolution Securitization Program to benefit from financing costs that are not linked to our corporate rating.

The Styrolution Securitization Program is restricted to receivables denominated in specified currencies that are sold to the SPV at face value less a discount reflecting the funding cost until settlement. The SPV acquires title, on a non-recourse basis, to new receivables as they arise and settles its purchases with the Sellers on a daily basis. Cash received from customers is paid into segregated bank accounts in the name of the SPV or held on trust for the SPV. Responsibility for the administration of the receivables, including adherence to established credit and collection policies lies with ISGG as master servicer acting on behalf of the SPV, which delegates its servicing obligations to the Sellers.

The lenders' advance rate is adjusted each day to reflect the actual performance of the receivables portfolio according to standard rating agency methodology for calculating loss and dilution reserves and other potential shortfalls. The balance of the SPV's funding requirements to purchase receivables is provided by ISGG through a subordinated loan facility.

ISGG and certain of its subsidiaries grant security over collection accounts under the Styrolution Securitization Program, and the Styrolution Securitization Program contains customary terms and conditions applicable to trade receivable securitization facilities. The Styrolution Securitization Program does not contain any financial maintenance covenants.

The INOVYN Securitization Program

In November 2008, INOVYN Group Treasury Limited (the "Master Servicer") and certain of the other Kerling subsidiary companies in their capacity as sellers of receivables (the "INOVYN Sellers") entered into a two-year €90.0 million trade receivables securitization (as amended, supplemented, varied, novated, extended or replaced from time to time, the "INOVYN Securitization Program").

The margins on amounts drawn and the commitment fee on amounts undrawn under the INOVYN Securitization Program have been amended from time to time, most recently on June 28, 2021. In addition, the INOVYN companies acting as sellers have been amended over time, most recently in January 2021. The maximum amount available under the facility has also been changed from time to time, most recently to €240.0 million. The facility is subject to a borrowing limit that is adjusted periodically based on the amount of our eligible trade receivables at that time. The scheduled termination date for the facility has been extended from time to time, most recently to June 30, 2024. As of December 31, 2022, we had nil gross indebtedness outstanding under the INOVYN Securitization Program.

Under the INOVYN Securitization Program, all trade receivables originated by the INOVYN Sellers (other than those receivables that are specifically identified as "excluded receivables") are sold, pursuant to certain receivables purchase agreements, to INEOS Norway Finance Ireland Limited, a bankruptcy remote special purpose vehicle incorporated under the laws of the Republic of Ireland (the "INOVYN SPV"). Receivables denominated in currencies other than U.S. dollars, euro or pounds sterling are excluded. The purchase price in respect of receivables sold is available to the Sellers for their working capital and other financing requirements. The receivables purchase agreements contain customary representations, warranties and covenants and will terminate in the event of, among other things, certain INOVYN Seller change of control events.

In order to finance these purchases, the INOVYN SPV has entered into a receivables loan agreement with Barclays Bank PLC, ING Belgium SA/NV and HSBC Bank PLC acting as lenders, liquidity providers and program agents. These borrowings are primarily funded through asset-backed commercial paper ("ABCP") conduits. The cost of funding for the ABCP conduits reflects the rating of the pooled financial assets in which they invest, thus allowing the INOVYN Securitization Program to benefit from financing costs that are not linked to our corporate rating. The borrowing limit under this financing is adjusted periodically to reflect the actual value and performance of the eligible receivables portfolio and to take into account deductions reflecting an assumed level of dilutions and, among other things, over-exposure, beyond agreed concentrate on limits, to certain customers or jurisdictions. The balance of the SPV's funding requirements is provided by INOVYN Group Treasury Limited through a subordinated loan facility.

Receivables are sold to the INOVYN SPV at face value, less a small discount to reflect the carry cost until settlement. The INOVYN SPV is consolidated as a quasi-subsidiary since INOVYN gains the benefits and bears the inherent risks relating to the net assets of the INOVYN SPV. The INOVYN SPV acquires title, on a limited recourse basis, to new receivables and settles its purchases with the INOVYN Sellers on a weekly basis. Collections are paid into designated collection accounts over which the INOVYN SPV lenders have certain security interests. The INOVYN Sellers delegate to the Master Servicer responsibility for the collection and management of receivables and separately indemnify the Master Servicer for this role.

Other Financing

Finance Lease

In 2013, the Styrolution Business entered into a finance lease for a building with BASF for a 33-year term. We recorded the asset and liability at €8.3 million at inception.

Working Capital, Letter of Credit and Bank Guarantee Facilities

We have several short-term credit facilities with different local banks to fund our working capital requirements up to a total aggregate amount of €238.4 million equivalent as of June 30, 2023 in China, Malaysia, Singapore, South Korea, Thailand, and the United Kingdom. As of June 30, 2023, there was €190.9 million equivalent available under such facilities with €47.5 million of certain trade finance facilities being utilized in China.

We also have letter of credit facilities in China, Malaysia, Indonesia, Mexico, Singapore, South Korea, Thailand, and the United Kingdom. As of June 30, 2023, the drawn amount under all letter of credit facilities was €35.0 million equivalent. The letters of credit are generally secured by current assets. The facilities also provide for a limited number of other financial services, such as bank guarantees and FX hedging lines. The facilities, which are at an agreed margin or the state bank advance rate, contain customary covenants and representations as well as termination events.

Renminbi Facility

On January 21, 2022, our then Unrestricted Subsidiary, INEOS Styrolution SINOPEC Advanced Materials (Ningbo) Pte Ltd ("SAM") entered into a 10-year RMB 3,300 million term loan facility (the "Renminbi Facility") to finance the development of the 600 kilotonne ABS plant to be constructed in Ningbo, China and to refinance certain loans from members of the Group to SAM. The Renminbi Facility is secured by its assets (excluding those financed through the Export Credit Financing as specified below) and is guaranteed, on an unsecured basis, by the Company until the start of operations. On December 28, 2022, a subsidiary of the Group completed an equity transfer agreement with Sinopec relating to the sale and purchase of a 50% equity interest in SAM. As a result of this divesture, the obligations of the Group under the Renminbi Facility have been transferred to the newly created joint-venture with Sinopec and disposed of in the Group, and SAM has ceased to be an Unrestricted Subsidiary. As of June 30, 2023, the full facility amount of RMB 3,300.0 million (€408.2 million equivalent) was utilized.

Export Credit Financing Guarantees

On September 7, 2022, our then Unrestricted Subsidiary SAM, as borrower, entered into a term loan facility agreement providing for the first (the "Export Credit Facility I") of up to four export credit facilities to finance the construction of the 600 kilotonne ABS plant in Ningbo, China and certain fees in connection therewith. The size of the Export Credit Facility I is €6.5 million, which amount was fully drawn as of December 31, 2022. On December 28, 2022, SAM ceased to be an Unrestricted Subsidiary and became a joint venture, see "*—Renminbi Facility*". On January 16, 2023, SAM entered into a second term loan facility agreement providing for a loan of €77.6 million (the "Export Credit Facility II" and, together with the "Export Credit Facility I", the "Export Credit Facilities"). As of June 30, 2023, the amount utilized under the Export Credit Facility II was €67.9 million. The Export Credit Facilities bear semi-annual interest at a rate per annum equal to 6-month EURIBOR (subject to a floor of 0% per annum) plus a margin. They are guaranteed by each of INEOS Styrolution America LLC, INEOS Styrolution Polymers (Foshan) Company Limited and INEOS Styrolution Polymers (Ningbo) Company Limited. The Export Credit Facilities will be amortized over 10 years, with the first of 20 equal semi-annual instalments being made no later than on May 31, 2024. One additional export facility loan agreement on substantially similar terms as those of the Export Credit Facilities is expected to be entered into in the fourth quarter of 2023.

Intercreditor Agreement

The Intercreditor Agreement, which was entered into among, *inter alios*, the Parent, the Company, ISGG, the other Guarantors, Barclays Bank PLC, as administrative agent under the 2014 Term Loan Facilities Agreement (the "Administrative Agent") and Security Agent, was amended and restated on January 31, 2020. On July 31, 2020, the administrative agent under the 2020 Term Loan Facilities Agreement and the 2027 Senior Secured Notes Trustee acceded to the Intercreditor Agreement as Pari Passu Debt Representatives. On January 29, 2021, the 2026 Senior Secured Notes Trustee acceded to the Intercreditor Agreement as a Pari Passu Debt Representative and the Existing Senior Notes Trustee acceded to the Intercreditor Agreement as a Second Lien Debt Representative. On April 29, 2021, HSBC Corporate Trustee Company (UK) Limited succeeded Barclays Bank PLC as Security Agent under the Intercreditor Agreement. Under the Intercreditor Agreement, the 2026 Senior Secured Notes, the 2027 Senior Secured Notes and the obligations under the 2020 Term Loan Facilities Agreement are Pari Passu Debt (as described below), and the Existing Senior Notes are Second Lien Debt (as described below). The Notes are also Pari Passu Debt, and the Trustee acceded to the Intercreditor Agreement as a Pari Passu Debt Representative. The Intercreditor Agreement governs the relationships and relative priorities among: (a) the lenders under the 2014 Term Loan Facilities Agreement; (b) any persons that accede to the Intercreditor Agreement as counterparties to certain hedging agreements (collectively, the "Hedge Agreements" and any persons that accede to the Intercreditor Agreement as counterparties to the Hedge Agreements are referred to in such capacity as the "Hedge Counterparties"); (c) (i) the 2026 Senior Secured Notes

Trustee, on its behalf and on behalf of the holders of the 2026 Senior Secured Notes, (ii) the 2027 Senior Secured Notes Trustee, on its behalf and on behalf of the holders of the 2027 Senior Secured Notes, (iii) the Trustee on its behalf and on the behalf of the holders of the Notes, (iv) the agent under the 2020 Term Loan Facilities Agreement and (v) any other representative (together with the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee, the Trustee and the agent under the 2020 Term Loan Facilities Agreement, each a "Pari Passu Debt Representative") on its behalf and on behalf of the holders of debt ranking *pari passu* with the Notes, the 2026 Senior Secured Notes, the 2027 Senior Secured Notes, the obligations under the 2014 Term Loan Facilities Agreement and the obligations under the 2020 Term Loan Facilities Agreement and benefiting from liens on the Collateral (the "Transaction Security" and the agreements such Transaction Security is documented under, the "Transaction Security Documents") ranking *pari passu* with the liens on the Collateral securing the Notes, the 2026 Senior Secured Notes, the 2027 Senior Secured Notes and the loans under the Existing Term Loan B Facilities Agreements (the Notes, the 2026 Senior Secured Notes, the 2027 Senior Secured Notes and the loans under the 2020 Term Loan Facilities Agreement, the "Pari Passu Debt," the creditors of such debt being "Pari Passu Creditors" and the obligations thereunder the "Pari Passu Debt Obligations"); (d) any creditors of debt secured by liens on the Collateral ranking junior in payment priority to the obligations under the 2014 Term Loan Facilities Agreement and the Pari Passu Debt, including the Existing Senior Notes (the "Second Lien Debt" and the creditors of such debt being "Second Lien Debt Creditors"); (e) any persons that accede to the Intercreditor Agreement as counterparties to certain cash management agreements (collectively, the "Cash Management Agreements" and any persons that accede to the Intercreditor Agreement as counterparties to the Cash Management Agreements are referred to in such capacity as the "Cash Management Providers"); (f) the Security Agent; (g) the Representatives (as defined below under "—*Amendments*"); (h) intra-group creditors and debtors; and (i) certain subordinated creditors.

The Parent, the Company, the restricted subsidiaries of the Company (together with the Company, the "Group" (for purposes of this Intercreditor Agreement description)), any holding company of the Company that is a subsidiary of the Parent and any issuer/borrower of Second Lien Debt that is a holding company of the Company that is not a member of the Group or is a finance subsidiary of such holding company (including the Existing Senior Notes Issuer) that incur any liability or provide any guarantee under the 2014 Term Loan Facilities Agreement, any Pari Passu Debt documents (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement) or any Second Lien Debt documents (including the 2026 Senior Notes Indenture) are each referred to in this description as a "Debtor" and are referred to collectively as the "Debtors".

The Intercreditor Agreement sets out, among other things:

(a) the relative ranking of certain indebtedness of the Debtors;

(b) when payments can be made in respect of certain indebtedness of the Debtors;

(c) when enforcement actions can be taken in respect of that indebtedness;

(d) the terms pursuant to which that indebtedness will be subordinated upon the occurrence of certain insolvency events;

(e) turnover provisions; and

(f) when security and guarantees will be released, including to permit a sale of any Collateral or any merger, consolidation, amalgamation, reorganization or combination of the foregoing which relates to (by disposal or otherwise) any asset which is subject to the Transaction Security which are permitted or not prohibited under the Debt Documents (as defined below).

The obligations under the Intercreditor Agreement are subject to the relevant jurisdiction's guarantee limitations and other local law considerations. The Intercreditor Agreement, the 2014 Term Loan Facilities Agreement, the Pari Passu Debt documents (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2020 Term Loan Facilities Agreement and the 2027 Senior Secured Notes Indenture), the Hedge Agreements, the Cash Management Agreements, the Second Lien Debt documents (including the 2026 Senior Note Indenture), the Transaction Security Documents, any document granting a security interest in favor of the Secured Parties (as defined below), any agreement in respect of certain intra-group obligations and subordinated obligations are collectively referred to herein as the "Debt Documents". The Obligations (as defined below) of the Debtors to the lenders under the 2014 Term Loan Facilities Agreement and the other finance documents designated thereunder, including the Intercreditor Agreement and the Transaction Security Documents (the "Senior Secured Facilities Obligations"), together with the Hedging Obligations, the Cash Management Obligations, the Obligations of the Debtors under the Pari Passu Debt Obligations (including the Notes, the 2026 Senior Secured Notes, the obligations under the 2020 Term Loan Facilities Agreement and the 2027 Senior Secured Notes), the Agent Obligations (as defined below), and the Security Agent Obligations (as defined below) except in respect of parallel debt in respect of Second Lien Debt and the Second Lien Debt Representative Amounts, but in each case excluding

certain swap obligations are the "Senior Secured Obligations". The obligations of the Debtors under the Hedge Agreements (the "Hedging Obligations"), the obligations of the Debtors under the Cash Management Agreements (the "Cash Management Obligations"), the obligations under the Second Lien Debt Documents (including the Existing Senior Notes) and certain proceeds loans (the "Second Lien Debt Obligations"), the obligations of the Debtors to the Representatives (as defined below) (the "Representative Obligations"), including the obligations of the Debtors to the creditor representative(s) of Pari Passu Debt (including, in respect of the Notes, the Trustee, in respect of the 2026 Senior Secured Notes, the 2026 Senior Secured Notes Trustee, in respect of the 2027 Senior Secured Notes, the 2027 Senior Secured Notes Trustee and the loans under the 2020 Term Loan Facilities Agreement, the administrative agent thereunder) (the "Pari Passu Debt Representative Amounts"), the obligations of the Debtors to each creditor representative of the Second Lien Debt (including, in respect of the Existing Senior Notes, the Existing Senior Notes Trustee) (the "Second Lien Debt Representative Amounts"), the obligations of the Debtors to the Security Agent (the "Security Agent Obligations"), the fees, costs and expenses of the Debtors to the Administrative Agent and arrangers and any other agent parties under the Senior Secured Facilities documents (the "Agent Obligations") are, together with Senior Secured Facilities Obligations and the Pari Passu Debt Obligations (including the Notes, the 2026 Senior Secured Notes, the 2027 Senior Secured Notes and the loans under the 2020 Term Loan Facilities Agreement), collectively referred to as the "Secured Obligations".

Ranking and Priority

The Intercreditor Agreement provides, subject to the provisions in respect of the ranking of Transaction Security described below, that the obligations of the Debtors (other than the Parent, any holding company of the Company that is a subsidiary of the Parent (a "Parent Intermediate Holdco") or any issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer)) under the Debt Documents will rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking obligations:

i. first, the Security Agent Obligations (other than with respect to parallel debt), the Agent Obligations, the Pari Passu Debt Representative Amounts and the Second Lien Debt Representative Amounts *pari passu* and without any preference between them;

ii. second, the Senior Secured Obligations (to the extent not included in clause (i) above) *pari passu* and without any preference between them; and

iii. third, the Second Lien Debt Obligations (to the extent not included in clause (i) above) *pari passu* and without any preference between them.

The obligations of the Parent, any Parent Intermediate Holdco and any issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer) will rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking obligations:

i. first, the Security Agent Obligations (other than with respect to parallel debt), the Agent Obligations, the Pari Passu Debt Representative Amounts and the Second Lien Debt Representative Amounts *pari passu* and without any preference between them; and

ii. second, the Senior Secured Obligations and the Second Lien Debt Obligations (in each case, to the extent not included in clause (i) above) *pari passu* and without any preference between them.

The Transaction Security will rank and secure (only to the extent that the Transaction Security is expressed to secure those Obligations) the following Obligations, and, in the case of the Hedging Obligations, Cash Management Obligations, Senior Secured Facilities Obligations, Pari Passu Debt Obligations and Second Lien Debt Obligations, without prejudice to the sections described herein under "*—Loss Sharing*", in the following order:

(a) first, the Security Agent Obligations (other than with respect to parallel debt), the Agent Obligations, the Pari Passu Debt Representative Amounts and the Second Lien Debt Representative Amounts *pari passu* and without any preference between them;

(b) second, the Senior Secured Obligations (in each case, to the extent not included in clause (a) above) *pari passu* and without any preference between them; and

(c) third, the Second Lien Debt Obligations (in each case, to the extent not included in clause (a) above and excluding obligations of the Company in respect of any Second Lien Debt proceeds loan) *pari passu* and without any preference between them,

in each case irrespective of (i) the order of execution, creation, registration, notice, enforcement or otherwise, (ii) the date on which any such Obligation arose, and (iii) any fluctuation in the amount, or any intermediate discharge in whole or in part, of any such Obligation.

Limitations of Enforcement

For the purpose of this paragraph:

"Enforcement Action" means (a) in relation to any Obligations (i) the acceleration of any Obligations or the making of any declaration that any Obligations are prematurely due and payable (other than as a result of it becoming unlawful for a creditor under the Secured Obligations (each a "Primary Creditor") to perform its obligations under, or of any voluntary or mandatory prepayment or redemption arising under, the Debt Documents), (ii) the making of any declaration that any Obligations are payable on demand (except in respect of any intra-Group Obligations, other than when a Distress Event (as defined below under "*—Proceeds of Disposals*") has occurred and is continuing), (iii) the making of a demand in relation to an Obligation that is payable on demand (except in respect of any intra-Group Obligations, other than when a Distress Event has occurred and is continuing), (iv) the making of any demand against any Debtor in relation to any guarantee Obligations of that Debtor (except in respect of any intra-Group Obligations, other than when a Distress Event has occurred and is continuing), (v) the exercise of any right to require any member of the Group to acquire any Obligation (including exercising any put or call option against any member of the Group for the redemption or purchase of any Obligation) (it being understood that open market purchases or debt buybacks or voluntary tender or exchange offers or redemptions or prepayments or similar or equivalent arrangements by any Debtor or any member of the Group with respect to any Senior Secured Obligations or Second Lien Debt Obligations permitted under the Debt Documents shall not constitute the exercise of a right to require any Debtor or any member of the Group to acquire any Obligation) and other than in connection with any mandatory offer arising on or as a result of a change of control or asset sale (however described) as set out in the documents governing the Senior Secured Obligations (the "Senior Secured documents") or the Second Lien Debt documents or mandatory prepayments (or any other similar or equivalent provision of any of the Debt Documents) by any Debtor or member of the Group, (vi) the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any Obligations other than the exercise of any such right (A) by way of netting by a Hedge Counterparty, (B) which is otherwise permitted under the 2014 Term Loan Facilities Agreement, any Pari Passu Debt documents (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement), or any Second Lien Debt documents (including the 2026 Senior Notes Indenture) to the extent that the exercise of that right gives effect to a payment permitted pursuant to the Intercreditor Agreement to be made in respect of the Obligations, or (C) in respect of any intra-Group Obligations prior to the occurrence of a Distress Event, and (vii) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any Obligations; (b) the premature termination or close-out of any hedging transaction under any Hedge Agreement or any cash management arrangement under any Cash Management Agreement save to the extent permitted under the Intercreditor Agreement; (c) the taking of any steps to enforce or require the enforcement of any Transaction Security (including the crystallization of any floating charge forming part of the Transaction Security); (d) the entering into of any composition, compromise, assignment or arrangement with any Debtor or member of the Group which owes any Obligations, or has given any lien, guarantee or indemnity or other assurance against loss in respect of the Obligations other than ((A) any action permitted under the provisions of the Intercreditor Agreement relating to changes to the parties thereto, (B) any consensual amendments to and/or waivers of the Debt Documents agreed between any Debtor or any member of the Group and the relevant creditors where that amendment or waiver does not constitute a Default under the 2014 Term Loan Facilities Agreement, any Pari Passu Debt document (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement) or any Second Lien Debt document (including the 2026 Senior Notes Indenture) which is not the subject of that amendment or waiver or (C) any such action constituting an acquisition of intra-Group Obligations which are permitted under the Intercreditor Agreement); or (e) the petitioning, applying or voting for, or the taking of any formal steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to, the winding up, suspension of payments, a moratorium of any indebtedness, dissolution, administration or involuntary reorganization of the Parent, any Parent Intermediate Holdco, any member of the Group or any issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer) which owes any Obligations, or has given any lien, guarantee, indemnity or other assurance against loss in respect of any of the Obligations, or any of the Parent's, such Parent Intermediate Holdco's, such member of the Group's or issuer/borrower's of Second Lien Debt assets or any suspension of payments or moratorium of any indebtedness of the Parent, such Parent Intermediate Holdco, such member of the Group or such issuer/borrower of Second Lien Debt or any analogous procedure in any jurisdiction); except that the following shall not constitute Enforcement Action, (i) the taking of any action falling within (a) (ii), (iii), (iv) and (vii) or (e) above prior to any proceedings under the German Insolvency Code (*Insolvenzordnung*) which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Obligations, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods, (ii) any Primary Creditor

bringing legal proceedings against any person solely for the purpose of (A) obtaining injunctive relief (or any analogous remedy) to restrain any actual or putative breach of any Debt Document to which it is party, (B) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; or (C) requesting judicial interpretation of any provision of any Debt Document to which it is party with no claim for damages, (iii) any intra-Group Obligations or certain Obligations owed to direct and indirect shareholders of the Company ("Subordinated Obligations") of a member of the Group being released or discharged in consideration for the issue of shares in that person prior to an acceleration event in respect of the Secured Obligations or (iv) to the extent entitled by law, the taking of any action against any creditor (or any agent, trustee or receiver acting on behalf of that creditor) to challenge the basis on which any sale or disposal is to take place pursuant to the powers granted to those persons under any relevant documentation; or (D) bringing legal proceedings against any person in connection with any fraud, securities violation or securities or listing regulations; or (E) allegations of material misstatements or omissions made in connection with the offering materials relating to any Pari Passu Debt or Second Lien Debt in the form of notes (including the Notes) or in reports furnished to the creditors in respect thereof (including the holders of the Notes) or any exchange on which the such notes (including the Notes) are listed by a member of the Group, the Parent, an issuer/borrower of Second Lien Debt or certain direct and indirect shareholders of the Parent pursuant to the information and reporting requirements under the relevant Pari Passu Debt documents or Second Lien Debt documents.

"Obligations" means all present and future liabilities and obligations at any time of any Debtor to any creditor under the Debt Documents, both actual and contingent and whether incurred solely or jointly or in any other capacity, together with certain matters relating to or arising in respect of those liabilities and obligations, including in respect of refinancing, novation, deferral or extension, claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition, (c) any claim for damages or restitution, any claim as a result of any recovery by any Debtor of a payment on the grounds of preference or otherwise and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency proceeding or other proceedings.

Senior Secured Facilities Documents and Pari Passu Debt Documents

The Intercreditor Agreement allows the relevant Senior Secured Lenders and the Pari Passu Creditors and the Debtors to amend or waive the terms of the Senior Secured Facilities Documents and the Pari Passu Debt Documents in accordance with their terms (and subject to any consent required under them) at any time, provided that the terms thereof may not be amended or waived if such amendment or waiver would conflict with the provisions of the Intercreditor Agreement.

Security and Guarantees—Senior Secured Lenders and Pari Passu Creditors

The Intercreditor Agreement provides that the Senior Secured Lenders and the Pari Passu Creditors may take, accept or receive the benefit of (a) any lien from any member of the Group in respect of the Senior Secured Facilities Obligations or the Pari Passu Debt Obligations in addition to the Transaction Security granted under the Transaction Security Documents if and to the extent legally possible (and subject to and in accordance with the Security Principles) at the same time it is also offered (in the case of the Second Lien Debt Obligations, only to the extent required in the relevant Second Lien Debt documents) either: (i) to the Security Agent as trustee and/or security agent for the other Secured Parties in respect of the Obligations owed to them and/or as creditor under a parallel debt or equivalent structure corresponding to such Obligations; or (ii) in the case of any jurisdiction in which effective liens cannot be granted in favor of the Security Agent as trustee and/or security agent for the Secured Parties, (A) to the other Secured Parties in respect of the Obligations owed to them or (B) to the Security Agent under a parallel debt structure corresponding to the Obligations owed to all the Secured Parties and, in each case of clause (i) and (ii), ranks in the same order of priority as described in the section "*—Ranking and Priority*"; and (b) any guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Senior Secured Facilities Obligations or the Pari Passu Debt Obligations (as applicable) in addition to those in (i) the Intercreditor Agreement, (ii) any guarantee, indemnity or other assurance against loss in respect of any of the Obligations, the benefit of which is, to the extent legally possible and subject to the security principles set forth in the 2014 Term Loan Facilities Agreement (the "Security Principles"), given to all the Secured Parties in respect of the Obligations owed to them by any member of the Group, or (iii) the 2014 Term Loan Facilities Agreement, if and to the extent legally possible (and subject to and in accordance with the Security Principles) at the same time it is also offered (in the case of the Second Lien Debt Obligations, only to the extent required in the relevant Second Lien Debt Documents) to the other Secured Parties in respect of the Obligations owed to them and ranks in the same order of priority as described in the section "*—Ranking and Priority*".

Limitations on Enforcement—Senior Secured Lenders and Pari Passu Creditors

The Intercreditor Agreement provides that a lender under the 2014 Term Loan Facilities Agreement (a "Senior Secured Lender") or Pari Passu Creditor (including a holder of the Notes, a holder of the 2026 Senior Secured Notes, a holder of the 2027 Senior Secured Notes or a lender under the 2020 Term Loan Facilities Agreement) may not take any Enforcement Action under clause (c) or (to the extent such action is directly related to the enforcement of Transaction Security) under clause (e) of the definition thereof without the prior written consent of the Majority Senior Secured Creditors (defined below under "*—Amendments*"). However, after the occurrence of an insolvency event in relation to a Debtor, each Senior Secured Lender and Pari Passu Creditor may, to the extent it is able to do so under the relevant Senior Secured documents, take Enforcement Action under paragraph (e) of the definition thereof and/or claim in the winding up, dissolution, administration, reorganization or similar insolvency event of that Debtor for Senior Secured Obligations owing to it (but, for the avoidance of doubt, may not direct the Security Agent to enforce the Transaction Security in any manner without the prior consent of the Majority Senior Secured Creditors).

Intercreditor Matters between Senior Secured Lenders and Pari Passu Creditors

The Intercreditor Agreement does not restrict the entry into other intercreditor and/or subordination agreements (including agreements establishing additional first and second lien tranches) by and among any Senior Secured Lenders and Pari Passu Creditors (including holders of the Notes, holders of the 2026 Senior Secured Notes, holders of the 2027 Senior Secured Notes and lenders under the 2020 Term Loan Facilities Agreement) to the extent the terms of such agreement address (i) matters relating to the payment priority as between such parties (or their representatives), (ii) the ability to exercise any rights granted under the Intercreditor Agreement to such creditors, (iii) other matters customary for intercreditor agreements of such type and/or (iv) any other matters related thereto; provided, that such agreement shall not conflict with the terms of the Intercreditor Agreement.

Second Lien Debt Creditors and Second Lien Debt Documents

The Intercreditor Agreement allows the relevant Second Lien Debt Creditors (including holders of the Existing Senior Notes) and the Debtors to amend or waive the terms of the Second Lien Debt documents (other than the Intercreditor Agreement and any Shared Security document) in accordance with their terms (and, any relevant consent required in any of them, as applicable) at any time, provided that the terms thereof may not be amended or waived if such amendment or waiver would conflict with the provisions the Intercreditor Agreement, the terms of the Senior Secured Facilities documents (unless approved in writing by the Administrative Agent) or the Pari Passu Debt documents (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement) (unless approved in writing by the relevant Pari Passu Debt Representative(s) (in the case of the Indenture, the Trustee, in the case of the 2026 Senior Secured Notes Indenture, the 2026 Senior Secured Notes Trustee, in the case of the 2027 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Trustee and, in the case of the 2020 Term Loan Facilities Agreement, the administrative agent thereunder)).

Security and Guarantees—Second Lien Debt Creditors

The Intercreditor Agreement provides that except with the prior consent of the Majority Senior Secured Creditors, the Second Lien Debt Creditors may only take, accept or receive the benefit of (a) any lien from any member of the Group in respect of the Second Lien Debt Obligations in addition to the Transaction Security if and to the extent legally possible, at the same time it is also offered either: (i) to the Security Agent as agent for the Senior Secured Creditors and the other Second Lien Debt Creditors; or (ii) in the case of any jurisdiction in which an effective lien cannot be granted in favor of the Security Agent as agent for the Secured Parties (defined below): (A) to the Senior Secured Creditors and the other Second Lien Debt Creditors in respect of the Obligations owed to them; (B) to the Security Agent as agent for the Senior Secured Creditors and the other Second Lien Debt Creditors in respect of the Obligations owed to them; and/or (C) to the Security Agent under a parallel debt or equivalent structure corresponding to the relevant Obligations owed to the Senior Secured Creditors and the other Second Lien Debt Creditors, and ranks in the same order of priority as described in the section "*—Ranking and Priority*"; and (b) any guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Second Lien Debt Obligations in addition to those in: (i) the original form of any Second Lien Debt document; or (ii) the Intercreditor Agreement, if and to the extent legally possible and subject to any Security Principles, at the same time it is also offered to the Senior Secured Creditors and the other Second Lien Debt Creditors in respect of the Obligations owed to them and ranks in the same order of priority as described in the section "*—Ranking and Priority*".

The Intercreditor Agreement does not purport to restrict any Second Lien Debt Creditor from taking, accepting or receiving the benefit of any lien, guarantee, indemnity or other assurance against loss from any person which is not a member of the Group in respect of the Second Lien Debt Obligations or any liabilities of any issuer/borrower of Second

Lien Debt or any person which is not a member of the Group arising under or in connection with any Second Lien Debt documents.

Restriction on Payment and Dealings: Second Lien Debt Obligations

Under the Intercreditor Agreement, until the discharge date for Senior Secured Obligations (the "Senior Secured Discharge Date") except with the prior consent of (a) the Administrative Agent (to the extent otherwise prohibited under the 2014 Term Loan Facilities Agreement and the relevant Pari Passu Debt Representative(s) (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement) (to the extent not prohibited under the relevant Pari Passu Debt documents (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement)), the Company will ensure that no member of the Group will:

(a) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any Second Lien Debt Obligations in cash or in kind or apply any such money or property in or towards discharge of any Second Lien Debt Obligations except as permitted by the sections of the Intercreditor Agreement described herein under "*—Permitted Second Lien Debt Payments*", "*—Permitted Second Lien Debt Enforcement*", "*—Refinancing of Senior Secured Obligations and Second Lien Debt Obligations*" or "*—Filing of Claims*"); or

(b) exercise any set-off against any Second Lien Debt Obligations except as permitted by the sections of the Intercreditor Agreement described herein under "*—Permitted Second Lien Debt Payments*", "*—Permitted Second Lien Debt Enforcement*" or "*—Filing of Claims*").

Permitted Second Lien Debt Payments

The Intercreditor Agreement provides that the Debtors may:

(a) prior to the Senior Secured Discharge Date, make payments to the Second Lien Debt Creditors in respect of the Second Lien Debt Obligations then due in accordance with the Second Lien Debt documents (i) if: (A) the payment is of: (I) any of the principal amount (including capitalized interest, if any) of the Second Lien Debt Obligations which is permitted to be paid by the 2014 Term Loan Facilities Agreement (if the Senior Secured Facilities Discharge Date has not occurred) and the Pari Passu Debt documents (including the Indenture, 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement) (if the Pari Passu Debt Discharge Date has not occurred); or (II) any other amount which is not an amount of principal or capitalized interest which is permitted to be made by the Senior Secured Facilities documents and the Pari Passu Debt documents (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement); (B) no Second Lien Debt Payment Stop Notice (defined below under "*—Issue of Second Lien Debt Payment Stop Notice*") is outstanding; and (C) no payment default (subject to a €1 million *de minimis* exception) in respect of Senior Secured Obligations has occurred and is continuing; (ii) if the Administrative Agent and the Pari Passu Debt Representative(s) (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement), as applicable, give prior consent to that payment being made to the extent the relevant Debt Documents prohibit such payment from being made; (iii) if the payment is of a Second Lien Debt Representative Amount; (iv) if the payment is of costs, commissions, tax (including amounts payable by way of gross-up for tax), consent fees, premiums, original issue discount and upfront fees, premiums and expenses incurred in respect of (or reasonably incidental to) the Second Lien Debt documents (including in relation to any reporting or listing requirements under the Second Lien Debt documents); (v) if the payment is of costs, commissions, tax (including amounts payable by way of gross-up for tax), consent fees, original issue discount and upfront fees, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of any Second Lien Debt in compliance with the sections of the Intercreditor Agreement described herein under "*—Refinancing of Senior Secured Obligations and Second Lien Debt Obligations*"; (vi) if the payment is by the Parent, any Parent Intermediate Holdco or issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer) any of its obligations under the Second Lien Debt documents (including the Existing Senior Notes) and such payment is not financed by a payment to the Parent, any Parent Intermediate Holdco or issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer) from a member of the Group that was prohibited by the Senior Secured Facilities documents or the Pari Passu Debt documents (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement) pursuant to which any Senior

Secured Obligations are outstanding; (vii) if the payment is of any other amount not exceeding €1 million in aggregate in any twelve-month period; or (viii) if the payment is of the principal amount (including capitalized interest, if any) of the Second Lien Debt Obligations on or after the final maturity date of the relevant Second Lien Debt Obligations (provided that such maturity date is (x) after the final maturity date of the Senior Secured Facilities and (y) complies with any restrictions on the maturity date of the relevant Second Lien Debt Obligations set forth in the 2014 Term Loan Facilities Agreement or any other Senior Secured Document); and

(b) on or after the Senior Secured Discharge Date, make payments to or with respect to the Second Lien Debt Creditors in respect of the Second Lien Debt Obligations in accordance with the Second Lien Debt documents.

Issue of Second Lien Debt Payment Stop Notice

(a) Under the Intercreditor Agreement, until the Senior Secured Discharge Date, except with the prior consent of (i) the Administrative Agent (to the extent either (A) not permitted or prohibited under any Senior Secured Facilities document or (B) after the commencement of any Enforcement Action permitted by the terms of the Intercreditor Agreement) and (ii) the relevant Pari Passu Debt Representative(s) (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement) (to the extent either (A) not permitted or prohibited under the relevant Pari Passu Debt documents (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement) or (B) after the commencement of any Enforcement Action permitted by the terms of the Intercreditor Agreement), and subject to the sections of the Intercreditor Agreement described herein under "*—Effect of Insolvency Event*", the Company will procure that no member of the Group will make, and no Second Lien Debt creditor may receive from any member of the Group, any payment in respect of Second Lien Debt (other than those in clauses (a)(ii) and/or (a)(iii) under*—Permitted Second Lien Debt Payments*) if:

(1) a payment default in respect of the Senior Secured Obligations has occurred and is continuing; or

(2) an event of default in respect of the Senior Secured Obligations (a "Senior Secured Event of Default") (other than a payment default`) has occurred and is continuing, from the date on which the Administrative Agent or any Pari Passu Debt Representative (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement) (as the case may be) (the "Relevant Representative") delivers a notice (a "Second Lien Debt Payment Stop Notice") specifying the event or circumstance in relation to that Senior Secured Event of Default to the Company, the Security Agent and the Second Lien Debt Representative(s) until the earliest of:

(a) the date falling 179 days after delivery of that Second Lien Debt Payment Stop Notice;

(b) in relation to payments of Second Lien Debt Obligations, if a Second Lien Debt Standstill Period is in effect at any time after delivery of that Second Lien Debt Payment Stop Notice, the date on which that Second Lien Debt Standstill Period expires;

(c) the date on which the relevant Senior Secured Event of Default is no longer continuing and, if the relevant obligations of Senior Secured Creditors have been accelerated, such acceleration has been rescinded, revoked or waived in accordance with the Senior Secured documents;

(d) the date on which the Relevant Representative delivers a notice to the Company, the Security Agent, each of the Senior Creditors and the Second Lien Debt Representative(s) cancelling the Second Lien Debt Payment Stop Notice it delivered;

(e) the Senior Secured Discharge Date; and

(f) the date on which any Second Lien Debt Creditor takes any Enforcement Action that it is permitted to take under the sections of the Intercreditor Agreement described herein under "*—Restrictions on Enforcement by Second Lien Debt Creditors*" and "*Permitted Second Lien Debt Enforcement*".

(b) Unless the relevant Second Lien Debt Representative waives this requirement: (i) a new Second Lien Debt Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Second Lien Debt Payment Stop Notice; and (ii) no Second Lien Debt Payment Stop Notice may be delivered in reliance on a Senior Secured Event of Default more than 45 days after the date on which the Administrative Agent and each Pari Passu Debt Representative (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement) received notice of that Senior Secured Event of Default.

(c) The Administrative Agent and the Pari Passu Debt Representative(s) (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement) may serve only one Second Lien Debt Payment Stop Notice with respect to the same event or set of circumstances. Subject to paragraph (b) above, this shall not affect the right of the Administrative Agent or the Pari Passu Debt Representative(s) (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement) to issue a Second Lien Debt Payment Stop Notice in respect of any other event or set of circumstances.

(d) No Second Lien Debt Payment Stop Notice may be served by the Administrative Agent or the Pari Passu Debt Representative(s) (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement) in respect of a Senior Secured Event of Default which had been notified to the Administrative Agent or the Pari Passu Debt Representative(s) (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement), as relevant, at the time at which an earlier Second Lien Debt Payment Stop Notice was issued.

(e) These provisions of the Intercreditor Agreement (i) act as a suspension of payment and not as a waiver of the right to receive payment on the date such payments are due; (ii) will not prevent the accrual or capitalization of interest (including default interest) in accordance with any Second Lien Debt documents; (iii) will not prevent the payment of the amounts described in clause (a)(ii) and (a)(iii) in the section "*—Permitted Second Lien Debt Payments*"); (iv) will not prevent the payment of audit fees, directors' fees, taxes, securities and listing fees and other proper and incidental expenses required to maintain existence; and (v) will not prevent the Parent, any Parent Intermediate Holdco or any issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer) from making a payment from its own assets if such payment is of any of the Parent's, such Parent Intermediate Holdco's or such issuer/borrower's obligations under the Second Lien Debt documents and, for the avoidance of doubt, such payment is not financed by a payment to the Parent, such Parent Intermediate Holdco or such issuer/borrower of Second Lien Debt from a member of the Group which was prohibited by the Senior Secured Facilities documents or the Pari Passu Debt documents (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement).

Effect of Second Lien Debt Payment Stop Notice or Senior Secured Payment Default

Under the Intercreditor Agreement, any failure to make a payment due under the Second Lien Debt documents as a result of the issue of a Second Lien Debt Payment Stop Notice or the occurrence of a Senior Secured Payment Default or by operation of the sections of the Intercreditor Agreement described herein under "*—Restriction on Payment and Dealings: Second Lien Debt Obligations*" and "*Issue of Second Lien Debt Payment Stop Notice*":

(a) will not prevent the occurrence of an event of default as a consequence of that failure to make a payment in relation to the relevant Second Lien Debt documents;

(b) will not prevent the issue of a Second Lien Debt Enforcement Notice (defined below) on behalf of the Second Lien Debt Creditors;

(c) will act as a suspension of payment and not as a waiver of the right to receive payment on the date such payments are due;

(d) will not release any Debtor from the liability to make any payment under any Second Lien Debt document and will not prevent the accrual or capitalization of interest (including default interest) in accordance with the relevant Second Lien Debt documents;

(e) will not prevent the payment of audit fees, directors' fees, due and payable taxes and other proper and incidental expenses required to maintain existence; and

(f) will not prevent the payment of Representative Obligations due and payable to the Second Lien Debt Representative(s).

Payment obligations and capitalization of interest continue

The Intercreditor Agreement provides that no Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under any Second Lien Debt document by operation of the sections of the Intercreditor Agreement described herein under "*—Restriction on Payment and Dealings: Second Lien Debt Obligations*", "*—Issue of Second Lien Debt Payment Stop Notice*" and "*Issue of Second Lien Debt Payment Stop Notice*" even if its obligation to make that payment is restricted at any time by the terms of any of such sections of the Intercreditor Agreement. The accrual and capitalization of interest (if any) in accordance with the Second Lien Debt documents (as the case may be) shall continue notwithstanding the issue of a Second Lien Debt Payment Stop Notice.

Restrictions on Enforcement by Second Lien Debt Creditors

The Intercreditor Agreement provides that, subject to enforcement permitted as described in the section "*—Permitted Second Lien Debt Enforcement*", until the Senior Secured Discharge Date, except with the prior consent of, or as required by, an Instructing Group (or, in respect of the Transaction Security securing the Senior Secured Obligations of the Parent, any Parent Intermediate Holdco and the Company and its Restricted Subsidiaries shared with the Second Lien Debt Creditors (the "Shared Security"), the Majority Second Lien Debt Creditors to the extent permitted pursuant to the section of the Intercreditor Agreement described hereunder under "*—Enforcement of Transaction Security—Enforcement Instructions*"), no Second Lien Debt Creditor shall be entitled to take, or direct the Security Agent to take, any Enforcement Action against any member of the Group in respect of any of the Second Lien Debt Obligations or against any member of the Group, any Parent Intermediate Holdco, the Parent or any issuer/borrower of Second Lien Debt in respect of any Transaction Security granted by any member of the Group or, in respect of any Shared Security only, the Parent, any Parent Intermediate Holdco or any issuer/borrower of Second Lien Debt or to give instructions to the Security Agent to enforce or to refrain or cease from enforcing the Transaction Security.

Permitted Second Lien Debt Enforcement

Subject to the section of the Intercreditor Agreement described hereunder under "*—Enforcement on Behalf of Second Lien Debt Creditors*", the restrictions in section of the Intercreditor Agreement described herein under "*—Restrictions on Enforcement by Second Lien Debt Creditors*" will not apply:

(a) if: (i) an event of default under the Second Lien Debt documents (the "Relevant Second Lien Debt Default") is continuing; (ii) the Security Agent has received a notice of the Relevant Second Lien Debt Default specifying the event or circumstance in relation to the Relevant Second Lien Debt Default from the relevant Second Lien Debt Representative; (iii) a Second Lien Debt Standstill Period has elapsed; and (iv) the Relevant Second Lien Debt Default is continuing at the end of the relevant Second Lien Debt Standstill Period;

(b) in the circumstance where the Senior Secured Creditors take any Enforcement Action in relation to a particular Debtor which owes any Second Lien Debt Obligations, provided that the Second Lien Debt Creditors may only take the same Enforcement Action in relation to such Debtor as the Enforcement Action taken by the Senior Secured Creditors against such Debtor and not against any other Debtor or any other member of the Group;

(c) in respect of Enforcement Action in relation to the Company, the Parent, any Parent Intermediate Holdco, any other holding company of the Company or any member of the Group which is a guarantor or provides an indemnity to the Second Lien Debt Creditors (or any of them) for the Second Lien Debt Obligations (or any of them) under any Second Lien Debt Document (a "Second Lien Debt

Guarantor") that is the subject of an insolvency event (but not, for the avoidance of doubt, against any other Debtor or any other member of the Group); or

(d) if an event of default under the Second Lien Debt documents has occurred resulting from a failure to pay the principal amount of the Second Lien Debt Obligations at the final maturity date of the relevant Second Lien Debt.

Promptly upon becoming aware of an event of default under the Second Lien Debt documents, the relevant Second Lien Debt Representative may by notice (a "Second Lien Debt Enforcement Notice") in writing notify the Security Agent of the existence of such event of default under the Second Lien Debt Finance Documents.

Second Lien Debt Standstill Period

In relation to a Relevant Second Lien Debt Default, a "Second Lien Debt Standstill Period" shall mean the period beginning on the date (the "Second Lien Debt Standstill Start Date") the relevant Second Lien Debt Representative serves a Second Lien Debt Enforcement Notice on the Security Agent in respect of such Relevant Second Lien Debt Default and ending on the earliest to occur of: (a) the date falling 179 days after the Second Lien Debt Standstill Start Date; (b) the date the Senior Secured Creditors take any Enforcement Action in relation to a particular Debtor which owes any Second Lien Debt Obligations; provided that in the case of this clause (b), (i) if a Second Lien Debt Standstill Period ends pursuant to this clause (b), the Second Lien Debt Creditors may only take the same Enforcement Action in relation to such Debtor as the Enforcement Action taken by the Senior Secured Creditors against such Debtor which owes Second Lien Debt Obligations and not against any other member of the Group and (ii) Enforcement Action for the purpose of this clause (b) shall not include action taken to preserve or protect any liens as opposed to realize it, (c) the date the relevant Instructing Group consents to the termination of the Second Lien Debt Standstill Period and (d) the expiry of any other Second Lien Debt Standstill Period outstanding at the date such first mentioned Second Lien Debt Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy).

Subsequent Second Lien Debt Defaults

The Intercreditor Agreement provides that the Second Lien Debt Creditors may take Enforcement Action (as described above in the section "*—Permitted Second Lien Debt Enforcement*") in relation to a Relevant Second Lien Debt Default even if, at the end of any relevant Second Lien Debt Standstill Period or at any later time, a further Second Lien Debt Standstill Period has begun as a result of any other event of default under the Second Lien Debt Finance Documents.

Enforcement on Behalf of Second Lien Debt Creditors

If the Security Agent has notified the Second Lien Debt Representative(s) that it is taking, or has been instructed by an Instructing Group to take, any Enforcement Action in relation to any Debtor or any part of the Transaction Security owned by a Debtor or its subsidiaries, the Intercreditor Agreement prohibits any Second Lien Debt Creditor from taking any action referred to in the section of the Intercreditor Agreement described herein under "*—Permitted Second Lien Debt Enforcement*" against any Debtor (but, in the case of the Parent, any Parent Intermediate Holdco or any issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer), only to the extent relating to any Shared Security) while the Security Agent (i) has requested instructions from the applicable Instructing Group in relation to the enforcement of those liens and the relevant instructions have not been given or (ii) is taking steps to enforce liens or taking Enforcement Action in relation to a Debtor (but in the case of the Parent, any Parent Intermediate Holdco or any issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer), only to the extent relating to any Shared Security), in each case, in accordance with the instructions of the Instructing Group (or, in respect of the Shared Security, the Majority Second Lien Debt Creditors to the extent permitted pursuant to the section of the Intercreditor Agreement described hereunder under "*—Enforcement of Transaction Security—Enforcement Instructions*") where such action, in the sole opinion of the Security Agent, might be reasonably likely to adversely affect such enforcement or Enforcement Action or the amount of proceeds to be derived therefrom.

The Intercreditor Agreement provides that if the Second Lien Debt Creditors are permitted to give instructions to the Security Agent to require the enforcement of the Transaction Security constituted pursuant to any Security Document, such enforcement of the Transaction Security must require the realization of the relevant Transaction Security by way of a sale or disposal conducted in compliance with the Distressed Disposal provisions of the Intercreditor Agreement (see the section "*—Distressed Disposals*").

"Enforcement" means the enforcement or disposal of the Transaction Security, the requesting of a Distressed Disposal and/or the release or disposal of claims and/or Transaction Security on a Distressed Disposal under the section

of the Intercreditor Agreement described herein under "—*Distressed Disposals*", the giving of instructions as to actions in respect of any Transaction Security following an insolvency event and the taking of any other actions consequential on (or necessary to effect) any of the foregoing.

"Instructing Group" means either (a) in relation to any consent or instructions relating to Enforcement, (i) prior to the Senior Secured Discharge Date, the Majority Senior Secured Creditors (as defined below under "—*Amendments*"); or (ii) on or after the Senior Secured Discharge Date, but prior to the discharge date for Second Lien Debt (the "Second Lien Debt Discharge Date"), the Majority Second Lien Debt Creditors (as defined below under "—*Amendments*"); or (b) where any matter requires the consent of or instruction from (but excluding any consent or instruction in relation to Enforcement as set out in clause (a) above) (i) prior to the Senior Secured Discharge Date, the Majority Senior Secured Creditors and (with respect to any Parent Pari Passu Recoveries) the Majority Second Lien Debt Creditors (as defined below under "—*Amendments*"); and (ii) on or after the Senior Secured Discharge Date, but prior to the Second Lien Debt Discharge Date, the Majority Second Lien Debt Creditors.

Incremental Obligations and Refinancings

Additional Senior Secured Obligations and Additional Second Lien Debt Obligations

The Intercreditor Agreement provides that to the extent permitted by, and subject to compliance with the requirements of, the Intercreditor Agreement and the other Debt Documents: (a) the Senior Secured Lenders may increase the Senior Secured Facilities and make further loans and/or advances under such Senior Secured Facilities to members of the Group and each such advance or increased amount will be deemed to be made under the terms of the 2014 Term Loan Facilities Agreement and rank as Senior Secured Facilities Obligations in the manner described in the section "—*Ranking and Priority*"; (b) a Debtor may incur Pari Passu Debt Obligations under a Pari Passu Debt document (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement) which will rank as Pari Passu Debt Obligations in the manner described in the section "—*Ranking and Priority*"; and (c) a Debtor may incur Second Lien Debt Obligations under a Second Lien Debt document (including the 2026 Senior Notes Indenture) which will rank as Second Lien Debt Obligations in the manner described in the section "—*Ranking and Priority*" (such Obligations under clauses (a), (b) and (c) above, the "Additional Secured Obligations").

Refinancing of Senior Secured Obligations and Second Lien Debt Obligations

The Intercreditor Agreement provides that the Senior Secured Obligations and Second Lien Debt Obligations, with the consent of the Parent, may be refinanced or replaced in whole or in part and in each case on terms and in a manner that does not breach the terms of the Intercreditor Agreement, the 2014 Term Loan Facilities Agreement, any Pari Passu Debt Document (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement) or any Second Lien Debt Document (including the 2026 Senior Notes Indenture) without the consent of any other Creditors and: (a) any Obligations incurred by any Debtor or other member of the Group pursuant to such refinancing or replacement of any Senior Secured Facilities Obligations (the "Senior Secured Lender Refinancing Obligations"), Pari Passu Debt Obligations (the "Pari Passu Debt Refinancing Obligations"), or Second Lien Debt Obligations (the "Second Lien Debt Refinancing Obligations" and, together with the Senior Secured Lender Refinancing Obligations and the Pari Passu Debt Refinancing Obligations, the "Secured Refinancing Obligations") will, to the extent so designated by the Parent: (i) in the case of Senior Secured Lender Refinancing Obligations, rank as Senior Secured Facilities Obligations in the manner described in the section "—*Ranking and Priority*"; (ii) in the case of Pari Passu Debt Refinancing Obligations, rank as Pari Passu Debt Obligations in the manner described in the section "—*Ranking and Priority*"; and (iii) in the case of Second Lien Debt Refinancing Obligations, rank as Second Lien Debt Obligations in the manner described in the section "—*Ranking and Priority*"; (b) subject to the Security Principles and to the section of the Intercreditor Agreement described under "—*Retaking of Liens*", the applicable Security Documents will secure the Secured Refinancing Obligations and in respect of such Security Documents and any new security granted by the Parent, any Parent Intermediate Holdco, any issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer) or any member of the Group to secure such Secured Refinancing Obligations, such Secured Refinancing Obligations will: (i) in the case of Senior Secured Lender Refinancing Obligations, rank as Senior Secured Facilities Obligations in the manner described in the section "—*Ranking and Priority*"; and (ii) in the case of Pari Passu Debt Refinancing Obligations, rank as Pari Passu Debt Obligations in the manner described in the section "—*Ranking and Priority*"; and (iii) in the case of Second Lien Debt Refinancing Obligations, rank as Second Lien Debt Obligations in the manner described in the section "—*Ranking and Priority*"; and (c) the Intercreditor Agreement will be construed to permit the assumption of any Secured Refinancing Obligations and to give effect to the ranking set out in clauses (a) and (b) above, provided that: (i) any trustee or representative of the creditors of such Secured Refinancing Obligations (a "Refinancing Representative") becomes a party to the Intercreditor Agreement in accordance therewith as the applicable Creditor Representative; and (ii) each creditor in relation to such Secured Refinancing Obligations (that is not a Refinancing Representative) becomes a party to

the Intercreditor Agreement in accordance therewith or is deemed to be a party to the Intercreditor Agreement pursuant to the terms of its relevant finance documents.

Retaking of Liens

The Intercreditor Agreement provides that if any Transaction Security over any asset under the applicable Security Document is required or requested by the Company to be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released to ensure that the Additional Secured Obligations or Secured Refinancing Obligations described herein can be secured with the ranking of such Obligations contemplated under the section of the Intercreditor Agreement described under "*—Retaking of Liens*" or "*—Refinancing of Senior Secured Obligations and Second Lien Debt Obligations*", as the case may be, then the Security Agent is authorized to effect such amendment, extension, renewal, restatement, supplement, modification, replacement or release the applicable Security Documents (as applicable); provided that (i) substantially concurrently with such release of Transaction Security (as determined in good faith by the Company, it being agreed that in making such determination the Company may take into account the occurrence of any related transactions and that the re-taking need not occur on the same day as the release), new Transaction Security shall be provided in favor of the providers of such Additional Secured Obligations or Secured Refinancing Obligations and the existing Senior Secured Creditors and Second Lien Debt Creditors on terms substantially the same as the terms of the applicable Security Documents so released and subject to the same ranking as set out in the Section of the Intercreditor Agreement described under "*—Ranking and Priority*"; and (ii) contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by the substantially concurrent retaking of liens in accordance with the preceding clause (i)) the Company delivers to the Security Agent either: (A) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent from an accounting, appraisal or investment banking firm of national standing confirming the solvency of the Parent and its Restricted Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement or release and retaking; (B) a certificate from the chief financial officer or the board of directors of the Company or the Parent (acting in good faith) which confirms the solvency of the Parent and its Restricted Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement or release and retaking; or (C) an opinion of counsel, in form and substance reasonably satisfactory to the Security Agent (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Transaction Security created under the applicable Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken is valid and perfected Transaction Security not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Transaction Security was not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

Second Lien Debt Required Holders

In connection with any issuance of Second Lien Debt, the Intercreditor Agreement provides that some or all of the references herein to the Majority Second Lien Debt Creditors (other than as relating to matters of enforcement) may be amended to refer to the Second Lien Debt Required Holders.

Effect of Insolvency Event

Payment of Distributions

The Intercreditor Agreement provides that after the occurrence of an insolvency event in relation to any Debtor, any member of the Group, or any issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer), any party entitled to receive a distribution out of the assets of such Debtor, member of the Group or issuer/borrower of Second Lien Debt in respect of Obligations owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of such Debtor or member of the Group or issuer/borrower of Second Lien Debt to pay that distribution to the Security Agent until the Obligations owing to the Secured Parties have been paid in full. The Security Agent shall apply distributions paid to it in accordance with the terms of the Intercreditor Agreement (see the section "*—Application of Proceeds*").

Set-Off

Under the Intercreditor Agreement, to the extent that the Obligations of any Debtor, member of the Group or issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer) are discharged by way of set-off (mandatory or otherwise) after the occurrence of an insolvency event in relation to such Debtor, member of the Group or issuer/borrower of Second Lien Debt, any creditor which benefited from that set-off shall to the extent legally

permissible, pay an amount equal to the amount of the Obligations owed to it which are discharged by that set-off to the Security Agent for application in accordance with the terms of the Intercreditor Agreement (see the section "—*Application of Proceeds*"). The set-off provisions in the Intercreditor Agreement shall not apply to certain netting by a Hedge Counterparty nor any set-off which gives effect to a payment permitted by the provisions of the Intercreditor Agreement in respect of enforcement by intra-Group lenders.

Non-cash Distributions

Under the Intercreditor Agreement, if the Security Agent or any other Primary Creditor receives a distribution in a form other than in cash in respect of any of the Obligations, the Obligations will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards the Obligations.

Filing of Claims

The Intercreditor Agreement provides that after the occurrence of an insolvency event in relation to any Debtor or member of the Group, each creditor of such person irrevocably authorizes the Security Agent (acting in accordance with the section of the Intercreditor Agreement described under "—*Security Agent Instructions*"), on its behalf, to: (a) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement and the relevant Debt Documents to which such creditor is a party) against such person; (b) demand, sue, prove and give receipt for any or all of such person's Obligations; (c) collect and receive all distributions on, or on account of, any or all of such person's Obligations; and (d) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover such person's Obligations.

Further Assurance—Insolvency Event

The Intercreditor Agreement provides that each creditor will (a) do all things that the Security Agent (acting in accordance with the section of the Intercreditor Agreement described under "—*Security Agent Instructions*") reasonably requests in order to give effect to the section of the Intercreditor Agreement described under this section "*Effect of Insolvency Event*" and (b) if the Security Agent is not entitled to take any of the actions contemplated thereby or if the Security Agent (acting in accordance with the section of the Intercreditor Agreement described under "—*Security Agent Instructions*") reasonably requests that a creditor take that action, undertake such action in accordance with the instructions of the Security Agent (acting in accordance with the section of the Intercreditor Agreement described under "—*Security Agent Instructions*") or grant a power of attorney to the Security Agent (on such terms as the Security Agent (acting in accordance with the section of the Intercreditor Agreement described under "—*Security Agent Instructions*") may reasonably require) to enable the Security Agent to take such action.

Security Agent Instructions

The Intercreditor Agreement provides that for the purposes of the sections of the Intercreditor Agreement described under "—*Payment of Distributions*", "—*Filing of Claims*", "—*Further Assurance—Insolvency Event*", the Security Agent shall act or shall refrain from acting (a) on the instructions of the relevant Instructing Group (or, in respect of the Shared Security, the instructions of the Majority Second Lien Debt Creditors to the extent permitted pursuant to the section of the Intercreditor Agreement described hereunder under "—*Enforcement of Transaction Security—Enforcement Instructions*") or (b) in the absence of any such instructions, as the Security Agent sees fit.

Turnover of Receipts

Turnover by the Creditors

The Intercreditor Agreement provides that, subject to certain exceptions, if at any time prior to the final discharge date of the Secured Obligations (the "Final Discharge Date"), any creditor receives or recovers (a) any payment or distribution of, or on account of or in relation to, any of the Obligations which is not either (i) a payment permitted under the Intercreditor Agreement or (ii) made in accordance with the application of proceeds waterfall (as described in the section "—*Application of Proceeds*"); (b) other than where set-off applies (as described in the section "—*Effect of Insolvency Event—Set-Off*"), any amount by way of set-off in respect of any of the Obligations owed to it which does not give effect to a payment permitted under the Intercreditor Agreement; (c) notwithstanding clauses (a) and (b) above, and other where set-off applies (as described in the section "—*Effect of Insolvency Event—Set-Off*"), any amount: (i) on account of, or in relation to, any of the Obligations: (A) during the continuation of a Distress Event; or (B) as a result of any other litigation or proceedings against a Debtor or member of the Group (other than during the continuation of an insolvency event in respect of such person); or (ii) by way of set-off in respect of any of the Obligations owed to it during the continuation of a Distress Event; (d) the proceeds of any enforcement of any Transaction Security or the proceeds of any Distressed Disposal, in each case, except in accordance with the application

of proceeds waterfall (as described in the section "*—Application of Proceeds*"); or (e) other than where the section of the Intercreditor Agreement described under "*—Effect of Insolvency Event—Payment of Distributions*" or "*—Effect of Insolvency Event—Set-Off"* applies, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the Obligations owed by any Debtor or any member of the Group which is not in accordance with the application of proceeds waterfall (as described in the section "*—Application of Proceeds*") and which is made as a result of, or after, the occurrence of an insolvency event in respect of such person, that creditor will (i) in relation to receipts and recoveries not received or recovered by way of set-off (A) hold an amount of that receipt or recovery equal to the Relevant Obligations (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (B) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Obligations to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery or receipt to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Deferral of Subrogation

Deferral of Subrogation

(a) Under the Intercreditor Agreement, subject to (c) below, if any Senior Secured Obligations are wholly or partly paid out of any proceeds received in respect of or on account of the Second Lien Debt Obligations owing to one or more Second Lien Debt Creditors, those Second Lien Debt Creditors will to that extent be subrogated to the Senior Secured Obligations so paid (and all securities and guarantees for those Senior Secured Obligations).

(b) Subject to clause (c) below, to the extent that any Second Lien Debt Creditor (each a "Subrogated Creditor") is entitled to exercise rights of subrogation, each other creditor (subject in each case to it being indemnified, secured and/or prefunded to its satisfaction against any resulting costs, expenses and liabilities) will give such assistance to enable such rights to be so exercised as such Subrogated Creditor may reasonably request.

(c) No creditor or Debtor will exercise any rights which it may have by reason of the performance by it of its obligations under the Debt Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any creditor which ranks ahead of it in accordance with the priorities as described in the section "*—Ranking and Priority*" until such time as all of the Obligations owing to each prior ranking creditor (or, in the case of any Debtor prior to the Final Discharge Date, owing to each creditor) have been irrevocably paid in full.

(d) Subject to certain exceptions, no Subordinated Creditor or shareholder of the Parent will exercise any rights which it may have to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any creditor until such time as all of the Obligations owing to each creditor (other than a Subordinated Creditor or shareholder of the Parent) have been irrevocably paid in full.

Enforcement of Transaction Security

Enforcement Instructions

(a) Under the Intercreditor Agreement, the Security Agent may refrain from enforcing the Transaction Security or taking any other Enforcement Action unless instructed otherwise by the relevant Instructing Group (or, in respect of the Shared Security, by the Majority Second Lien Debt Creditors pursuant to paragraph (c) below) at the relevant time that it is entitled to give instructions.

(b) After the Transaction Security has become enforceable in accordance with its terms, the Majority Senior Secured Creditors, or if required under paragraph (c) below, the Majority Second Lien Debt Creditors, may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit.

(c) Prior to the Senior Secured Discharge Date and subject to the Transaction Security becoming enforceable in accordance with its terms: (i) if the relevant Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the Transaction Security; or (ii) in the absence of instructions from an Instructing Group subject to any time period for the giving of instructions by an Instructing Group contained in the Intercreditor Agreement, and, in each case, the relevant Instructing

Group has not required any Debtor to make a Distressed Disposal, the Security Agent shall give effect to any instructions to enforce the Transaction Security from the Majority Second Lien Debt Creditors who are then entitled to give enforcement instructions to the Security Agent under the section of the Intercreditor Agreement described under "*—Permitted Second Lien Debt Enforcement*".

Manner of enforcement

If the Transaction Security is being enforced pursuant to enforcement instructions described above under "*—Enforcement Instructions*", the Intercreditor Agreement provides that the Security Agent shall enforce the Transaction Security in such manner as the relevant Instructing Group (or, in respect of the Shared Security, the instructions of the Majority Second Lien Debt Creditors to the extent permitted pursuant to the section of the Intercreditor Agreement described under "*—Enforcement Instructions*") instructs or, in the absence of any such instructions, as the Security Agent (or, in respect of the Shared Security, the instructions of the Majority Second Lien Debt Creditors to the extent permitted pursuant to the section of the Intercreditor Agreement described under "*—Enforcement Instructions*") sees fit. For the avoidance of doubt, in the absence of instructions from the relevant Instructing Group, the Security Agent will not be required to take any action.

Exercise of voting rights

(a) Subject to paragraph (c) below, the Intercreditor Agreement provides that, to the extent permitted by applicable law, if any insolvency event has occurred and is continuing, each creditor (other than any Representative) will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any proceedings relating to the Parent, any Parent Intermediate Holdco or any issuer/borrower of Second Lien Debt (including the Existing Senior Notes Issuer) (insofar as it relates to the enforcement, protection or preservation of the Shared Security) or any member of the Group subject to such insolvency event as instructed by the Security Agent (subject to certain exceptions in respect of U.S. insolvency proceedings).

(b) Subject to paragraph (c) below, the Intercreditor Agreement further provides that the Security Agent shall give instructions for the purposes of paragraph (a) above in accordance with any instructions given to it by the relevant Instructing Group (or, in respect of the Shared Security, the instructions of the Majority Second Lien Debt Creditors to the extent permitted pursuant to the section of the Intercreditor Agreement described under "*—Enforcement Instructions*").

(c) The Intercreditor Agreement further provides that nothing in the section of the Intercreditor Agreement described under this "*—Exercise of voting rights*" entitles any party to exercise or require any other Primary Creditor to exercise such power of voting or representation to waive, reduce, discharge, extend the due date for (or change the basis for accrual of any) payment of, or reschedule any of, the Obligations owed to that Primary Creditor.

Waiver of Rights

The Intercreditor Agreement provides that, to the extent permitted by applicable law and subject to the sections "*—Enforcement Instructions*", "*—Exercise of voting rights*", "*—Application of Proceeds*" and "*—Distressed Disposals*", each of the Secured Parties and the Debtors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

Enforcement through Security Agent Only

Under the Intercreditor Agreement, the Secured Parties have no independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the applicable Security Documents except through the Security Agent. Neither the Security Agent nor any Primary Creditors shall be responsible to any intra-Group lender, shareholder of the Parent, Subordinated Creditor or Debtor for any enforcement or failure to enforce or maximize the proceeds of any enforcement of the Security Documents, to an extent greater than as provided under any applicable governing law of the applicable Security Documents.

Alternative Enforcement Actions

The Intercreditor Agreement provides that after the Security Agent has commenced Enforcement, it shall not accept any subsequent instructions as to Enforcement (save for instructions as to Enforcement that the Second Lien Debt Creditors are entitled to give under the section of the Intercreditor Agreement described under "*—Permitted Second Lien Debt Enforcement*") from anyone other than the Instructing Group that instructed it to commence such enforcement of the Transaction Security, regarding any other enforcement of the Transaction Security over or relating to shares or assets directly or indirectly the subject of the enforcement of the Transaction Security which has been commenced (and, for the avoidance of doubt, during any enforcement of the Transaction Security only clause (a) of the definition of Instructing Group shall be applicable in relation to any instructions given to the Security Agent by the relevant Instructing Group under the Intercreditor Agreement).

Transaction Security

The Intercreditor Agreement provides that (a) the security interest granted pursuant to each of the Security Documents for the benefit of the Senior Secured Creditors and the Second Lien Debt Creditors is intended to be treated as two separate and distinct liens such that such security interest (i) for the benefit of the Senior Secured Creditors is intended to be a "first" priority senior security interest and (ii) for the benefit of the Second Lien Debt Creditors is intended to be a "second" priority security interest, fully junior, subordinated and subject to the security interest granted for the benefit of the Senior Secured Creditors on the terms and conditions set forth in the Intercreditor Agreement notwithstanding the fact that a single security interest may have been granted pursuant to such Security Document, (b) each grant of Transaction Security that is Shared Security or granted for the benefit of both the Senior Secured Creditors and the Second Lien Debt Creditors shall, to the extent possible under applicable law governing such Security Documents, include language to the effect set forth in clause (a), and (c) the Senior Secured Creditors shall be entitled to interest and fees that accrue on the Senior Secured Obligations after the commencement of any insolvency event determined as if the Second Lien Debt Obligations were secured by a separate second priority security interest.

Proceeds of Disposals

In this description of the Intercreditor Agreement:

"Distressed Disposal" means a disposal of capital stock of, or any asset of, a member of the Group which is being effected (a) at the request of the relevant Instructing Group (or, in respect of a disposal of any capital stock or asset subject to the Shared Security, the Majority Second Lien Debt Creditors to the extent permitted pursuant to the section of the Intercreditor Agreement described under "*—Enforcement of Transaction Security—Enforcement Instructions*") in circumstances where the Transaction Security has become enforceable, (b) by enforcement, or simultaneous with the enforcement, of the Transaction Security (including the disposal of any property of a member of the Group the capital stock of which has been subject to an appropriation which is expressly permitted by the terms of the relevant Transaction Security Document) or (c) after the occurrence of a Distress Event, by or on behalf of a Debtor to a person or persons which is, or are, not a member, or members, of the Group.

"Distress Event" means an Acceleration Event or the enforcement of any Transaction Security in accordance with the Transaction Security Documents.

"Secured Parties" means the Security Agent, any receiver or delegate and each of the Senior Secured Creditors from time to time and each of the Second Lien Debt Creditors from time to time, but, in the case of the Senior Secured Creditors or the Second Lien Debt Creditors, only if it (or, in the case of any Senior Secured Lender, Pari Passu Creditor or Second Lien Debt Creditor, its Representative) is a party to the Intercreditor Agreement or has become a party to the Intercreditor Agreement, in the appropriate capacity.

Non-Distressed Disposals

The Intercreditor Agreement provides that (a) if, in respect of a disposal, sale or transfer other than a Distressed Disposal of an asset by a Debtor or any other transaction: (i) the Company certifies for the benefit of the Security Agent that that disposal, sale or transfer or other transaction where an asset is permitted to be released from the Collateral is permitted by the Senior Secured Facilities documents, the Pari Passu Debt documents and the Second Lien Debt documents (in each case, to the extent such Debt Documents have not been terminated in accordance with the provisions of the Intercreditor Agreement and thereof) or (ii) each relevant Representative authorizes the release in accordance with the terms of the applicable Debt Documents; the Security Agent is irrevocably authorized and obliged (provided that it is satisfied that it has adequate coverage for all costs, fees and expenses in relation to such action) at the cost of the Company and without any consent, sanction, authority or further confirmation from any creditor, other Secured Party or Debtor, but subject to clause (b) below: (A) to release the Transaction Security or any other claim (relating to a Debt

Document) over the asset that is subject to the disposal, sale or transfer or other such transaction; (B) where that asset consists of shares in the capital of a Debtor, to release the Transaction Security or any other claim (relating to a Debt Document) over that Debtor's assets and, to the extent that they are at such time being disposed of, sold or transferred or otherwise subject to a release in accordance with this clause (a), the assets of any Subsidiary of that Debtor or against that Debtor and, to the extent that they are at such time being disposed of, sold or transferred or otherwise subject to a release in accordance with this clause (a), the subsidiaries of that Debtor and their respective assets; and (C) to execute and deliver or enter into any release of the Transaction Security or any claim described in clauses (A) and (B) above and issue any certificates of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent (acting reasonably), be considered necessary or desirable or as reasonably requested by the Company. For the avoidance of doubt, the Security Agent may, in its absolute discretion, rely on a certification from the Company that the disposal, sale or transfer or other transaction is as described in each of the sub-clauses of this clause (a); and in no event shall this clause (a) be construed to impose any condition to the release of Transaction Security that, by the terms of the applicable Debt Documents, is released upon the disposal, sale or transfer of the applicable asset or consummation of the applicable transaction (including upon the release of a Guarantor's guarantee of the Senior Secured Obligations and the Second Lien Debt Obligations) (a "Non-Distressed Disposal") and (b) in the event of a Non-Disposal, each release of Transaction Security or any claim described in clause (a) shall be contingent upon that Non-Distressed Disposal being effected and the fulfillment of any conditions to such release described in clause (a) above, as applicable, and in the event that such Non-Distressed Disposal is not effected or the conditions for such release are not fulfilled, as applicable, the Transaction Security or claim subject to that release shall continue in full force and effect as if that release had not been effected.

The Intercreditor Agreement provides that if the proceeds of a Non-Distressed Disposal are required to be applied in mandatory prepayment of any of the Senior Secured Obligations or to be offered to Secured Parties pursuant to the terms of the relevant the Senior Secured documents or the Second Lien Debt documents (other than, in each case, the Intercreditor Agreement), as applicable, then such proceeds shall be applied in or towards payment of such Senior Secured Obligations or shall be offered to the relevant Secured Parties in accordance with the terms of the relevant Senior Secured Documents or Second Lien Debt Documents (other than the Intercreditor Agreement) and the consent of any other party shall not be required for that application.

Distressed Disposals

Subject to certain exceptions in respect of intra-Group Obligations owing to certain German intra-Group Lenders by a Debtor that is a holding company of such intra-Group Lender or a subsidiary of such Debtor (but not a subsidiary of that intra-Group Lender itself) and the provisions of the Intercreditor Agreement described in the third paragraph under this "*—Distressed Disposals*") section, if a Distressed Disposal is being effected, the Intercreditor Agreement provides that the Security Agent is irrevocably authorized (at the cost of the relevant Debtor or the Company) and without any consent, sanction, authority or further confirmation from any creditor, other Secured Party or any Debtor:

(a) to release the Transaction Security or any other claim over the asset subject to the Distressed Disposal and execute and deliver or enter into any release of that Transaction Security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;

(b) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor, to release: (A) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing Obligations; its guarantee Obligations; and its other Obligations; (B) any Transaction Security granted by (I) that Debtor or any subsidiary of that Debtor over any of its assets and/or (II) the direct holding company over the shares in the capital of that Debtor; and (C) any other claim of a shareholder of the Parent, a subordinated creditor, an intra-Group lender or another Debtor or other grantor of Transaction Security over that Debtor's assets or over the assets of any Subsidiary of that Debtor, on behalf of the relevant creditors, Debtors and Representatives;

(c) if the asset subject to the Distressed Disposal consists of shares in the capital of any holding company of a Debtor, to release: (A) that holding company and any subsidiary of that holding company from all or any part of: its borrowing Obligations; its guarantee Obligations; and its other Obligations; (B) any Transaction Security granted by that holding company and any subsidiary of that holding company over any of its assets; and (C) any other claim of a subordinated creditor, an intra-Group lender or another Debtor over the assets of that holding company and any subsidiary of that holding company, on behalf of the relevant creditors, Debtors and Representatives;

(d) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the provisions of the Intercreditor Agreement described in the fourth paragraph under this "*—Distressed Disposals*" section) decides to dispose of all or any part of: (A) the Obligations (other than the Agent Obligations) or (B) the Debtor Obligations, owed by that Debtor or holding company or any subsidiary of that Debtor or holding company then: (I) if the Security Agent (acting in accordance with the provisions of the Intercreditor Agreement described in the fourth paragraph under this "*—Distressed Disposals*" section) does not intend that any transferee of those Obligations or Debtor Obligations (the "Transferee") will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of all or part of those Obligations or Debtor Obligations, *provided*, that notwithstanding any other provision of any Debt Document, the Transferee is not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement and (II) if the Security Agent (acting in accordance with the provisions of the Intercreditor Agreement described in the fourth paragraph under this "*—Distressed Disposals*" section) does intend that any Transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of: (1) all (and not part only) of the Obligations owed to the Primary Creditors; and (2) all or part of any other Obligations and the Debtor Obligations, on behalf of, in each case, the relevant creditors and Debtors; and/or

(e) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or the holding company of a Debtor (the "Disposed Entity") and the Security Agent (acting in accordance with the provisions of the Intercreditor Agreement described in the fourth paragraph under this "*—Distressed Disposals*" section) decides to transfer (to the extent permitted by applicable law) to another Debtor (the "Receiving Entity") all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of: the intra-Group Obligations, the Debtor Obligations, or the Subordinated Obligations; to execute and deliver or enter into any agreement to: (I) agree to the transfer of all or part of the obligations in respect of those intra-Group Obligations, Debtor Obligations or Subordinated Obligations on behalf of the relevant Intra-Group lenders, Debtors or, as the case may be, the subordinated creditor to which those obligations are owed and on behalf of the Debtors which owe those obligations; and (II) to accept the transfer of all or part of the obligations in respect of those intra-Group Obligations, Debtor Obligations or Subordinated Obligations on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-Group Obligations, Debtor Obligations or Subordinated Obligations, as the case may be, are to be transferred.

The Intercreditor Agreement requires that the net proceeds of each Distressed Disposal (and the net proceeds of any disposal of Obligations or Debtor Obligations pursuant to clause (d) above) shall be paid to the Security Agent for application in accordance with the payment waterfall, as described below in the section "*—Application of Proceeds*" as if those proceeds were the proceeds of an enforcement of the Transaction Security and, to the extent that any disposal of Obligations or Debtor Obligations has occurred pursuant to clause (d)(II) above), as if that disposal of Obligations or Debtor Obligations had not occurred.

In the case of a Distressed Disposal or a disposal of Obligations of Debtor Obligations pursuant to clause (d) above effected by or at the request of the Security Agent (acting in accordance with the second succeeding paragraph below), the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of Obligations or Debtor Obligations in order to achieve a higher price).

If before the Second Lien Debt Discharge Date, a Distressed Disposal is being effected such that any Second Lien Debt Obligations or any Transaction Security will be released on the basis described above, it is a further condition to any such release that either (1) the Majority Second Lien Debt Creditors have approved the release or (2) each of the following conditions is satisfied: (A) the proceeds of such sale or disposal are in cash (or substantially in cash); (B) all claims of the Primary Creditors against any member of the Group and any subsidiary of that member of the Group whose shares that are owned by a Debtor and are pledged in favor of the Primary Creditors are sold or disposed of pursuant to such Distressed Disposal, are unconditionally released and discharged concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all liens under the Security Documents in respect of the assets that are sold or disposed of are simultaneously and unconditionally released and discharged concurrently with such sale provided that in the event of a sale or disposal of any such claim (instead of a release or discharge): (I) the relevant Instructing Group determines, acting reasonably and in good faith, that the Security Agent will recover more than if such claim was released or discharged; and (II) the Representative(s) representing the relevant Instructing Group serve a notice on the Security Agent notifying the Security Agent of the same, in which case the Security Agent shall be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser); (C) such sale, disposal or transfer is

made: (I) pursuant to a Public Auction (as that term is defined in the Intercreditor Agreement); or (II) where a financial adviser confirms in an independent opinion that the sale, disposal or transfer price is fair from a financial point of view after taking into account all relevant circumstances giving rise to such sale, disposal or transfer; provided that there shall be no obligation to postpone any such sale, disposal or transfer in order to achieve a higher price; and (D) the proceeds are applied in accordance with the payment waterfall, as described below in the section "*—Application of Proceeds*".

The Intercreditor Agreement provides that for the purposes of immediately preceding two paragraphs, the Security Agent shall act: (i) on the instructions of the relevant Instructing Group (or, in respect of the Shared Security, the Majority Second Lien Debt Creditors to the extent permitted pursuant to the section of the Intercreditor Agreement described under "*—Enforcement of Transaction Security—Enforcement Instructions*"); or (ii) in the absence of any such instructions, as the Security Agent sees fit.

Release of Unrestricted Subsidiaries

The Intercreditor Agreement provides that where a member of the Group is designated as an Unrestricted Subsidiary in accordance with the terms of the Senior Secured Facilities documents, the Pari Passu Debt documents (including the Indenture, the 2026 Senior Secured Notes Indenture, the 2027 Senior Secured Notes Indenture and the 2020 Term Loan Facilities Agreement) and the Second Lien Debt documents (including the 2026 Senior Notes Indenture), the Security Agent is irrevocably authorized and obliged at the cost of the Company and without any consent, sanction, authority or further confirmation from any creditor, other Secured Party or any Debtor: (i) to release the Transaction Security or any other claim (relating to a Debt Document) over that member of the Group's assets and its shares; and (ii) to execute and deliver or enter into any release of the Transaction Security or any claim described in paragraph (i) above and issue any certificates of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or as requested by the Company.

Application of Proceeds

The Intercreditor Agreement provides that, subject to certain exceptions, amounts received or recovered by the Security Agent pursuant to the Intercreditor Agreement and any other Debt Document, including all amounts recovered by the Security Agent (acting on the instructions of the relevant Instructing Group (or, in respect of the Shared Security, the Majority Second Lien Debt Creditors to the extent permitted pursuant to the section of the Intercreditor Agreement described under "*—Enforcement of Transaction Security—Enforcement Instructions*")) in connection with the realization or enforcement of all or any part of the Transaction Security or a transaction in lieu of enforcement of Transaction Security, the proceeds of any Distressed Disposal and all amounts received by the Security Agent from another creditor pursuant to the provisions of the Intercreditor Agreement described under "*—Effect of Insolvency Event*" and "*—Turnover of Receipts*" and the provisions of the Intercreditor Agreement relating to parallel debt (the "Recoveries") shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority:

(a) first, in payment or distribution to: (i) the Security Agent, any receiver or any delegate for application towards the discharge of any sums owing to any of them from any party (except in respect of parallel debt); (ii) the Administrative Agent on its own behalf and on behalf of the other Agent parties for application towards the discharge of the Agent Obligations; (iii) each Pari Passu Debt Representative (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement) on its own behalf for application towards the discharge of the Pari Passu Debt Representative Amounts; and (iv) each Second Lien Debt Representative (including the Existing Senior Notes Trustee) on its own behalf for application towards the discharge of the Second Lien Debt Representative Amounts on a pro rata basis and ranking *pari passu* between them;

(b) second, in payment or distribution to the Secured Parties of all costs and expenses incurred by any of them in connection with any realization or enforcement of the Transaction Security, in each case undertaken in accordance with the terms of the Intercreditor Agreement;

(c) third, in payment or distribution to: (i) other than in the case of the Parent Pari Passu Recoveries, (A) the Administrative Agent on its own behalf and on behalf of the Senior Secured Lenders for which it is the Representative; (B) the Hedge Counterparties and the Cash Management Providers; and (C) each Pari Passu Debt Representative (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement) on behalf of the Pari Passu Creditors (including the holders of the Notes, the holders of the 2026 Senior Secured Notes, the holders of the 2027 Senior Secured Notes and the lenders under the 2020 Term Loan Facilities Agreement) it represents, for application towards the

relevant Senior Secured Obligations (to the extent not included in clause (a) or (b) above) on a *pro rata* basis and ranking *pari passu* between such Senior Secured Obligations and (ii) in the case of any Parent Pari Passu Recoveries, (A) the Administrative Agent on its own behalf and on behalf of the Senior Secured Lenders for which it is the Representative; (B) the Hedge Counterparties and the Cash Management Providers; (C) each Pari Passu Debt Representative (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement) on behalf of the Pari Passu Creditors (including the holders of the Notes, the holders of the 2026 Senior Secured Notes, the holders of the 2027 Senior Secured Notes and the lenders under the 2020 Term Loan Facilities Agreement) it represents, for application towards the relevant Senior Secured Obligations (to the extent not included in clause (a) or (b) above) and (D) each Second Lien Debt Representative (including the Existing Senior Notes Trustee) on behalf of the Second Lien Debt Creditors it represents (excluding, for the avoidance of doubt, any Second Lien Debt Creditors (including any holder of the Existing Senior Notes) in respect of any Second Lien Debt Proceeds Loan) for application towards the Second Lien Obligations (to the extent not included in clause (a) or (b) above), on a pro rata basis and ranking *pari passu* between such Secured Obligations;

(d) fourth, in payment or distribution to: each Second Lien Debt Representative (including the Existing Senior Notes Trustee) on its own behalf and on behalf of the Second Lien Debt Creditors (including the holders of the Existing Senior Notes) for which it is the Representative, for application towards the Second Lien Debt Obligations (to the extent not included in clause (a), (b) or (c)(ii) above) on a pro rata basis and *pari passu* basis between such Second Lien Debt Obligations; and

(e) fifth, the balance, if any, in payment or distribution to the relevant Debtor or other person entitled to it.

Loss Sharing

If, for any reason, any Senior Secured Obligations remain unpaid after the first date (if any) on which a Senior Secured Creditor takes enforcement action of the type described in clauses (a)(i), (a)(iii), (a)(iv) or (c) of the definition of Enforcement Action in accordance with the terms of the Intercreditor Agreement (the "Enforcement Date") and after the application of Recoveries and the resulting losses are not borne by the Senior Secured Creditors in the proportions which their respective exposures in respect of Senior Secured Obligations at the Enforcement Date bore to the aggregate Senior Secured Creditor Obligations owed to all Senior Secured Creditors with respect to the Senior Secured Obligations at the Enforcement Date, the Intercreditor Agreement provides that the Senior Secured Creditors will make such payments amongst themselves as the Security Agent shall require to put the Senior Secured Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

Amendments

"Majority Second Lien Debt Creditors" means, at any time, those Second Lien Debt Creditors whose Second Lien Debt Obligations (excluding Obligations owed by the Company under any Second Lien Debt Proceeds Loan) at that time aggregate more than 50% of the total Second Lien Debt Obligations (excluding Obligations owed by the Company under any Second Lien Debt Proceeds Loan) outstanding at that time.

"Majority Senior Secured Creditors" means, at any time, those Senior Secured Creditors whose Senior Secured Creditor Obligations at that time aggregate more than 50% of the total Senior Secured Creditor Obligations outstanding at that time; provided that, for purposes of this definition, Cash Management Providers shall not be considered Senior Secured Creditors and Cash Management Obligations shall not be included in the total amount of the then outstanding Senior Secured Creditor Obligations unless, in each case, no Senior Secured Creditor Obligations other than Cash Management Obligations are then outstanding.

"Senior Secured Creditors" means each Senior Secured Lender, the Pari Passu Creditors (including each Pari Passu Debt Representative), each Hedge Counterparty (to the extent that it is owed Obligations in respect of Hedging Agreements), each Cash Management Provider (to the extent it is owed Obligations under Cash Management Agreements), certain agents under the 2014 Term Loan Facilities Agreement, the Administrative Agent, the Security Agent and each Second Lien Debt Representative (to the extent of the Second Lien Debt Representative Amounts).

"Representative" means the Administrative Agent, each other Agent Party, each Pari Passu Debt Representative (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement) and each Second Lien Debt Representative (including the Existing Senior Notes Trustee).

"Second Lien Debt Required Holders" means, in respect of any direction, approval, consent or waiver, the Second Lien Debt Representative acting on behalf of the holders of the aggregate principal amount of relevant Second Lien Debt which is not less than the principal amount of such Second Lien Debt required under the terms of the relevant Second Lien Debt document to vote in favor of such direction, approval, consent or waiver or, if the required amount is not specified, the holders holding at least a majority of the principal amount of the then outstanding Second Lien Debt, in accordance with the relevant Second Lien Debt document. In determining whether the relevant Second Lien Debt Creditors holding a principal amount of relevant Second Lien Debt which is not less than the amount of Second Lien Debt required have concurred in any direction, approval, waiver or consent, Second Lien Debt owned by any Debtor, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with any Debtor, will be considered as though not outstanding in accordance with the relevant Second Lien Debt document.

The Intercreditor Agreement provides that it may be amended subject to certain exceptions as set out therein with only the consent the Company, the Majority Senior Secured Creditors (including by acting through their applicable Representatives), the Majority Second Lien Debt Creditors (including by acting through their applicable Second Lien Debt Representatives) and the Security Agent unless it is an amendment, waiver or consent that has the effect of changing or which relates to: (a) any amendment to the redistribution provisions, to the application of proceeds provisions or the consents, amendments and override provisions; or (b) the order of priority or subordination under the Intercreditor Agreement, which shall not be made without the consent of: (i) the Representatives; (ii) the Senior Secured Lenders (including by acting through the Administrative Agent); (iii) the Pari Passu Creditors (including holders of the Notes, holders of the 2026 Senior Secured Notes, holders of the 2027 Senior Secured Notes and lenders under the 2020 Term Loan Facilities Agreement) (including by acting through their Pari Passu Debt Representative(s) (including the Trustee, the 2026 Senior Secured Notes Trustee, the 2027 Senior Secured Notes Trustee and the administrative agent under the 2020 Term Loan Facilities Agreement)); (iv) the Second Lien Debt Creditors (including the holders of the Existing Senior Notes) (including by acting through their Second Lien Debt Representative(s) (including the Existing Senior Notes Trustee); (v) the Hedge Counterparties (to the extent that the amendment or waiver would adversely affect such Hedge Counterparties); (vi) the Cash Management Providers (to the extent that the amendment or waiver would adversely affect such Cash Management Providers); (vii) the Security Agent; and (viii) the Company.

The Intercreditor Agreement further provides that an amendment or waiver that relates to the provisions of the Intercreditor Agreement described under "*—Enforcement of Transaction Security*" may be made by the Majority Senior Secured Creditors and the Majority Second Lien Debt Creditors, as applicable, acting through the relevant Representative and a waiver relating to such provisions may be made by the relevant Instructing Group.

Subject to certain exceptions, with respect to Transaction Security Documents, the Intercreditor Agreement provides that (unless expressly provided for otherwise in the relevant Debt Document) the Security Agent may, if authorized by each Representative of the Senior Secured Creditors (acting in accordance with the relevant Debt Documents) and, in the case of Shared Security only, each Representative of the Second Lien Debt Creditors (acting in accordance with the relevant Debt Documents and, for the avoidance of doubt, not including any Second Lien Debt Creditors in respect of any Second Lien Debt Proceeds Loan), and if the Company consents, amend the terms of, waive any of the requirements of or grant consents under, any of the Security Documents which shall be binding all parties.

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the Debt Documents to the contrary. Notwithstanding anything to the contrary in the Intercreditor Agreement, the preceding sentence as between any creditor and any Debtor or any member of the Group will not cure, postpone, waive or negate in any manner any default or event of default (however described) under any Debt Document as provided in the relevant Debt Document.

Option to Purchase

Subject to certain conditions, Second Lien Debt Creditors holding at least the majority of the principal amount of the then-outstanding Second Lien Debt Obligations (the "Purchasing Creditors") may after a Distress Event, after having given all other Second Lien Debt Creditors the opportunity to participate in such purchase, by giving not less than 30 days' notice to the Security Agent, require the transfer to them (or to a nominee or nominees), in accordance with the Intercreditor Agreement, of all, but not part, of the rights, benefits and obligations in respect of the Senior Secured Facilities Obligations, the Agent Obligations, the Cash Management Obligations and the Pari Passu Debt Obligations (a "Senior Secured Obligations Transfer"). The Intercreditor Agreement provides that the Purchasing Creditors may only require a Senior Secured Obligations Transfer, if at the same time, they require a transfer, subject to certain conditions, of each Hedge Agreement and all rights in respect of the Hedging Obligations owed by the Debtors to each Hedge Counterparty and all the Hedge Counterparty Obligations owed by each Hedge Counterparty in accordance with the terms of the Intercreditor Agreement (a "Hedge Transfer"). The Purchasing Creditors and any Hedge Counterparty may agree (in respect of the Hedge Agreements (or one or more of them) to which that Hedge Counterparty is a party) that a Hedge Transfer otherwise required by the Purchasing Creditors pursuant to the Intercreditor Agreement shall not apply to

that Hedge Agreement(s) or to the Hedging Obligations and Hedge Counterparty Obligations under that Hedge Agreement(s).

Governing Law

Except with respect to certain provisions relating to Belgian and German Transaction Security, the Intercreditor Agreement and any dispute, claim or controversy arising out of or relating to the Intercreditor Agreement shall be governed by and construed in accordance with the law of the State of New York.

DESCRIPTION OF THE NOTES

The $400.0 million aggregate principal amount of 9⅝% Senior Secured Notes due 2029 (the "**Dollar Senior Secured Notes**") and the €525.0 million aggregate principal amount of 8½% Senior Secured Notes due 2029 (the "**Euro Senior Secured Notes**") were issued under an indenture (the "**Senior Secured Notes Indenture**") dated as of November 14, 2023 (the "**Issue Date**"), among, *inter alios*, INEOS Quattro Finance 2 Plc, as issuer (the "**Issuer**"), INEOS Quattro Financing Limited (the "**Company**"), the other guarantors party thereto (together with the Company, the "**Initial Guarantors**"), HSBC Corporate Trustee Company (UK) Limited, as trustee (in such capacity, the "**Trustee**") and HSBC Corporate Trustee Company (UK) Limited, as security agent (the "**Security Agent**"). Unless the context otherwise requires, in this "Description of the Senior Secured Notes," references to the "**Senior Secured Notes**" include the Dollar Senior Secured Notes and the Euro Senior Secured Notes, in each case, issued on the Issue Date and any Additional Senior Secured Notes that are issued under the Senior Secured Notes Indenture.

The following is a summary of material provisions of the Senior Secured Notes Indenture, the Senior Secured Notes and the Guarantees and refers to the Security Documents and the Intercreditor Agreement. It does not restate those agreements in their entirety. Where reference is made to particular provisions of those agreements, such provisions, including the definitions of certain terms, are qualified in their entirety by reference to all of the provisions of such agreements.

The Senior Secured Notes Indenture, the Senior Secured Notes, the guarantees provided by the Guarantors (the "**Guarantees**") and the Security Documents will be subject to the terms of the Intercreditor Agreement and any additional intercreditor agreements entered into in the future. The terms of the Intercreditor Agreement are important to understanding the terms and ranking of the Senior Secured Notes and the Guarantees. Please see "*Description of Other Indebtedness—Intercreditor Agreement*" for a summary of certain material terms of the Intercreditor Agreement.

The registered holder of a Senior Secured Note will be treated as its owner for all purposes. Only registered holders will have rights under the Senior Secured Notes Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Senior Secured Notes have not been registered under the Securities Act and are subject to certain transfer restrictions. The Senior Secured Notes Indenture is not required to be nor will it be qualified under the Trust Indenture Act and will not incorporate by reference any provisions of the Trust Indenture Act.

Where this "Description of the Senior Secured Notes" or the Senior Secured Notes Indenture refers to (i) the delivery of an Officer's Certificate, or equivalent, of the Parent, the Issuer, the Company, any other Guarantor or a Surviving Entity, the Parent, the Issuer, the Company, such Guarantor or such Surviving Entity, as the case may be, may, at its election, satisfy such delivery requirement by the delivery of a certificate, or equivalent, of an officer of any of the Parent, the Issuer, INEOS Styrolution Group GmbH or the Company and (ii) except under "*—Certain Covenants—Limitation on Transactions with Affiliates*", the determination, resolution, designation, instruction, request or direction of any of (A) the Parent or an officer, the senior management or the Board of Directors thereof, (B) the Issuer or an officer, the senior management or the Board of Directors thereof, or (C) the Company or an officer, the senior management or the Board of Directors thereof, such determination, resolution, designation, instruction, request or direction may be made by, in each case, any of the Parent, or an officer or the senior management thereof if duly authorized to do so by the Board of Directors thereof, or the Board of Directors thereof, the Issuer, or an officer or the senior management thereof if duly authorized to do so by the Board of Directors thereof, or the Board of Directors thereof, INEOS Styrolution Group GmbH, or an officer or the senior management thereof if duly authorized to do so by the Board of Directors thereof, or the Board of Directors thereof, or the Company, or an officer or the senior management thereof if duly authorized to do so by the Board of Directors thereof, or the Board of Directors thereof (in each case, as applicable), at the Parent's election.

For definitions of certain capitalized terms used in the following summary, please see "*—Certain Definitions*."

Brief Description of the Senior Secured Notes, the Guarantees and the Security

The Senior Secured Notes

The Senior Secured Notes will:

- be senior obligations of the Issuer secured on a first-priority basis (but after certain obligations owed to the agents and other creditor representatives) by the Collateral (together with the Existing

Senior Secured Notes, the Existing Term Loan B Facilities, the New Term Loan B Facilities and certain Hedging Obligations and Cash Management Arrangements);

- rank *pari passu* in right of payment with all existing and future Indebtedness of the Issuer that is not subordinated to the Senior Secured Notes, including, without limitation, the 2026 Senior Secured Notes and the Issuer's guarantees of the 2027 Senior Secured Notes, the Existing Term Loan B Facilities, the New Term Loan B Facilities and certain Hedging Obligations and Cash Management Arrangements;

- be guaranteed on a senior secured basis by the Guarantors;

- rank effectively senior to all existing and future Indebtedness of the Issuer that is unsecured or that is secured by Liens junior to the Liens securing the Senior Secured Notes to the extent of the value of the Collateral, including, without limitation, the Issuer's guarantee of the 2026 Senior Notes;

- be effectively subordinated to all existing and future Indebtedness of the Issuer that is secured by property or assets that do not secure the Senior Secured Notes to the extent of the value of the assets securing such Indebtedness;

- rank senior in right of payment to all existing and future obligations of the Issuer expressly subordinated in right of payment to the Senior Secured Notes, including the Issuer's guarantee of the 2026 Senior Notes; and

- be structurally subordinated to all liabilities (including trade payables) and preferred stock of each subsidiary of the Issuer that is not a Guarantor, including the INEOS Styrolution Securitization Programs and the INOVYN Securitization Program, drawings under certain working capital facilities and lease liabilities of the non-Guarantor Subsidiaries.

References to first-priority or first ranking security interests include security interests that were created subsequent in time and thus subsequent in *in rem* ranking, but are contractually *pari passu* with prior ranking security and entitled to equal treatment with other prior security secured creditors pursuant to the Intercreditor Agreement.

As of June 30, 2023, as adjusted to give *pro forma* effect to the Transactions (as defined in this offering memorandum under the caption "*The Transactions*"), we would have had total financial indebtedness of €7,453.6 million (after deducting the amount of unamortized debt issue costs).

Certain Liens securing the Senior Secured Notes created under German law will, as a matter of local law, be granted as junior ranking Liens in relation to the Liens securing the Existing Senior Secured Notes and the Existing Term Loan B Facilities. Nevertheless, the Intercreditor Agreement provides that as a contractual matter as among Senior Secured Creditors (as defined in the Intercreditor Agreement), the Senior Secured Notes will be secured on a *pari passu* basis with the New Term Loan B Facilities, the Existing Senior Secured Notes, the Existing Term Loan B Facilities, certain Hedging Obligations and certain Cash Management Obligations and will be treated as such for purposes of the application of proceeds from the enforcement of such Collateral.

The existing first-ranking Liens securing the Existing Senior Secured Notes and the Existing Term Loan B Facilities that were created under New York, English, Texas, Belgian, Canadian, Korean, Mexican and Singapore law will remain in place and will extend to secure the Senior Secured Notes. In some jurisdictions, the Security Documents creating the existing first-ranking Liens securing the Existing Senior Secured Notes and the Existing Term Loan B Facilities will be amended or confirmed (as applicable) to extend such Liens to the Senior Secured Notes (or, with respect to certain German security interests, junior ranking security interests will be granted). The existing first-ranking Liens securing the Existing Senior Secured Notes and the Existing Senior Secured Term Loan B Facilities that were created under Belgian law, English law, Singapore law, Swiss law and Mexican law will remain in place, and new Liens over the same Collateral will be created or the security interests over the same Collateral will be confirmed and extended in these jurisdictions to secure the Senior Secured Notes; *provided* that in Mexico the amendment to the existing Liens securing the Senior Secured Notes must be also registered in the share registry book of INEOS Styrolution Mexicana, S.A. de C.V. and before the Sole Registry of Movable Assets (*Registro Único de Garantías Mobiliarias*), respectively, to make the extended Liens effective against third parties. In these jurisdictions where new Liens are created or existing first-ranking liens securing the Existing Senior Secured Notes and the Existing Term Loan B Facilities will be confirmed and extended to secure the Senior Secured Notes without the consent of all secured parties under the Existing Senior Secured Notes Indentures and the Existing Facilities Agreements, the ranking of these new Liens relative to the existing Liens will, as a matter of general law, depend on a

number of factors, such as the nature of the Liens, the order of creation of the Liens, compliance with the jurisdiction's perfection requirements with respect to the Liens and the order of giving notices with respect to the Liens, and accordingly without the Intercreditor Agreement, the new Liens would be likely to rank after the existing Liens. In certain jurisdictions where existing first-ranking liens are confirmed and extended to specifically also secure the Senior Secured Notes, new hardening periods could be created in respect of the Senior Secured Notes. The applicable hardening period for such newly extended security interests will run from the moment each newly extended security interest has been confirmed, granted or perfected. In the event the security interest as confirmed to specifically secure the Senior Secured Notes were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be ineffective or it may not be possible to enforce it. However, the Intercreditor Agreement provides that, as a contractual matter, the Liens securing the Senior Secured Notes and the Existing Senior Secured Notes, the Existing Term Loan B Facilities and the New Term Loan B Facilities will rank *pari passu* and will be treated as having equal priority with respect to the application of proceeds from the enforcement of any Collateral.

Under the terms of the Intercreditor Agreement, the proceeds of any enforcement of the Collateral will be applied, subject to the rights of creditors mandatorily preferred by law applying to companies generally, *pro rata* to repayment of the Senior Secured Notes, the Existing Senior Secured Notes, the Existing Term Loan B Facilities, the New Term Loan B Facilities, the Hedging Obligations to the extent the relevant counterparties accede to the Intercreditor Agreement (the "**Hedging Liabilities**") and the Cash Management Arrangements to the extent the relevant counterparties accede to the Intercreditor Agreement (the "**Cash Management Liabilities**"). The Intercreditor Agreement limits the ability of the Trustee or the holders of the Senior Secured Notes to instruct the Security Agent to take enforcement action. Please see "*—Enforcement of Security*," and "*Description of Other Indebtedness—Intercreditor Agreement*."

The Guarantees

The Senior Secured Notes will be guaranteed by the Guarantors. Each Guarantee will:

- be joint and several and will be the general senior obligation of the applicable Guarantor;
- be *pari passu* in right of payment with all existing and future Indebtedness of the applicable Guarantor that is not subordinated to such Guarantee (including borrowings and guarantees under the Existing Senior Secured Notes, the Existing Term Loan B Facilities, the New Term Loan B Facilities, certain Hedging Obligations and Cash Management Arrangements and, with respect to the guarantees of INEOS Quattro Finance 1 Plc and the Parent, the 2026 Senior Notes and the Parent's guarantee of the 2026 Senior Notes, respectively);
- rank senior in right of payment to all existing and future subordinated Indebtedness of the applicable Guarantor, including the guarantees of the 2026 Senior Notes (other than the guarantee of the 2026 Senior Notes by the Parent);
- rank effectively senior to all existing and future Indebtedness of the applicable Guarantor that is unsecured or secured by Liens junior to the Liens securing the Senior Secured Notes to the extent of the value of the Collateral, including the 2026 Senior Notes and the guarantees thereof;
- be secured by first priority liens (together with the Existing Senior Secured Notes, the Existing Term Loan B Facilities, the New Term Loan B Facilities, certain Hedging Obligations and Cash Management Arrangements) over the Collateral;
- be structurally subordinated to all liabilities (including trade payables) and preferred stock of each subsidiary of the applicable Guarantor that is not a Guarantor.

The Guarantees will be effectively subordinated to any existing and future Indebtedness and other obligations of such Guarantor that are secured by property and assets that do not secure such Guarantee, to the extent of the value of the property and assets securing such Indebtedness and other obligations. In the event of a bankruptcy or insolvency, each such secured lenders will have a prior secured claim to any collateral of such Guarantor securing the debt owed to them.

Not all of the Company's Restricted Subsidiaries will guarantee the Senior Secured Notes. As of the Issue Date, the Senior Secured Notes will be jointly and severally guaranteed on a senior secured basis by the Initial Guarantors. See "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Post- Closing Guarantees*

and Collateral—The Subsequent Guarantors will not initially guarantee the Notes and the Subsequent Collateral will not initially secure the Notes."

Each of the Parent, the Company, the Issuer and the other Initial Guarantors shall take such necessary actions, and the Company shall cause its Restricted Subsidiaries to take such necessary actions, so that on the date that is no later than 90 days following the Issue Date, the Subsequent Guarantors shall become Guarantors by executing and delivering to the Trustee a supplemental indenture substantially in the form attached as an exhibit to the Senior Secured Notes Indenture. The Guarantors (upon the Subsequent Guarantors becoming Guarantors under the Senior Secured Notes Indenture) are expected to represent 93.3% of our Adjusted EBITDA and 95.0% of our total assets for and as of the six months ended June 30, 2023 (in each case, prior to giving effect to pro forma adjustments and calculated in a manner consistent with the covenants in the 2020 Facilities Agreement, i.e., excluding the receivables sold to the securitization special purpose vehicles under the INEOS Styrolution Securitization Programs and the INOVYN Securitization Program, and excluding the consolidated Adjusted EBITDA and assets of our subsidiaries in Excluded Jurisdictions) as of June 30, 2023. Our subsidiaries in the Excluded Jurisdictions represented 2.6% of our Adjusted EBITDA and 13.3% of our total assets for and as of the six months ended June 30, 2023 (in each case, excluding the Adjusted EBITDA and assets of the securitization special purpose vehicles under the INEOS Styrolution Securitization Programs and the INOVYN Securitization Program).

The Guarantee granted by, and the Liens over the shares of, the Mexican Subsidiary will not be effective before third parties until filed and recorded in the relevant registries. The Guarantee from INEOS Styrolution Korea Ltd. (the "**Korean Subsidiary**") will be subject to the filing of a report by our Korean Subsidiary with the Bank of Korea. The Bank of Korea may request that our Korean Subsidiary submit such documents as may be necessary or desirable to determine whether to accept the report. This additional information can include financial statements of the issuer of the principal debt obligation, as well as documentation demonstrating the commercial benefit of the transaction for our Korean Subsidiary. The Bank of Korea may require that the amount of the Guarantee be limited to the value of the corporate benefit received by our Korean Subsidiary. After submission of a report to the Bank of Korea, under normal circumstances it may take up to five business days for the Bank of Korea to grant its acceptance thereof. If the Bank of Korea does not accept the report, our Korean Subsidiary will not provide a Guarantee of the Senior Secured Notes, even though it provides a guarantee under the Existing Indentures and the Existing Facilities Agreements. Our Korean Subsidiary accounted for €16.0 million of our Adjusted EBITDA in the six months ended June 30, 2023 and €479.3 million of our consolidated total assets as of June 30, 2023.

Subject to any restrictions or limitations imposed by local law, the following entities will provide Guarantees as of the Issue Date: INEOS Styrolution America LLC, INEOS Styrolution US Holding LLC, INEOS Quattro Holdings UK Limited, INEOS Acetyls UK Limited, INEOS Aromatics Holdings Limited, INEOS Aromatics Limited, INEOS Acetyls (Korea) Limited, INEOS World-Wide Technical Services Limited, INEOS Acetyls Americas Limited, INEOS Acetyls International Limited, INEOS Acetyls Investments Limited, INEOS INOVYN Limited, INOVYN ChlorVinyls Holdings Limited, INOVYN ChlorVinyls Limited, INOVYN Enterprises Limited, INOVYN Europe Limited, INOVYN Finance Limited, INOVYN Group Treasury Limited, INOVYN Newco 2 Limited, Kerling Newco 1 Limited, Kerling Newco 2 Limited, INEOS US Petrochem LLC, INEOS Aromatics Belgium Holdings LLC, INEOS US Chemicals Company, INEOS Aromatics Holding Company, INEOS Aromatics Indonesia Holdings Limited, INEOS Quattro Finance 1 Plc, the Company and the Parent.

Subject to any restrictions or limitations imposed by local law (including, in the case of the Guarantee by our Korean Subsidiary, the acceptance of our report by the Bank of Korea), the following entities will provide Guarantees within 90 days after the Issue Date: the Mexican Subsidiary, INEOS Chlor Atlantik GmbH, INEOS Styrolution APAC Pte. Ltd., INEOS Styrolution Belgium NV, INEOS Styrolution Canada Ltd., INEOS Styrolution Europe GmbH, INEOS Styrolution Finance GmbH, INEOS Styrolution Group GmbH, INEOS Styrolution Investment GmbH, INEOS Styrolution Köln GmbH, INEOS Styrolution Ludwigshafen GmbH, INEOS Styrolution Switzerland SA, INOVYN Belgium SA, INOVYN Deutschland GmbH, INOVYN France SAS, INOVYN Manufacturing Belgium SA, INOVYN Norge AS, INOVYN Olefines France SAS, INOVYN Sverige AB, INOVYN Trade Services SA, INEOS Aromatics Belgium NV, INEOS Aromatics Asia Limited and the Korean Subsidiary.

As of June 30, 2023, our non-Guarantor subsidiaries had €nil million in total financial indebtedness (excluding the INOVYN Securitization Program and the INEOS Styrolution Securitization Programs), which ranked structurally senior to the Senior Secured Notes and the Guarantees. Any additional debt that our non-Guarantor subsidiaries incur in accordance with the Senior Secured Notes Indenture will rank structurally senior to the Senior Secured Notes and the Guarantees.

The obligations of the Guarantors under their Guarantees will be limited as necessary to recognize certain limitations imposed due to local law and defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. Please see "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Your rights as a creditor may not be the same under relevant insolvency laws in Germany and other jurisdictions as under U.S. or other insolvency laws. Corporate benefit, capital maintenance and other limitations on the Guarantees and the security interests may adversely affect the validity and enforceability of the Guarantees of the Notes and the security interests and will limit the amount that can be recovered under the Guarantees and the security interests granted by the Issuer and its subsidiaries*", "*Risk Factors—Corporate benefit, capital maintenance laws and other limitations on the Guarantees and the security interests may adversely affect the validity and enforceability of the Guarantees and the security interests over the Collateral*" and "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations*."

The obligations of any Guarantor under its Guarantee will be automatically and unconditionally released and discharged in certain circumstances. Please see "*Description of Other Indebtedness— Intercreditor Agreement*" and "*—Release of the Guarantees*."

Release of the Guarantees

The Guarantee provided by any Guarantor will be automatically and unconditionally released and terminated, without any action by or the necessity of the consent of the Trustee, the Security Agent or holder of the Senior Secured Notes as follows (and each holder of the Senior Secured Notes will be deemed to have irrevocably authorized the Trustee and the Security Agent to execute and deliver (and, at the request and cost of the Company, each of the Trustee and the Security Agent will execute and deliver) any document to the extent necessary or reasonably requested by the Company to evidence such release and termination):

(a) with respect to any Subsidiary Guarantor, in connection with any sale, assignment, transfer (including any transfer to a Permitted Joint Venture) or other disposition (including by way of a merger, consolidation or amalgamation) of all or substantially all of the assets of such Subsidiary Guarantor (determined after giving effect to any substantially concurrent sales, assignments, transfers or other dispositions to the Company, a Guarantor or a Restricted Subsidiary) to a Person that is not (after giving effect to such transaction or any related transactions) the Company, a Guarantor or a Restricted Subsidiary, if such sale, assignment, transfer or other disposition does not violate the requirements of "*—Certain Covenants—Limitation on Sale of Assets*";

(b) with respect to any Subsidiary Guarantor, in connection with any sale, assignment, transfer (including any transfer to a Permitted Joint Venture) or other disposition of the Capital Stock of such Subsidiary Guarantor (or of the Capital Stock of any direct or indirect parent company of such Subsidiary Guarantor (other than the Parent, any Parent Intermediate Holdco, the Company or the Issuer)) that results in such Subsidiary Guarantor ceasing to be a Restricted Subsidiary, if such sale, assignment, transfer or other disposition does not violate the requirements of "*—Certain Covenants—Limitation on Sale of Assets*";

(c) with respect to any Subsidiary Guarantor, if the Company designates such Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with "*—Certain Covenants— Limitation on Unrestricted Subsidiaries*";

(d) as provided for in "—Certain Covenants—Suspension of Covenants and Release of Guarantees on Achievement of Investment Grade Status" or "—Certain Covenants— Limitation on Issuance of Guarantees of Indebtedness by Restricted Subsidiaries";

(e) with respect to any Guarantor, upon legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Secured Notes Indenture as provided below under the captions "*—Defeasance or Covenant Defeasance of Senior Secured Notes Indenture*" and "*—Satisfaction and Discharge*";

(f) as provided for under "*—Consolidation, Merger, Sale of Assets*";

(g) with respect to any Subsidiary Guarantor that is an Immaterial Subsidiary, upon written notice from the Company to the Trustee, so long as no Event of Default has occurred and is continuing;

(h) in accordance with the Intercreditor Agreement;

(i) as described in clause (e) under "*—Modifications and Amendments*";

(j) with respect to any Subsidiary Guarantor, upon written notice from the Company to the Trustee, so long as no Event of Default has occurred and is continuing; *provided* that prior to or substantially concurrently with such release, such Subsidiary Guarantor is unconditionally released and discharged from its liabilities, if any, with respect to the Existing Notes, the Existing Term Loan B Facilities and the New Term Loan B Facilities; *provided further* that, after giving effect to such release, the Consolidated Adjusted EBITDA (as defined in the 2020 Facilities Agreement) of the Issuer and the Guarantors is at least 85% of the Consolidated Adjusted EBITDA of the Parent and the Group and the Consolidated Total Assets (as defined in the 2020 Facilities Agreement) of the Issuer and the Guarantors is at least 85% of the Consolidated Total Assets of the Parent and its Restricted Subsidiaries, in each case, calculated in accordance with, and in the manner provided by and subject to the same exceptions as those set forth in, Section 7.12(a) of the 2020 Facilities Agreement as in effect on the Issue Date (after giving effect to the subsequent modifications contemplated thereby); and

(k) with respect to any Guarantor, upon written notice from the Company to the Trustee, as part of any Permitted Reorganization; *provided* that, following the consummation of such Permitted Reorganization, the Parent, each Parent Intermediate Holdco and the Company shall be a Guarantor;

provided, *however*, that the Company shall have the right, in its sole discretion, by written notice to the Trustee delivered prior to the automatic release and termination of any Guarantee as specified above, to (A) waive such automatic release and termination of such Guarantee and maintain such Guarantee in effect until such time as the Company shall instruct and direct the Trustee in writing to release and terminate such Guarantee or (B) elect that the release and termination of such Guarantee shall not occur automatically as contemplated by this paragraph but shall occur at such other time or times, in such manner and order and upon the occurrence of such other events as shall be specified by the Company in such notice to the Trustee; *provided further* that nothing in this clause (B) shall allow the Company to require the release and termination of any Guarantee prior to (unless such release and termination is to occur substantially concurrently with) the occurrence of the applicable event(s) set forth in clauses (a) through (k) above providing for the release and termination thereof. Any release and termination of a Guarantee under this paragraph may be evidenced, at the Company's option, by the delivery by the Company to the Trustee of an Officer's Certificate of the Company, and the Trustee shall, at the Company's request, acknowledge and confirm receipt of such certificate.

In addition, the Intercreditor Agreement will provide for the release of certain Guarantees upon an enforcement sale and as otherwise specified in the Intercreditor Agreement. See "*Description of Other Indebtedness—Intercreditor Agreement* ."

Security

General

The Initial Collateral

Subject to the Security Principles, the obligations of the Issuer under the Senior Secured Notes and the obligations of the Guarantors under the Guarantees will be secured by, subject to Permitted Collateral Liens, first-ranking Liens over the following collateral on the Issue Date (the "**Initial Collateral**"):

England

- share charges in respect of the shares of the Guarantors incorporated in England and Wales;
- charges over certain bank accounts located in England and Wales; and
- debentures over all or substantially all of the assets of certain of the Guarantors incorporated in England and Wales;

USA

- substantially all UCC Article 9 property (subject to certain exceptions) owned by certain Guarantors organized in Delaware;
- a pledge over certain LLC interests;
- an account pledge over a certain bank account; and
- security interests in certain intellectual property owned by certain Guarantors organized in Delaware.

The Subsequent Collateral

Subject to the Security Principles, within 90 days after the Issue Date, the obligations of the Issuer under the Senior Secured Notes and the obligations of the Guarantors under the Guarantees will be secured by, subject to Permitted Collateral Liens (and, in the case of the security interests governed by Korean law, the acceptance of our report by the Bank of Korea in respect of the Guarantee of the Korean Subsidiary), first-ranking Liens over the following collateral (or, with respect to certain German security interests, junior ranking security interests):

Belgium

- share pledges in respect of the shares of the Guarantors organized in Belgium; and
- security interests in respect of certain receivables and the business assets (*handelszaak/fonds de commerce*) of the Guarantors organized in Belgium;

Canada

- a pledge in respect of the shares of each Guarantor organized in Canada; and
- security interests over substantially all present and after-acquired personal property owned by each Guarantor organized in Canada and proceeds thereof;

France

- share pledges (*nantissements de comptes de titres financiers*) in respect of the shares of Inovyn France SAS and Inovyn Olefines France SAS held by Kerling Newco 1 Limited; and
- pledges over certain intra-group receivables (*nantissements de créances intragroupes*) of Inovyn France SAS and Inovyn Olefines France SAS;

Germany

- share pledges in respect of the shares of certain of the Guarantors organized in Germany;
- security interests in certain intercompany receivables owed from time to time to certain of the Guarantors organized in Germany; and
- security interests in certain fixed movable assets of certain Guarantors organized in Germany;

Hong Kong

- a share charge in respect of the shares in the Guarantor organized in Hong Kong; and
- security interests over substantially all assets of the Guarantor organized in Hong Kong.

Korea

- a share pledge in respect of the shares of the Guarantor organized in Korea; and

- a Korean law pledge over certain equity interests owned by the Guarantor organized in Korea;

Mexico

- a first-ranking share pledge in respect of the shares of the Guarantor organized in Mexico; and
- a first-ranking non-possessory pledge (*prenda sin transmisión de posesión*) over substantially all moveable assets and inventory owned by the Guarantor organized in Mexico;

Norway

- a share pledge in respect of the shares of the Guarantor organized in Norway;
- security interests over certain assets owned by and certain bank accounts of the Guarantor organized in Norway; and
- security interests over the bank accounts located in Norway of the Guarantor incorporated in Sweden;

Singapore

- a share charge creating security over the shares in the Guarantor incorporated under the laws of Singapore; and
- a debenture creating security over all the assets (with certain agreed exceptions) of the Guarantor incorporated under the laws of Singapore;

Sweden

- a share pledge in respect of the shares of the Guarantor incorporated in Sweden; and
- a pledge over a real estate mortgage certificate in respect of real property owned by the Guarantor incorporated in Sweden;

Switzerland

- a Swiss law governed amendment and confirmation agreement to be entered into by INEOS Quattro Financing Limited (formerly: INEOS Styrolution Financing Limited) and INEOS Styrolution Switzerland SA as a security providers and HSBC Corporate Trustee Company (UK) Limited as security agent with respect to:
    - an existing share pledge dated June 10, 2016 in respect of the shares of the Guarantor organized in Switzerland; and
    - an existing undertaking to pledge dated November 7, 2014, following an Event of Default, certain assets owned by the Guarantor organized in Switzerland;

USA

- a mortgage over certain property of the Guarantor organized in Delaware;

The Collateral will also secure the obligations under the Existing Senior Secured Notes, the Existing Term Loan B Facilities, the New Term Loan B Facilities, the Hedging Liabilities and the Cash Management Liabilities on a *pari passu* basis. The Liens on certain of the Collateral governed by Belgian, Canadian, English, German, Korean, Mexican, New York, Singapore and Swiss law securing the Existing Senior Secured Notes and the Existing Term Loan B Facilities are already in place. The existing first-ranking Liens securing the Existing Senior Secured Notes and the Existing Term Loan B Facilities that were created under New York, Texas, Belgian, Canadian, English, Swiss, Korean, Mexican and Singapore law will remain in place and will extend to secure the Senior Secured Notes; provided that in Mexico the amendment to the existing Liens securing the Senior Secured Notes must be also registered in the share registry book of INEOS Styrolution Mexicana S.A. de C.V. and before the Sole Registry of Movable Assets (Registro Único de Garantías Mobiliarias), respectively, to make the extended Liens effective against third parties. In

some jurisdictions, the Security Documents creating such Liens to the Senior Secured Notes (or, with respect to certain German security interests) junior ranking security interests will be granted. Please see "*—The Senior Secured Notes*".

The Collateral will be granted pursuant to the Security Documents and the Intercreditor Agreement to the Security Agent on behalf of the holders of the secured obligations that are secured by the Collateral, including the Senior Secured Notes. For a discussion of the ranking of the Collateral and the application of the proceeds thereof, see "*Description of Other Indebtedness—Intercreditor Agreement*".

The requirements for the granting of Liens under the Senior Secured Notes Indenture, arising at any time on or after the Issue Date, will generally be subject to certain security principles described under "*—Security Principles*". In addition, the Liens on the Collateral will be subject to certain limitations and are at all times in all cases subject to the requirements of applicable law. Please see "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Insolvency laws—Relevant insolvency laws in England and other jurisdictions may provide you with less protection than U.S. bankruptcy law*", "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Guarantees and Collateral limitations—The Guarantees and pledges of Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*" and "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations*".

Subject to the Security Principles, the Issuer and each Guarantor shall, and shall procure that each of its respective Subsidiaries shall, at its own expense, execute and do all such acts and things and provide such assurances as the Security Agent may reasonably require (i) for registering any Security Document relating to the Collateral in any required register and for granting, perfecting, preserving or protecting validity and priority of the security intended to be afforded by such Security Document relating to the Collateral and (ii) if such Security Document has become enforceable in accordance with the terms of the Senior Secured Notes Indenture, the relevant Security Document and the Intercreditor Agreement, for facilitating the realization of all or any part of the Collateral which is subject to such Security Document and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of such Collateral. The Issuer and each Guarantor shall, and shall procure that each of its respective Subsidiaries shall, execute such transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give such notices, orders and directions which the Security Agent may reasonably request.

Security Documents

The Senior Secured Notes and the Guarantees will be secured by, subject to Permitted Collateral Liens, first-ranking Liens over the Collateral (or, with respect to certain German security interests, junior ranking security interests). Certain of the Liens on the Initial Collateral will be perfected after the Issue Date. Please see "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Perfection of security interests—The rights of the holders of the applicable Notes in the applicable Collateral may be adversely affected by the failure to perfect security interests in such Collateral*". The Collateral will be granted pursuant to the Security Documents to the Security Agent on behalf of the Trustee and the holders of the Senior Secured Notes.

Certain Liens securing the Senior Secured Notes created under German law will, as a matter of local law, be granted as junior ranking Liens in relation to the Liens in respect of the Existing Senior Secured Notes and the Existing Term Loan B Facilities. Nevertheless, the Intercreditor Agreement provides that as a contractual matter as among Senior Secured Creditors (as defined in the Intercreditor Agreement), the Senior Secured Notes will be secured on a *pari passu* basis with the Existing Senior Secured Notes, the Existing Term Loan B Facilities, the New Term Loan B Facilities, certain Hedging Obligations and certain Cash Management Arrangements and will be treated as such for purposes of the application of proceeds from the enforcement of such Collateral.

In certain jurisdictions, due to the laws and other jurisprudence governing the creation and perfection of security interests in such jurisdictions, the Senior Secured Notes Indenture and/or the Intercreditor Agreement will provide for the creation of "parallel debt" obligations in favor of the Security Agent, and the security interests in such jurisdictions will secure the parallel debt (and not the Indebtedness under the Senior Secured Notes). The parallel debt construct has not been tested under law in certain of these jurisdictions. Please see "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Decisions regarding Collateral—Holders of the Notes will not control certain decisions regarding the Collateral*".

Subject to certain conditions, including compliance with the covenants described under "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Covenants—Limitation on Liens*," the Issuer and the Guarantors are permitted to grant Liens on the Collateral in connection with certain future incurrences of Indebtedness, including any

Additional Senior Secured Notes permitted under the Senior Secured Notes Indenture, on terms consistent with the relative priority of such Indebtedness.

Each holder of the Senior Secured Notes, by accepting a Senior Secured Note, shall be deemed (i) to have authorized (a) the Trustee and the Security Agent to enter into the Intercreditor Agreement and (b) the Security Agent to enter into the Security Documents and (ii) in each case, to have agreed to be bound thereby. Each holder of the Senior Secured Notes, by accepting a Senior Secured Note, appoints the Security Agent as its agent under the Security Documents and authorizes it to act as such.

The Senior Secured Notes Indenture will provide that, subject to the terms thereof and of the Security Documents (including the terms described under "*—Enforcement of Security*" and "*—Release of Security*"), the Senior Secured Notes and the Senior Secured Notes Indenture, as applicable, will be secured by the Liens on the Collateral until all obligations under the Senior Secured Notes and the Senior Secured Notes Indenture have been discharged.

The Collateral and the rights and benefits of the Security Agent under the Security Documents will be subject to certain limitations on the validity and enforceability of the Security Interests applicable pursuant to local rules regarding capital maintenance (*e.g.*, for the purpose of protecting share capital and legal reserves of Guarantors in certain jurisdictions) and the bankruptcy, insolvency, corporate arrangement and administrative laws of each of the jurisdictions in which the Issuer and the Guarantors are organized or incorporated, as applicable. Applicable laws in these jurisdictions, including provisions relating to, among other things, mandatory preference of certain classes of creditors, formalities with respect to the perfection of liens and the manner in which the liens are created, judgments in local currencies, voidable preference and fraudulent transfers, transfers at under value corporate benefit, and maximum liability thresholds, may have important implications on the rights of holders of the Senior Secured Notes. A brief description of certain of these limitations is contained in this Offering Memorandum under the caption "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations.*" We urge you to carefully read that description when considering whether to invest in the Senior Secured Notes.

In the event that the Issuer, the Parent, the Company or any of their Subsidiaries enters into insolvency, bankruptcy, corporate arrangement (if applicable) or similar proceedings, the Liens securing the Senior Secured Notes created under the Security Documents could be subject to potential challenges. If any challenge to the validity of such Liens is successful, the holders of the Senior Secured Notes may not be able to recover any amounts under the Security Documents. Please see "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Insolvency laws—Relevant insolvency laws in England and other jurisdictions may provide you with less protection than U.S. bankruptcy law*" and "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Guarantees and Collateral limitations—The Guarantees and pledges of Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*".

The Security Principles

The Senior Secured Notes Indenture will provide that certain requirements for the providing of Guarantees and the granting and perfecting of Liens in favor of the holders of the Senior Secured Notes and the Trustee will generally be subject to the Security Principles as set forth in the Senior Secured Notes Indenture. The Security Principles embody recognition by all parties that there may be certain legal and practical difficulties in obtaining Guarantees or granting or perfecting Liens. In particular:

(a) Factors that will be considered when determining whether Guarantees or Liens will be provided or granted, or the extent to which the Guarantees or Liens will be granted or perfected (including the maximum amount guaranteed or secured), will include general statutory limitations, financial assistance, capital maintenance, corporate benefit, fraudulent preference, "thin capitalization" and similar laws, rules and regulations of any applicable jurisdiction, retention of title claims, employee consultation or approval requirements and the extent to which the giving or the terms of a Guarantee, the granting of Liens or, prior to the Liens created under the Security Documents becoming enforceable in accordance with the Security Documents, the extent of the perfection requirements would materially and adversely impact the business, or commercial relationships with third parties, of the Issuer or the relevant Guarantor, as applicable, in the ordinary course. Subject to the Security Principles, if any Guarantee or the amount secured by any Lien is to be limited, the Guarantee and the Liens provided or granted will extend to the maximum amount that the Issuer or the applicable Guarantor may provide in accordance with applicable law, rules, regulations and current and customary market practice in the relevant jurisdiction. In furtherance of and without limiting the foregoing:

(i) No Guarantee will be required to be provided, and no Lien will be required to be granted or perfected, if to do so would reasonably be expected to result (or, if the provision, grant or

perfection thereof would not, in and of itself, reasonably be expected to result in such breach, the applicable Guarantee and the granting or perfection of the applicable Lien will be limited to the extent consistent with current and customary market practice in the relevant jurisdiction to the extent the failure to do so would reasonably be expected to result) in a breach of general statutory limitations, financial assistance, capital maintenance, corporate benefit, fraudulent preference, "thin capitalization" or similar laws, rules or regulations of any applicable jurisdiction, *provided* that the Issuer and the Guarantors will use commercially reasonable efforts (A) to assist in demonstrating that adequate corporate benefit accrues to the Issuer and each relevant Guarantor, as applicable, (B) to complete any whitewash or similar procedure required under any relevant financial assistance laws, and (C) otherwise to overcome or mitigate any such limitations through measures reasonably available to the Issuer and the relevant Guarantors, as applicable.

(ii) Each Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, capital maintenance, corporate benefit or similar laws, rules or regulations or defenses affecting the rights of creditors generally) or other similar considerations under applicable law.

(iii) No Guarantee will be required to be provided, and no Lien will be required to be granted or perfected, if to do so would reasonably be expected (or, if the provision, grant or perfection thereof would not, in and of itself, reasonably be expected to result in such conflict or violation, the applicable Guarantee and the granting or perfection of the applicable Lien will be limited to the extent consistent with current and customary market practice in the relevant jurisdiction to the extent the failure to do so would reasonably be expected) (A) to conflict with the fiduciary duties of directors or officers of the Issuer, the relevant Restricted Subsidiary or the relevant Guarantor, as applicable, or to give rise to or result in personal, civil or criminal liability on the part of any director, officer, legal representative or shareholder of the Issuer, the relevant Restricted Subsidiary or Guarantor, as applicable (and the Guarantees and Liens will be limited so as to mitigate any risk of any of the foregoing), or (B) to give rise to or result in any violation of applicable law, rule or regulation that, in each case, cannot be avoided or otherwise prevented through measures reasonably available to the Company or the applicable Restricted Subsidiary. Except as required by the covenant described under "— *Certain Covenants—Limitation on Issuance of Guarantees of Indebtedness by Restricted Subsidiaries*", no Guarantee will be required to be provided, and no Lien will be required to be granted or perfected, by a Restricted Group Company incorporated under the laws of France unless such Restricted Group Company is the recipient of proceeds borrowed under the Senior Secured Notes Indenture, either directly or as borrowed by another Restricted Group Company for the purposes of on-lending such proceeds to such Restricted Group Company.

(b) The Guarantees and the Liens and the extent of their perfection (and the extent of legal opinions, title insurance, surveys or other deliverables or formalities in connection therewith) will take into account the cost (which term, for purposes of the Security Principles, shall include internal costs and the scope of business disruption and administrative burden) to the Group (or, in the case of any Italian Guarantor, the cost to such Italian Guarantor) of providing the Guarantees or granting, perfecting or maintaining the Liens (or providing or taking such deliverables or formalities), as applicable, which shall not be disproportionate relative to the benefit accruing to the holders of the Senior Secured Notes (taking into account, without limitation, the extent of the obligations that can be guaranteed or secured and the priority that will be achieved thereby). In furtherance of and without limiting the foregoing:

(i) No Guarantee will be required to be provided, and no Lien will be required to be granted or perfected (and no deliverables or other formalities in connection therewith will be required to be provided or taken), if or to the extent to do so would reasonably be expected to result in any cost, expense, liability or obligation (including with respect of any Taxes) which is disproportionate relative to the benefit accruing to the holders of the Senior Secured Notes (taking into account, without limitation, the extent of the obligations that can be secured and the priority that will be achieved thereby) (it being understood and agreed that the cost of providing a Guarantee or granting, perfecting or maintaining a Lien shall in any event be deemed to be so disproportionate (and such Guarantee or Lien, as the case may be, shall not be required to be provided or perfected) if such cost shall exceed the realizable value of such Guarantee or Lien, as the case may be). Without limiting the foregoing, the parties to the Senior Secured Notes Indenture will expressly acknowledge that no Liens will be required in

respect of (A) assets of any French Guarantor other than, subject to the Security Principles, its securities accounts and intra-group receivables owed to it, (B) real property located in France and owned by any Guarantor and (C) assets of any Italian Guarantor, other than, subject to the Security Principles, its bank and securities accounts and its intra-group receivables.

(ii) Where there is a material incremental cost involved in creating Liens over all or any particular assets owned by the Issuer or a Guarantor, the Liens to be taken and the extent of their perfection will take into account the cost to the Group (or, in the case of any Italian Guarantor, the cost to such Italian Guarantor) in doing so, which shall not be disproportionate relative to the benefit accruing to the holders of the Senior Secured Notes (taking into account, without limitation, the extent of the obligations that can be secured and the priority that will be achieved thereby).

(iii) Where a class of assets to be subject to a Lien includes material and immaterial assets (including real property), if the cost of granting or perfecting Liens over the immaterial assets is disproportionate relative to the benefit of such Liens accruing to the holders of the Senior Secured Notes (taking into account, without limitation, the extent of the obligations that can be secured and the priority that will be achieved thereby), Liens will be granted over the material assets only.

(iv) The maximum amount guaranteed or secured may be limited in a manner consistent with current and customary market practice in the relevant jurisdiction to minimize stamp duty, notarization, registration or other applicable fees, Taxes and duties, in each case, where the level of such costs, fees, Taxes and duties is disproportionate relative to the benefit to the holders of the Senior Secured Notes of increasing the guaranteed or secured amount (taking into account, without limitation, the extent of the obligations that can be guaranteed or secured and the priority that will be achieved thereby).

(c) No Guarantee or Liens will be required to be provided by (i) any Unrestricted Subsidiary, (ii) any LC Account Party, (iii) any Receivables Subsidiary or any other special purpose entity or bankruptcy remote entity, (iv) any captive insurance company, (v) any not-for-profit Restricted Subsidiary, (vi) any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary; *provided* that, for purposes of the covenant described under "*—Certain Covenants—Limitation on Issuance of Guarantees of Indebtedness by Restricted Subsidiaries*", neither INOVYN Limited nor any of its Subsidiaries shall be treated as a non-wholly owned Subsidiary of the Company solely as a result of any Affiliate of the Company owning any issued and outstanding Capital Stock in INOVYN Limited, (vii) any Project Finance Subsidiary, (viii) any Restricted Subsidiary organized under the laws of an Excluded Jurisdiction and (ix) any Person that becomes a Restricted Subsidiary after the Issue Date, and that is prohibited by any contractual obligation, or the Guarantee by which would require any approval or consent of any third party, in each case which prohibition or requirement is permitted by the Senior Secured Notes Indenture and is in existence at the time such Person becomes a Restricted Subsidiary (so long as such prohibition or requirement is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary).

(d) [Reserved]

(e) Notwithstanding anything to the contrary in the Senior Secured Notes Documents:

(i) no Lien will be required to be granted or perfected (in each case only for as long as, and to the extent that, such circumstances exist) over any assets (other than Capital Stock in Wholly Owned Restricted Subsidiaries) subject to third party arrangements that are not prohibited by the Senior Secured Notes Indenture and that prohibit or restrict (including if the grant of a Lien created under the Senior Secured Notes Documents would constitute a breach or default under, result in the termination of, or give rise to a right on the part of any party thereto to terminate or materially modify, any contract or agreement governing such arrangement) those assets from being subject to such Lien created under the Senior Secured Notes Documents and, without limiting the generality of the foregoing, no Lien will be required to be granted or perfected (in each case only as long as, and to the extent that such circumstances exist):

(A) in respect of any asset owned or acquired by the Issuer or any Guarantor that is subject to a Lien securing a purchase money, project financing, capital or finance lease obligation or Acquired Indebtedness permitted to be incurred pursuant to the

Senior Secured Notes Indenture (or a refinancing of any of the foregoing) if the contract or other agreement in which such security interest is granted (or the documentation providing for such purchase money, project financing, capital or finance lease obligation or Acquired Indebtedness or such refinancing) prohibits or restricts the creation of any other Lien on such assets (including if the grant of any other Lien would constitute a breach or default under, result in the termination of, or give rise to a right on the part of any party thereto to terminate or materially modify, such contract or agreement or such documentation);

(B) in the case of any Capital Stock of any Person that is not a Wholly Owned Restricted Subsidiary (including any Permitted Joint Venture), if such Lien is prohibited or restricted (including if the grant of a Lien created under the Senior Secured Notes Documents would constitute a breach or default under, result in the termination of, or give rise to a right on the part of any party thereto to terminate or materially modify, any such document, contract or other agreement) by any organizational or governance documents of such Person, any applicable shareholder or similar agreement or any contract or other agreement governing Indebtedness of such Person; or

(C) with respect to any bank or securities accounts, or assets credited thereto, and any cash, cash equivalents or Temporary Cash Investments that, in each case, are subject to Permitted Liens securing any LC Facility, any bids, trade contracts, leases, performance, surety, appeal or tax bonds or similar instruments or any other obligations incurred in the ordinary course of business (other than any Indebtedness for borrowed money);

(ii) no Lien will be required to be granted or perfected (in each case only for as long as, and to the extent that, such circumstances exist) with respect to any Receivables Assets, or any Capital Stock in or assets of any Receivables Subsidiary, that are subject to Permitted Liens securing obligations in connection with any Permitted Receivables Financing;

(iii) no Lien will be required to be granted or perfected over any asset to the extent that, and only for so long as, the creation of such Lien under the Senior Secured Notes Documents over such asset (A) is prohibited or restricted by applicable law, rule or regulation or (B) requires a consent not obtained from any Governmental Authority pursuant to applicable law, rule or regulation; *provided* that the Issuer or the relevant Guarantor, as applicable, shall use commercially reasonable efforts, to the extent consistent with current and customary market practice in the relevant jurisdiction, to overcome any such obstacle or obtain such consent;

(iv) no Lien will be required to be granted or perfected over any (A) bank or securities accounts, and assets credited thereto, used solely to hold funds in trust for any director, officer or employee of the Parent or any of its Subsidiaries or any employee benefit plan maintained by the Parent or any of the Subsidiaries, (B) bank or securities accounts, and assets credited thereto, the funds in which consist solely of cash earnest money deposits, deposits to defease or to satisfy and discharge any Indebtedness or deposits under escrow or similar arrangements not prohibited under the Senior Secured Notes Indenture or that represent Escrowed Proceeds, (C) bank or securities accounts, and assets credited thereto, that constitute trust or fiduciary accounts and (D) bank accounts used solely for collections of receivables under any Permitted Receivables Financing;

(v) no Lien will be required to be granted or perfected over any Intellectual Property, lease, license or other agreement to the extent that a grant of a security interest therein is prohibited or restricted under such Intellectual Property, lease, license or other agreement (including if the grant of such Lien would constitute a breach or default under, result in the termination of, or give rise to a right on the part of any party thereto to terminate or materially modify, such Intellectual Property, lease, license or other agreement), in each case except to the extent such prohibition or restriction is rendered ineffective pursuant to applicable law (including, where applicable, Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code as in effect in the State of New York) or principles of equity;

(vi) no Lien will be required to be granted or perfected over any Capital Stock of any Unrestricted Subsidiary;

(vii) with respect to any Guarantor organized under the laws of the United States, any State thereof or the District of Columbia (a "U.S. Obligor"), no Lien will be required to be granted or perfected over any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent that the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable United States Federal law;

(viii) [Reserved];

(ix) no Lien will be required to be granted or perfected over any Excluded Buildings; and

(x) no Lien will be required to be granted or perfected over any Capital Stock in any Project Finance Subsidiary;

in each case other than any proceeds of the foregoing (unless such proceeds, would constitute assets described in clauses (i) through (x) above or would otherwise be excluded from Collateral pursuant to the Security Principles) (the foregoing being collectively referred to as the "**Excluded Property**").

(f) Except where such Liens may be created pursuant to a floating charge or other similar all-asset security (including, in the case of clause (ii) below, a German law global assignment agreement and, in the case of clause (iii) below, a German law security transfer agreement covering a defined security area (*Raumsicherungsubereignung*)), no Lien will be required to be granted and, except where such Lien may be perfected by filing of a financing statement under the Uniform Commercial Code (or a similar unitary filing in any relevant jurisdiction) with respect to the Issuer or the relevant Guarantor, as applicable, no Lien will be required to be perfected over:

(i) any Capital Stock owned by the Issuer or any Guarantor in any Restricted Subsidiary that is not the Issuer or a Guarantor;

(ii) (A) any intercompany advance, balance or loan in a principal amount of €200,000 or less and (B) any intercompany advance, balance or loan that is due or to be repaid or otherwise discharged within 30 days of the making thereof;

(iii) any trucks, trailers, tractors, service vehicles, automobiles, rolling stock or other registered mobile equipment or equipment covered by certificates of title or ownership (or the equivalent thereof in any relevant jurisdiction);

(iv) any Intellectual Property that is not material to the Company and its Restricted Subsidiaries or, with respect to any Intellectual Property that is so material, (A) with respect to the granting of such Lien, other than in the jurisdiction of organization of the Issuer or the relevant Guarantor, as applicable, or the United States and (B) with respect to the perfection of such Lien, other than in the United Kingdom, the United States, at the European Community level or the jurisdiction of the law governing the granting of such Lien;

(v) any right or interest in, to or under any Interest Rate Agreement, Currency Hedging Agreement or Commodity Price Protection Agreement;

(vi) any right or interest in, to or under any insurance policy, other than property damage, business interruption, marine cargo insurance and, to the extent constituting property damage insurance, contractors all risk insurance policies;

(vi) any right or interest in, to or under any insurance policy that is not material to the Company and its Restricted Subsidiaries;

(vii) (A) bank or securities accounts, and assets credited thereto, used primarily for payroll, payroll taxes, other employee wage and benefit payments and VAT and other similar taxes, (B) disbursement accounts, (C) bank or securities accounts, and assets credited thereto, that are part of a cash pooling arrangement of the Restricted Group, so long as the assets credited thereto are transferred, on a regular basis, to one or more accounts that are either subject to a valid Lien under the Security Documents or that are not required to be subject to such Lien in

accordance with the Security Principles and (D) any other bank or securities accounts (which are not subject to a valid Lien under the Security Documents) held at any one or more banks or securities intermediaries, *provided*, in the case of this clause (D), that the aggregate amount held in such accounts by the Issuer and the Guarantors does not exceed €100,000,000 (or its equivalent in any other currency) at any time (the "**Cash Limit**"), *provided further* that should the Cash Limit be exceeded at any time, then such excess shall, reasonably promptly, be transferred to a bank or securities account that is subject to valid Lien under the Security Documents.

(viii) any owned real property that is not a Material Real Property and any real property leasehold interest; and

(ix) with respect to any U.S. Obligor, any commercial tort claim as to which the applicable U.S. Obligor has determined that it reasonably expects to recover less than €20,000,000 (or its equivalent in any other currency) or any letter of credit rights (other than letter of credit rights constituting supporting obligations).

(g) Perfection of Liens, when required, and other legal formalities will be completed (i) within the time periods specified therefor in the applicable Senior Secured Notes Documents (subject to any extensions thereof where the Company, acting reasonably, determines that such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required to be accomplished by the Senior Secured Notes Indenture, the Security Documents or any other Senior Secured Notes Document) or (ii) if not so specified, as soon as practicable but within the time periods specified by applicable law.

(h) [Reserved]

(i) Where the Issuer or a Guarantor pledges specific Capital Stock or a specific bank account, the Security Document will be governed by the law of the country of organization of the Person whose Capital Stock is being pledged or the law of the country in which such bank account is located to the extent necessary to ensure the perfection of such pledge.

(j) [Reserved]

(k) No perfection action will be required with respect to the Issuer or any Guarantor in jurisdictions other than the jurisdiction of organization of the Issuer or such Guarantor, as applicable, or the jurisdiction of the law governing the creation of the relevant Lien, other than in respect of Intellectual Property as set forth in clause (f)(iv) of this paragraph and except that perfection action may be required in the jurisdiction of organization of one Guarantor or the Issuer in relation to Liens granted by another Guarantor or the Issuer organized or incorporated, as applicable, in a different jurisdiction.

(l) Neither the Issuer nor any Guarantor will be required to take any action with respect to any Guarantee or any Lien created under the Senior Secured Notes Documents as a result of any assignment, transfer or participation by any holder of the Senior Secured Notes.

(m) In the case of any Person that becomes a Guarantor after the Issue Date, the application of the Security Principles to such Guarantor will be made in a manner that is no less favorable to such new Guarantor than the application thereof is to any then existing Guarantor that is organized in the same jurisdiction as such new Guarantor (or, in the case of a new Guarantor that is organized in a different jurisdiction than any then existing Guarantor, in a manner that is no less favorable to such new Guarantor than the application thereof to the Guarantor on the Issue Date).

The following principles will be reflected in the Security Documents:

(a) The Liens will be first ranking, to the extent possible and subject to Permitted Liens and the Security Principles.

(b) All Liens will be created (including, where necessary, pursuant to any "parallel debt" provisions or similar (it being understood that in no event will "parallel debt" provisions apply to any Italian Guarantor and to any Italian Security Document)) in favor of, and be enforceable solely by, the Security Agent (including at the request or direction of the Trustee), and not by holders of the Senior

Secured Notes individually, in each case, except to the extent otherwise required under applicable law or current and customary market practice in the relevant jurisdiction. Any security interest or guarantee granted pursuant to the Italian Security Documents or by any Italian Guarantor shall be given to, and in favor of, the holders of the Senior Secured Notes individually, it being understood that the Italian Security Documents, where possible, might be executed by the Security Agent acting in the name and on behalf of the holders of the Senior Secured Notes as agent with representative power (*mandatario con rappresentanza*).

(c) Except where it is inappropriate under applicable law, Liens will not be enforceable and will not crystallize until notice of intention to enforce has been given by the Security Agent following the occurrence of an Event of Default that is continuing (and with respect to any French Guarantor, will not be enforceable until the (i) occurrence of any Event of Default with respect to failure to pay that is continuing or (ii) the acceleration of the Senior Secured Notes under the Senior Secured Notes Indenture).

(d) Subject to the limitations set forth in clause (p) of this paragraph or elsewhere in the Security Principles, prior to the giving by the Security Agent of a notice of intention to enforce its Liens following the occurrence of an Event of Default that is continuing (and with respect to any French Guarantor, following the occurrence of an Event of Default as described in clause (c) of this paragraph), the Issuer and each Guarantor shall, subject to any restrictions required as a matter of law, or otherwise consistent with current and customary market practice in the relevant jurisdiction, (i) remain in possession and retain exclusive control over the Collateral (including, in the case of any bank or securities accounts (except for a securities account with respect to a French Guarantor), the right to withdraw or otherwise transfer any assets credited thereto and (except for a securities account with respect to a French Guarantor) to close such account) and retain the right to collect, invest and dispose of any income therefrom and (ii) otherwise be free to deal with assets and properties subject to the Liens (including by permitting any Intellectual Property that is not material to the Company and its Restricted Subsidiaries to lapse or expire or adjusting or compromising any receivable), and exercise any voting rights related thereto.

(e) Prior to the giving by the Security Agent of a notice of intention to enforce its Liens following the occurrence of an Event of Default that is continuing (and with respect to any French Guarantor, following the occurrence of an Event of Default as described in clause (c) of this paragraph), (i) no notice of any Lien over trade receivables, Intellectual Property, lease, license or other agreement or any insurance policy shall be required to be given to any debtor, counterparty or insurer, as the case may be, in each case, unless the giving of such notice would be consistent with current and customary market practice in the relevant jurisdiction, and the Issuer or the relevant Guarantor, as applicable, shall remain entitled to collect any payments thereunder, and (ii) no proceeds of any trade receivables shall be required to be paid into any blocked bank account.

(f) (i) Prior to the giving by the Security Agent of a notice of intention to enforce its Liens following the occurrence of an Event of Default that is continuing (and with respect to any French Guarantor, following the occurrence of an Event of Default as described in clause (c) of this paragraph), the Issuer and the Guarantors shall be entitled to collect (and, if requested by the applicable insurer, the Security Agent shall confirm to such insurer the authority of the Issuer or the relevant Guarantor, as applicable, to collect) any payments under insurance policies constituting Collateral and (ii) no loss payee or other endorsement will be made on any insurance policy and neither the Security Agent nor any holder of the Senior Secured Notes will be named as co-insured.

(g) To the extent such actions are consistent with current and customary market practice in the relevant jurisdiction, the Issuer or the relevant Guarantor, as applicable, will be required to provide customary notices of a Lien over its bank accounts to the applicable bank and to use its commercially reasonable efforts to obtain customary acknowledgements from the applicable banks (it being agreed, subject to any other provision of the Security Principles, that (i) while such notice may request a waiver of any Liens, rights of set-off or other rights that such bank may have, neither the Issuer nor any Guarantor shall be required to procure any such waiver, (ii) neither the Issuer nor any Guarantor shall be required to close any bank account in respect of which the applicable bank fails to provide any such acknowledgements and (iii) neither the Issuer nor any Guarantor shall be required to change its banking arrangements or standard terms and conditions in connection with the granting of bank account security). No control agreements will be required in respect of any deposit, securities or commodities account located in the United States or Canada.

(h) Neither the Issuer nor any Guarantor shall be required to obtain any collateral access agreements, landlord waivers, warehouse agreements or any similar agreements.

(i) No Liens will be taken over parts, inventory, moveable plant, equipment or receivables to the extent that the creation or perfection of such Lien requires labeling, segregation or periodic listing, filing, notification or specification of such parts, inventory, moveable plant, equipment or receivable. Subject to the foregoing, where, under applicable local law, supplemental pledges or notices are required in respect of future acquired assets in order to create or perfect a Lien over such class of assets, such supplemental pledges or notices will be provided only upon request of the Security Agent and, in any event, unless an Event of Default shall have occurred and is continuing, no more frequently than once in any calendar year (or, with respect to any Italian Guarantor, no more frequently than once in any calendar quarter).

(j) Subject to the Security Principles, to the extent practicable and consistent with the current and customary market practice and applicable law in the relevant jurisdiction, Liens created under the Security Documents will automatically create security over future assets of the same type as those already subject thereto.

(k) The Security Documents will expressly provide that the proceeds of enforcement of any Liens granted thereunder will be applied in the manner set forth in the Intercreditor Agreement.

(l) Representations and covenants and undertakings in the Security Documents shall be strictly limited to those necessary for the creation, perfection or maintenance of the security and shall not be included to the extent that the subject matter thereof is the same as the corresponding covenant or undertaking in the Senior Secured Notes Indenture; *provided* that representations (which, if included, will in any event be given only as of the date of the relevant Security Document), covenants and undertakings may be included to the extent consistent with applicable law and current and customary practice in the relevant jurisdiction, in which event such representation, covenant and undertaking shall be on the same terms as the corresponding provisions in the Senior Secured Notes Indenture and, in any event, shall not restrict any action or transaction that is permitted or not restricted by the Senior Secured Notes Indenture or require any additional consents, authorizations or approvals.

(m) Without prejudice to, or the limiting of, the obligations of the Issuer and the Guarantors as set forth in the definition of Excluded Property, to the extent and for so long as any asset constitutes an Excluded Property, neither the Issuer nor any Guarantor shall have any obligation in respect of such Excluded Property under any "further assurances" or similar covenants or undertakings set forth in the Security Documents.

(n) The Security Documents shall not contain any rights of set-off, expense reimbursement or indemnity provisions, *provided* that the Security Documents may include such provisions to the extent consistent with applicable law and current and customary practice in the relevant jurisdiction, in which event such provisions shall be in the form no less favorable to the Issuer and the Guarantors than the terms of the corresponding provisions in the Senior Secured Notes Indenture.

(o) Each Security Document shall expressly provide that (i) in the event of any conflict or inconsistency between such Security Document and the Intercreditor Agreement, the Intercreditor Agreement will control and (ii) nothing in such Security Document (A) shall restrict any action, transaction or other matter that is permitted or not restricted under the Debt Documents (as defined in the Intercreditor Agreement) secured thereby (for the avoidance of doubt, excluding such Security Document) or (B) shall require any additional notices or consents with respect to any such action, transaction or other matter (it being understood that nothing in this clause (B) shall affect any such notices or consents required under such applicable Debt Documents); *provided* that clause (ii) shall not apply to the extent that its application would adversely affect the validity, ranking, priority or enforceability of the security interest(s) created under such Security Document (other than any such security interests that, in accordance with the Security Principles, would not have been required to be created).

(p) In respect of pledges of Capital Stock, the customary limitations on the exercise of voting rights attaching to any Capital Stock pledged by any pledgor and on the right to receive and retain dividends or other distributions on any Capital Stock pledged by them, in each case, to the extent these purport to protect the validity and enforceability of the Liens over such Capital Stock shall apply. In addition, until notice of intention to enforce has been given by the Security Agent following the occurrence of an Event of Default which is continuing (and with respect to any French Guarantor, following the

occurrence of an Event of Default as described in clause (c) of this paragraph), the pledgors will be permitted to retain and to exercise voting rights attaching to any Capital Stock pledged by them and to receive and retain dividends or other distributions on any Capital Stock pledged by them, in each case, in a manner that does not adversely affect the validity or enforceability of the Liens or cause an Event of Default to occur and the pledgors will be permitted to pay dividends or other distributions upstream on pledged Capital Stock to the extent permitted by the Senior Secured Notes Indenture.

(q) The Security Agent and the Trustee shall only be able to exercise a power of attorney granted to it following the occurrence of an Event of Default that is continuing or if the Issuer or the relevant Guarantor, as applicable, has failed to comply with a further assurance or perfection obligation (after the passage of any applicable grace period).

(r) Any security interest created for the benefit of any Second Lien Debt Creditor (as defined in the Intercreditor Agreement) pursuant to any Security Document governed by the laws of the United States, any State thereof or the District of Columbia must be created as a separate and distinct junior Lien from any security interest granted for the benefit of any Primary Creditor (as defined in the Intercreditor Agreement).

(s) The Italian Security Documents will be executed by way of exchange of correspondence (*scambio di corrispondenza commerciale*) or outside the territory of Italy.

Notwithstanding the provisions of the Security Principles that would result in such Guarantees or such Liens not being required (but subject to the other provisions hereof), (a) each Parent Intermediate Holdco shall be required to provide a Guarantee and (b) the Parent and each Parent Intermediate Holdco shall be required to grant a Lien over the Capital Stock of each Parent Intermediate Holdco and the Company.

Notwithstanding the foregoing, amendments, supplements and other modifications to the Security Documents contemplated by the Senior Secured Notes Indenture shall be permitted as so contemplated.

Subject to the Security Principles, the Issuer and the Guarantors will be responsible for payment of all registration costs, disbursements, taxes, notary fees and other costs (including the reimbursement for fees, disbursements and other charges by counsel to the Security Agent) incurred in implementing the Guarantee and security package agreed upon in accordance with the Security Principles (including any of the foregoing arising in connection with a resignation of an existing Security Agent and an appointment of a new Security Agent), it being understood and agreed that, consistent with clause (l) of the first paragraph above, neither the Issuer nor Guarantor shall be responsible for payment of any registration costs, disbursements, taxes, notary fees or other costs arising as a result of any assignment, transfer or participation by any holder of the Senior Secured Notes.

Extensions of time for the creation and perfection of security interests in, or the obtaining of title insurance, legal opinions, surveys or other deliverables or formalities with respect to, particular properties or assets or the provision of any Guarantee by any Restricted Subsidiary (including extensions in connection with assets acquired, or Restricted Subsidiaries formed or acquired, after the Issue Date) may apply where the Company, acting reasonably, determines that such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required to be accomplished by the Senior Secured Notes Indenture, the Security Documents or any other Senior Secured Notes Document.

The application of the Security Principles will be by the Company, acting reasonably and in a manner which is consistent with current market practice at the time.

Each of the Trustee and the Security Agent shall be entitled to conclusively rely on an Officer's Certificate of the Company delivered to it in connection with the Security Principles as to any matter of fact or any determination to be made under the Security Principles.

Enforcement of Security

The Security Documents generally will only become enforceable after the Security Agent gives notice of an intention to enforce following the occurrence of an Event of Default under the Senior Secured Notes Indenture, an event of default under one or both of the Existing Indentures, an event of default under one or both of the Existing Facilities Agreements or an event of default (or similar event, however described) under other Senior Secured Indebtedness which is subject to the Intercreditor Agreement. The Security Agent will only be permitted to enforce the Security Documents in accordance with instructions permitted to be given under the Intercreditor Agreement and each relevant Security Document.

The Intercreditor Agreement restricts the ability of the Trustee or the holders of the Senior Secured Notes to instruct the Security Agent to take enforcement action, and the Security Agent will act only at the direction of creditors holding a simple majority in aggregate principal amount of committed or funded debt under the Existing Senior Secured Notes Indentures, the Existing Facilities Agreements, the Senior Secured Notes, any Additional Senior Secured Notes and any other Senior Secured Indebtedness incurred in the future will be able to instruct the Security Agent to enforce the security. For a description of security enforcement and other intercreditor provisions, please see "*Description of Other Indebtedness—Intercreditor Agreement*."

Priority

The relative priority among (a) the Hedge Counterparties, (b) the trustees under the Existing Senior Secured Notes Indentures and the holders of the Existing Senior Secured Notes, (c) the lenders under the Existing Facilities Agreements, (d) certain Cash Management Providers, (e) creditors under other first-priority Indebtedness permitted to be incurred under the Senior Secured Notes Indenture and the Senior Secured Notes and the Intercreditor Agreement, (f) the Trustee and the holders of the Senior Secured Notes (including Additional Senior Secured Notes), (g) lenders under other Indebtedness permitted under the Senior Secured Notes ranking *pari passu* with the Senior Secured Notes and (h) the trustee under the 2026 Senior Notes Indenture and the holders of the Senior Notes, with respect to the Liens on the Collateral that are created by the Security Documents and secure obligations under the Senior Secured Notes or the Guarantees or the Senior Secured Notes Indenture, will be established by the terms of the Intercreditor Agreement and the Security Documents, which provide that (i) the obligations under the Hedging Obligations, the Existing Senior Secured Notes, the Existing Term Loan B Facilities, the New Term Loan B Facilities, certain Cash Management Obligations, the Senior Secured Notes, and other first-priority Indebtedness permitted to be incurred under the Senior Secured Notes Indenture and the Intercreditor Agreement are secured equally and ratably by, subject to Permitted Collateral Liens, a first-priority interest in the Collateral (or, with respect to certain German security interests, junior ranking security interests).

The holders of 2026 Senior Notes have a second priority interest in the Senior Notes Shared Collateral.

Release of Security

The Security Agent will determine the circumstances and manner in which the Collateral will be disposed of including, but not limited to, the determination of whether to release all or any portion of the Collateral from the Liens created by the Security Documents and whether to foreclose on or otherwise enforce against, the Collateral following an acceleration of the Senior Secured Notes, in each case acting on instructions given to it in accordance with the terms of the Intercreditor Agreement. Please see "*Description of Other Indebtedness—Intercreditor Agreement—Enforcement of Transaction Security.*"

Under German law, if the realizable value of the collateral significantly and not only temporarily exceeds the amount of secured obligations, the Security Agent may be obliged to release (in full or in part) collateral subject to German law security interests to the extent of such excess value. Certain of the German law security documents provide for such a release obligation if the realizable value of collateral exceeds the amount of secured obligations by more than 10%. Such release obligation may arise even prior to the full discharge of the secured obligations.

The Liens on the Collateral will be automatically and unconditionally released and discharged, without any action by or the necessity of the consent of the Trustee, the Security Agent or any holder of the Senior Secured Notes as follows (and each holder of the Senior Secured Notes will be deemed to have irrevocably authorized the Trustee and the Security Agent to execute and deliver (and, at the request and cost of the Company, each of the Trustee and the Security Agent shall execute and deliver) any document to the extent necessary or reasonably requested by the Company to evidence such release and discharge):

(a) in connection with any sale, assignment, transfer or other disposition of such Collateral (other than Capital Stock in the Company) to a Person that is not the Parent, a Parent Intermediate Holdco, the Company or a Restricted Subsidiary or, subject to the requirements of clause (iv) of the first paragraph of "*—Certain Covenants—Impairment of Security Interest*", to any other Person that is not the Issuer or a Guarantor, in each case, if such sale, assignment, transfer or other disposition does not violate the requirements of "*—Certain Covenants—Limitation on Sale of Assets*" or is otherwise permitted by the Senior Secured Notes Indenture;

(b) if such Collateral is an asset of any Guarantor (other than the Parent, any Parent Intermediate Holdco or the Company) or any of its Subsidiaries, in connection with any sale, assignment, transfer or other disposition of Capital Stock of such Guarantor or such Subsidiary (or of the Capital Stock of any direct or indirect parent company of such Guarantor or such Subsidiary, in each case, other than the Parent,

any Parent Intermediate Holdco, the Company or the Issuer) as a result of which such Guarantor or such Subsidiary shall cease to be a Restricted Subsidiary of the Company, if such sale, assignment, transfer or other disposition does not violate the requirements of "*—Certain Covenants—Limitation on Sale of Assets*" or is otherwise permitted by the Senior Secured Notes Indenture;

(c) in the case of any Guarantor that is released from its Guarantee pursuant to the terms of the Senior Secured Notes Indenture, any Security Document or the Intercreditor Agreement (which release shall be of the Liens on the property and assets, and Capital Stock, of such Guarantor);

(d) if the Company designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with "*—Certain Covenants—Limitation on Unrestricted Subsidiaries*" (which release shall be of the Liens on the property and assets, and Capital Stock, of such Restricted Subsidiary);

(e) with respect to the Collateral, upon legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Secured Notes Indenture as provided below under the captions "*—Defeasance or Covenant Defeasance of Senior Secured Notes Indenture*" and "*—Satisfaction and Discharge*";

(f) to the extent set forth in "*—Consolidation, Merger, Sale of Assets*", as applicable, in connection with any merger, consolidation, amalgamation, sale, assignment, conveyance, transfer or other disposition made in compliance with "*—Consolidation, Merger, Sale of Assets*", as applicable;

(g) with respect to Liens on any Proceeds Loans, upon the payment in full or other discharge of such Proceeds Loans (including as a result of any merger or consolidation of the payor or the payee thereunder);

(h) in accordance with the Intercreditor Agreement;

(i) to release and/or re-take any Lien on any Collateral to the extent otherwise permitted by the terms of the Senior Secured Notes Indenture, the Security Documents or the Intercreditor Agreement;

(j) as provided for in paragraph (b) of "*—Certain Covenants—Limitation on Liens*";

(k) in connection with any Permitted Receivables Financing (which release shall be of Liens on the Receivables Assets transferred in connection therewith);

(l) in accordance with "*—Certain Covenants—Impairment of Security Interest*" or clause (e) under "*—Modifications and Amendments*";

(m) in the case of any Escrowed Proceeds with respect to any Loans, in accordance with the release provisions set forth in the applicable Security Documents creating Liens thereon;

(n) in connection with a Permitted Reorganization;

(o) in the case of any Collateral (other than any Capital Stock in the Company), upon written notice by the Company to the Trustee and the Security Agent if such Collateral is intended to secure (A) Indebtedness incurred under Finance Lease Obligations or Purchase Money Obligations or other Indebtedness of any Parent Obligor, the Company or any Restricted Subsidiary incurred for the purpose of financing all or any part of the acquisition, development, construction or improvement of real or personal, movable or immovable, property or assets (including Capital Stock) used or to be used in the business of the Company and its Restricted Subsidiaries, or any refinancing of any such Indebtedness, or (B) Indebtedness incurred under lines of credit, bilateral facilities, working capital or overdraft facilities or other operating facilities permitted to be incurred under "*—Certain Covenants—Limitation on Indebtedness*", *provided* that the Fair Market Value (for the avoidance of doubt, measured at the time of release and without giving effect to subsequent changes in value) of all the Collateral released since the Issue Date from Liens under this clause (o) (excluding any portion thereof to the extent Liens thereon are subsequently granted in favor of the Security Agent, for the benefit of the Trustee and the holders of the Senior Secured Notes) does not exceed the greater of (x) €50.0 million and (y) 0.25% of Total Assets in the aggregate;

(p) in connection with any inventory financing or similar arrangement incurred pursuant to clause (b)(v) of "*—Certain Covenants—Limitation on Indebtedness*" (which release shall be of the Liens on the

inventory and related assets transferred in connection therewith);

(q) in connection with the funding of, or by, German pension trusts or in respect of sale and leaseback transactions funded directly or indirectly by any such pension trusts;

(r) with respect to Liens on any Capital Stock in any Restricted Subsidiary that is not a Guarantor, in connection with the incurrence of Indebtedness by any such Restricted Subsidiary or any of its Restricted Subsidiaries; or

(s) in the case of any Collateral, upon written notice by the Company to the Trustee and the Security Agent, if the release of the Lien on such Collateral is for bona fide purposes in connection with any commercial transaction, so long as the Fair Market Value of the Collateral being released does not exceed €2.5 million in the aggregate for any release or series of related releases;

provided, *however*, that the Company shall have the right, in its sole discretion, by written notice to the Trustee and the Security Agent delivered prior to the automatic release and discharge of any Lien as specified above, to (A) waive such automatic release and discharge of such Lien and maintain such Lien in effect until such time as the Company shall instruct and direct the Trustee to instruct the Security Agent in writing to release and discharge such Lien or (B) elect that the release and discharge of such Lien shall not occur automatically as contemplated by this paragraph but shall occur at such other time or times, in such manner and order and upon the occurrence of such other events as shall be specified by the Company in such notice to the Trustee and the Security Agent; *provided further* that nothing in this clause (B) shall allow the Company to require the release and discharge of any Lien prior to (unless such release and discharge is to occur substantially concurrently with) the occurrence of the applicable event(s) set forth in clauses (a) through (s) above providing for the release and discharge thereof (and the Trustee, at the request of the Company and the Security Agent, at the request of the Trustee, shall execute and deliver any document reasonably requested by the Company to effect and evidence the release and discharge of such Lien). Any release and discharge of a Lien on any Collateral under this paragraph may be evidenced, at the Company's option, by the delivery by the Company to the Trustee and the Security Agent of an Officer's Certificate, and the Trustee and the Security Agent shall, at the Company's request, acknowledge and confirm receipt of such certificate.

Notwithstanding any provision to the contrary in the Senior Secured Notes Indenture or in any other Senior Secured Notes Document, the release of any Lien created or purported to be created on Collateral under any Swedish Security Document shall be subject to the prior written consent of the Security Agent (such consent to be granted at the Security Agent's sole discretion), other than upon legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Secured Notes Indenture as provided below under the captions "*—Defeasance or Covenant Defeasance of Senior Secured Notes Indenture*" and "*—Satisfaction and Discharge*". Each holder of the Senior Secured Notes authorizes the Security Agent to release such Lien at its discretion without notification or further reference to the holders of the Senior Secured Notes.

Other

Subject to the terms of the Security Documents, and subject to certain exceptions required to ensure the Liens securing the Senior Secured Notes and the Guarantees under the Security Documents are perfected, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral, to collect, invest and dispose of any income therefrom and to vote in relation to the pledged shares. The Issuer and the Guarantors may, among other things, without any release or consent by the Trustee or the Security Agent, conduct ordinary course activities with respect to the Collateral, including, without limitation but subject to "*—Certain Covenants—Limitation on Asset Sales*", (i) selling or otherwise disposing of, in any transaction or series of related transactions, any property and assets subject to Liens under the Security Documents which has become worn out, defective or obsolete or no longer used or useful in the business, and (ii) selling, transferring, assigning or otherwise disposing of assets in the ordinary course of business.

No appraisal of any of the Collateral has been prepared by or on behalf of the Issuer, the Parent or the Company in connection with the issuance of the Senior Secured Notes. There can be no assurance that the proceeds from the sale of the Collateral remaining after sharing with other creditors entitled to share in such proceeds would be sufficient to satisfy the obligations owed to the holders of the Senior Secured Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral will be able to be sold in a short period of time, if at all. In addition, the Intercreditor Agreement places limitations on the ability of the Security Agent to cause the sale of the Collateral, by reference to the interests of certain creditors, including holders of the Senior Secured Notes, the holders of the Existing Senior Secured Notes, the lenders under the Existing Term Loan B Facilities, the lenders under the New Term Loan B Facilities and the holders of the 2026 Senior Notes. These limitations may include requirements that some or all of the Collateral be disposed of only pursuant to public auctions or only at a price confirmed by a valuation.

Similar limitations also apply under German law with respect to certain types of Security Interests such as pledges over the Capital Stock of German companies and under Mexican law with respect to certain types of Security Interests such as pledges over the capital stock of Mexican companies and non-possessory pledges, where the secured creditor may not take possession and/or sell the Collateral and apply the proceeds of the sale to the payment of the secured obligations without court intervention. Under Swiss law, a private enforcement, including the acquisition of the pledged assets for the Security Agent's or any other secured party's account, is possible (outside an insolvency event) but is subject to certain requirements (including notification and acquisition at market value, provided that if the market value exceeds the secured obligations, the difference should be remitted to the security provider) and is generally to be made in accordance with the principles of good faith, adequately taking into account the interests of the security provider.

The Senior Secured Notes Indenture will provide that each holder, by accepting a Senior Secured Note, shall be deemed to have authorized the execution and delivery of, and to have agreed to and accepted the terms and conditions of, the Security Documents and the Intercreditor Agreement.

The Senior Secured Notes Proceeds Loans

Upon the issuance of the Senior Secured Notes, the Issuer, as lender, and INEOS Quattro Holdings UK Limited, as borrower, will enter into the Senior Secured Notes Proceeds Loans pursuant to which the Issuer will loan to INEOS Quattro Holdings UK Limited the proceeds from the issuance of the Dollar Senior Secured Notes and the Euro Senior Secured Notes.

The Dollar Senior Secured Notes Proceeds Loan will be denominated in dollars and will be in an aggregate principal amount equal to the aggregate principal amount of the Dollar Senior Secured Notes. The Dollar Senior Secured Notes Proceeds Loan will bear interest at a rate at least equal to the rate required to enable the Issuer to make payments of principal, premium and interest (including Additional Amounts and default interest) and any costs, fees and expenses under the Dollar Senior Secured Notes. The Euro Senior Secured Notes Proceeds Loan will be denominated in euro and will be in an aggregate principal amount equal to the aggregate principal amount of the Euro Senior Secured Notes. The Euro Senior Secured Notes Proceeds Loan will bear interest at a rate at least equal to the rate required to enable the Issuer to make payments of principal, premium and interest (including Additional Amounts and default interest) and any costs, fees and expenses under the Euro Senior Secured Notes.

The Senior Secured Notes Proceeds Loans will be subject to the terms of the Intercreditor Agreement and will provide that INEOS Quattro Holdings UK Limited will pay the Issuer interest and principal due and payable on the Senior Secured Notes and, in each case, any Additional Amounts due thereunder and any costs, fees and expenses. All amounts payable under the Senior Secured Notes Proceeds Loans will be payable to such account or accounts with such Person or Persons as the Issuer may designate. The maturity date of the Senior Secured Notes Proceeds Loans will be the same as the maturity date of the Senior Secured Notes.

The obligations of INEOS Quattro Holdings UK Limited in respect of the Senior Secured Notes Proceeds Loans will rank junior to the obligations of INEOS Quattro Holdings UK Limited under the Senior Secured Notes Indenture, the Existing Senior Secured Notes Indentures and the Existing Facilities Agreements, in accordance with the Intercreditor Agreement. The obligations of INEOS Quattro Holdings UK Limited in respect of the Senior Secured Notes Proceeds Loans will also rank junior to the guarantee by INEOS Quattro Holdings UK Limited of the 2026 Senior Notes, in accordance with the Intercreditor Agreement. Except as otherwise required by law, all payments under the Senior Secured Notes Proceeds Loans will be made without deductions or withholding for, or on account of, any applicable tax. In the event that INEOS Quattro Holdings UK Limited is required to make any such deduction or withholding, it shall gross up each payment to the Issuer to ensure that the Issuer receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

The Senior Secured Notes Proceeds Loans will provide that INEOS Quattro Holdings UK Limited will make all payments pursuant thereto on a timely basis in order to ensure that the Issuer can satisfy its payment obligations under the Senior Secured Notes and the Senior Secured Notes Indenture, taking into account the administrative and timing requirements under the Senior Secured Notes Indenture with respect to amounts payable on the Senior Secured Notes.

The Senior Secured Notes Proceeds Loans will be assigned by way of security to the Security Agent for the benefit of holders of the Senior Secured Notes, the holders of the Existing Senior Secured Notes, the lenders under Existing Facilities Agreements, the Hedge Counterparties and the banks in respect of Cash Management Arrangements as described in "*Description of the Collateral and the Guarantees*".

Principal, Maturity and Interest

The Dollar Senior Secured Notes initially will be issued in the aggregate principal amount of $400.0 million and

will mature on March 15, 2029, unless redeemed prior thereto as described herein. The Euro Senior Secured Notes initially will be issued in the aggregate principal amount of €525.0 million and will mature on March 15, 2029, unless redeemed prior thereto as described herein. The Dollar Senior Secured Notes and Euro Senior Secured Notes will mature and the full principal amount will be payable on November 15, 2029. The Senior Secured Notes Indenture will allow additional Dollar Senior Secured Notes (the "**Additional Dollar Senior Secured Notes**") and additional Euro Senior Secured Notes (the "**Additional Euro Senior Secured Notes**" and, together with the Additional Dollar Senior Secured Notes, the "**Additional Senior Secured Notes**") to be issued from time to time, subject to certain limitations described under "*—Certain Covenants—Limitation on Indebtedness*"; *provided*, *however*, that any Additional Senior Secured Notes that are issued with the same CUSIP, ISIN or common code number will be fungible with the previously issued applicable series of Senior Secured Notes for U.S. federal income tax purposes. Each of the Dollar Senior Secured Notes and the Euro Senior Secured Notes will constitute a separate series of Senior Secured Notes. The Senior Secured Notes and any Additional Senior Secured Notes will be treated as a single class for all purposes of the Senior Secured Notes Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase, except as otherwise provided for in the Senior Secured Notes Indenture.

The Dollar Senior Secured Notes will bear interest at the rate of 9.625% per *annum* and the Euro Senior Secured Notes will bear interest at the rate of 8.500% per annum, in each case, from and including the date of original issuance or from and including the most recent interest payment date to which interest has been paid, payable semi-annually in arrear on May 15 and November 15 in each year, commencing May 15, 2024. The Issuer will make each interest payment to the holders of record of the Dollar Senior Secured Notes and the Euro Senior Secured Notes on the immediately preceding May 1 and November 1. Interest on the Senior Secured Notes will accrue from the date of original issuance or, if interest has already been paid, from the interest payment date it was most recently paid. Interest on the Dollar Senior Secured Notes and the Euro Senior Secured Notes will be computed on the basis of a 360-day year composed of twelve 30-day months. Interest on overdue principal and, to the extent permitted by law, on overdue installments of interest will accrue at the rate of interest borne by the Dollar Senior Secured Notes and the Euro Senior Secured Notes, as applicable.

Principal of, premium, if any, any applicable Additional Amounts (as defined below) and interest on the Senior Secured Notes will be payable, and the Senior Secured Notes will be exchangeable and transferable, at the office or agency of the Issuer in London maintained for such purposes (which initially will be the corporate trust office of the Trustee) and, so long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF Market thereof, at the offices of the applicable Paying Agent. Principal, interest and premium, if any, on the global notes (as described below) will be payable at the specified office or agency of one or more Paying Agents; *provided* that all such payments with respect to Senior Secured Notes represented by one or more global notes registered in the name of or held by a nominee of DTC or a depository common to Euroclear and/or Clearstream, as applicable, will be made by wire transfer of immediately available funds to the account specified by the holder or holders thereof. The initial Paying Agents will be HSBC Bank PLC, as Paying Agent with respect to the Euro Senior Secured Notes, and HSBC Bank USA, National Association, as Paying Agent with respect to the Dollar Senior Secured Notes.

The Dollar Senior Secured Notes will initially be represented by one or more global notes and will be issued in fully registered form without coupons attached and in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof. The Euro Senior Secured Notes will initially be represented by one or more global notes and will be issued in fully registered form without coupons attached and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The global notes will be deposited with a custodian for DTC or its nominee or with a common depositary for Euroclear and Clearstream or its nominee, as applicable. Ownership of interests in the global notes, referred to as "**book-entry interests**," will be limited to Persons that have accounts with DTC, Euroclear and/or Clearstream, as applicable, or Persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC, Euroclear and/or Clearstream, as applicable, and their participants. Please see "*Book-Entry, Delivery and Form*."

Settlement for the Senior Secured Notes will be made in same day funds. All payments of principal, any applicable Additional Amounts and interest will be made by the Issuer in same day funds.

If the due date for any payment in respect of the Senior Secured Notes is not a Business Day, payment shall be made on the next succeeding day that is a Business Day, and no interest shall accrue for the intervening period.

When issued, the Dollar Senior Secured Notes and the Euro Senior Secured Notes will each be a new issue of securities with no established trading market. No assurance can be given as to the liquidity of the trading market for the Senior Secured Notes. Application has been made for the Dollar Senior Secured Notes and the Euro Senior Secured Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the Euro MTF Market thereof.

Optional Redemption

Dollar Senior Secured Notes

The Dollar Senior Secured Notes will be subject to redemption at any time prior to November 15, 2025 at the option of the Issuer, in whole or in part, on not less than 10 nor (except as provided under "*—Selection and Notice of Optional Redemption*") more than 60 days' prior notice at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium and accrued and unpaid interest and applicable Additional Amounts (if any) to, but not including, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The Dollar Senior Secured Notes will be subject to redemption at any time and from time to time on or after November 15, 2025 at the option of the Issuer, in whole or in part, on not less than 10 nor (except as provided under "*—Selection and Notice of Optional Redemption*") more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning on November 15 of the year indicated below:

12-Month Period Beginning on	Redemption Price
2025	104.813%
2026	102.406%
2027 and thereafter	100.000%

together with any applicable Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

In addition, at any time on or prior to November 15, 2025, the Issuer or any Parent Holdco, at its option, on not less than 10 nor (except as provided under "*—Selection and Notice of Optional Redemption*") more than 60 days' prior notice, may use the net cash proceeds of one or more Public Equity Offerings (plus amounts equal to any Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date) to redeem the Dollar Senior Secured Notes and Additional Dollar Senior Secured Notes in an amount up to an aggregate of 40% of the sum of the initial aggregate principal amount of the Dollar Senior Secured Notes originally issued under the Senior Secured Notes Indenture and the initial aggregate principal amount of any Additional Dollar Senior Secured Notes issued under the Senior Secured Notes Indenture after the Issue Date at a redemption price equal to 109.625% of the aggregate principal amount of the Dollar Senior Secured Notes, plus any applicable Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date); *provided* that the Dollar Senior Secured Notes and Additional Dollar Senior Secured Notes in an amount equal to at least 50% of the sum of the initial aggregate principal amount of Dollar Senior Secured Notes originally issued under the Senior Secured Notes Indenture and the initial aggregate principal amount of any Additional Dollar Senior Secured Notes issued under the Senior Secured Notes Indenture after the Issue Date remains outstanding immediately after the occurrence of such redemption. In order to effect the foregoing redemption, the Issuer must consummate such redemption within 180 days of the closing of the Public Equity Offering.

In connection with any tender offer for, or other offer to purchase, all of the Dollar Senior Secured Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding Dollar Senior Secured Notes validly tender and do not validly withdraw such Dollar Senior Secured Notes in such tender offer and the Issuer, or any other Person making such tender offer in lieu of the Issuer, purchases all of the Dollar Senior Secured Notes validly tendered and not validly withdrawn by such holders, all of the holders of the Dollar Senior Secured Notes that remain outstanding will be deemed to have consented to a redemption of the Dollar Senior Secured Notes on the terms set forth in this paragraph, and, accordingly, within 60 days of such purchase, the Issuer or such other Person will have the right upon not less than 10 nor more than 60 days' notice following such purchase date, to redeem all (but not less than all) Dollar Senior Secured Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any early tender premium or similar payment and, for the avoidance of doubt, any accrued and unpaid interest and Additional Amounts, if any, thereon) paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date).

Euro Senior Secured Notes

The Euro Senior Secured Notes will be subject to redemption at any time prior to November 15, 2025 at the option of the Issuer, in whole or in part, on not less than 10 nor (except as provided under "—*Selection and Notice of Optional Redemption*") more than 60 days' prior notice at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium and accrued and unpaid interest and applicable Additional Amounts (if any) to, but not including, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The Euro Senior Secured Notes will be subject to redemption at any time and from time to time on or after November 15, 2025 at the option of the Issuer, in whole or in part, on not less than 10 nor (except as provided under "—*Selection and Notice of Optional Redemption*") more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning on November 15, of the year indicated below:

12-Month Period Beginning on	Redemption Price
2025	104.250%
2026	102.125%
2027 and thereafter	100.000%

together with any applicable Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

In addition, at any time on or prior to November 15, 2025, the Issuer or any Parent Holdco, at its option, on not less than 10 nor (except as provided under "—*Selection and Notice of Optional Redemption*") more than 60 days' prior notice, may use the net cash proceeds of one or more Public Equity Offerings (plus amounts equal to any Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date) to redeem the Euro Senior Secured Notes and Additional Euro Senior Secured Notes in an amount up to an aggregate of 40% of the sum of the initial aggregate principal amount of the Euro Senior Secured Notes originally issued under the Senior Secured Notes Indenture and the initial aggregate principal amount of any Additional Euro Senior Secured Notes issued under the Senior Secured Notes Indenture after the Issue Date at a redemption price equal to 108.50% of the aggregate principal amount of the Euro Senior Secured Notes, plus any applicable Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date); *provided* that the Euro Senior Secured Notes and Additional Euro Senior Secured Notes in an amount equal to at least 50% of the sum of the initial aggregate principal amount of Euro Senior Secured Notes originally issued under the Senior Secured Notes Indenture and the initial aggregate principal amount of any Additional Euro Senior Secured Notes issued under the Senior Secured Notes Indenture after the Issue Date remains outstanding immediately after the occurrence of such redemption. In order to effect the foregoing redemption, the Issuer must consummate such redemption within 180 days of the closing of the Public Equity Offering.

In connection with any tender offer for, or other offer to purchase, all of the Euro Senior Secured Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding Euro Senior Secured Notes validly tender and do not validly withdraw such Euro Senior Secured Notes in such tender offer and the Issuer, or any other Person making such tender offer in lieu of the Issuer, purchases all of the Euro Senior Secured Notes validly tendered and not validly withdrawn by such holders, all of the holders of the Euro Senior Secured Notes that remain outstanding will be deemed to have consented to a redemption of the Euro Senior Secured Notes on the terms set forth in this paragraph, and, accordingly, within 60 days of such purchase, the Issuer or such other Person will have the right upon not less than 10 nor more than 60 days' notice following such purchase date, to redeem all (but not less than all) Euro Senior Secured Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any early tender premium or similar payment and, for the avoidance of doubt, any accrued and unpaid interest and Additional Amounts, if any, thereon) paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date).

Selection and Notice of Optional Redemption

If less than all of any series of Senior Secured Notes are to be redeemed, the applicable Paying Agent or the Registrar shall select the Senior Secured Notes of such series for redemption on a *pro rata* basis or by lot (or, in the case of Senior Secured Notes issued in global form as discussed under "*Book-Entry; Delivery and Form*," based on a method that most nearly approximates a *pro rata* or by lot selection as DTC, Euroclear, Clearstream or such successor depositary, as applicable, deems fair and appropriate) unless otherwise required by applicable law or applicable stock exchange or

depositary requirements. None of the Trustee, any Paying Agent, or the Registrar shall be liable for any selection made under this paragraph.

No Dollar Senior Secured Notes shall be redeemed in part if the resulting Dollar Senior Secured Note would have a minimum denomination that is less than $200,000. No Euro Senior Secured Note shall be redeemed in part if the resulting Euro Senior Secured Note would have a minimum denomination that is less than €100,000. Notices of redemption shall be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of Senior Secured Notes to be redeemed at its registered address, except that a redemption notice may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Senior Secured Notes or a satisfaction and discharge of the Senior Secured Notes Indenture, in each case in accordance with the provisions of the Senior Secured Notes Indenture. For Senior Secured Notes represented by global certificates held on behalf of DTC or Euroclear or Clearstream, notices may be given by delivery to DTC or Euroclear or Clearstream for communication to entitled account owners in substitution for the aforesaid mailing.

A notice of redemption shall state: the redemption date and the record date; the redemption price and the amount of accrued and unpaid interest, if any, and applicable Additional Amounts, if any, to be paid; the paragraph of the applicable Senior Secured Notes pursuant to which such Senior Secured Notes are being redeemed; the name and address of the applicable Paying Agent; that the applicable Senior Secured Notes called for redemption must be surrendered to the applicable Paying Agent to collect the redemption price, plus accrued and unpaid interest, if any, and applicable Additional Amounts, if any; that, unless the Issuer defaults in making the redemption payment, interest, if any, and applicable Additional Amounts, if any, on the applicable Senior Secured Notes called for redemption shall cease to accrue on and after the redemption date; if any series of Senior Secured Notes is being redeemed in part, the portion of the principal amount of such series of Senior Secured Notes to be redeemed; that the only remaining right of the holders of such series of Senior Secured Notes is to receive payment of the redemption price upon surrender to the applicable Paying Agent of such Senior Secured Notes; that, if less than all of any series of Senior Secured Notes is to be redeemed, the identification of the particular Senior Secured Notes and the principal amount (or portion thereof) of such Senior Secured Notes to be redeemed and the aggregate principal amount of such Senior Secured Notes to be outstanding after such partial redemption; whether the redemption is conditioned on any events and, if so, a detailed explanation of such conditions; and that no representation is made as to the correctness or accuracy of the CUSIP, ISIN or Common Code numbers, if any, listed in such notice or printed on the applicable Senior Secured Notes. Subject to the satisfaction of any conditions precedent set forth in a notice of redemption, Senior Secured Notes called for redemption become due on the date fixed for redemption. If such redemption is subject to the satisfaction of one or more conditions precedent, the related notice may, for the avoidance of doubt, state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied or waived (*provided* that in no event shall the redemption date be delayed to a date later than 60 days from the date of the original notice of redemption, except that redemption notices may be given more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Senior Secured Notes or a satisfaction and discharge of the Senior Secured Notes Indenture), and the Issuer shall provide notice of the satisfaction or waiver of such conditions at least one Business Day prior to the redemption date for any conditional redemption, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date so delayed. On and after the redemption date, interest will cease to accrue on the series of Senior Secured Notes, or the portions thereof, called for redemption.

So long as any Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Luxembourg Stock Exchange's Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, the Issuer will inform the Luxembourg Stock Exchange of any such redemption and will publish a notice regarding such redemption in a leading newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange's official website, www.luxse.com.

Redemption upon Changes in Withholding Taxes

If, as a result of:

(a) any amendment to, or change in, the laws or treaties (or regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction (as defined below under *"—Payment of Additional Amounts*"); or

(b) any change in the official application or the official interpretation or administration of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice) (each of the foregoing in clauses (a) and (b), a "**Change in Tax Law**"),

the Issuer, any Guarantor or any Surviving Entity would be obligated to pay, on the next date for any payment,

Additional Amounts, as described below under "*—Payment of Additional Amounts*" with respect to the Senior Secured Notes of any series, which the Issuer, such Guarantor or such Surviving Entity cannot avoid by the use of reasonable measures available to it (including, without limitation, making payment through a paying agent located in another jurisdiction), then the Issuer or the Issuer Surviving Entity, as the case may be, may redeem, at its option, all, but not less than all, of the Senior Secured Notes of the relevant series at any time on or after the Issue Date and following such Change in Tax Law, upon not less than 30 nor more than 60 days' notice to the holders of the relevant series of Senior Secured Notes, at a redemption price of 100% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the redemption date.

In the case of the United Kingdom or any other jurisdiction that is a Relevant Taxing Jurisdiction on the Issue Date, the applicable Change in Tax Law must become effective on or after the date of this offering memorandum. In the case of a jurisdiction that becomes a Relevant Taxing Jurisdiction after the Issue Date, the applicable Change in Tax Law must become effective after the date that such jurisdiction becomes a Relevant Taxing Jurisdiction.

Prior to the giving of any notice of redemption described in this section, the Issuer, or the Issuer Surviving Entity, as the case may be, will deliver to the Trustee in form and substance reasonably satisfactory to the Trustee:

(i) an Officer's Certificate of the Issuer, or the Issuer Surviving Entity, as the case may be, stating that the obligation to pay such Additional Amounts cannot be avoided by the Issuer, such Guarantor or the relevant Surviving Entity taking reasonable measures available to it; and

(ii) a written opinion of independent legal counsel of recognized standing addressed to the Issuer or the Issuer Surviving Entity, as the case may be, to the effect that the Issuer, such Guarantor or the relevant Surviving Entity has or will become obligated to pay such Additional Amounts as a result of a Change in Tax Law described above.

The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions without further inquiry to a redemption upon a Change in Tax Law, including any changes in withholding Taxes, in which event it will be conclusive and binding on the holders of the Senior Secured Notes.

Notwithstanding the foregoing, no such notice will be given (a) earlier than 90 days prior to the earliest date on which the Issuer or the relevant Surviving Entity or Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment were then due and (b) unless, at the time such notice is given, such obligation to pay such Additional Amounts remains in effect.

Payment of Additional Amounts

All payments by or on behalf of the Issuer or any Surviving Entity under or with respect to the Senior Secured Notes, or by or on behalf of any Guarantor or any Surviving Entity with respect to any Guarantee, will be made free and clear of, and without withholding or deduction for, or on account of, any Taxes, unless such withholding or deduction is required by law or by the official interpretation or administration of law, or by an applicable certification, identification, information or other reporting requirement or agreement, if entering into or complying with such requirement or agreement is required by law or by a taxing authority as a precondition to relief or exemption from such Tax. If any amount for, or on account of, Taxes imposed or levied by or on behalf of any jurisdiction in which the Issuer, any Guarantor or, if applicable, any Surviving Entity, is incorporated, organized, resident for Tax purposes or otherwise subject to Tax or from or through which any payment is made on or with respect to the Senior Secured Notes or a Guarantee by any taxing authority therein or political subdivision thereof (each, as applicable, a "**Relevant Taxing Jurisdiction**") is required to be withheld or deducted from any payment made under or with respect to the Senior Secured Notes or any Guarantee, the Issuer, such Guarantor or such Surviving Entity, as the case may be, will pay such additional amounts ("**Additional Amounts**") as may be necessary to ensure that the net amount received after such withholding or deduction will be not less than the amount that would have been received if such Taxes had not been required to be withheld or deducted.

Notwithstanding the foregoing, no Additional Amounts will be payable in respect of or on account of:

(a) any Taxes that are imposed or levied by a Relevant Taxing Jurisdiction by reason of the holder's or beneficial owner's present or former connection with such Relevant Taxing Jurisdiction, including, without limitation, the holder or beneficial owner being, or having been, a citizen, national, or resident, being, or having been, engaged in a trade or business, being, or having been, physically present in or having or having had a permanent establishment in a Relevant Taxing Jurisdiction (but not including, in each case, any connection arising from the mere holding of Senior Secured Notes or the receipt of payments thereunder or under a Guarantee or the exercise or enforcement of rights under any Senior

Secured Notes or the Senior Secured Notes Indenture or a Guarantee);

(b) any Taxes that are imposed or levied by reason of the failure of the holder or beneficial owner of Senior Secured Notes (or any financial institution through which the holder or beneficial owner holds the Senior Secured Notes or through which payment on the Senior Secured Notes is made), following the written request of the Issuer, any Guarantor or any Surviving Entity (as the case may be) made at a time that would enable the holder or beneficial owner (or any such financial institution) acting reasonably to comply with that request and in accordance with the notice procedures set forth in the Senior Secured Notes Indenture, to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of withholding or deduction of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction);

(c) any estate, inheritance, gift, sale, excise, transfer, personal property or similar Taxes;

(d) any Tax that is payable otherwise than by withholding or deduction from payments made under or with respect to the Senior Secured Notes or a Guarantee;

(e) any Tax that is imposed or levied by reason of the presentation (where presentation is required in order to receive payment) of such Senior Secured Notes for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the beneficial owner or holder thereof would have been entitled to Additional Amounts had the Senior Secured Notes been presented for payment on any date during such 30-day period;

(f) [*Reserved*]

(g) any Tax that is imposed or levied on or with respect to a payment made to a holder or beneficial owner of Senior Secured Notes who would have been able to avoid such withholding or deduction by presenting the Senior Secured Notes to another Paying Agent in a Member State of the European Union;

(h) any Taxes that are imposed or withheld pursuant to Sections 1471 through 1474 of the Code, as of the Issue Date (or any amended or successor version of such sections), any regulations promulgated thereunder, any official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any law or regulation implementing any such intergovernmental agreement; or

(i) any combination of items (a) through (h) above.

Notwithstanding the first paragraph of this section, Additional Amounts will not be paid with respect to the Senior Secured Notes to a holder who is a fiduciary, a partnership, a limited liability company or any person other than the sole beneficial owner of the payment under or with respect to the Senior Secured Notes, to the extent that a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in that limited liability company or a beneficial owner would not have been entitled to the Additional Amounts had it been the holder of the Senior Secured Notes.

The Issuer, the relevant Guarantor or the relevant Surviving Entity, as the case may be, will (i) make such withholding or deduction as is required by applicable law and (ii) remit the full amount withheld or deducted to the relevant taxing authority in accordance with applicable law.

At least 30 calendar days prior to each date on which any payment under or with respect to the Senior Secured Notes is due and payable, if the Issuer, any Guarantor or a Surviving Entity will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Senior Secured Notes is due and payable, in which case it will be promptly thereafter), the Issuer, the relevant Guarantor or the relevant Surviving Entity (as the case may be) will deliver

to the Trustee (with a copy to the applicable Paying Agent) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the applicable Paying Agent to pay such Additional Amounts to holders on the payment date. The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary. The Issuer, the relevant Guarantor or the relevant Surviving Entity, as the case may be, will promptly publish a notice in accordance with the notice provisions set forth in the Senior Secured Notes Indenture stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

Upon written request, the Issuer, the relevant Guarantor or the relevant Surviving Entity, as the case may be, will furnish to the Trustee or to a holder of the Senior Secured Notes copies of tax receipts evidencing the payment of any Taxes by the Issuer, such Guarantor or such Surviving Entity in such form as provided in the normal course by the taxing authority imposing such Taxes and as is reasonably available to the Issuer, such Guarantor or such Surviving Entity. If, notwithstanding the efforts of the Issuer, such Guarantor or such Surviving Entity to obtain such receipts, the same are not obtainable, the Issuer, such Guarantor or such Surviving Entity will provide the Trustee or such holder with other evidence reasonably satisfactory to the Trustee or such holder.

In addition, the Issuer, any Guarantor and any Surviving Entity, as the case may be, will pay any present or future stamp, issue, registration, court, documentation, excise or property taxes or other similar taxes, charges and duties, including interest and penalties with respect thereto, imposed by or in any Relevant Taxing Jurisdiction in respect of the execution, issue, enforcement or delivery of the Senior Secured Notes or any other document or instrument referred to thereunder (other than on or in connection with (i) a transfer of the Senior Secured Notes other than the initial resale by the Initial Purchasers or (ii) the issue of replacement Notes or certificated Notes pursuant to the Senior Secured Notes Indenture).

Whenever the Senior Secured Notes Indenture, the Senior Secured Notes or this "*Description of the Senior Secured Notes*" refers to, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any Senior Secured Note or with respect to any Guarantee, such reference includes the payment of Additional Amounts, if applicable.

Currency Indemnity

The U.S. dollar is the sole currency of account and payment for all sums payable by the Issuer or any Guarantor under the Dollar Senior Secured Notes and any Guarantee of the Dollar Senior Secured Notes. Any amount received or recovered in a currency other than U.S. dollars in respect of the Dollar Senior Secured Notes (whether as a result of, or as a result of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Parent, the Issuer, any Subsidiary of the Parent or otherwise) by the Trustee or holder in respect of any sum expressed to be due to it from the Issuer or any Guarantor of the Dollar Senior Secured Notes shall constitute a discharge of the Issuer or any Guarantor of the Dollar Senior Secured Notes only to the extent of the dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not possible to make that purchase on that date, on the first date on which it is possible to do so). If that dollar amount is less than the dollar amount expressed to be due to the recipient under any Dollar Senior Secured Note, the Issuer and each Guarantor of the Dollar Senior Secured Notes, jointly and severally, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this indemnity, it will be sufficient for the holder to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of dollars on such date had not been possible, on the first date on which it would have been possible).

The euro is the sole currency of account and payment for all sums payable by the Issuer or any Guarantor under the Euro Senior Secured Notes and any Guarantee of the Euro Senior Secured Notes. Any amount received or recovered in currency other than euro in respect of the Euro Senior Secured Notes (whether as a result of, or as a result of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Parent, the Issuer, any Subsidiary of the Parent or otherwise) by the Trustee or holder in respect of any sum expressed to be due to it from the Issuer or any Guarantor of the Euro Senior Secured Notes shall constitute a discharge of the Issuer or any Guarantor of the Euro Senior Secured Notes only to the extent of the Euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not possible to make that purchase on that date, on the first date on which it is possible to do so). If that Euro amount is less than the Euro amount expressed to be due to the recipient under any Euro Senior Secured Note, the Issuer and each Guarantor of the Euro Senior Secured Notes, jointly and severally, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this indemnity, it will be sufficient for the holder to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of Euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of Euro on such date had not been possible, on the first date on which it would have been possible).

Each of the above indemnities will, to the extent permitted by law:

- constitute a separate and independent obligation from the other obligations of the Issuer and any Guarantor;
- give rise to a separate and independent cause of action;
- apply irrespective of any waiver granted by any holder; and
- continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Senior Secured Note or any other judgment or order.

Sinking Fund

The Senior Secured Notes will not be entitled to the benefit of any sinking fund.

Open Market Purchases

The Parent, the Company and the Restricted Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise.

Purchase of Senior Secured Notes upon a Change of Control

If a Change of Control shall occur at any time, then each holder of Senior Secured Notes shall have the right to require that the Issuer purchase such holder's Senior Secured Notes in whole or in part (equal to $200,000 or €100,000, as the case may be, or an integral multiple of $1,000 or €1,000, as the case may be, in excess thereof), at a purchase price (the "**Change of Control Purchase Price**") in cash in an amount equal to 101% of the principal amount of such Senior Secured Notes, plus any Additional Amounts and accrued and unpaid interest, if any, to, but not including, the date of purchase (the "**Change of Control Purchase Date**") (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date), pursuant to the offer described below (the "**Change of Control Offer**") and in accordance with the other procedures set forth in the Senior Secured Notes Indenture; *provided*, *however*, that the Issuer shall not be obliged to repurchase any series of Senior Secured Notes as described under this caption "*—Purchase of Senior Secured Notes upon a Change of Control*" in the event and to the extent that it has unconditionally exercised its right to redeem all of the Senior Secured Notes of such series as described under "*—Optional Redemption*." No such purchase in part shall reduce the principal amount at maturity of the Senior Secured Notes held by any holder to below $200,000, in the case of the Dollar Senior Secured Notes, or €100,000, in the case of the Euro Senior Secured Notes.

Within 30 days following any Change of Control, the Issuer shall notify the Trustee thereof and give written notice of such Change of Control to each holder of Senior Secured Notes by first class mail, postage prepaid, at the address appearing in the security register, stating, among other things:

- that a Change of Control has occurred and the date of such event;
- the circumstances and relevant facts regarding such Change of Control (including, but not limited to, applicable information with respect to *pro forma* historical income, cash flow and capitalization after giving effect to the Change of Control);
- the purchase price and the purchase date which shall be fixed by the Issuer on a Business Day no earlier than 10 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act;
- that any Senior Secured Note not tendered will continue to accrue interest and unless the Issuer defaults in payment of the Change of Control Purchase Price, any Senior Secured Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Purchase Date; and
- any other procedures that a holder of Senior Secured Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

The Issuer shall make available to the newswire service of Bloomberg (or if Bloomberg does not then operate, any similar agency) or, so long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF Market thereof and the rules of the Luxembourg Stock Exchange so require, a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the

Luxembourg Stock Exchange's official website, *www.luxse.com*, the notice described above.

The ability of the Issuer to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would constitute an event of default under the Existing Facilities Agreements and Existing Indentures. In addition, certain events that may constitute a change of control under the Existing Facilities Agreements may not constitute a Change of Control under the Senior Secured Notes Indenture. The future Indebtedness of the Issuer, the Parent and its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of the Senior Secured Notes of their right to require the Issuer to repurchase the Senior Secured Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer, the Parent and its subsidiaries. Finally, the ability of the Issuer to pay cash to the holders of the Senior Secured Notes upon a repurchase may be limited by its and the Company's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Senior Secured Notes Indenture are applicable, except, for the avoidance of doubt, to the extent satisfaction and discharge of the Senior Secured Notes Indenture, as described under "*—Satisfaction and Discharge*," has occurred or the Issuer has elected to exercise its option for Legal Defeasance or Covenant Defeasance, as described under "*—Defeasance or Covenant Defeasance of Senior Secured Notes Indenture*," in each case prior to the occurrence of a Change of Control. Except as described above with respect to a Change of Control, the Senior Secured Notes Indenture will not contain provisions that permit the holders of the Senior Secured Notes to require that the Issuer repurchase or redeem the Senior Secured Notes in the event of a takeover, recapitalization or similar transaction. The existence of a holder's right to require the Issuer to repurchase such holder's Senior Secured Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer, the Parent or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Senior Secured Notes Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Senior Secured Notes validly tendered and not withdrawn under such Change of Control Offer.

The applicable Paying Agent will promptly deliver to each holder of Senior Secured Notes properly tendered the Change of Control Purchase Price for such Senior Secured Notes and will, in respect of the global notes, make such notations thereon as are necessary to reflect the Senior Secured Notes (or interest therein) purchased in such Change of Control Offer, and the applicable Paying Agent will, in respect of certificated notes, cause to be authenticated and mailed to each holder a new certificated note or notes equal in principal amount to any unpurchased portion of Senior Secured Notes surrendered, if any; *provided* that each such new note will be in a principal amount of $200,000 or €100,000, as applicable, or an integral multiple of €1,000 or €1,000, as applicable, in excess thereof. The Issuer will publicly announce the results of the Change of Control Offer on, or as soon as practicable after, the Change of Control Purchase Date.

The definition of "**Change of Control**" includes a disposition of "all or substantially all" of the assets of the Company. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Company. As a result, it may be unclear as to whether a Change of Control has occurred and whether the Issuer must make an offer to repurchase the Senior Secured Notes as described above.

The Issuer will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations, including administrative interpretations thereof (including those of the United States and the United Kingdom) in connection with a Change of Control Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with the provisions of this covenant (other than the obligation to make an offer pursuant to this covenant), the Issuer will comply with the securities laws and regulations and will not be deemed to have breached its obligations described in this covenant by virtue thereof.

Certain Calculations

(a) Notwithstanding any other provision of the Senior Secured Notes Indenture or any other Senior Secured Notes Document, solely for the purposes of determining whether a Limited Condition Transaction may be consummated or any related transaction, including the assumption or incurrence of any Indebtedness or Liens may be consummated in connection therewith, (i) each of Consolidated Adjusted EBITDA, the Consolidated Fixed Charge Coverage Ratio, the Consolidated First Lien Net

Leverage Ratio, the Consolidated Total Net Leverage Ratio and the Total Assets may, at the Company's election, be determined as of the last day of or for the most recent period of four full fiscal quarters for which financial statements are available as of the date the definitive agreement for such Limited Condition Transaction is entered into (or, if applicable, in the case of any Acquisition or Investment made pursuant to a tender or similar offer, as of the date such offer has been commenced or, in the case of a Permitted Payment or Restricted Payment, as of the date of the declaration thereof or the date of the delivery of irrevocable (which may be conditional) notice with respect thereto) (and shall not be tested again on the date on which such Limited Condition Transaction or any related transaction, including the assumption or incurrence of any such Indebtedness or Liens, is consummated) and shall be calculated giving *pro forma* effect to both the consummation of such Limited Condition Transaction and any related transaction, including the assumption or incurrence of any Indebtedness or Liens; *provided* that, following any such election by the Company with respect to any Limited Condition Transaction (and which Limited Condition Transaction has not yet been consummated and with respect to which such definitive agreement, tender or similar offer, declaration or notice has not been terminated or been revoked without the consummation thereof), any subsequent calculation or determination (including any subsequent calculation or determination made in reliance on this paragraph (a)) of any such ratio or other metric shall be made giving *pro forma* effect to the consummation of such Limited Condition Transaction and any related transaction, including the assumption or incurrence of Indebtedness or Liens; and (ii) any condition thereto as to the absence of any Default or Event of Default may, at the Company's election, be determined as of the date the definitive agreement for such Limited Condition Transaction is entered into (or, if applicable, in the case of any Acquisition or Investment made pursuant to a tender or similar offer, as of the date such offer has been commenced or, in the case of a Permitted Payment or Restricted Payment, as of the date of the declaration thereof or the date of the delivery of irrevocable (which may be conditional) notice with respect thereto) (and shall not be tested again on the date on which such Limited Condition Transaction or any related transaction, including the assumption or incurrence of any Indebtedness or Liens, is consummated). For the avoidance of doubt, in making any determination contemplated by this paragraph (a) as to any amounts in Dollars, Euro or any other currency, it is understood that the Company may, at its election, select currency exchange rates in effect (x) as of the last day of the most recent period of four full fiscal quarters for which financial statements are available as of the date the definitive agreement for such Limited Condition Transaction is entered into (or, if applicable, in the case of any Acquisition or Investment made pursuant to a tender or similar offer, as of the date such offer has been commenced or, in the case of a Permitted Payment or Restricted Payment, as of the date of the declaration thereof or the date of the delivery of irrevocable (which may be conditional) notice with respect thereto), (y) as of the date the definitive agreement for such Limited Condition Transaction is entered into (or, if applicable, in the case of any Acquisition or Investment made pursuant to a tender or similar offer, as of the date such offer has been commenced or, in the case of a Permitted Payment or Restricted Payment, as of the date of the declaration thereof or the date of the delivery of irrevocable (which may be conditional) notice with respect thereto) or (z) as of the date on which such Limited Condition Transaction or such related transaction, including the assumption or incurrence of any is Indebtedness or Liens, is consummated.

(b) For purposes of determining Consolidated Adjusted EBITDA, the Consolidated First Lien Net Leverage Ratio, the Consolidated Fixed Charge Coverage Ratio, Consolidated Income Tax Expense, Consolidated Interest Expense, Consolidated Net Income (Loss), Consolidated Non-Cash Charges, the Consolidated Total Net Leverage Ratio, Excess Proceeds, Net Cash Proceeds (including for purposes of paragraph (b) under the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*"), Consolidated revenues or any other financial ratio, basket calculation or financial measurement of any kind whatsoever of the Parent, the Company, the Group or the Restricted Group in respect of a period commencing prior to the date of completion of any Permitted Reorganization and ending on or after such date, such determination shall be made using the results for the applicable period prior to such date of the Parent, the Company, the Group or the Restricted Group as in effect during such prior period and the results for the applicable period on and after such date of the Parent, the Company, the Group or the Restricted Group as in effect during such subsequent period. For purposes of each of clauses (1) and (2) under the first paragraph of the covenant described under "*—Certain Covenants—Provision of Financial Statements*", at any time when the most recent fiscal year or fiscal quarter, as applicable, ended after the date of the completion of any Permitted Reorganization and the comparable prior year period ended prior to such date, the financial statements delivered in respect of such prior period may be those of the Parent as of the last day of such prior fiscal year or fiscal quarter, as applicable. Where the Senior Secured Notes Indenture refers to the most recent fiscal year for which financial statements of the Parent have been delivered (or are required to have been delivered) pursuant to clause (1) under the first paragraph of the covenant described under "*—Certain*

Covenants—Provision of Financial Statements" or the most recent fiscal quarter or period of four consecutive fiscal quarters for which financial statements of the Parent have been delivered (or are required to have been delivered) pursuant to clause (1) or (2) under the first paragraph of the covenant described under "*—Certain Covenants—Provision of Financial Statements*" (or words to similar effect), prior to the first delivery of any such financial statements hereunder, such fiscal year shall refer to December 31, 2022 and such fiscal quarter or period of four consecutive fiscal quarters shall refer to the fiscal quarter and the period of four consecutive fiscal quarters ended June 30, 2023.

(c) For purposes of determining the permissibility of any action, change, transaction or event that requires a calculation of any financial ratio, Consolidated Adjusted EBITDA, Total Assets, Fair Market Value or any other financial metric, such financial ratio or such other test shall be calculated at the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be (or, in each case, such other time as is applicable thereto pursuant to paragraph (a) of "*—Certain Calculations*"), it being understood, for the avoidance of doubt, that for purposes of determining compliance with any Consolidated Adjusted EBITDA or Total Asset percentage restriction in connection with any Acquisition or Investment, the amount of the Consolidated Adjusted EBITDA or the Total Assets will be determined after giving *pro forma* effect thereto, and no Default or Event of Default shall occur solely as a result of a subsequent change in such financial ratio, Consolidated Adjusted EBITDA, Total Assets, Fair Market Value or other financial metric, as the case may be. Notwithstanding anything to the contrary in "*—Certain Covenants—Limitation on Indebtedness*" or "*—Certain Covenants—Limitation on Liens*", (i) in connection with the incurrence of any Indebtedness, or any Lien securing any Indebtedness, in each case, in reliance on any exception set forth in "*—Certain Covenants—Limitation on Indebtedness*" or "*—Certain Covenants—Limitation on Liens*" that is based on a percentage of Consolidated Adjusted EBITDA or Total Assets, the amount of Consolidated Adjusted EBITDA or Total Assets shall be determined after giving *pro forma* effect to the application of the proceeds of such Indebtedness (and any other Indebtedness incurred substantially concurrently therewith), and any Indebtedness, or any Lien securing any Indebtedness, in each case, incurred in reliance on any exception set forth in "*—Certain Covenants—Limitation on Indebtedness*" or "*—Certain Covenants—Limitation on Liens*" that is based on a financial ratio or a percentage of Consolidated Adjusted EBITDA or Total Assets will be permitted to be refinanced under such exception (if otherwise complying with the requirements of such exception) notwithstanding that, at the time of and after giving effect to such refinancing, the amount thereof might exceed the applicable financial ratio or the applicable percentage of Consolidated Adjusted EBITDA or Total Assets, solely as a result of a subsequent change in such financial ratio, Consolidated Adjusted EBITDA, Total Assets, and (ii) in the case of any obligation to purchase or repurchase any inventory as part of any inventory financing or similar arrangement, no Default or Event of Default shall occur solely as a result of a change in the Fair Market Value of such inventory after the date of the initial incurrence of such obligation, and such inventory financing or similar arrangement incurred in reliance on any exception set forth in "*—Certain Covenants—Limitation on Indebtedness*" or "*—Certain Covenants—Limitation on Liens*" will be permitted to be refinanced under such exception (if otherwise complying with the requirements of such exception) notwithstanding that, at the time of and after giving effect to such refinancing, the amount thereof might exceed the applicable cap set forth in such exception. For purposes of the Senior Secured Notes Indenture, whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations will be as determined in good faith by a responsible financial or accounting officer of the Parent.

(d) Notwithstanding anything to the contrary set forth herein (but subject to paragraph (e) of the covenant "*—Certain Covenants—Limitation on Restricted Payments*"), for purposes of determining compliance with any of the covenants described under the captions "*—Certain Covenants*" or "*—Consolidation, Merger, Sale of Assets*", in the event that any Indebtedness, Lien, Restricted Payment, Permitted Payment, Investment, Asset Sale or other transaction (each of the foregoing, an "**Item**") (or any portion thereof) meets the criteria of more than one of the exceptions set forth under such captions (or in any applicable defined term used under such captions), the classification of such Item (or any portion thereof) on the date of its incurrence, making, undertaking or consummation under any such exception shall be made by the Company in its sole discretion and the Company may, at any time or from time to time thereafter, in its sole discretion, reclassify such Item (or any portion thereof) as having been incurred, made, undertaken or consummated under one or more other exceptions set forth under such captions (or in any applicable defined term used under such captions) if such Item (or such portion thereof) (i) at the time of its incurrence, making, undertaking or consummation, would have been permitted under such other exception or exceptions (but after giving effect to any such other Item or Items (but not, for the avoidance of doubt, any other change in circumstance) that were incurred, made, undertaken or consummated since such time in reliance on such other exception or exceptions) or

(ii) solely in the case of any Indebtedness Lien, Restricted Payment, Permitted Payment or Investment, at the time of such reclassification would have met the criteria set forth in such other exception or exceptions if then incurred, made, undertaken or consummated and, in each case, such Item shall constitute a usage of any availability under such exception only to the extent so classified or reclassified. In addition, the Company may, at any time or from time to time thereafter, in its sole discretion, reclassify (or deem such reclassification to have occurred automatically) any Indebtedness, Lien, Restricted Payment, Permitted Payment or Investment (or any portion thereof), as applicable, previously incurred, made, undertaken or consummated under any basket other than a "ratio-based" basket as having been incurred, made, undertaken or consummated under any applicable "ratio-based" basket set forth in such caption (or in any applicable defined term used in such caption) if such Item (or such portion thereof) would, using the figures as of the last day of or for any period of four full fiscal quarters for which financial statements are available on or after the date of such incurrence, making, undertaking or consummation, be permitted under the applicable "ratio-based" basket. For the avoidance of doubt, any amount so classified or reclassified to any applicable "ratio-based" basket shall be disregarded, and shall be deemed not to be outstanding, for purposes of determining the amount of availability under any other applicable exception in such caption (including, in the case of clause (1) of paragraph (b) of "*—Certain Covenants—Limitation on Indebtedness*", any other applicable sub-clause in such clause (1)) that does not require compliance with a ratio. Notwithstanding the foregoing, Indebtedness incurred under the Existing Term Loan B Facilities and the New Term Loan B Facilities, in each case outstanding on the Issue Date, shall be deemed to have been incurred pursuant to clause (1)(A)(i) of paragraph (b) of "*—Certain Covenants—Limitation on Indebtedness*" and may not be subsequently reclassified.

(e) It is understood and agreed that for purposes of assessing whether any financial ratio or test set forth in any of the covenants described under the captions "*—Certain Covenants*" or "*—Consolidation, Merger, Sale of Assets*" (or in any applicable defined term used under such captions) has been or would be complied with in connection with any Item (or any portion thereof) incurred, made, undertaken or consummated in reliance on an exception that requires compliance with such financial ratio or test, any other Item (or any portion thereof) substantially contemporaneously incurred, made, undertaken or consummated, in each case, in reliance on any other available exceptions that do not require such other Item (or such portion thereof) to comply with such financial ratio or test (including, in the case of Indebtedness limited by clause (1)(B) of paragraph (b) under "*—Certain Covenants—Limitation on Indebtedness*", any other sub-clause of such clause (1)) shall be disregarded (even if part of the same transaction and, in the case of Indebtedness or Liens securing any Indebtedness, even if such other Item is Indebtedness of the same tranche or series as such Indebtedness being incurred under such financial ratio or test); *provided* that full *pro forma* effect shall be given to such other Item (or such portion thereof) for purposes of determining any increase in the amount of Consolidated Adjusted EBITDA or Total Assets resulting therefrom.

(f) For purposes of determining compliance with the Senior Secured Notes Indenture, (i) the outstanding principal amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount thereof that would appear on a consolidated balance sheet of the Parent prepared in conformity with IFRS and (ii) the accrual of interest, the accrual of dividends, the accretion of accreted value, the amortization of original issue discount, the payment of interest or a dividend in the form of additional Indebtedness and/or any increase in the amount of Indebtedness outstanding solely as a result of any fluctuation in the exchange rate of any applicable currency shall not be deemed to be an incurrence of Indebtedness and, to the extent secured, shall not be deemed to result in an increase of the obligations so secured or to be a grant of a Lien securing any such obligations.

Certain Covenants

The Senior Secured Notes Indenture will contain, among others, the following covenants:

Limitation on Indebtedness

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, create, issue, incur, assume or guarantee (collectively, "**incur**") any Indebtedness (including any Acquired Indebtedness); *provided*, *however*, that the Company and its Restricted Subsidiaries may incur Indebtedness if, on the date of such incurrence and after giving *pro forma* effect thereto (including giving *pro forma* effect to the use of the proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the Consolidated Fixed Charge Coverage Ratio for the most recent period of four full fiscal quarters for which financial statements are

available immediately preceding the incurrence of such Indebtedness is not less than 2.00 to 1.00.

(b) Notwithstanding paragraph (a) above, the Company and its Restricted Subsidiaries may incur each and all of the following (collectively, the "**Permitted Indebtedness**"):

(1) (A) Indebtedness of the Company and its Restricted Subsidiaries under the Credit Facilities, including such Indebtedness under the Existing Term Loan B Facilities and the New Term Loan B Facilities outstanding on the Issue Date, *provided* that, with respect to any incurrence of such Indebtedness after the Issue Date, at the time of incurrence thereof and after giving *pro forma* effect thereto (including the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow) the aggregate outstanding principal amount of Indebtedness under this clause (1)(A) shall not exceed the sum of (i) the sum of (v) the aggregate principal amount of Indebtedness outstanding under the 2014 Facilities Agreement as of January 31, 2020, plus (w) the aggregate principal amount of Indebtedness outstanding under the 2026 Term Loan B Facilities on January 29, 2021, plus (x) the aggregate principal amount of commitments under the Term Loan A Facilities in effect on July 31, 2020, plus (y) the aggregate principal amount of commitments under the Revolving Credit Facility in effect on July 31, 2020, plus (z) the aggregate principal amount of Indebtedness outstanding under 2030 New Term Loan B Facilities on March 14, 2023, plus (aa) the aggregate principal amount of Indebtedness outstanding under the New Term Loan B Facilities outstanding on the Issue Date (except, in the case of this clause (aa), to the extent such Indebtedness under the New Term Loan B Facilities refinanced Indebtedness under the 2026 Term Loan B Facilities) *plus* (ii) the greater of (x) €450.0 million and (y) 4.50% of Total Assets, *plus* (iii) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under this clause (b)(1), *plus* (B) additional Indebtedness of the Company and its Restricted Subsidiaries under Credit Facilities so long as, in the case of this clause (B), after giving *pro forma* effect thereto (including the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the Consolidated First Lien Net Leverage Ratio as of the last day of the most recent period of four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Indebtedness is not greater than 3.00 to 1.00, *provided* that solely for the purpose of determining the Consolidated First Lien Net Leverage Ratio as set forth in this clause (B), any Indebtedness incurred in reliance on this clause (B) shall be deemed to be (whether or not it actually is) Senior Secured Indebtedness;

(2) Indebtedness of the Company or any of its Restricted Subsidiaries (A) outstanding on the Issue Date (other than Indebtedness under the Senior Secured Notes, the Existing Notes, the Existing Term Loan B Facilities or the New Term Loan B Facilities), (B) pursuant to the Existing Senior Secured Notes and the guarantees of the Existing Senior Secured Notes after giving pro forma effect to the Offering and use of proceeds therefrom, (C) pursuant to the Senior Secured Notes issued on the Issue Date and the Guarantees of the Senior Secured Notes and (D) pursuant to the guarantees of the 2026 Senior Notes after giving pro forma effect to the Offering and use of proceeds therefrom,

(3) Indebtedness of the Company or any of its Restricted Subsidiaries owing to the Company or any of its Restricted Subsidiaries; *provided* any Indebtedness of the Company, the Issuer or a Subsidiary Guarantor owing to a Restricted Subsidiary that is not the Company, the Issuer or a Subsidiary Guarantor is unsecured and subordinated in right of payment to the payment and performance of the Company's, the Issuer's or such Subsidiary Guarantor's obligations under the Senior Secured Notes pursuant to, and to the extent required by, the Intercreditor Agreement; *provided further* that any disposition or transfer of any such Indebtedness to a Person (other than a disposition or transfer to the Company or any of its Restricted Subsidiaries) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause (3);

(4) Indebtedness of the Company or any of its Restricted Subsidiaries incurred in connection with a Permitted Reorganization; *provided* that after the consummation of such Permitted Reorganization, such Indebtedness is owed to the Company or any of its Restricted Subsidiaries (including, for the avoidance of doubt, any Surviving Entity) and would be permitted by clause (3) above;

(5) Indebtedness of the Company and its Restricted Subsidiaries incurred in connection with inventory financing or similar arrangements, including any guarantees thereof, and any Permitted Refinancing Indebtedness with respect to any such Indebtedness; *provided* that, at the time of incurrence of any such Indebtedness and after giving *pro forma* effect thereto (including the use of proceeds thereof) the aggregate outstanding principal amount of Indebtedness permitted under this clause (5) shall not exceed the sum of (A) the greater of (x) €425.0 million and (y) 4.50% of Total Assets, *plus* (B) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under this clause (5);

(6) guarantees by the Company or any of its Restricted Subsidiaries of any Indebtedness of the Company or any of its Restricted Subsidiaries, including any guarantee of an Unrestricted Subsidiary's guarantee of any Indebtedness of the Company or any of its Restricted Subsidiaries, so long as the incurrence of such Indebtedness by the Company or such Restricted Subsidiary is otherwise permitted by the Senior Secured Notes Indenture; *provided* that if the Indebtedness being guaranteed is subordinated in right of payment to the Senior Secured Notes or any Guarantee, then such guarantee, if provided by the Company, the Issuer or a Subsidiary Guarantor, will be subordinated to the Senior Secured Notes or such Guarantee, as applicable, substantially to the same extent as the relevant Indebtedness guaranteed;

(7) obligations of the Company or any of its Restricted Subsidiaries in respect of:

(A) any Interest Rate Agreements,

(B) any Currency Hedging Agreements, or

(C) any Commodity Hedging Agreements,

in each case, entered into for bona fide business purposes (including any commodity trading or commodity risk management business) and not for speculative purposes, as determined in good faith by the Board of Directors or senior management of the Company;

(8) Indebtedness of the Company or any of its Restricted Subsidiaries incurred after the Issue Date represented by Finance Lease Obligations or Purchase Money Obligations and other Indebtedness of the Company or any of its Restricted Subsidiaries incurred after the Issue Date for the purpose of financing all or any part of the acquisition, development, construction or improvement of real or personal, movable or immovable, property or assets (including Capital Stock) used or to be used in the business of the Company and its Restricted Subsidiaries, and any Permitted Refinancing Indebtedness with respect to any such Indebtedness; *provided* that, at the time of incurrence of any such Indebtedness and after giving *pro forma* effect thereto (including the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the aggregate outstanding principal amount of Indebtedness permitted under this clause (8) shall not exceed the sum of (A) the greater of (x) €250.0 million and (y) 2.50% of Total Assets, *plus* (B) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under this clause (8);

(9) Indebtedness of the Company or any of its Restricted Subsidiaries represented by Permitted Refinancing Indebtedness with respect to Indebtedness that was permitted to be incurred under paragraph (a) of this covenant or clause (1) (in the case of Indebtedness incurred in reliance on clause (B) thereof), (2), (9), (14) or (18) of this paragraph;

(10) to the extent constituting Indebtedness, obligations of the Company or any of its Restricted Subsidiaries in respect of (A) letters of credit issued in the ordinary course of business with respect to trade payables relating to purchase of materials (including obligations under any LC Facility) and (B) other letters of credit, bank guarantees, surety, performance, Tax or appeal bonds, completion guarantees, judgment, advance payment, customs, VAT or other Tax guarantees or similar instruments issued in the ordinary course of business and not in connection with the borrowing of money, including letters of credit, bank guarantees or

similar instruments in respect of self-insurance and workers compensation obligations (including obligations under any LC Facility); *provided*, *however*, that upon the drawing of such letters of credit, bank guarantees or other instruments, such obligations are reimbursed within 30 days following such drawing;

(11) Indebtedness of the Company and its Restricted Subsidiaries owed to their employees in connection with loan stock issued under employee stock purchase plans; *provided* that the aggregate principal amount of Indebtedness under this clause (11) shall not exceed €10.0 million outstanding at any time;

(12) Indebtedness of the Company and its Restricted Subsidiaries in connection with (A) any Permitted Receivables Financing and (B) any sales and leasebacks (or similar arrangements) of inventory with customers so long as the Fair Market Value of such inventory shall not exceed 5.0% of the Fair Market Value of the Consolidated inventories of the Company and its Restricted Subsidiaries at any one time;

(13) Indebtedness of the Company and its Restricted Subsidiaries represented by Management Advances in the form of guarantees;

(14) (A) any Acquired Indebtedness incurred by the Company and its Restricted Subsidiaries or (B) any Acquisition Indebtedness incurred by the Issuer or any Guarantor; *provided*, *however*, that (i)(x) at the time of the acquisition or other transaction pursuant to which such Acquired Indebtedness or such Acquisition Indebtedness, as applicable, was incurred the Company would have been able to incur €1.00 of additional Indebtedness pursuant to paragraph (a) of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (14) (including giving *pro forma* effect to the use of the proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow) or (y) the Consolidated Fixed Charge Coverage Ratio for the most recent period of four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Indebtedness would not be less, after giving *pro forma* effect as set forth above to such incurrence, than it would be for such period prior to giving *pro forma* effect thereto, or (ii) after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (14) (including after giving *pro forma* effect to the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the Consolidated First Lien Net Leverage Ratio as of the last day of the most recent period of four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Indebtedness would either (x) be not greater than 3.00 to 1.00 or (y) be not greater than it was immediately prior to giving *pro forma* effect thereto; *provided* that solely for the purpose of determining the Consolidated First Lien Net Leverage Ratio as set forth in this clause (ii), any Indebtedness incurred in reliance on this clause (ii) shall be deemed to be (whether or not it actually is) Senior Secured Indebtedness;

(15) Indebtedness arising from agreements of the Company or any of its Restricted Subsidiaries providing for customary indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than guarantees of Indebtedness incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition);

(16) Indebtedness of the Company and its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or owed in respect of Cash Management Arrangements;

(17) Indebtedness of the Company and its Restricted Subsidiaries incurred in connection with Permitted Joint Ventures or other joint ventures of the Company or any Restricted Subsidiary, including guarantees by the Company and its Restricted Subsidiaries of Indebtedness of Permitted Joint Ventures or such other joint ventures, and any Permitted Refinancing Indebtedness with respect to any such Indebtedness; *provided* that, at the time of incurrence of any such Indebtedness and after giving *pro forma* effect thereto (including the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such

Indebtedness from escrow), the aggregate outstanding principal amount of Indebtedness permitted under this clause (17), together with the aggregate outstanding amount of Investments made pursuant to clause (l) of the definition of "Permitted Investments" (and without duplication to the extent proceeds of any such Indebtedness are used to make any such Investment), shall not exceed the sum of (A) the greater of (x) €500.0 million and (y) 5.00% of Total Assets *plus* (B) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under this clause (17);

(18) Indebtedness of the Aromatics and Acetyls Businesses to the extent such Indebtedness was permitted to remain outstanding at the time of the consummation of the BP Acquisition pursuant to the BP Acquisition Agreement (and remained outstanding on December 31, 2020);

(19) Indebtedness of INEOS Quattro Holdings Limited, the Company or any Restricted Subsidiary incorporated or organized under the laws of England and Wales or Scotland consisting of Guarantees of all outstanding liabilities of its Receivables Subsidiaries incorporated or organized under the laws of England and Wales or Scotland to the extent necessary under the laws of England and Wales or Scotland, as the case may be, to exempt such Receivables Subsidiaries from U.K. statutory audit requirements; and

(20) Indebtedness of the Company and its Restricted Subsidiaries in addition to that described in clauses (1) through (19) above; *provided* that, at the time of incurrence of any such Indebtedness and after giving *pro forma* effect thereto (including the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the aggregate outstanding principal amount of Indebtedness permitted under this clause (20) shall not exceed the sum of (A) the greater of (x) €550.0 million and (y) 7.50% of Total Assets *plus* (B) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under this clause (20).

For purposes of determining any particular amount of Indebtedness under this "*—Limitation on Indebtedness*" covenant and compliance with this "*—Limitation on Indebtedness*" covenant, (i) guarantees, Liens or obligations with respect to letters of credit, bank guarantees, bankers' acceptances or similar instruments supporting Indebtedness that is otherwise included in the determination of any such particular amount will be disregarded, (ii) in the case of any new Indebtedness of the Company and its Restricted Subsidiaries the net proceeds of which are to be applied to refinance any existing Indebtedness of the Company and its Restricted Subsidiaries, the determination of any such particular amount and such compliance will be made on a *pro forma* basis giving effect to the application of the net proceeds of such new Indebtedness as if such application occurred on the date of incurrence thereof, (iii) any Proceeds Loans made by a Parent Holdco or a Financing Subsidiary with the proceeds of any Indebtedness incurred by such Parent Holdco or Financing Subsidiary, which Indebtedness is guaranteed by the Company or any of its Restricted Subsidiaries in accordance with this "*—Limitation on Indebtedness*" covenant, will be disregarded and (iv) if obligations in respect of letters of credit, bank guarantees, bankers' acceptances or other similar instruments are incurred pursuant to any Credit Facility and are being treated as incurred pursuant to clause (1), (5), (8), (9), (17) or (20) of the paragraph (b) of this "*—Limitation on Indebtedness*" covenant or pursuant to the paragraph (a) of this "*—Limitation on Indebtedness*" covenant, then to the extent such letters of credit, bank guarantees, bankers' acceptances or other similar instruments support other Indebtedness, such other Indebtedness will be disregarded.

For purposes of determining compliance with this "*—Limitation on Indebtedness*" covenant and the covenant described under the caption "*—Limitation on Liens*":

(i) in the case of any exception requiring compliance with any financial ratio or test, to the extent the committed amount of any Indebtedness has been tested, such committed amount may thereafter be borrowed and, in the case of commitments of a revolving nature, reborrowed in whole or in part, from time to time, without any further testing under this "*—Limitation on Indebtedness*" covenant or the covenant described under the caption "*—Limitation on Liens*", it being understood, however, that for purposes of any subsequent determination of compliance with such financial ratio or test, such Indebtedness (other than, for purposes of paragraph (a) under this "*—Limitation on Indebtedness*", any Indebtedness that is revolving in nature) shall, solely to the extent of the reliance at such time on this clause (i) with respect to such committed amount, be deemed to be outstanding;

(ii) any Escrow Indebtedness shall be deemed to be incurred on the date of the original incurrence thereof (and, for the avoidance of doubt, not on the date of the release of such Indebtedness from escrow or the

date on which the obligor in respect of such Indebtedness becomes a Restricted Subsidiary or transfers its assets to, or merges, consolidates or amalgamates with, the Company or any Restricted Subsidiary); *provided* that, for the avoidance of doubt, any Escrow Indebtedness that is redeemed pursuant to a special mandatory redemption or the proceeds of which are not released to the Company or any Restricted Subsidiary for any other reason shall be deemed not to have been incurred by the Company or any Restricted Subsidiary on the date of original incurrence thereof; and

(iii) such determinations and calculations in connection with any Limited Condition Transaction or any related transaction shall be subject to the provisions of the Senior Secured Notes Indenture described under paragraph (a) under "*—Certain Calculations*" above.

For purposes of determining compliance with any Euro-denominated restriction on the incurrence of Indebtedness where Indebtedness is denominated in a different currency, the amount of such Indebtedness shall be the Euro Equivalent determined on the date of such determination; *provided*, *however*, that if any such Indebtedness that is denominated in a different currency is subject to a Currency Hedging Agreement (with respect to Euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in Euro shall be adjusted to take into account the effect of such agreement. The principal amount of any Permitted Refinancing Indebtedness, if incurred in the same currency as the Indebtedness being refinanced, will be the Euro Equivalent of the Indebtedness refinanced, determined on the date such Indebtedness being refinanced was initially incurred. The principal amount of any Permitted Refinancing Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, will be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Indebtedness is denominated that is in effect on the date of such refinancing. Notwithstanding any other provision of this "*—Limitation on Indebtedness*" covenant, the maximum amount that the Company or any of its Restricted Subsidiaries may incur pursuant to this "*—Limitation on Indebtedness*" covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rates of currencies (and such Indebtedness will be permitted to be refinanced notwithstanding that, after giving effect to such refinancing, such excess will continue). Notwithstanding the foregoing, any determinations and calculations pursuant to this paragraph in connection with any Limited Condition Transaction or any related transaction shall be subject to paragraph (a) under "*—Certain Calculations*".

Limitation on Restricted Payments

(a) The Company will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly take any of the following actions (each of which, other than any such action that is a Permitted Payment, is referred to as a "**Restricted Payment**"):

(1) declare or pay any dividend on, or make any distribution on, the Company's Capital Stock to any Person (other than dividends or distributions payable solely in shares of its Qualified Capital Stock or in options, warrants or other rights to acquire shares of such Qualified Capital Stock) or make any payment of cash interest in respect of Subordinated Shareholder Funding;

(2) purchase, redeem, defease or otherwise acquire or retire for value, directly or indirectly, (A) the Company's Capital Stock or any Capital Stock of any direct or indirect parent entity of the Company held by Persons other than the Company or a Restricted Subsidiary, (B) options, warrants or other rights to acquire the Company's Capital Stock or (C) any Subordinated Shareholder Funding held by any Person;

(3) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, prior to any scheduled principal payment, sinking fund payment or maturity, (A) any Subordinated Indebtedness or Subordinated Lien Indebtedness (other than the purchase, repurchase, redemption, defeasance or other acquisition or retirement of (x) Subordinated Indebtedness or Subordinated Lien Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (y) any Indebtedness incurred pursuant to clause (3) or (4) of paragraph (b) of the covenant described under "*—Limitation on Indebtedness*") or (B) any Subordinated Shareholder Funding (it being understood that payment of interest on and scheduled amortization of any Subordinated Indebtedness, Subordinated Lien Indebtedness or, to the extent permitted by the definition of such term, the payment of interest on Subordinated Shareholder Funding is not subject to this clause (3));

(4) declare or pay any dividend or distribution on any Capital Stock of any Restricted Subsidiary

to any Person (other than (A) to the Company or any of its Wholly Owned Restricted Subsidiaries, (B) dividends or distributions made by a Restricted Subsidiary on a *pro rata* basis (or, if not on a *pro rata* basis, on a basis more favorable to the Company and its Restricted Subsidiaries) to all stockholders of such Restricted Subsidiary or (C) dividends or distributions payable solely in its Qualified Capital Stock or in options, warrants or other rights to acquire shares of such Qualified Capital Stock or in Subordinated Shareholder Funding); or

(5) make any Investment in any Person;

provided that (A) the Company and the Restricted Subsidiaries may make any Permitted Investment and (B) for the avoidance of doubt, any payment on, or repurchase, redemption, defeasance or otherwise acquisition or retirement for value of, any Senior Indebtedness held by any Sponsor Purchaser does not constitute a Restricted Payment.

(b) Notwithstanding paragraph (a) of this "*—Limitation on Restricted Payments*" covenant, the Company or any Restricted Subsidiary may make a Restricted Payment if, at the time of and after giving *pro forma* effect to such proposed Restricted Payment:

(1) no Default or Event of Default shall have occurred and be continuing;

(2) the Company could incur at least €1.00 of additional Indebtedness under paragraph (a) of the covenant described under "*—Limitation on Indebtedness*"; and

(3) the aggregate amount of all Restricted Payments (together with, except as otherwise provided in paragraph (d) below, the aggregate amount of all Permitted Payments) made (and not returned or rescinded) after the Issue Date does not exceed the sum of:

(A) 50% of the aggregate Consolidated Net Income (Loss) of the Parent determined on a cumulative basis for the period beginning on July 1, 2020 and ending on the last day of the Parent's most recent fiscal quarter for which financial statements are available ending immediately prior to the date of such Restricted Payment (or, if such aggregate cumulative Consolidated Net Income (Loss) shall be a loss, minus 100% of such loss);

(B) the aggregate Net Cash Proceeds and the Fair Market Value of property and assets received after July 31, 2020 by the Company either (x) as capital contributions to the Company in respect of Qualified Capital Stock of the Company or (y) from the issuance or sale (other than to any of its Restricted Subsidiaries) of Qualified Capital Stock of the Company or any options, warrants or rights to purchase such Qualified Capital Stock of the Company or from any Subordinated Shareholder Funding (except, in each case, to the extent such Net Cash Proceeds are used as set forth in clause (ii) or (iii) of paragraph (c) below) (and excluding the Net Cash Proceeds and the Fair Market Value of property and assets from the issuance of Capital Stock or Subordinated Shareholder Funding financed, directly or indirectly, using funds borrowed from, or the borrowing of which is guaranteed by, the Company or any of its Restricted Subsidiaries except to the extent such borrowing is repaid in cash);

(C) the aggregate Net Cash Proceeds and the Fair Market Value of property and assets received after July 31, 2020 by the Company (other than from any of its Restricted Subsidiaries) upon the exercise of any options, warrants or rights to purchase Qualified Capital Stock of the Company (and excluding the Net Cash Proceeds and the Fair Market Value of property and assets from the exercise of any options, warrants or rights to purchase such Qualified Capital Stock financed, directly or indirectly, using funds borrowed from, or the borrowing of which is guaranteed by, the Company or any of its Restricted Subsidiaries except to the extent such borrowing is repaid);

(D) the aggregate Net Cash Proceeds and the Fair Market Value of property and assets received after July 31, 2020 by the Company or its Restricted Subsidiaries from the conversion or exchange, if any, of Indebtedness or Redeemable Capital Stock of the Company or its Restricted Subsidiaries into or for Qualified Capital Stock of the

Company plus, to the extent such Indebtedness or Redeemable Capital Stock was incurred or issued after July 31, 2020, the aggregate Net Cash Proceeds and the Fair Market Value of property and assets received from their original incurrence or issuance (except, in each case, to the extent such Net Cash Proceeds are used as set forth in clause (2) or (3) of paragraph (c) below) (and excluding the Net Cash Proceeds and the Fair Market Value of property and assets from the conversion or exchange of Indebtedness or Redeemable Capital Stock financed, directly or indirectly, using funds borrowed from, or the borrowing of which is guaranteed by, the Company or any of its Restricted Subsidiaries except to the extent such borrowing is repaid); and

(E) the amount equal to the sum (without duplication) of:

(i) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of property and assets received by the Company or any Restricted Subsidiary upon the sale or other disposition of any Investment that had been a Restricted Payment or a Permitted Payment (to the extent such Permitted Payment is included in the sum under clause (3) above) or from any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of any Investment;

(ii) upon the full and unconditional release of a guarantee that had been a Restricted Payment or a Permitted Payment (to the extent such Permitted Payment is included in the sum under clause (3) above) made by the Company or any of its Restricted Subsidiaries in favor of any Person (other than the Company or any of its Restricted Subsidiaries), to the extent not included in clause (i) above, an amount equal to the amount of such guarantee;

(iii) upon the redesignation of any Unrestricted Subsidiary (other than any Unrestricted Subsidiary designated as such in reliance on clause (u) of the definition of the term Permitted Investment) as a Restricted Subsidiary, the Fair Market Value of the Company's or any Restricted Subsidiary's interest in such Unrestricted Subsidiary;

(iv) 100% of the Net Cash Proceeds and the Fair Market Value of property and assets received by the Company or any of its Restricted Subsidiaries from a sale or disposition of Capital Stock of an Unrestricted Subsidiary (other than to the Company or any of its Restricted Subsidiaries or an employee stock ownership plan or trust established by the Company or any of its Restricted Subsidiaries for the benefit of its employees);

(v) to the extent any Investment constituting a Restricted Payment or a Permitted Payment (to the extent such Permitted Payment is included in the sum under clause (3) above) was made after July 31, 2020 in a Person that on or after July 31, 2020 became a Restricted Subsidiary of the Company, the Fair Market Value of such Investment as of the date such Person becomes a Restricted Subsidiary; and

(vi) 100% of the Net Cash Proceeds and the Fair Market Value of property and assets received by the Company or any of its Restricted Subsidiaries from any dividend or distribution made by any Unrestricted Subsidiary on or after July 31, 2020;

provided, *however*, that in the case of any amount referred to in this clause (E) that would also be included in Consolidated Net Income (Loss) for the purposes of clause (A) above, such amount (or any portion thereof) may be included for the purposes of this clause (E) or for the purposes of clause (A) above, all as determined by the Company in its discretion (but without duplication); and *provided* further that, notwithstanding anything to the contrary contained in this paragraph (b), the INOVYN Contribution, and any contribution to the Capital Stock in the Company occurring on December 31, 2020 in connection with the BP Acquisition, shall be

disregarded for purposes of, and shall not result in any increase in the amount available for making Restricted Payments pursuant to, sub-clauses (B) through (E) of clause (3) of this paragraph (b).

(c) Notwithstanding paragraph (a) above, the provisions thereof shall not prohibit the following actions (any action permitted under any of clauses (1) through (20) below being referred to as a "**Permitted Payment**"):

(1) the payment of any dividend within 60 days after the date of declaration thereof, if at such date of declaration such payment was permitted by this covenant (and such payment shall be deemed to have been paid on such date of declaration);

(2) any Restricted Payment included in clauses (2), (3) and (5) of paragraph (a) of this covenant made by exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or in an amount not in excess of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Restricted Subsidiary of the Company and excluding the Net Cash Proceeds from the issuance of any Capital Stock or of Subordinated Shareholder Funding financed, directly or indirectly, using funds borrowed from, or the borrowing of which is guaranteed by, the Company or any of its Restricted Subsidiaries except to the extent such borrowing is repaid in cash) of, Qualified Capital Stock or Subordinated Shareholder Funding of, or a capital contribution to, the Company; *provided* that the Net Cash Proceeds from the issuance of such Qualified Capital Stock or Subordinated Shareholder Funding or from such capital contribution (to the extent such Net Cash Proceeds are used to make such Permitted Payment) are excluded from clauses (3)(B) and (3)(D) of paragraph (b) of this covenant;

(3) the repurchase, redemption, defeasance, retirement or acquisition for value of, or payment of principal of, any Subordinated Indebtedness or Subordinated Lien Indebtedness in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or in an amount not in excess of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to any Restricted Subsidiary of the Company) of, any Qualified Capital Stock or Subordinated Shareholder Funding of, or a capital contribution to, the Company; *provided* that the Net Cash Proceeds from the issuance of such Qualified Capital Stock or Subordinated Shareholder Funding (to the extent such Net Cash Proceeds are used to repurchase, redeem, defease, retire or acquire such Subordinated Indebtedness or Subordinated Lien Indebtedness) are excluded from clauses (3)(B) and (3)(D) of paragraph (b) of this covenant;

(4) the repurchase, redemption, defeasance, retirement, refinancing or other acquisition for value of, or payment of principal of, and payment of accrued and unpaid interest on, any Subordinated Indebtedness or Subordinated Lien Indebtedness (but in each case not, for the avoidance of doubt, Subordinated Shareholder Funding) through the substantially concurrent incurrence of new Indebtedness of the Company or any of its Restricted Subsidiaries that is permitted by the covenant under the caption "*—Limitation on Indebtedness*";

(5) the repurchase, redemption, defeasance, retirement, refinancing or other acquisition for value of, or payment of principal of, and payment of accrued and unpaid interest on, (A) Subordinated Indebtedness or Subordinated Lien Indebtedness (but not, for the avoidance of doubt, Subordinated Shareholder Funding) of the Company or any Restricted Subsidiary (other than Subordinated Indebtedness and Subordinated Lien Indebtedness held by Affiliates of the Company) upon a "change of control" or "asset sale" to the extent required by the agreement governing such Subordinated Indebtedness or Subordinated Lien Indebtedness, but only if the Issuer shall have complied, to the extent applicable, with the covenants described under the captions "*—Purchase of Senior Secured Notes upon a Change of Control*" or "*—Limitation on Sale of Assets*", as the case may be, (B) Subordinated Indebtedness or Subordinated Lien Indebtedness (but not, for the avoidance of doubt, Subordinated Shareholder Funding) of the Company or any Restricted Subsidiary that constitutes Acquired Indebtedness (other than any such Subordinated Indebtedness or Subordinated Lien Indebtedness held by Affiliates of the Company) and (C) Subordinated Indebtedness, Subordinated Shareholder Funding and Subordinated Lien Indebtedness, in each case, for the avoidance of doubt, under this sub-clause (C), to the extent of any Declined Proceeds;

(6) to the extent constituting Restricted Payments, the Specified Affiliate Payments;

(7) the declaration and payment of dividends or other distributions by the Company in respect of its Capital Stock, and the declaration and payment of any such dividends or other distributions, or the making of loans and advances, by the Company or any of its Restricted Subsidiaries to any Parent Holdco to make payments of dividends or other distributions by any Parent Holdco, in respect of its Capital Stock; *provided* that the aggregate amount (without duplication) of all such dividends or other distributions, or loans and advances, under this clause (7) shall not exceed in any fiscal year 6% of the Net Cash Proceeds received by the Company from a Public Equity Offering;

(8) payments by the Company, or loans, advances, dividends or distributions to any Parent Holdco to make payments, to holders of Capital Stock of the Company or any Parent Holdco in lieu of the issuance of fractional shares of such Capital Stock, *provided* that the aggregate amount of any such payments, loans, advances, dividends or distributions made since the Issue Date (in the case of any loans or advances, to the extent outstanding) shall not exceed €10.0 million;

(9) dividends, distributions, contributions or other transfers of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries (other than any Unrestricted Subsidiary designated as such in reliance on clause (u) of the definition of the term Permitted Investment);

(10) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation or any other fees and payments in connection with a Permitted Receivables Financing;

(11) any Restricted Payments made as part of any Permitted Reorganization or to pay or reimburse any costs and expenses related to the consummation thereof;

(12) any Restricted Payment; *provided* that, at the time of such Restricted Payment and after giving effect thereto, the aggregate amount of Restricted Payments made under this clause (12) since the Issue Date (in the case of any Investment, to the extent outstanding) shall not exceed the greater of €425.0 million and 3.75% of Total Assets;

(13) Restricted Payments made to pay or reimburse any costs and expenses in connection with the Transactions or any future incurrence or repayment of Indebtedness;

(14) creation of one or more book entry or loan receivables payable by the Company or any of its Restricted Subsidiaries in its capacity as controlled company (*beherrschtes Unternehmen*) to its dominating entity (*herrschendes Unternehmen*) under a Profit Pooling Agreement as a non-cash settlement of any claim for the transfer of profits within the meaning of Sec. 301 German Stock Corporation Act (*Aktiengesetz*) under the relevant Profit Pooling Agreement, which receivable, at the option of the relevant dominating entity (*herrschendes Unternehmen*), may be documented by way of a loan from the relevant dominating entity (*herrschendes Unternehmen*), *provided* that under the terms of such loan, the relevant dominating entity (*herrschendes Unternehmen*) is not entitled to claim the payment of the principal and/or any interest on such loan prior to the final Stated Maturity of the Senior Secured Notes, and *provided further* that all such receivables and loans (as applicable) and any amounts accruing in respect thereof shall be subject to the Intercreditor Agreement and will be "Subordinated Obligations" (under and as defined in the Intercreditor Agreement);

(15) any Restricted Payment of the Capital Stock in or assets of any INOVYN Entity; provided that (x) at the time of the making of such Restricted Payment and after giving *pro forma* effect thereto, no Default or Event of Default has occurred and is continuing or would result therefrom and (y) the Consolidated Total Net Leverage Ratio as of the last day of the most recent period of four full fiscal quarters for which financial statements are available immediately prior to the making of such Restricted Payment, after giving *pro forma* effect thereto, is not greater than 2.50 to 1.00; *provided* further that, solely for purposes of this clause (15), the Consolidated Total Net Leverage Ratio shall be calculated without giving effect to any portion of the Run Rate Adjustment attributable to cost savings, operating expense reductions and/or synergies relating to any applicable transaction, event or initiative

consummated, adopted or implemented within the most recent period of four fiscal quarters for which financial statements are available immediately prior to the making of such Restricted Payment;

(16) any Restricted Payment; *provided* that (x) no Default or Event of Default has occurred and is continuing at the time of the making of such Restricted Payment and (y) the Consolidated Total Net Leverage Ratio as of the last day of the most recent period of four full fiscal quarters for which financial statements are available immediately prior to the making of such Restricted Payment, after giving *pro forma* effect thereto, is not greater than 1.75 to 1.00;

(17) loans, advances, dividends, distributions or other payments by the Company or any of its Restricted Subsidiaries to or on behalf of any Parent Holdco or Financing Subsidiary to service the substantially concurrent payment of interest, premiums, make whole amounts, fees, costs, expenses, hedging, tax, breakage costs and indemnification obligations as and when due under or in respect of Indebtedness of any Parent Holdco or Financing Subsidiary that has been guaranteed by, or is otherwise considered Indebtedness of, the Company or any of its Restricted Subsidiaries incurred in accordance with the covenant described under the caption "*—Limitation on Indebtedness*"; *provided* that either (A) the Net Cash Proceeds of such Indebtedness have been contributed or loaned to the Company or any of its Restricted Subsidiaries or (B) at the time such Indebtedness is incurred by such Parent Holdco or Financing Subsidiary, the Company is deemed to have made, and is able to make in accordance with this "*—Limitation on Restricted Payments*" covenant, a Restricted Payment, a Permitted Payment or a Permitted Investment, or a combination thereof (as determined by the Company in accordance with this "*—Limitation on Restricted Payments*" covenant), in an aggregate amount equal to the Net Cash Proceeds of such Indebtedness;

(18) any payments or other transactions pursuant to Tax Sharing Agreements between the Company and any other Person or any Restricted Subsidiary of the Company and any other Person with which the Company or any of its Restricted Subsidiaries files a consolidated Tax return or with which the Company or any of its Restricted Subsidiaries is part of a group for Tax purposes or any Tax advantageous group contribution made pursuant to applicable legislation; *provided* that any such Tax Sharing Agreement does not permit or require payments in excess of the amounts of Taxes that would be payable by the Company and its Restricted Subsidiaries on a stand-alone basis;

(19) [Reserved];

(20) any Restricted Payments made in connection with the funding of, or by, German pension trusts (which, for the avoidance of doubt, does not extend to any Restricted Payments to which paragraph (b)(18) of the "*—Limitation on Transactions with Affiliates*" covenant would apply).

(d) In calculating the amount of Restricted Payments made after the Issue Date for purposes of clause (3) of paragraph (b) of this "*—Limitation on Restricted Payments*" covenant, Permitted Payments made pursuant to the immediately preceding paragraph (c) (other than clause (5)(A) or (7) (or clause (1) to the extent relating to clause (5)(A) or (7)) of the immediately preceding paragraph (c)) shall be excluded from such calculation.

(e) The amount of any Restricted Payment or Permitted Payment that is not made in cash shall be deemed to be equal to the Fair Market Value thereof at the date of the making of such Restricted Payment or Permitted Payment.

(f) Notwithstanding anything to the contrary in this "*—Limitation on Restricted Payments*" or elsewhere in the Senior Secured Notes Indenture, neither the Company nor any of its Restricted Subsidiaries shall make, other than pursuant to and as permitted by clause (15) of paragraph (c) of this covenant, any Restricted Payment or Permitted Payment, in each case, of the type referred to in clause (1), (2) or (3) of paragraph (a) of this covenant if such Restricted Payment or Permitted Payment is made with the Capital Stock in or assets of any INOVYN Entity; *provided* that nothing in this paragraph shall restrict any such Restricted Payment or Permitted Payment (i) to the Company or any of its Restricted Subsidiaries, (ii) to any INOVYN Entity or any of its joint ventures or (iii) to any Person that is not an Affiliate of the Company (including any joint venture partner in respect of any joint venture of any INOVYN Entity).

Limitation on Transactions with Affiliates

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including the sale, purchase, exchange or lease of assets, property or services) with any Affiliate of the Company (other than a Restricted Subsidiary) involving aggregate consideration in excess of the greater of (x) €10.0 million and (y) 0.10% of Total Assets, unless such transaction or series of related transactions is entered into in good faith and:

(1) such transaction or series of related transactions is on terms that are no less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could reasonably be expected to be obtained in a comparable transaction in arm's length dealings with an unrelated third party, as determined in good faith by the Board of Directors or senior management of the Company; and

(2) with respect to any transaction or series of related transactions involving aggregate consideration in excess of the greater of (x) €25.0 million and (y) 0.25% of Total Assets, the Company delivers to the Trustee either (A) an Officer's Certificate attaching a resolution of the Board of Directors of the Company pursuant to which such transaction or series of related transactions has been approved by a majority of the Disinterested Directors of the Board of Directors of the Company or, in the event there is only one Disinterested Director, by such Disinterested Director or (B) a written opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that such transaction or series of related transactions is fair from a financial point of view taking into account all relevant circumstances; *provided* that the liability of such accounting, appraisal or investment banking firm or such other independent expert in giving such opinion may be limited in accordance with its engagement policies.

(b) The restrictions in paragraph (a) shall not apply to:

(1) any employment agreement, collective bargaining agreement, consultant agreement or other employee benefit arrangements with any employee, consultant, officer or director of any Parent Holdco, the Company or any Restricted Subsidiary, including under any stock option, stock appreciation rights, stock incentive or similar plans, entered into in the ordinary course of business;

(2) payment of compensation to employees, consultants, officers or directors of any Parent Holdco, the Company or any Restricted Subsidiary in the ordinary course of business;

(3) maintenance in the ordinary course of business (and payments required thereby) of benefit programs and other arrangements for employees, consultants, officers or directors of any Parent Holdco, the Company or any Restricted Subsidiary, including vacation plans, health and life insurance plans, deferred compensation plans, severance plans, employees', consultants', directors' and officers' indemnification agreements and retirement or savings plans and similar plans;

(4) Management Advances;

(5) transactions between or among the Company and its Restricted Subsidiaries (including any Person that becomes a Restricted Subsidiary as a result of such transaction), between or among the Restricted Subsidiaries (including any Person that becomes a Restricted Subsidiary as a result of such transaction) and between or among the Restricted Subsidiaries and any Receivables Subsidiary;

(6) any Restricted Payment or Permitted Investment;

(7) any Permitted Payment;

(8) any transaction in the ordinary course of business between or among the Company or any

Restricted Subsidiary and any Affiliate of the Company or a joint venture or similar Person that would otherwise be subject to this "*—Limitation on Transactions with Affiliates*" covenant solely because the Company or a Restricted Subsidiary owns any of the Capital Stock of or otherwise controls such Affiliate, joint venture or similar Person;

(9) any payments or other transactions pursuant to (x) Tax Sharing Agreements between the Company and any other Person or any Restricted Subsidiary of the Company and any other Person with which the Company or any of its Restricted Subsidiaries files a consolidated Tax return or with which the Company or any of its Restricted Subsidiaries is part of a group for Tax purposes or any Tax advantageous group contribution made pursuant to applicable legislation, *provided*, that any such Tax Sharing Agreement does not permit or require payments in excess of Taxes that would be payable by the Company and its Restricted Subsidiaries on a stand-alone basis, or (y) Profit Pooling Agreements between the Company or any of its Restricted Subsidiaries and any other Person;

(10) the Existing Facilities Agreements, and the loans borrowed thereunder and the other Senior Secured Facilities Documents (as defined in the Intercreditor Agreement), the Existing Senior Secured Notes Indentures, and the Existing Senior Secured Notes, the Senior Secured Notes Indenture, the Senior Secured Notes and the other Senior Secured Documents (as defined in the Intercreditor Agreement), the Intercreditor Agreement, the 2026 Senior Notes Indenture, the 2026 Senior Notes and other Second Lien Debt Documents (as defined in the Intercreditor Agreement), the Proceeds Loans and the Proceeds Loan Documents and any other definitive documents governing or evidencing any Indebtedness not prohibited by the Senior Secured Notes Indenture (and, in each case, the transactions contemplated thereby), any collateral for or guarantee by the Company or any of its Restricted Subsidiaries of any obligations under any of the foregoing (and any release thereof), any release of any Proceeds Loans Documents, any Proceeds Loans, any collateral for or guarantee of any Proceeds Loans, , the Intercreditor Agreement (and any additional intercreditor agreement) and any other agreement or action relating to any other Indebtedness not prohibited by the Senior Secured Notes Indenture;

(11) (A) issuances or sales of Capital Stock of the Company, any receipt of capital contributions by the Company and any issuance or incurrence of any Subordinated Shareholder Funding and (B) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding that is in compliance with the other provisions of the Senior Secured Notes Indenture and, if applicable, the Intercreditor Agreement;

(12) any transaction effected in connection with a Permitted Receivables Financing;

(13) Specified Affiliate Payments;

(14) (A) the provision of administrative or infrastructure goods or services, asset sharing, the allocation of customers, contracts or other business or any other transaction with customers, clients, suppliers or purchasers or sellers of goods or services (including, among others, feedstocks and raw materials) or any other transaction in the ordinary course of business between the Company or a Restricted Subsidiary, on the one hand, and any Affiliate that is not a Restricted Group Company, on the other, and (B) to the extent that the Remedy Entity may be deemed to be an Affiliate of the Company, the provision of administrative or infrastructure goods or services, asset sharing, the allocation of customers, contracts or other business, or any other transaction in the ordinary course of business between the Company or a Restricted Subsidiary and the Remedy Entity; *provided* that, in each case, such transactions, when taken together with all other transactions between the Company and its Restricted Subsidiaries, on the one hand, and such Affiliates or the Remedy Entity, as applicable, on the other hand, are in all material respects (i) not inconsistent with those applying prior to the Issue Date for similar transactions among such Persons or (ii) on terms substantially consistent with those that might have been obtained in comparable transactions at such time on an arm's length basis from a Person that is not an Affiliate, as determined by the Company in good faith (it being understood that where such transactions are entered into pursuant to a master agreement or similar arrangement, such arm's length determination may be made with respect to such agreement or arrangement, which will cover all transactions entered into pursuant thereto);

(15) (i) any transaction by any Person referred to in clause (a)(ii) or (a)(iii) of the definition of Permitted Investment that is entered pursuant to an arrangement existing (or that is made

pursuant to, and as required under, legally binding agreements that exist) on the date such Person becomes a Restricted Subsidiary or is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or any Restricted Subsidiary (for the avoidance of doubt, in any event including any transaction with any joint venture of any such Person entered into or made pursuant to such arrangement or binding agreement, whether or not such joint venture is acquired by the Company or any Restricted Subsidiary after such Person becomes a Restricted Subsidiary or after the consummation of such merger, consolidation, amalgamation, transfer, conveyance or liquidation), *provided* that such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary or such merger, consolidation, amalgamation, transfer, conveyance or liquidation, and (ii) any arrangement with any joint venture of the Company or any Restricted Subsidiary (including joint venture of the Aromatics and Acetyls Businesses that exists (or that is made pursuant to, and as required under, legally binding agreements that exist) on the Issue Date;

(16) any transaction effected as part of a Permitted Reorganization;

(17) any transaction effected pursuant to any inventory financing or similar arrangement that is incurred pursuant to clause (5) of paragraph (b) of the covenant described under the caption "*—Limitation on Indebtedness*"; and

(18) to the extent that a German pension trust or any other Person to which such German pension trust may loan funds may be deemed to be an Affiliate of the Company, the provision of administrative or infrastructure goods or services, asset sharing or other business or any other transaction in the ordinary course of business or sale and leaseback transactions between the Company or a Restricted Subsidiary and such German pension trust or other Person; *provided* that, in each case, such transactions, when taken together with all other transactions between the Company and its Restricted Subsidiaries, on the one hand, and the German pension trust or other Person, on the other hand, are in all material respects on terms substantially consistent with those that might have been obtained in comparable transactions at such time on an arm's length basis from a Person that is not an Affiliate, as determined by the Company in good faith (it being understood that where such transactions are entered into pursuant to a master agreement or similar arrangement, such arm's length determination may be made with respect to such agreement or arrangement, which will cover all transactions entered into pursuant thereto).

Limitation on Liens

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume, affirm or suffer to exist any Lien (the "**Initial Lien**") of any kind securing any Indebtedness upon any property or assets of the Company or any of its Restricted Subsidiaries, including any Capital Stock or intercompany notes or other Indebtedness of any Restricted Subsidiary, owned on the Issue Date or acquired thereafter, or any income, profits or proceeds therefrom, except (i) in the case of any property or asset that does not constitute Collateral, (A) Permitted Liens and (B) Liens on property or assets that are not Permitted Liens if the Senior Secured Notes and the Guarantees are, subject to the Security Principles, directly secured equally and ratably or on a prior basis with the Indebtedness secured by such Initial Lien (and if such Indebtedness so secured is Subordinated Indebtedness, on a senior priority basis) and (ii) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens (it being understood that any Lien existing in reliance on clause (i)(B) above shall not also be required to be a Permitted Collateral Lien notwithstanding that the assets subject thereto shall have become Collateral).

Any Lien created for the benefit of the holders of the Senior Secured Notes pursuant to clause (i)(B) of the first paragraph of this covenant will provide (and will be deemed to provide) by its terms that such Lien will be automatically and unconditionally released and discharged, without any action by the Trustee, the Security Agent or any holder of the Senior Secured Notes (and each holder of the Senior Secured Notes will be deemed to have irrevocably authorized the Trustee and the Security Agent to execute and deliver (and, at the request and cost of the Company, each of the Trustee and the Security Agent will execute and deliver) any document to the extent necessary or reasonably requested by the Company to evidence such release and discharge), (i) upon the release and discharge of the applicable Initial Lien, (ii) upon the sale or other disposition of the property or assets subject to such Initial Lien (or the sale or other disposition of the Person that owns such property or assets) in compliance with the terms of the Senior Secured Notes Indenture, (iii) with respect to the property or assets of, or the Capital Stock in, any Guarantor or any Subsidiary of a Guarantor that are encumbered by such Lien, upon the release of the Guarantee of such Guarantor in accordance with the terms of the Senior Secured Notes Indenture, (iv) with respect to the property or assets of, or the Capital Stock in, any Restricted

Subsidiary that are encumbered by such Lien, upon the designation of such Restricted Subsidiary as an Unrestricted Subsidiary in accordance with the terms of the Senior Secured Notes Indenture, (v) upon effectiveness of any defeasance or satisfaction and discharge of the Senior Secured Notes as specified in the Senior Secured Notes Indenture, (vi) in the case of any Lien on any Proceeds Loan, upon the payment in full or other discharge of such Proceeds Loan (including as a result of any merger, consolidation or amalgamation of the payor or the payee thereunder) or (vii) as otherwise provided under the caption "*—Brief Description of the Senior Secured Notes, the Guarantees and the Security—Security—Release of Security*"; *provided*, *however*, that the Company shall have the right, in its sole discretion, by written notice to the Trustee, which shall provide written notice thereof to the Security Agent, delivered prior to the automatic release and discharge of any such Lien as specified above, to (A) waive such automatic release and discharge of such Lien and maintain such Lien in effect until such time as the Company shall instruct and direct the Trustee in writing to instruct and direct the Security Agent in writing to release and discharge such Lien (with the Trustee agreeing so to instruct and direct the Security Agent promptly upon receipt thereof from the Company) or (B) elect that the release and discharge of such Lien shall not occur automatically as contemplated by this paragraph but shall occur at such time or times, in such manner and order and upon the occurrence of such other events as shall be specified by the Company in such notice to the Trustee (and the Trustee, at the request of the Company, and the Security Agent, at the request of the Trustee, shall execute and deliver any document reasonably requested by the Company to effect and evidence the release and discharge of such Lien); *provided further* that nothing in this clause (B) shall allow the Company to require the release and discharge of any Lien prior to (unless such release and discharge is to occur substantially concurrently with) the occurrence of the applicable event(s) set forth in clauses (i) through (vii) above providing for the release and discharge thereof.

For purposes of determining compliance with any Euro-denominated restriction on the incurrence of any Lien where the Indebtedness secured by such Lien is denominated in a different currency, the amount of such Indebtedness shall be the Euro Equivalent determined on the date of such determination; *provided*, *however*, that if any such Indebtedness is Indebtedness that is denominated in a different currency and is subject to a Currency Hedging Agreement (with respect to Euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in Euro shall be adjusted to take into account the effect of such agreement. Notwithstanding any other provision of this "*—Limitation on Liens*" covenant, the maximum amount of Indebtedness secured by any Lien that the Company or any of its Restricted Subsidiaries may incur pursuant to this "*—Limitation on Liens*" covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, due solely to the result of fluctuations in the exchange rates of currencies (and such Indebtedness will be permitted to be refinanced with other secured Indebtedness notwithstanding that, after giving effect to such refinancing, such excess shall continue). Notwithstanding the foregoing, any determinations and calculations pursuant to this paragraph in connection with any Limited Condition Transaction or any related transaction shall be subject to paragraph (a) under "*—Certain Calculations*".

Limitation on Sale of Assets

(a) The Company shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(1) except to the extent such Asset Sale is a Permitted Asset Swap, at least 75% of the consideration from such Asset Sale or series of related Asset Sales is received (A) in cash, cash equivalents or Temporary Cash Investments or (B) in the form of the assumption by the purchaser of liabilities of the Company or any of its Restricted Subsidiaries (other than liabilities that are by their terms subordinated to the Senior Secured Notes or Guarantees) as a result of which the Company and its Restricted Subsidiaries are no longer obligated with respect to such liabilities; and

(2) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the properties or assets subject to such Asset Sale (including, for the avoidance of doubt, if such Asset Sale is a Permitted Asset Swap).

(b) Within 540 days after the receipt of any Net Cash Proceeds from an Asset Sale consummated after the Issue Date, the Company or any of its Restricted Subsidiaries may apply all or a portion of such Net Cash Proceeds (at the option of the Company or any such Restricted Subsidiary):

(1) to invest in properties and other assets (including Capital Stock) that (as determined by the Board of Directors or senior management of the Company) replace the properties and assets (including Capital Stock) that were the subject of such Asset Sale or in properties and assets that will be used in or are related to the businesses of the Company or its Restricted Subsidiaries existing on the Issue Date or prior to such Asset Sale;

(2) to either (i) purchase the Dollar Senior Secured Notes or the Euro Senior Secured Notes or any other series of Senior Secured Notes pursuant to an offer to all holders of such series of Senior Secured Notes at a purchase price equal to or greater than 100% of the principal amount thereof, plus accrued and unpaid interest to (but not including) the date of purchase (a "**Senior Secured Notes Offer**") and/or (ii) redeem the Dollar Senior Secured Notes or the Euro Senior Secured Notes or any other series of Senior Secured Notes on a *pro rata* basis pursuant to the redemption provisions set forth above under the caption "*—Optional Redemption*";

(3) to repurchase, prepay, redeem, repay or otherwise acquire for value loans under the Existing Facilities Agreements or any other *Pari Passu* Indebtedness that is secured by a Permitted Collateral Lien on the properties or assets that are the subject of such Asset Sale that ranks equal to or prior to any Lien thereon securing the Senior Secured Notes, any Guarantee or the Senior Secured Notes Indenture;

(4) to repurchase, prepay, redeem, repay or otherwise acquire for value Indebtedness that is (or, immediately prior to such Asset Sale, was) secured by a Lien (other than a Permitted Collateral Lien (except a Permitted Collateral Lien referred to in clause (g) of the definition of such term)) on any of the properties or assets which are the subject of such Asset Sale;

(5) to repurchase, prepay, redeem, repay or otherwise acquire for value any Indebtedness of the Company or any of its Restricted Subsidiaries that is not *Pari Passu* Indebtedness, Subordinated Indebtedness or Subordinated Lien Indebtedness; or

(6) pursuant to a binding commitment (including pursuant to an offer to purchase) to apply such Net Cash Proceeds in a manner described in any of clauses (1) through (5) above; *provided* that such binding commitment shall be treated as a permitted application of such Net Cash Proceeds from the date of such commitment until the earlier of (A) the date on which such application of such Net Cash Proceeds occurs and (B) the 180th day following the expiration of the aforementioned 540-day period.

The amount of Net Cash Proceeds not applied as specified above within such 540-day period shall constitute "**Excess Proceeds**". Pending the final application of the Net Cash Proceeds of any Asset Sale, the Company or any Restricted Subsidiary may temporarily reduce Indebtedness, invest such Net Cash Proceeds in Temporary Cash Investments or otherwise use such Net Cash Proceeds for general corporate purposes.

(c) When the aggregate amount of Excess Proceeds exceeds the greater of (x) €100.0 million and (y) 1.00% of Total Assets, the Company (or a Restricted Subsidiary on the Company's behalf) will apply the Excess Proceeds to the repurchase, prepayment, redemption, repayment or acquisition for value of the Senior Secured Notes and any *Pari Passu* Indebtedness secured by a Permitted Collateral Lien that ranks equal to or prior to any Lien on the applicable assets securing the Senior Secured Notes (which, solely for the purposes of this clause (c), shall be deemed to include any Permitted Receivables Financing) outstanding with similar provisions requiring the Company or any of its Restricted Subsidiaries to make an offer to repurchase, prepay, redeem, repay or acquire for value such Indebtedness with the proceeds from any Asset Sale as follows:

(1) the Company or a Restricted Subsidiary will make an offer to purchase (an "**Asset Sale Offer**") from all holders of the Senior Secured Notes in accordance with the procedures set forth in the Senior Secured Notes Indenture in respect of an aggregate maximum principal amount of Senior Secured Notes (expressed as a multiple of $1,000, in the case of the Dollar Senior Secured Notes, or €1,000, in the case of the Euro Senior Secured Notes) (the "**Note Amount**") equal to the product of such Excess Proceeds multiplied by a fraction, the numerator of which is the outstanding principal amount of the Senior Secured Notes, and the denominator of which is the sum of the outstanding principal amount of the Senior Secured Notes and such *Pari Passu* Indebtedness (subject to proration in the event the Note Amount is less than the aggregate Offered Price (as defined herein) of all Senior Secured Notes tendered);

(2) to the extent required by such *Pari Passu* Indebtedness to permanently reduce the principal amount of such *Pari Passu* Indebtedness, the Company or a Restricted Subsidiary, as the case may be, will make an offer to repurchase, prepay, redeem, repay or otherwise acquire for value such *Pari Passu* Indebtedness (a "***Pari Passu* Offer**") in an amount (the "***Pari Passu***

Debt Amount") equal to the excess of the Excess Proceeds over the Note Amount; *provided* that in no event will the Company or a Restricted Subsidiary be required to make a *Pari Passu* Offer in a *Pari Passu* Debt Amount exceeding the principal amount of such *Pari Passu* Indebtedness plus the amount of any premium required to be paid to repurchase such *Pari Passu* Indebtedness; and

(3) the offer price for the Senior Secured Notes will be payable in cash in an amount equal to 100% of the principal amount of the Senior Secured Notes plus accrued and unpaid interest, if any, to the date (the "**Offer Date**") such Asset Sale Offer is consummated (the "**Offered Price**"), in accordance with the procedures set forth in the Senior Secured Notes Indenture.

To the extent that the aggregate Offered Price of the Senior Secured Notes tendered pursuant to the Asset Sale Offer is less than the Note Amount relating thereto or the aggregate amount of *Pari Passu* Indebtedness that is repurchased, prepaid, redeemed, repaid or otherwise acquired for value in a *Pari Passu* Offer is less than the *Pari Passu* Debt Amount, the Company or any Restricted Subsidiary may use any remaining Excess Proceeds for general corporate purposes, including reinvesting in assets useful to the business of the Restricted Group. If the aggregate principal amount of Senior Secured Notes and *Pari Passu* Indebtedness surrendered by holders thereof exceeds the applicable Note Amount, the Trustee shall select the Senior Secured Notes to be purchased on a *pro rata* basis, unless otherwise required by applicable law or applicable stock exchange or depositary requirements. Upon the completion of the purchase of all the Senior Secured Notes tendered pursuant to an Asset Sale Offer and the completion of a *Pari Passu* Offer, the amount of Excess Proceeds, if any, shall be reset at zero.

The Issuer, the Company or a Restricted Subsidiary, as the case may be, may make an Asset Sale Offer prior to the expiration of the 540-day period referred to in paragraph (b) above.

(d) If the Company or a Restricted Subsidiary becomes obligated to make an Asset Sale Offer pursuant to paragraph (c) above, the Senior Secured Notes and the *Pari Passu* Indebtedness shall be purchased by the Company or a Restricted Subsidiary, at the option of the holders thereof, in whole or in part (in a principal amount of $200,000, in the case of the Dollar Senior Secured Notes or €100,000, in the case of the Euro Senior Secured Notes, or an integral multiple of $1,000 or €1,000, as applicable, in excess thereof, such that no Dollar Senior Secured Note of less than $200,000 and no Euro Senior Secured Note of less than €100,000 remains outstanding thereafter) on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Asset Sale Offer is given to holders, or such later date as may be necessary for the Company or a Restricted Subsidiary to comply with the requirements under the Exchange Act or other applicable laws or regulations (including, without limitation, those of any securities exchange on which the Senior Secured Notes are listed).

(e) If the Company or a Restricted Subsidiary is required to make an Asset Sale Offer or makes a Senior Secured Notes Offer, the Company or such Restricted Subsidiary, as applicable, will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations, including administrative interpretations thereof (including those of the United States and the United Kingdom) in connection with such Asset Sale Offer or Senior Secured Notes Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with the provisions of this covenant (other than the obligation to make an Asset Sale Offer pursuant to this covenant), the Company and such Restricted Subsidiary, as the case may be, will comply with the securities laws and regulations and will not be deemed to have breached its obligations described in this covenant by virtue thereof.

(f) If the Offer Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest will be paid to the Person in whose name a Senior Secured Note is registered at the close of business on such record date, and no additional interest will be payable to holders of the Senior Secured Notes who tender Notes pursuant to the Asset Sale Offer or Senior Secured Notes Offer.

(g) Compliance with paragraph (a) of this covenant shall be determined as of the date of consummation of the applicable Asset Sale, without giving effect to any post-closing purchase price adjustments not then determined, and for purposes of sub-clause (1) thereof, the following will be deemed to be cash:

(1) securities, notes or other obligations received by the Company or any of its Restricted Subsidiaries from the transferee that are converted by the Company or such Restricted Subsidiary into cash, cash equivalents or Temporary Cash Investments within 180 days

following the closing of such Asset Sale;

(2) liabilities of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, *provided* that the Company and each other Restricted Subsidiary of the Company are released from any guarantee of payment of such liabilities in connection with such Asset Sale;

(3) consideration consisting of liabilities of the Company or any of its Restricted Subsidiaries (other than Subordinated Indebtedness) received after the Issue Date from Persons that are not the Company or any of its Restricted Subsidiaries;

(4) any properties and assets (including Capital Stock of a business) of the kind referred to in clause (b)(1) above; and

(5) any Designated Non-Cash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value) the greater of (x) €425.0 million and (y) 5.00% of Total Assets.

Limitation on Issuance of Guarantees of Indebtedness by Restricted Subsidiaries

(a) The Company shall not cause or permit any of its Restricted Subsidiaries (which is not a Guarantor or the Issuer), directly or indirectly, to guarantee (i) any Indebtedness of the Issuer or any Guarantor under any Credit Facilities or (ii) any Public Debt (including, for the avoidance of doubt, any guarantee of Public Debt) of the Issuer or any Guarantor, in each case, unless such Restricted Subsidiary (if not the Issuer or a Guarantor) simultaneously executes and delivers a supplemental indenture to the Senior Secured Notes Indenture providing for a Guarantee of the Senior Secured Notes on the same terms (subject to any applicable Guarantee limitations) as the other Guarantees of the Senior Secured Notes by the Guarantors, *provided* that:

(1) no Guarantee shall be required as a result of any guarantee of Indebtedness that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary.(in addition, for the avoidance of doubt, pending the provision of Guarantees of the Senior Secured Notes by the Subsequent Guarantors as contemplated hereby, no Guarantee shall be required as a result of any guarantee by a Subsequent Guarantor of Indebtedness under the Existing Facilities Agreements, the Existing Senior Secured Notes Indentures, certain Hedging Obligations and certain Cash Management Arrangements until such Subsequent Guarantor provides a Guarantee of the Senior Secured Notes);

(2) no Guarantee shall be required as a result of any guarantee in connection with a Permitted Receivables Financing or any inventory financing or similar arrangement;

(3) such Guarantee need not be secured unless required pursuant to the "*—Limitation on Liens*" covenant;

(4) if such Indebtedness is by its terms expressly subordinated to the Senior Secured Notes or any Guarantee, any such guarantee by such Restricted Subsidiary of such Indebtedness shall be subordinated to such Restricted Subsidiary's Guarantee of the Senior Secured Notes at least to the same extent as such Indebtedness is subordinated to the Senior Secured Notes or any other Guarantee;

(5) no Guarantee shall be required as a result of any guarantee given in connection with any Cash Management Arrangement of the Company or any of its Restricted Subsidiaries;

(6) no Guarantee shall be required under this covenant if such Guarantee would not be required under the Security Principles, including if such Guarantee could reasonably be expected to give rise to or result in (x) personal, civil or criminal liability for any officers, directors, legal representatives or shareholders of such Restricted Subsidiary, (y) any violation of applicable

law that cannot be avoided or otherwise prevented through measures reasonably available to the Company or such Restricted Subsidiary or (z) any significant cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (y) undertaken in connection with, such Guarantee, which cannot be avoided through measures reasonably available to the Company or such Restricted Subsidiary (it being understood, for the avoidance of doubt, that the cost of providing a Guarantee shall in any event be deemed to be significant and unreasonable (and such Guarantee shall not be required to be provided) if the cost shall exceed the realizable value of such Guarantee); and

(7) each such Guarantee shall be limited as set forth in or contemplated by the Senior Secured Notes Indenture and the Security Principles, including as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, rules or regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

(b) Notwithstanding the foregoing, any Guarantee by a Restricted Subsidiary of the Company created pursuant to paragraph (a) above will be deemed to provide by its terms that it shall be automatically and unconditionally released and discharged, without any action by the Trustee, the Security Agent or the holders of the Senior Secured Notes, upon:

(1) any sale, exchange or transfer, directly or indirectly, to any Person that is not the Company or any of its Restricted Subsidiaries, of all of the Capital Stock held by the Company and its Restricted Subsidiaries in, or all or substantially all the assets of, such Restricted Subsidiary (which sale, exchange or transfer is not prohibited by the Senior Secured Notes Indenture) and such Restricted Subsidiary is released from all guarantees, if any, by it of other Credit Facilities and Public Debt of the Company or any Restricted Subsidiaries;

(2) with respect to any Guarantee created after the Issue Date, the release by the holders of the Credit Facilities and Public Debt of the Issuer or any Guarantor described in paragraph (a) above of their guarantee by such Restricted Subsidiary at such time as (A) no other Credit Facility or Public Debt of the Issuer or any Guarantor has been guaranteed by such Restricted Subsidiary or (B) the holders of all other Credit Facilities and Public Debt of the Issuer or any Guarantor which is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary;

(3) any defeasance or discharge of the Senior Secured Notes as provided in "*—Defeasance or Covenant Defeasance of Senior Secured Notes Indenture*" or "*—Satisfaction and Discharge*;" or

(4) the satisfaction of the requirements of any of the other provisions described under the caption "*—Brief Description of the Senior Secured Notes, the Guarantees and the Security—The Guarantees—Release of the Guarantees*;"

provided, *however*, that the Company shall have the right, in its sole discretion, by written notice to the Trustee delivered prior to the automatic release and discharge of any such Guarantee as specified above, to (A) waive such automatic release and discharge of such Guarantee and maintain such Guarantee in effect until such time as the Company shall instruct and direct the Trustee in writing to release and discharge such Guarantee or (B) elect that the release and discharge of such Guarantee shall not occur automatically as contemplated by this paragraph (b) but shall occur at such time or times, in such manner and order and upon the occurrence of such other events as shall be specified by the Company in such notice to the Trustee (and the Trustee, at the request of the Company, shall execute and deliver any document reasonably requested by the Company to effect and evidence the release of such Guarantee); *provided further* that nothing in this clause (B) shall allow the Company to require the release and discharge of any Guarantee prior to (unless such release and discharge is to occur substantially concurrently with) the occurrence of the applicable event(s) set forth in clauses (1) through (4) above providing for the release and discharge thereof.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause to exist or become effective any consensual encumbrance or restriction on the ability of any of its Restricted Subsidiaries to:

(1) pay dividends or make any other distribution on its Capital Stock or any other interest or participation in, or measured by, its profits to the Company or any of its Restricted Subsidiaries;

(2) pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries;

(3) make any loans or advances to the Company or any of its Restricted Subsidiaries; or

(4) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries;

provided that (A) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (B) the subordination of (including the application of any standstill requirements to) any Indebtedness owed to the Company or any of its Restricted Subsidiaries to other Indebtedness incurred by the Company or any of its Restricted Subsidiaries shall not be deemed to constitute such an encumbrance or restriction.

(b) Notwithstanding anything to the contrary in paragraph (a) above, the provisions of such paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (A) the Intercreditor Agreement, any LC Facility, the Security Documents, the Senior Secured Facilities Documents (as defined in the Intercreditor Agreement), the Senior Secured Notes, the Senior Secured Notes Indenture, the Existing Facilities Agreements, the Existing Senior Secured Notes, the Existing Indentures, the 2026 Senior Notes, the 2026 Senior Notes Indenture and the Proceeds Loans Documents, (B) any other agreement in effect on the Issue Date and (C) any indenture for any Public Debt of the Company or any of its Restricted Subsidiaries;

(2) any encumbrance or restriction with respect to a Restricted Subsidiary that is not a Restricted Subsidiary of the Company on the Issue Date in existence at the time such Person becomes a Restricted Subsidiary of the Company and not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; *provided* that such encumbrances and restrictions are not applicable to the Company or any of its Restricted Subsidiaries or the properties or assets of the Company or any of its Restricted Subsidiaries other than such Person (and its properties or assets or Capital Stock) that is becoming a Restricted Subsidiary of the Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person which is assumed by the Company or any of its Restricted Subsidiaries in connection with any Acquisition or any other acquisition of assets (other than Capital Stock or Indebtedness incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which the Company or any of its Restricted Subsidiaries entered into such acquisition) and outstanding on the date of consummation of such acquisition, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or property or assets or Capital Stock of the Person, so acquired;

(4) [Reserved];

(5) any encumbrance or restriction under Purchase Money Obligations and Finance Lease Obligations that imposes restrictions with respect only to the property and assets that are the subject thereof (and any rights relating thereto) and any restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(6) any encumbrance or restriction (A) that restricts in a customary manner the subletting,

assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (B) by virtue of any transfer of, agreement to transfer, option or right with respect to or a Lien on any property or assets of the Company or any of its Restricted Subsidiaries not otherwise prohibited by the Senior Secured Notes Indenture, (C) contained in security agreements, mortgages or other agreements relating to any secured Indebtedness to the extent such encumbrance or restriction restricts the transfer of the property or assets subject to the Liens securing such Indebtedness, (D) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any of its Restricted Subsidiaries or (E) in respect of Intellectual Property contained in licenses or sublicenses of, or other grants of rights to use or exploit, such Intellectual Property;

(7) any encumbrances or restrictions pursuant to contracts for the sale of assets, including any encumbrance or restriction with respect to any Restricted Subsidiary of the Company imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition as determined in good faith by the Board of Directors or the senior management of the Company;

(8) customary provisions in leases, licenses and other agreements restricting the assignment thereof;

(9) any encumbrances or restrictions created under any agreement (A) with respect to Indebtedness permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under the caption "*—Limitation on Indebtedness*" if (x) the encumbrances and restrictions are not materially less favorable to the holders of the Senior Secured Notes than those contained in the Existing Facilities Agreements, the Existing Indentures or the Senior Secured Notes Indenture on the Issue Date or in comparable financings (as determined in good faith by the Company) or (y) the Company determines in good faith at the time of the incurrence of such Indebtedness that such encumbrances or restrictions will not materially adversely affect the ability of the Issuer to make principal or interest payments on the Senior Secured Notes or (B) constituting an additional intercreditor agreement entered into in compliance with the covenant described under "*—Intercreditor Agreement; Additional Intercreditor Agreements*";

(10) any encumbrances or restrictions required by any Governmental Authority having jurisdiction over the Company or any of its Restricted Subsidiaries or any of their businesses;

(11) in the case of (A) any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary or (B) the Capital Stock in any Person that is not a Restricted Subsidiary (including any Unrestricted Subsidiary), encumbrances and restrictions imposed by the organizational documents of such Restricted Subsidiary or such other Person or contained in any related joint venture, shareholders' or similar agreement or in any agreement or instrument relating to Indebtedness of such Person, *provided* that such encumbrances and restrictions apply only to such Restricted Subsidiary (and its properties and assets) and/or to any Capital Stock in such Restricted Subsidiary or such other Person; *provided further* that the Company determines that such encumbrances or restrictions will not materially adversely affect the ability of the Issuer to make principal or interest payments on the Senior Secured Notes;

(12) encumbrances or restrictions existing by reason of any Lien permitted under the covenant described under "*—Limitation on Liens*";

(13) any encumbrance or restriction on cash or other deposits or net worth imposed under agreements entered into in the ordinary course of business;

(14) any encumbrance or restriction pursuant to Hedging Agreements, Cash Management Arrangements or Metals Arrangements;

(15) any encumbrance or restriction effected in connection with the INEOS Styrolution Securitization Programs or the INOVYN Securitization Program;

(16) (A) any encumbrance or restriction effected in connection with a Permitted Receivables

Financing (other than the INEOS Styrolution Securitization Programs or the INOVYN Securitization Program) that, in the good faith determination of the Board of Directors or senior management of the Company, is necessary or advisable to effect such Permitted Receivables Financing and (B) any encumbrance or restriction effected in connection with any inventory financing or similar arrangement that, in the good faith determination of the Board of Directors or senior management of the Company, is necessary or advisable to effect such inventory financing or similar arrangement;

(17) contracts entered into in the ordinary course of business, not relating to Indebtedness, and that do not, individually or in the aggregate, (A) detract from the value of property or assets of the Company or any Restricted Subsidiary of the Company in any manner material to the Company and its Restricted Subsidiaries, taken as a whole, or (B) materially adversely affect the ability of the Issuer to make principal or interest payments on the Senior Secured Notes; or

(18) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (17) or in this clause (18); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced, in the good faith determination of the Board of Directors or senior management of the Company.

Limitation on Unrestricted Subsidiaries

The Company may designate on or after the Issue Date (a "**Designation**") any Subsidiary of the Company (other than the Issuer or any parent entity of the Issuer) as an Unrestricted Subsidiary under the Senior Secured Notes Indenture, *provided* that:

(a) no Event of Default shall have occurred and be continuing at the time of or after giving effect to such Designation or would occur as a consequence of such Designation;

(b) either (i) the Subsidiary to be so designated has total assets of €1,000 or less or (ii) the Company would be permitted to make a Restricted Payment, Permitted Payment or Permitted Investment at the time of such Designation (assuming the effectiveness of such Designation) pursuant to the covenant described under "*—Limitation on Restricted Payments*" in an amount (the "**Designation Amount**") equal to the greater of (1) the net book value of the Company's interest in such Subsidiary calculated in accordance with IFRS and (2) the Fair Market Value of the Company's interest in such Subsidiary;

(c) such Subsidiary does not own directly or indirectly any Capital Stock of the Company or any Restricted Subsidiary of the Company which is not simultaneously being designated an Unrestricted Subsidiary; and

(d) such Subsidiary is not a party to any agreement, contract, arrangement or understanding at the time of such Designation with the Company or any of its Restricted Subsidiaries (other than any Restricted Subsidiary that is to be simultaneously designated as an Unrestricted Subsidiary) unless (i) the terms of any such agreement, contract, arrangement or understanding are no less favorable in any material respect to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company or would be permitted under the covenant described under "*—Limitation on Transactions with Affiliates*" or (ii) to the extent the requirements of clause (i) above are not satisfied, the value of such agreement, contract, arrangement or understanding to such Unrestricted Subsidiary (to the extent not already included in the Designation Amount) shall be deemed a Restricted Payment.

For purposes of the foregoing, the Designation of a Subsidiary of the Company as an Unrestricted Subsidiary shall be deemed to be the Designation of all of the Subsidiaries of such Subsidiary as Unrestricted Subsidiaries.

In the event of any Designation, unless clause (b)(i) of the first paragraph of this covenant applies, the Company shall be deemed to have made an Investment in an amount equal to the Designation Amount.

The Company will not, and will not cause or permit any Restricted Subsidiary to, provide a guarantee of, or subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, any Indebtedness of any Unrestricted Subsidiary, in each case, except to the extent permitted under covenants described under "*—Limitation on Indebtedness*" and "*—Limitation on Restricted Payments*".

The Company may redesignate any Unrestricted Subsidiary as a Restricted Subsidiary (a "**Redesignation**") if:

(a) no Event of Default shall have occurred and be continuing at the time of and after giving effect to such Redesignation or would occur as a consequence of such Redesignation; and

(b) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Redesignation would, if incurred at such time, have been permitted to be incurred for all purposes of the Senior Secured Notes Indenture.

Impairment of Security Interest

The Parent Obligors and the Company will not, and the Company will not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action which action or omission would have the result of materially impairing the security interests with respect to the Collateral for the benefit of the Security Agent, the Trustee and the holders of the Senior Secured Notes, and the Parent Obligors and the Company will not, and the Company will not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent or the Trustee, for the benefit of the Trustee and the holders of the Senior Secured Notes and the other beneficiaries described in the Security Documents, any Lien whatsoever on any of the Collateral, in each case, except as otherwise permitted by the Senior Secured Notes Indenture (including pursuant to the following paragraph or as described under "*—Suspension of Covenants and Release of Guarantees on Achievement of Investment Grade Status*" or "*Brief Description of the Senior Secured Notes, the Guarantees and the Security—Security—Release of Security*") or the Security Documents (including (i) the grant of any Permitted Collateral Liens or any other Liens that are not prohibited by the covenant described under "*—Limitation on Liens*", (ii) the implementation of any transaction that is subject to the covenant described under the caption "*—Consolidation, Merger, Sale of Assets*" and is completed in compliance therewith, (iii) the implementation of any transaction as part of a Permitted Reorganization and (iv) any sale, transfer or other disposition of Collateral that is permitted by the covenant described under "*—Limitation on Sale of Assets*" or that does not constitute an Asset Sale under the definition thereof), *provided* that in the case of any sale, transfer or other disposition, other than in the ordinary course of business, by the Issuer or any Guarantor to the Company or any of its Restricted Subsidiaries of any assets that constitute Collateral and that are material to the business and operations of the Issuer or such Guarantor, unless (A) the transferee thereof would be permitted, were it a Guarantor, to be released from its Guarantee pursuant to clause (a), (b), (c), (d) or (f) under the caption "*—Brief Description of the Senior Secured Notes, the Guarantees and the Security—Release of the Guarantees*", (B) the transferee thereof would be permitted, were it a Guarantor, to be released from its Guarantee pursuant to clause (i) under the caption "*—Brief Description of the Senior Secured Notes, the Guarantees and the Security—Release of the Guarantees*" if the calculations set forth therein were redetermined on a *pro forma* basis to give effect to such sale, transfer or other deposition or (C) the release of Liens on such assets would be permitted under clause (d), (k), (o), (p), (q), (r) and (s) under the caption "*—Brief Description of the Senior Secured Notes, the Guarantees and the Security—Security—Release of Security*", then either the transferee thereof shall have granted or shall grant, substantially concurrently with such sale, transfer or other disposition, a Lien on such Collateral to the Security Agent for the benefit of the Trustee and the holders of the Senior Secured Notes, or an existing Lien on such Collateral in favor of the Security Agent for the benefit of the Trustee and the holders of the Senior Secured Notes shall remain in effect immediately after such sale, transfer or other disposition, subject to any subsequent release thereof as provided under the caption "*—Brief Description of the Senior Secured Notes, the Guarantees and the Security—Security—Release of Security*".

At the request of the Company from time to time, the Trustee and the Security Agent shall, and are hereby irrevocably authorized and directed by the holders of the Senior Secured Notes to, in each case on behalf of such holders and without any further consent, authorization or other action by such holders, execute and deliver one or more amendments, supplements or other modifications to the Security Documents to:

(i) cure any ambiguity, omission, defect or inconsistency therein or reflect changes of a minor, technical or administrative nature;

(ii) provide for Permitted Collateral Liens;

(iii) add to the Collateral;

(iv) make any change necessary or desirable, in the good faith determination of the Board of Directors or senior management of the Company, in order to implement any transaction that is subject to the covenants described under "*—Consolidation, Merger, Sale of Assets—Parent Obligors and the Company*", "*—Consolidation, Merger, Sale of Assets—Issuer*" or "*—Consolidation, Merger, Sale of Assets—Subsidiary Guarantors*" and is completed in compliance therewith;

(v) implement any transaction as part of a Permitted Reorganization (including any such change to any Security Document to provide for upstream security and guarantees or security and guarantees over or in favor of Proceeds Loans);

(vi) provide for the release of any properties and assets constituting Collateral from the Liens created under the Security Documents; *provided* that such release is followed by the substantially concurrent (as determined in good faith by the Company, it being agreed that in making such determination the Company may take into account the occurrence of any related transactions and that the re-taking need not occur on the same day as the release) re-taking (irrespective of the Security Principles) of a Lien in favor of the Security Agent, for the benefit of the Trustee and the holders of the Senior Secured Notes, securing the Senior Secured Notes and/or the applicable Guarantees, as the case may be, on such properties or assets of at least equivalent priority (subject to any Liens thereon permitted under the Senior Secured Notes Indenture); *provided further* that, in the case of this clause (vi), the Parent shall deliver to the Trustee either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee, from an accounting, appraisal or investment banking firm of national standing confirming the solvency of the Parent and its Restricted Subsidiaries, taken as a whole, after giving effect to any transactions relating to such release and/or re-taking, (2) a certificate substantially in the form of an exhibit attached to the Senior Secured Notes Indenture from the chief financial officer or the Board of Directors of the Parent (acting in good faith) which confirms the solvency of the Parent and its Restricted Subsidiaries, taken as a whole, after giving effect to any transactions relating to such release and/or re-taking or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any such transactions, the Lien or Liens securing the Senior Secured Notes and the Guarantees created under the applicable Security Documents are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, to which such Lien or Liens were not otherwise subject immediately prior to such release and/or re-taking;

(vii) (A) provide for the release of the Liens on any Proceeds Loans upon the payment in full or other discharge of such Proceeds Loans (including as a result of any merger, consolidation or amalgamation of the payor or the payee thereunder) (and the release of the Liens on any amounts so repaid or discharged) or (B) with respect to any repayment, defeasance, satisfaction, cancellation or other discharge of all or any portion of the underlying Indebtedness giving rise to any Proceeds Loans, provide for the repayments, defeasance, satisfaction, cancellation or other discharge of such Proceeds Loans, *provided* that any amount remaining under such Proceeds Loan after such repayments, defeasance, satisfaction, cancellation or discharge remains subject to a valid Lien;

(viii) make any other change to the Security Documents to provide for additional Indebtedness (which may be *Pari Passu* Indebtedness, Subordinated Indebtedness or Subordinated Lien Indebtedness) or other obligations that are permitted by the terms of the Senior Secured Notes Indenture to be secured by a Lien on the Collateral on a senior, *pari passu* or junior basis with the Liens securing the Senior Secured Notes or the Guarantees, including changes to the definition of the term "Obligations" in the Security Documents (or any other term, however described, relating to the obligations of the Company, the Guarantors and the Restricted Subsidiaries of the Company that are subject to the security interest created therein); *provided* that, in the case of this clause (viii), the Parent shall deliver to the Trustee either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee, from an accounting, appraisal or investment banking firm of national standing confirming the solvency of the Parent and its Restricted Subsidiaries, taken as a whole, after giving effect to any transactions relating to such change, (2) a certificate substantially in the form of an exhibit attached to the Senior Secured Notes Indenture from the chief financial officer or the Board of Directors of the Parent (acting in good faith) which confirms the solvency of the Parent and its Restricted Subsidiaries, taken as a whole, after giving effect to the transactions relating to such change or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to the transactions relating to such change, the Lien or Liens securing the Senior Secured Notes and the Guarantees created under the applicable Security Documents are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, to which such Lien or Liens were not otherwise subject immediately prior to such transactions;

(ix) amend or otherwise modify any Security Document to the extent necessary (A) to conform any restriction or limitation contained therein to any analogous restriction or limitation contained in the Senior Secured Notes Indenture or to eliminate any restriction or limitation therein that is not contained in the Senior Secured Notes Indenture except to the extent such restriction or limitation is necessary to

create, perfect, preserve or enforce the security interest in the Collateral purported to be created by such Security Document or (B) to conform to the Security Principles (including any amendment or other modification to exclude from the Liens created or purported to be created by such Security Document any assets that, in accordance with the Security Principles, would not or would no longer be required to be subject to such Liens (it being understood and agreed that such exclusion may provide that its effectiveness is delayed until the satisfaction of any requirement set forth on the Security Principles that must be satisfied in order for such assets to not be required, in accordance with the Security Principles, to be subject to such Liens));

(x) make any other change thereto that does not adversely affect the holders of the Senior Secured Notes in any material respect; or

(xi) effect or confirm transfers of Collateral permitted under the first paragraph of this covenant.

Notwithstanding the foregoing, no Security Document may be amended and no waiver of any of the requirements of, or granting of any consent under, any Security Document may be made unless any such amendment, waiver or consent applies equally to all holders of the Senior Secured Notes. In the event of any action under this covenant, the consent of the Trustee, the Security Agent or the holders of the Senior Secured Notes shall not be required.

Intercreditor Agreement; Additional Intercreditor Agreements

The Security Agent and the Trustee are parties to the Intercreditor Agreement, and each holder of a Senior Secured Note, by accepting such Senior Secured Note, will be deemed to have irrevocably (i) (A) acknowledged that the Trustee became a party to the Intercreditor Agreement by executing an accession thereto on the Issue Date and (B) authorized and directed each of the Trustee and the Security Agent to execute and deliver any other intercreditor agreement contemplated by the Senior Secured Notes Indenture, in each case on behalf of such holder and, in the case of this clause (B), without any further consent, authorization or other action by such holder, (ii) consented to the treatment of Liens to be provided for under the Intercreditor Agreement (including any other intercreditor agreement contemplated by the Senior Secured Notes Indenture), (iii) agreed that such holder is bound by the provisions of the Intercreditor Agreement and, upon the execution and delivery thereof, will be bound by the provisions of any other intercreditor agreement contemplated by the Senior Secured Notes Indenture as if it were a signatory thereto and will take no actions contrary to the provisions of the Intercreditor Agreement (including any other intercreditor agreement contemplated by the Senior Secured Notes Indenture), (iv) appointed each of the Trustee and the Security Agent to act on its behalf and to perform the duties and exercise the rights, powers and discretions that are specifically given to them under the Intercreditor Agreement (including any other intercreditor agreement contemplated by the Senior Secured Notes Indenture), (v) authorized and directed the Trustee and the Security Agent to carry out the provisions and intent of this section and the Intercreditor Agreement (including any other intercreditor agreement contemplated by the Senior Secured Notes Indenture), (vi) authorized and directed the Trustee and the Security Agent to take such actions as shall be required to release Liens on the Collateral in accordance with the terms of the Intercreditor Agreement (including any other intercreditor agreement contemplated by the Senior Secured Notes Indenture) and (vii) agreed that no holder of Senior Secured Notes shall have any right of action whatsoever against the Trustee or the Security Agent as a result of any action taken by the Trustee or the Security Agent pursuant to this section or in accordance with the terms of the Intercreditor Agreement (including any other intercreditor agreement contemplated by the Senior Secured Notes Indenture).

At the request of the Company, at the time of, or prior to, the incurrence or establishment of any Indebtedness or other obligations that are permitted to be secured by Liens on the Collateral pursuant to the definition of Permitted Collateral Liens, the Trustee and the Security Agent shall, and, by accepting a Senior Secured Note, each holder of the Senior Secured Notes shall be deemed to have irrevocably authorized and directed the Trustee and the Security Agent to, in each case on behalf of such holder and without any further consent, authorization or other action by such holder, execute and deliver (i) an additional intercreditor agreement (A) on terms that are substantially the same as those contained in the Intercreditor Agreement (or terms that are no less favorable to the holders of the Senior Secured Notes) and/or (B) in the case of any inventory financing or similar arrangement, on terms that are within the range of terms and conditions customary for intercreditor agreements that are of the type that govern intercreditor relationships between providers of inventory financings or similar arrangements, on the one hand, and holders of Public Debt, on the other hand, and do not materially impair the rights of the holders of the Senior Secured Notes in respect of payment or enforcement, in each case as determined in good faith by the Company and consented to by the Trustee (such consent not to be unreasonably withheld, delayed or conditioned, it being understood that in providing such consent the Trustee may conclusively rely on an Officer's Certificate of the Company setting forth its determination set forth above) or (ii) an accession and/or amendment to the Intercreditor Agreement to permit such Indebtedness or other obligations to be subject to (and benefit from) substantially the same terms with respect to the release of the Collateral and Guarantees, enforcement of security interests, turnover, limitations on enforcement and other rights and limitations of the creditors of

Senior Secured Indebtedness, Subordinated Lien Indebtedness or Subordinated Indebtedness, as applicable, as those contained in the Intercreditor Agreement (or, in the case of any such terms, terms that are no less favorable to the holders of the Senior Secured Notes), it being understood and agreed, in each case, that the execution and delivery by the Trustee and the Security Agent of any such additional intercreditor agreement or any such accession or amendment shall be conclusive evidence of the satisfaction of the foregoing requirements as to the terms thereof. The Issuer may only direct the Trustee to enter into any such amendment to the extent such amendment does not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect its rights, duties, liabilities, indemnities or immunities under the Senior Secured Notes Indenture or the Intercreditor Agreement or any additional intercreditor agreement.

At the request of the Company from time to time, the Trustee and the Security Agent shall, and by accepting a Senior Secured Note, each holder of the Senior Secured Notes shall be deemed to have irrevocably authorized and directed the Trustee and the Security Agent to, in each case on behalf of such holder and without any further consent, authorization or other action by such holder, execute and deliver one or more amendments, supplements or other modifications to the Intercreditor Agreement (including any other intercreditor agreement contemplated by the Senior Secured Notes Indenture) to:

(i) cure any ambiguity, omission, defect or inconsistency therein or reflect changes of a minor, technical or administrative nature;

(ii) increase or decrease the amount or change the type of Indebtedness or other obligations covered thereby that are permitted by the terms of the Senior Secured Notes Indenture to be incurred by the Company or a Restricted Subsidiary and to be subject thereto;

(iii) add Restricted Subsidiaries, Guarantors or other Persons (such as representatives of new issuances or incurrences of Indebtedness or other obligations) as parties thereto;

(iv) further secure the Senior Secured Notes, including to make provision for the grant of Liens on the Collateral to secure Additional Senior Secured Notes;

(v) implement any Permitted Collateral Liens and provide for other Liens not prohibited by the covenant described under "*—Limitation on Liens*";

(vi) make any other change to the Intercreditor Agreement (or such other intercreditor agreement) to provide for additional Indebtedness (which may be *Pari Passu* Indebtedness, Subordinated Lien Indebtedness or Subordinated Indebtedness) or other obligations that are permitted by the terms of the Senior Secured Notes Indenture to be secured by a Lien on the Collateral on a senior, *pari passu* or junior basis with the Liens securing the Senior Secured Notes and the Guarantees;

(vii) provide for the release of the Liens on any Proceeds Loans upon the payment in full or other discharge of such Proceeds Loans (including as a result of any merger, consolidation or amalgamation of the payor or the payee thereunder) (and the release of the Liens on any amounts so repaid or discharged) or the repayment, defeasance, satisfaction, cancellation or other discharge of the Senior Secured Notes or other Indebtedness;

(viii) provide for (A) the cancellation and discharge of all or a portion of the principal amount of any Proceeds Loans, *provided* that such cancellation and discharge shall not result in the principal amount of the Proceeds Loans outstanding being less than the corresponding Indebtedness giving rise thereto then outstanding, (B) the cancellation and discharge of a corresponding amount of the principal amount of any Proceeds Loans upon the repayment, defeasance, satisfaction, cancellation or other discharge of the corresponding Indebtedness giving rise thereto and (C) the cancellation and discharge of any Guarantor from its obligations and liabilities in respect of any Proceeds Loans upon the repayment, defeasance, satisfaction, cancellation or other discharge of all of the corresponding Indebtedness giving rise thereto then outstanding;

(ix) make any change necessary or desirable, in the good faith determination of the Board of Directors of the Company, in order to implement any transaction that is subject to the covenants described under the captions, "*—Consolidation, Merger, Sale of Assets—Parent Obligors and the Company*", "*—Consolidation, Merger, Sale of Assets—Issuer*" or "*—Consolidation, Merger, Sale of Assets—Subsidiary Guarantors*".

(x) implement any transaction in connection with the renewal, extension, refinancing, replacement or increase of Indebtedness under the Senior Secured Notes Indenture;

(xi) make any other change thereto that does not adversely affect the rights of the holders of the Senior Secured Notes in any material respect, as determined in good faith by the Board of Directors or senior management of the Company;

(xii) reflect appropriately therein any changes made to the definitions in either of the Existing Facilities Agreements that are referred to or included in the Intercreditor Agreement (or any such other intercreditor agreement); *provided* that no such changes shall be permitted under this clause (xii) to the extent they affect the ranking of any Senior Secured Note or Guarantee in a manner than would adversely affect the rights of the holders of the Senior Secured Notes in any material respect except as otherwise permitted by the Senior Secured Notes Indenture or the Intercreditor Agreement (or any such other intercreditor agreement); or

(xiii) permit payments to be made to the Issuer that would not otherwise have been permitted pursuant to the terms thereof.

The Company will not otherwise direct the Trustee or the Security Agent to enter into any amendment, supplement or other modification to the Intercreditor Agreement (or, if applicable, any additional intercreditor agreement), without the consent of the holders of a majority in principal amount of the outstanding Senior Secured Notes, other than any such amendment, supplement or other modification that, pursuant to the covenant described under "— *Modifications and Amendments*" or the Intercreditor Agreement, does not require the consent of at least the holders of a majority in principal amount of the outstanding Senior Secured Notes.

Limitations on Activities of Parent and Parent Intermediate Holdcos

Notwithstanding anything contained in the Senior Secured Notes Indenture to the contrary:

(a) the Parent will not, and will not permit any Parent Intermediate Holdco to, engage in any business activity, except any such activity (A) reasonably relating to the offering, sale, issuance, incurrence and servicing, purchase, redemption, amendment, exchange, refinancing or retirement of the Senior Secured Notes, letters of credit or any other Indebtedness not prohibited by the Senior Secured Notes Indenture or of any Capital Stock; (B) undertaken with the purpose of fulfilling any other obligations under the Senior Secured Facilities Documents (as defined in the Intercreditor Agreement), the Existing Facilities Agreements, the Existing Senior Secured Notes, the Existing Senior Secured Notes Indentures, the 2026 Senior Notes, the 2026 Senior Notes Indenture, the Proceeds Loans, the Senior Secured Notes, the Senior Secured Notes Indenture, any Hedging Obligations or any agreements or instruments relating to any other Indebtedness or other obligations not prohibited by the Senior Secured Notes Indenture, including any Proceeds Loan or any guarantees or Liens relating to any of the foregoing; (C) involving the provision of administrative services (including treasury services), human resources functions and other corporate and overhead services to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries and the receipt of any amounts related thereto; (D) related to the establishment and/or maintenance of its corporate existence or corporate activities, the acquisition, holding or disposition of assets not prohibited to be held by it under the Senior Secured Notes Indenture or reasonably related to its function as a holding company, including (1) the participation in tax and accounting matters as a member of the consolidated group with the Company and its Subsidiaries, (2) the entry into, and performance of its obligations with respect to, contracts and other arrangements with officers, directors, employees and consultants, (3) the obtainment of, and the payment of any fees and expenses for, management, consulting, monitoring, investment banking, advisory and other services, (4) the payment of dividends and distributions and the purchase of Capital Stock of, and the making of capital contributions to, its Subsidiaries and (5) preparing reports to Governmental Authorities and complying with applicable law; (E) undertaken in connection with any Permitted Investment, any Restricted Payment, any Permitted Payment, any Permitted Reorganization or the Transactions; or (F) other activities not specifically enumerated above that are immaterial in nature; and

(b) the Parent will not, and will not permit any Parent Intermediate Holdco to, own any assets or property, other than (A) any Capital Stock of the Company or any Parent Intermediate Holdco or any Financing Subsidiary, (B) intercompany Indebtedness, (C) any rights under any other contract or agreement, *provided* that the Parent or such Parent Intermediate Holdco shall remain in compliance with the preceding clause (a), (D) any cash, cash equivalents or Temporary Cash Investments, (E) any assets and properties arising from activities of the Parent or Parent Intermediate Holdco undertaken in compliance with the preceding clause (a) and (F) other assets and properties that are immaterial in nature; *provided* that the Parent and each Parent Intermediate Holdco may from time to time receive in

a transaction otherwise permitted under the Senior Secured Notes Indenture and the Security Documents properties and assets (including cash, cash equivalents, Temporary Cash Investments, shares of Capital Stock of another Person and/or Indebtedness and other obligations) for the purpose of transferring such properties and assets to any Person, so long as in any case such further transfer is made promptly by the Parent or such Parent Intermediate Holdco, as applicable, and, after giving effect thereto, the Parent or such Parent Intermediate Holdco, as applicable, is in compliance with this clause (b); *provided further* that, except in the case of any such transitional properties or assets to be transferred to any Parent Obligor, the Company or any of its Restricted Subsidiaries, no such transitional properties or assets shall be included in any calculation of Total Assets or any netting of cash or Temporary Cash Investments in calculating the Consolidated Total Net Debt or the Consolidated Senior Secured Net Debt during the time held by the Parent or any Parent Intermediate Holdco.

Notwithstanding the foregoing, nothing in this covenant shall restrict the ability of any Parent Obligor to enter into, make payments in respect of or engage in other transactions pursuant to any Profit Pooling Agreement (including the creation of one or more book entry or loan receivables), *provided* that the Parent shall ensure that only INEOS Styrolution Investment GmbH (and, in particular, none of the Company nor any Parent Holdco) will be the ultimate dominating entity (*Organträger*) under or in connection with any Profit Pooling Agreement.

Provision of Financial Statements

For so long as any Senior Secured Notes are outstanding, the Parent will provide to the Trustee the following reports:

(1) within 120 days after the end of each fiscal year beginning with December 31, 2023: (i) the audited consolidated balance sheet of the Parent as of the end of, and the audited consolidated statements of income and cash flows of the Parent for, such fiscal year, setting forth in each case in comparative form the figures for the prior fiscal year (which may be presented on a *pro forma* combined basis), together with required footnotes to such financial statements and the report of the independent auditors on such financial statements, which report shall be prepared in accordance with IFRS, (ii) *pro forma* consolidated income statement and balance sheet information of the Parent (which need not comply with Article 11 of Regulation S-X), together with explanatory footnotes, for any material (as determined by the Company in good faith) acquisitions, dispositions or recapitalizations that have occurred since the beginning of such fiscal year, unless pro forma information with respect thereto has been previously provided pursuant to this covenant, (iii) an operating and financial review of the audited consolidated financial statements, including a discussion of the consolidated results of operations, financial condition, and liquidity and capital resources of the Parent, and a discussion of material commitments and contingencies and critical accounting policies, (iv) a description of the business, management and shareholders of the Parent, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments, (v) a description of material risk factors (which, for the avoidance of doubt, shall be limited to risk factors affecting the business of the Company and its Restricted Subsidiaries) and material recent developments, (vi) a presentation of earnings before interest, taxes, depreciation and amortization, (vii) a presentation of capital expenditures, and (viii) a presentation of depreciation and amortization; *provided* that any item referred to in clauses (ii) through (viii) above that (x) complies in all material respects with the requirements that would be applicable under Form 20-F under the Exchange Act with respect to such item or (y) the Company otherwise determines to be reasonable as to such item, consistent with the Company's past practice, in each case, shall be deemed to satisfy the requirements with respect to such item under this clause (1);

(2) within 60 days after the end of each of the first three fiscal quarters in each fiscal year beginning with the quarter ended September 30, 2023: (i) the unaudited condensed consolidated balance sheet of the Parent as of the end of such fiscal quarter and the unaudited condensed consolidated statements of income and cash flows of the Parent for such fiscal quarter or the portion of the fiscal year then ended, setting forth in each case in comparative form the figures for the comparable prior year period (which may be presented on a *pro forma* combined basis), together with condensed footnotes to such financial statements, (ii) *pro forma* condensed consolidated income statement and balance sheet information of the Parent (which need not comply with Article 11 of Regulation S-X), together with explanatory footnotes, for any material (as determined by the Company in good faith) acquisitions, dispositions or recapitalizations that have occurred since the beginning of such fiscal year, unless pro forma information with respect thereto has been previously provided pursuant to this covenant, (iii) an operating and financial review of the unaudited condensed consolidated financial statements, including

a discussion of the consolidated results of operations, financial condition, and liquidity and capital resources of the Parent, and a discussion of material commitments and contingencies and critical accounting policies, and (iv) a description of material recent developments and any material changes to the risk factors disclosed in the most recent annual report; *provided* that any disclosure with respect to any item referred to in clauses (ii) through (iv) above that (x) complies in all material respects with the requirements that would be applicable under Form 10-Q under the Exchange Act with respect to such item or (y) the Company otherwise determines to be reasonable as to such item, consistent with the Company's past practice, in each case, shall be deemed to satisfy the requirements with respect to such item under this clause (2); and

(3) promptly after the occurrence of any acquisition, disposition or restructuring that is material to the Parent and its Restricted Subsidiaries, taken as a whole, or any senior executive officer changes at the Parent or change in auditors of the Parent or the Issuer or any other material event that the Parent or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statements and *pro forma* financial information will be prepared in accordance with IFRS on a consistent basis for the periods presented; *provided*, *however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable IFRS, present earlier periods on a basis that applied to such periods, subject to the provisions of the Senior Secured Notes Indenture. Except as provided for above, no report need include separate financial statements for the Subsidiaries of the Parent or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this offering memorandum. For purposes of this covenant, IFRS shall be deemed to be IFRS as in effect from time to time, without giving effect to the proviso in the definition thereof.

Contemporaneously with the furnishing of each such report discussed above, the Parent will post such report on its or the Issuer's website. In the event that the Parent becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, the Issuer will, for so long as it continues to file the reports required by Section 13(a) or 15(d) with the Commission, make available to the Trustee the annual reports, information, documents and other reports that the Parent is required to file with the Commission pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Parent will be deemed to have complied with the provisions contained in the preceding three paragraphs.

The Senior Secured Notes Indenture will also provide that, so long as any of the Senior Secured Notes remain outstanding, the Parent will make available to any prospective purchaser of Senior Secured Notes or beneficial owner of Senior Secured Notes in connection with any sale thereof the information required by Rule 144A(d)(4) under the Securities Act. The Parent and the Issuer will also make any of the foregoing information available during normal business hours on any business day at the offices of each Paying Agent, if and so long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market thereof and the rules of the stock exchange so require.

Listing

Each of the Company and the Issuer will use its commercially reasonable efforts to obtain on or prior to the first interest payment date a listing of the Senior Secured Notes on the Official List of the Luxembourg Stock Exchange and the admission of the Senior Secured Notes to trading on the Euro MTF Market of the Luxembourg Stock Exchange, and use its commercially reasonable efforts to maintain such listing for so long as such Senior Secured Notes are outstanding; *provided* that if at any time the Issuer determines that it will not seek or maintain such listing, it will use commercially reasonable efforts to obtain, prior to the first interest payment date or prior to the delisting of the Senior Secured Notes from the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market of the Luxembourg Stock Exchange, a listing of such Senior Secured Notes on another "recognised stock exchange" as defined in section 1005 of the United Kingdom Income Tax Act 2007 (the "**ITA**") for the purposes of section 987 of the ITA or, on admission to trading on a "multilateral trading facility" operated by a "regulated recognised stock exchange" (within the meaning of section 987 of the ITA).

Suspension of Covenants and Release of Guarantees on Achievement of Investment Grade Status

If on any date following the Issue Date, the Senior Secured Notes have achieved Investment Grade Status and no Default or Event of Default has then occurred and is continuing (a "**Suspension Event**"), then, beginning on such date and continuing until such time, if any, at which the Senior Secured Notes cease to have Investment Grade Status,

(a) the provisions of the Senior Secured Notes Indenture summarized under the following captions will not apply to the Senior Secured Notes: "*—Limitation on Indebtedness*," "*—Limitation on Restricted*

Payments," "*—Limitation on Sale of Assets*," "*—Limitation on Transactions with Affiliates*," "*—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*," "*—Limitation on Unrestricted Subsidiaries*," the provisions of clause (c) of the covenant described under "*—Consolidation, Merger, Sale of Assets—Parent Obligors and the Company*", the provisions of clause (c) of the covenant described under "*—Consolidation, Merger, Sale of Assets—Issuer*", the first paragraph under "*—Impairment of Security Interest*" and any related default provisions of the Senior Secured Notes Indenture will cease to be effective and will not be applicable to the Parent, the Parent Intermediate Holdcos, the Company and its Restricted Subsidiaries; *provided* that such covenants (and any related default provisions) will again apply in accordance with their terms from and after the first day on which a Suspension Event ceases to be in effect; *provided*, however, that such covenants (and any related default provisions) will not be of any effect with regard to actions of the Parent, the Parent Intermediate Holdcos, the Company or any Restricted Subsidiary properly taken during the continuance of the Suspension Event, and the "*—Limitation on Restricted Payments*" covenant will be interpreted as if it had been in effect since the Issue Date except that no Default or Event of Default will be deemed to have occurred solely by reason of a Restricted Payment made while such covenant was suspended; and

(b) the Company shall have the right, in its sole discretion, by written notice to the Trustee and the Security Agent, to request the release and discharge of all Guarantees by any Restricted Subsidiary of the Company (other than the Guarantee of any Restricted Subsidiary that is a parent entity of the Issuer) created under the Senior Secured Notes Indenture or any supplemental indenture to the Senior Secured Notes Indenture, whereupon the Trustee and the Security Agent shall execute and deliver any document reasonably requested by the Company to effect and evidence the release and discharge of such Guarantees and any related release of Liens pursuant to "*—Brief Description of the Senior Secured Notes, the Guarantees and the Security—Security—Release of Security*"; *provided* that such Guarantee shall not be released and discharged unless, substantially concurrently with such release and discharge, any guarantee by such Restricted Subsidiary in respect of the Existing Term Loan B Facilities, the New Term Loan B Facilities, the Existing Senior Secured Notes and the 2026 Senior Notes shall be released and discharged and no other Indebtedness is at that time guaranteed by the relevant Restricted Subsidiary that would have otherwise given rise to an obligation to guarantee the Senior Secured Notes pursuant to the covenant described under "*Certain Covenants—Limitation on Issuance of Guarantees of Indebtedness by Restricted Subsidiaries*" had the relevant Restricted Subsidiary not already been a Guarantor.

The Company shall notify the Trustee that the conditions set forth above in this covenant have been satisfied, provided that such notification shall not be a condition for the suspension of the covenants set forth above to be effective, nor shall failure to notify the Trustee thereof constitute a breach of this covenant or default under the Senior Secured Notes Indenture. The Trustee shall be under no obligation to notify the holders of the Senior Secured Notes that the conditions set forth in this covenant have been satisfied.

Additional Covenants

The Senior Secured Notes Indenture will also contain covenants with respect to the following matters: (a) payment of principal, premium, any Additional Amounts and interest; (b) maintenance of certain offices or agencies; and (c) arrangements regarding the handling of money held in trust.

Consolidation, Merger, Sale of Assets

Parent Obligors and the Company

Subject to the provisions described under "*—General*" below, neither any Parent Obligor nor the Company will, in a single transaction or through a series of related transactions, consolidate with, amalgamate with or merge with or into any other Person (whether or not such Parent Obligor or the Company, as applicable, is the surviving Person), or sell, assign, convey, transfer, lease or otherwise dispose of its properties and assets (or permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions) if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition to any other Person or group of Persons of all or substantially all of the properties and assets of such Parent Obligor and its Restricted Subsidiaries on a Consolidated basis, or of the Company and its Restricted Subsidiaries on a Consolidated basis, as applicable, unless at the time of the transaction and after giving effect thereto:

(a) either:

(i) such Parent Obligor or the Company, as applicable, shall be the continuing Person and, in the case of such Parent Obligor, shall be in compliance with the covenant described under "—*Limitations on Activities of Parent and Parent Intermediate Holdcos*"; or

(ii) the Person (if other than such Parent Obligor or the Company, as applicable) formed by such consolidation or amalgamation or into which such Parent Obligor or the Company, as applicable, is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or other disposition all or substantially all of the properties and assets of such Parent Obligor and its Restricted Subsidiaries on a Consolidated basis, or of the Company and its Restricted Subsidiaries on a Consolidated basis, as applicable, (the "**Parent/Company Surviving Entity**") shall be a Person duly organized or incorporated, as applicable, and validly existing under the laws of a Permitted Jurisdiction and such Person expressly assumes all the obligations of such Parent Obligor or the Company, as applicable, under the Senior Secured Notes, the Senior Secured Notes Indenture (including its Guarantee), the Intercreditor Agreement and the Security Documents to which such Parent Obligor or the Company, as applicable, is a party pursuant to agreements reasonably satisfactory to the Trustee;

(b) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness not previously an obligation of the Company or any of its Restricted Subsidiaries which becomes the obligation of the Company or any of its Restricted Subsidiaries as a result of such transaction as having been incurred at the time of such transaction), no Event of Default will have occurred and be continuing; and

(c) at the time of such transaction, such Parent Obligor, the Company or the Parent/Company Surviving Entity, as applicable, will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officer's Certificate or an opinion of legal counsel, each to the effect that such transaction complies with the Senior Secured Notes Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate of the Company or the Parent/Company Surviving Entity as to any matters of fact.

In the event of any transaction (other than a lease) described in and complying with the conditions set forth in the immediately preceding paragraph in which the applicable Parent Obligor or the Company is not the Parent/Company Surviving Entity, the Parent/Company Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of, such Parent Obligor or the Company, as applicable, and such Parent Obligor or the Company, as applicable, will, subject to the second paragraph of the provisions described under "—*General*", be automatically and unconditionally released and discharged from all obligations and covenants under the Senior Secured Notes Indenture (including its Guarantee) and each of the other Senior Secured Notes Documents to which such Parent Obligor or the Company, as applicable, is a party.

Issuer

Subject to the provisions described under "—*General*" below, the Issuer will not, in a single transaction or through a series of related transactions, consolidate with, amalgamate with or merge with or into any other Person (whether or not the Issuer is the surviving Person), or sell, assign, convey, transfer, lease or otherwise dispose of its properties and assets (or permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions) if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition to any other Person or group of Persons of all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries on a Consolidated basis, unless at the time of the transaction and after giving effect thereto:

(a) either:

(1) the Issuer will be the continuing Person; or

(2) the Person (if other than the Issuer) formed by such consolidation or amalgamation or into which the Issuer is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or other disposition all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries on a Consolidated basis (the "**Issuer Surviving Entity**") shall be a Person duly organized or incorporated, as applicable, and validly existing under the laws of a Permitted Jurisdiction and such Person expressly assumes all the obligations of the Issuer under the Senior Secured Notes, the Senior Secured Notes Indenture, the Intercreditor

Agreement and the Security Documents to which the Issuer is a party pursuant to agreements reasonably satisfactory to the Trustee (and the Guarantees will be confirmed as applying to such Issuer Surviving Entity's obligations);

(b) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness not previously an obligation of the Company or any of its Restricted Subsidiaries which becomes the obligation of the Company or any of its Restricted Subsidiaries as a result of such transaction as having been incurred at the time of such transaction), no Event of Default will have occurred and be continuing; and

(c) at the time of such transaction, the Issuer or the Issuer Surviving Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officer's Certificate or an opinion of legal counsel, each to the effect that such transaction complies with the Senior Secured Notes Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate of the Issuer or the Issuer Surviving Entity as to any matters of fact.

In the event of any transaction (other than a lease) described in and complying with the conditions set forth in the immediately preceding paragraph in which the Issuer is not the Issuer Surviving Entity, the Issuer Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of, the Issuer, and the Issuer will, subject to the second paragraph of the provisions described under "—*General*", be automatically and unconditionally released and discharged from all obligations and covenants under the Senior Secured Notes Indenture, the Senior Secured Notes and each of the other Senior Secured Notes Documents to which the Issuer is a party.

Subsidiary Guarantors

Subject to the provisions described under "—*General*" below, a Subsidiary Guarantor (other than a Subsidiary Guarantor whose Guarantee is to be released in accordance with the terms of the Senior Secured Notes Indenture) will not, in a single transaction or through a series of related transactions, consolidate with, amalgamate with or merge with or into any other Person (whether or not such Subsidiary Guarantor is the surviving Person), or sell, assign, convey, transfer, lease or otherwise dispose of its properties and assets (or permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions) if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition to any other Person or group of Persons of all or substantially all of the properties and assets of such Subsidiary Guarantor and its Restricted Subsidiaries on a Consolidated basis, unless at the time of the transaction and after giving effect thereto:

(a) either:

(1) such Subsidiary Guarantor will be the continuing Person; or

(2) the Person (if other than such Subsidiary Guarantor) formed by such consolidation or amalgamation or into which such Subsidiary Guarantor is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or other disposition all or substantially all of the properties and assets of such Subsidiary Guarantor and its Restricted Subsidiaries on a Consolidated basis (the "**Guarantor Surviving Entity**") shall be a Person duly organized or incorporated, as applicable, and validly existing under the laws of any state that was a member of the European Union on the Issue Date, the United Kingdom, Switzerland, the United States of America, any State thereof or the District of Columbia or the laws of any other jurisdiction where one or more Subsidiary Guarantors are organized or incorporated, as applicable, and such Person expressly assumes all the obligations of such Subsidiary Guarantor under the Senior Secured Notes Indenture (including its Guarantee) and the other Senior Secured Notes Documents to which such Subsidiary Guarantor is a party pursuant to agreements reasonably satisfactory to the Trustee (it being agreed that the Guarantee of such Guarantor Surviving Entity may contain limitations set forth in or contemplated by the Senior Secured Notes Indenture or the Security Principles); and

(b) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness not previously an obligation of the Company or any of its Restricted Subsidiaries which becomes the obligation of the Company or any of its Restricted Subsidiaries as a result of such transaction as having been incurred at the time of such transaction), no Event of Default will have occurred and be continuing.

In the event of any transaction (other than a lease) described in and complying with the conditions set forth in the immediately preceding paragraph in which the applicable Subsidiary Guarantor is not the Guarantor Surviving Entity, such Guarantor Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, such Subsidiary Guarantor and such Subsidiary Guarantor will, subject to the second paragraph of the provisions described under "*—General*", be automatically and unconditionally released and discharged from all obligations and covenants under the Senior Secured Notes Indenture (including its Guarantee) and the other Senior Secured Notes Documents to which such Subsidiary Guarantor is a party.

General

Notwithstanding anything to the contrary in paragraph (b) of the subsection "*—Parent Obligors and the Company*", paragraph (b) of the subsection "*—The Issuer*" and paragraph (b) of the subsection "*—Subsidiary Guarantors*" (which shall not apply to transactions referred to in this sentence), (i) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, amalgamate with, merge with or into or sell, assign, convey, transfer, lease or otherwise dispose of all or any part of its properties and assets to the Company, the Issuer or any other Restricted Subsidiary and (ii) any Parent Obligor, the Company or the Issuer may consolidate or otherwise combine with, amalgamate with or merge with or into an Affiliate organized for the primary purpose of changing the legal domicile of such Parent Obligor, the Company or the Issuer in a Permitted Jurisdiction, reincorporating such Parent Obligor, the Company or the Issuer in another Permitted Jurisdiction or changing the legal form of such Parent Obligor, the Company or the Issuer; *provided* that such Parent Obligor, the Company or the Issuer, or such Affiliate, complies with clause (a) of the first paragraph under the caption "*—Parent Obligors and the Company*" or clause (a) of the first paragraph under the caption "*—The Issuer*", as applicable.

Notwithstanding anything to the contrary set forth in the last paragraph under the caption "*—Parent Obligors and the Company*", the last paragraph under the caption "*—The Issuer*" or the last paragraph under the caption "*—Subsidiary Guarantors*", upon the succession and substitution of any Guarantor by any Surviving Entity in a sale, assignment, conveyance, transfer, lease or other disposition of properties and assets subject to this covenant, upon the written request of the Company to the Trustee, such Guarantor shall not be released and discharged from its Guarantee and shall continue to be bound by its obligations and covenants under the Senior Secured Notes Indenture and the other Senior Secured Notes Documents to which it is a party as a Guarantor; *provided* that, in the event such Guarantor is a Parent Obligor, the Company or the Issuer and to the extent provided in such request, such Guarantor shall continue to be bound by its obligations and covenants under the Senior Secured Notes Indenture and the other Senior Secured Notes Documents solely in its capacity as a Guarantor and shall not be subject to or bound by any of the obligations and covenants applicable to a Parent Obligor, the Company or the Issuer, as applicable, and only the applicable Surviving Entity shall be subject to and bound by such obligations and covenants.

Notwithstanding anything to the contrary set forth in the Senior Secured Notes Indenture or in any other Senior Secured Notes Document, the Parent and its Restricted Subsidiaries may implement a Permitted Reorganization.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Events of Default

An Event of Default will occur under the Senior Secured Notes Indenture if:

(a) there shall be a default in the payment of any interest or Additional Amounts on any Senior Secured Note when it becomes due and payable, and such default shall continue for a period of 30 days;

(b) there shall be a default in the payment when due (at maturity, upon redemption or otherwise) of the principal of (or premium, if any, on) any Senior Secured Note;

(c) there shall be a default in the performance, or breach, of any covenant or agreement of the Issuer or any Guarantor under the Senior Secured Notes Indenture or any Guarantee (other than a default in the performance, or breach, of a covenant or agreement which is specifically dealt with in clause (a) or (b) and such default or breach shall continue for a period of 60 days after written notice has been given, by certified mail, (x) to the Issuer by the Trustee or (y) to the Issuer and the Trustee by the holders of at least 30% in aggregate principal amount of the outstanding Senior Secured Notes voting as a single class;

(d) any default in the payment of the principal or premium, if any, on any Indebtedness shall have occurred under any of the agreements, indentures or instruments under which the Issuer, any Guarantor or any Significant Restricted Subsidiary then has outstanding Indebtedness in excess of the greater of (x) €50.0 million and (y) 0.50% of Total Assets when the same shall become due and payable in full and such default shall have continued after any applicable grace period and shall not have been cured or waived and, if not already matured at its final maturity in accordance with its terms, the holder of such Indebtedness shall have accelerated such Indebtedness;

(e) any Guarantee by the Parent, the Company or a Significant Restricted Subsidiary is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be, or shall for any reason be asserted in writing by any Guarantor or the Issuer not to be, in full force and effect and enforceable in accordance with its terms, except to the extent contemplated by the Senior Secured Notes Indenture and any such Guarantee;

(f) (i) one or more of the Security Documents that, taken as a whole, create Liens on a material portion of the Collateral shall, at any time, cease to be in full force and effect, or shall be declared invalid or unenforceable by a court of competent jurisdiction, other than, in each case, pursuant to limitations on enforceability, validity or effectiveness imposed by applicable law or the terms of such Security Document or except in accordance with the terms of such Security Document, the Intercreditor Agreement or the Senior Secured Notes Indenture, including the release provisions thereof, and such failure to be in full force and effect shall have continued uncured for a period of 15 days after the Company becomes aware of such failure or (ii) repudiation or disaffirmation by the Issuer or any Guarantor of any of their respective obligations under the Security Documents that, taken as a whole, create Liens on a material portion of the Collateral;

(g) one or more final judgments, orders or decrees of any court or regulatory or administrative agency for the payment of money in excess of the greater of (i) €50.0 million and (ii) 0.50% of Total Assets, either individually or in the aggregate (to the extent not covered by independent third party insurance), shall be rendered against the Issuer, the Company or any Significant Restricted Subsidiary or any of their respective properties and shall not be satisfied, vacated, discharged or stayed or bonded pending appeal and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal or otherwise, shall not be in effect;

(h) [Reserved]; or

(i) certain events of bankruptcy or insolvency described in the Senior Secured Notes Indenture with respect to the Parent, the Company, Issuer or any Significant Restricted Subsidiary shall have occurred.

If an Event of Default (other than as specified in clause (i) of the prior paragraph) shall occur and be continuing with respect to the Senior Secured Notes Indenture, the Trustee or the holders of not less than 30% in aggregate principal amount of the Senior Secured Notes then outstanding may, and the Trustee, at the request of such holders, shall declare all unpaid principal of, premium, if any, any Additional Amounts and accrued interest on all Senior Secured Notes to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the holders of the Senior Secured Notes) and upon any such declaration, such principal, premium, if any, any Additional Amounts and interest shall become due and payable immediately. If an Event of Default specified in clause (i) of the prior paragraph occurs and is continuing, then all the Senior Secured Notes shall *ipso facto* become and be due and payable immediately in an amount equal to the principal amount of the Senior Secured Notes, together with any Additional Amounts and accrued and unpaid interest, if any, to the date the Senior Secured Notes become due and payable, without any declaration or other act on the part of the Trustee or any holder. Thereupon, the Trustee may, at its discretion, proceed to protect and enforce the rights of the holders of the Senior Secured Notes by appropriate judicial proceedings. In the event of a declaration of acceleration of the Senior Secured Notes because an Event of Default described in clause (d) of the prior paragraph has occurred and is continuing, the declaration of acceleration of the Senior Secured Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (d) shall be remedied or cured, or waived by the holders of the Indebtedness that gave rise to such Event of Default, or such Indebtedness shall be discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Senior Secured Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except non-payment of principal, premium or interest on the Senior Secured Notes that became due solely because of the acceleration of the Senior Secured Notes, have been cured or waived.

After a declaration of acceleration, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of Senior Secured Notes outstanding by

written notice to the Issuer and the Trustee may rescind an acceleration and annul such declaration and its consequences under the Senior Secured Notes Indenture if:

(a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(1) all sums paid or advanced by the Trustee under the Senior Secured Notes Indenture and the properly incurred compensation, expenses, disbursements and advances of the Trustee, its agents and counsel,

(2) all overdue interest and Additional Amounts on all Senior Secured Notes then outstanding,

(3) the principal of and premium, if any, on any Senior Secured Notes then outstanding which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Senior Secured Notes, and

(4) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Senior Secured Notes;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(c) all Events of Default, other than the non-payment of principal of, premium, if any, and any Additional Amounts and interest on the Senior Secured Notes, which have become due solely by such declaration of acceleration, have been cured or waived as provided in the Senior Secured Notes Indenture. No such rescission shall affect any subsequent default or impair any right consequent thereon.

The holders of not less than a majority in aggregate principal amount of all outstanding Senior Secured Notes may, by written notice to the Trustee, on behalf of the holders of all outstanding Senior Secured Notes, waive any past default under the Senior Secured Notes Indenture and its consequences, except a default in respect of a covenant or provision hereof which under the Senior Secured Notes Indenture cannot be modified or amended without the consent of the holders of not less than 90% of the then outstanding amount of one or more series of Senior Secured Notes, in which case the consent of the holders of at least 90% of the then outstanding Senior Secured Notes or the relevant series of Senior Secured Notes shall be required.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Senior Secured Notes may direct the Trustee in its exercise of any trust of power. The Trustee may withhold from holders of the Senior Secured Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any.

No holder of any of the Senior Secured Notes has any right to institute any proceedings with respect to the Senior Secured Notes Indenture or any remedy thereunder, unless the holders of at least 30% in aggregate principal amount of the outstanding Senior Secured Notes have made written request, and offered satisfactory indemnity and/or security (including by way of pre-funding), to the Trustee to institute such proceeding as the Trustee under the Senior Secured Notes and the Senior Secured Notes Indenture, the Trustee has failed to institute such proceeding within 60 days after receipt of such notice and offer of satisfactory indemnity and/or security (including by way of pre-funding) and the Trustee, during such 60-day period, has not received directions inconsistent with such written request from the holders of a majority in aggregate principal amount of the outstanding Senior Secured Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Senior Secured Note for the enforcement of the payment of the principal of, premium, if any, and any Additional Amounts or interest on such Senior Secured Note on or after the respective due dates expressed in such Senior Secured Note.

The Company will promptly, and in any event, within 15 Business Days of becoming aware of such Default or Event of Default, notify the Trustee of the occurrence of any Default or Event of Default that is continuing. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, Additional Amounts or interest on any Senior Secured Notes, the Trustee may withhold the notice to the holders of such Senior Secured Notes if a committee of its trust officers in good faith determines that withholding the notice is in the interests of the holders of the Senior Secured Notes. If a Default or an Event of Default occurs and is continuing and the Trustee is informed in writing, the Trustee will distribute to each holder of the Senior Secured Notes notice of the Default or Event of Default within five Business Days after being notified of its occurrence. The Company will deliver to the Trustee, on or before a date not more than 120 days after the end of each fiscal year beginning with the fiscal year ending December 31, 2023, a written statement as to compliance with the Senior Secured Notes Indenture, including whether or not any Default has occurred. The Trustee is under no obligation to exercise any of the rights or powers vested in it by the Senior Secured

Notes Indenture at the request or direction of any of the holders of the Senior Secured Notes unless such holders offer to the Trustee indemnity and/or security (including by way of pre-funding) satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred thereby.

Defeasance or Covenant Defeasance of Senior Secured Notes Indenture

The Issuer may, at its option and at any time, elect to have all of its obligations terminated with respect to the outstanding Senior Secured Notes of a series and all obligations of the Guarantors discharged with respect to the Guarantees of such series of Senior Secured Notes ("**Legal Defeasance**") and cure all then existing Events of Default with respect to such series of Senior Secured Notes, except for, among other things, certain obligations, including those relating to the defeasance trust, obligations to transfer or exchange Senior Secured Notes of such series, to pay Additional Amounts with respect to such series of Senior Secured Notes, to replace mutilated, destroyed, lost or stolen Senior Secured Notes of such series and to maintain a paying agent for such series of Senior Secured Notes, and obligations with respect to the rights, powers, trusts, duties and immunities of the Trustee.

In addition, the Issuer may, at its option and at any time, elect to have its obligations and the obligations of the Guarantors released with respect to certain covenants that are described in the Senior Secured Notes Indenture and the Guarantees ("**Covenant Defeasance**") and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default with respect to the Senior Secured Notes of a series. In the event Covenant Defeasance occurs, certain events (not including non-payment, and, solely with respect to the Issuer, bankruptcy and insolvency events) described under "*—Events of Default*" will no longer constitute an Event of Default with respect to the Senior Secured Notes of such series.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuer must irrevocably deposit in trust with the Trustee, for the benefit of the holders of the Senior Secured Notes of the applicable series, cash in dollars or U.S. Government Obligations, or a combination thereof (in the case of the Dollar Senior Secured Notes) or in euro or European Government Obligations, or a combination thereof (in the case of the Euro Senior Secured Notes), in such aggregate amounts as will be sufficient to pay the principal of, interest and premium, if any, on the Senior Secured Notes of such series to maturity;

(b) in the case of Legal Defeasance, the Issuer must deliver to the Trustee:

(1) an opinion of United States counsel reasonably acceptable to the Trustee confirming that (A) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (B) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding Senior Secured Notes of the applicable series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; and

(2) an opinion of counsel in the jurisdiction of incorporation of the Issuer and reasonably acceptable to the Trustee to the effect that the holders of the Senior Secured Notes of the applicable series will not recognize income, gain or loss for tax purposes of such jurisdiction as a result of such Legal Defeasance and will be subject to tax in such jurisdiction on the same amounts and in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; and

(c) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee:

(1) an opinion of United States counsel reasonably acceptable to the Trustee confirming that the holders of the outstanding Senior Secured Notes of the applicable series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and

(2) an opinion of counsel in the jurisdiction of incorporation of the Issuer and reasonably acceptable to the Trustee to the effect that the holders of the Senior Secured Notes of the

applicable series will not recognize income, gain or loss for tax purposes of such jurisdiction as a result of such Covenant Defeasance and will be subject to tax in such jurisdiction on the same amounts and in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred.

Satisfaction and Discharge

The Senior Secured Notes Indenture will be discharged and will cease to be of further effect (except as to transfer or exchange of the Senior Secured Notes as expressly provided for in the Senior Secured Notes Indenture) as to all the outstanding Senior Secured Notes of a series issued under the Senior Secured Notes Indenture when:

(a) either:

(1) all such Senior Secured Notes of the applicable series theretofore authenticated and delivered (except lost, stolen or destroyed Senior Secured Notes which have been replaced or paid or Senior Secured Notes whose payment has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust as provided for in the Senior Secured Notes Indenture) have been delivered to the Trustee for cancellation, or

(2) all Senior Secured Notes of the applicable series not theretofore delivered to the Trustee for cancellation (A) have become due and payable, (B) will become due and payable at their Stated Maturity within one year, or (C) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust an amount in dollars, U.S. Government Obligations, or a combination thereof (in the case of the Dollar Senior Secured Notes or any other U.S. dollar-denominated series) or in euro, European Government Obligations or a combination thereof (in the case of the Euro Senior Secured Notes or any other euro-denominated series) sufficient to pay and discharge the entire indebtedness on the Senior Secured Notes of the applicable series not theretofore delivered to the Trustee for cancellation, including the principal of, premium, if any, any Additional Amounts and accrued interest on, such Senior Secured Notes at such Maturity, Stated Maturity or redemption date;

(b) the Issuer or any Guarantor has paid or caused to be paid all other sums payable under the Senior Secured Notes Indenture with respect to the Senior Secured Notes of the applicable series by the Issuer and any Guarantor; and

(c) the Issuer has delivered to the Trustee an Officer's Certificate and an opinion of independent counsel, in form and substance reasonably satisfactory to the Trustee, each stating that:

(1) all conditions precedent under the Senior Secured Notes Indenture relating to the satisfaction and discharge of the Senior Secured Notes Indenture with respect to the Senior Secured Notes of the applicable series have been complied with; and

(2) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Senior Secured Notes Indenture or any other material agreement or instrument to which the Issuer, any Guarantor or any Subsidiary is a party or by which the Issuer, any Guarantor or any Subsidiary is bound;

provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with this clause (c) and the foregoing clauses (a) and (b)). The Trustee will be entitled to rely conclusively on such Officer's Certificate and opinion of counsel without independent verification.

If requested by the Issuer, the Trustee may distribute any amounts deposited in trust to the holders prior to maturity or the redemption date, as the case may be. In such case, the payment to each holder will equal the amount such holder would have been entitled to receive at the stated maturity or on the relevant redemption date, as the case may be. For the avoidance of doubt, the distribution and payment to holders prior to the maturity or redemption date as set forth above will not include any negative interest, present value adjustment, break cost or any other premium on such amounts.

Modifications and Amendments

Without limiting the Issuer's and the Guarantors' ability to effect modifications or amendments that are expressly permitted under "*—Certain Covenants—Impairment of Security Interest*" or "*—Certain Covenants—Intercreditor Agreement; Additional Intercreditor Agreements*" or are otherwise permitted under this caption "*—Modifications and Amendments*," modifications and amendments of the Senior Secured Notes Indenture, the Senior Secured Notes, any Guarantee, the Intercreditor Agreement, any additional intercreditor agreement and/or the Security Documents may be made by the Issuer, the Company, the Guarantors (if applicable), the Trustee and the Security Agent (if applicable), in each case, to the extent a party thereto, with the consent of the holders of at least a majority in aggregate principal amount of the Senior Secured Notes then outstanding (unless a modification or amendment will only affect one series of the Senior Secured Notes, in which case only the consent of the holders of at least a majority in aggregate principal amount of the Senior Secured Notes then outstanding in such series shall be required); *provided*, *however*, that no such modification or amendment may, without the consent of the holders of at least 90% of the then outstanding aggregate principal amount of the Senior Secured Notes (or, if a modification or amendment will only affect one series of the Senior Secured Notes, the consent of the holders of at least 90% of the aggregate principal amount of the Senior Secured Notes then outstanding in such series):

(a) change the Stated Maturity of the principal of, or any installment of any Additional Amounts or interest on any Senior Secured Note, or change to an earlier date the time at which any Senior Secured Note may be redeemed, or waive a default in the payment of the principal of, premium, if any, any Additional Amounts or interest on, any such Senior Secured Note or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which the principal of any such Senior Secured Note or any premium or any Additional Amounts or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date);

(b) reduce the percentage in principal amount of such outstanding Senior Secured Notes, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any amendment, waiver of or compliance with provisions of the Senior Secured Notes Indenture;

(c) modify any of the provisions relating to any supplemental indentures requiring the consent of holders or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of such outstanding Senior Secured Notes required for such actions or to provide that certain other provisions of the Senior Secured Notes Indenture cannot be modified or waived without the consent of the holder of each such Senior Secured Note affected thereby;

(d) except as otherwise permitted under "*—Consolidation, Merger, Sale of Assets*" or the definition of the term "Parent", "Parent Intermediate Holdco" or "Company" as part of a Permitted Reorganization, assign or transfer any of the rights and obligations under the Senior Secured Notes Indenture of the Issuer or any Guarantor;

(e) release all or substantially all of the Collateral from the Liens created in favor of the Trustee or the Security Agent pursuant to the Security Documents or all or substantially all of the Guarantors from the Guarantees created pursuant to the Senior Secured Notes Indenture or any supplemental indenture thereto except as otherwise permitted by the terms of the Senior Secured Notes Indenture, the Security Documents or the Intercreditor Agreement or any additional intercreditor agreement;

(f) except as permitted by the Senior Secured Notes Indenture or the Intercreditor Agreement (or any additional intercreditor agreement), make any change to any provision of the Senior Secured Notes Indenture or the Intercreditor Agreement affecting the ranking or priority of any Senior Secured Note or Guarantee that would adversely affect the rights of the holders of the Senior Secured Notes in any material respect;

(g) make any change in the provisions of the Senior Secured Notes Indenture described under "*—Payment of Additional Amounts*" that adversely affects the holder's or beneficial owner's entitlement to (x) any exemption, in whole or in part, from withholding Taxes or (y) Additional Amounts, in each case as described thereunder, unless the Issuer agrees to pay Additional Amounts (if any) in respect thereof; or

(h) except as permitted by the Senior Secured Notes Indenture or the Intercreditor Agreement (or any additional intercreditor agreement), release the Guarantee of the Parent or the Company.

Notwithstanding the preceding paragraph, the Senior Secured Notes Indenture will provide that certain Guarantees or Liens on the Collateral may be released in connection with sales or other dispositions of property or assets (including Capital Stock) that do not violate the requirements of the covenants described under the caption "*—Certain Covenants—Restricted Payments*" or the "*—Certain Covenants—Limitation on Sale of Assets*", as each such covenant may be amended from time to time.

For the avoidance of doubt, any modifications or amendments to the Indenture with the consent of the holders pursuant to the first paragraph under this caption "—Modifications and Amendments" need only be duly authorized and executed by the Issuer, the Company and the Trustee, unless such modification or amendment adversely affects the legal rights of the Security Agent, in which case such modification or amendment must also be duly authorized and executed by the Security Agent.

For the avoidance of doubt, it shall not be necessary for the consent of the holders of the Senior Secured Notes to approve the particular form of any proposed amendment, waiver or other modification but it shall be sufficient if such consent approves the substance thereof.

For the purposes of determining whether holders of the requisite aggregate principal amount of any series of Senior Secured Notes not denominated in euro have taken any action under the Senior Secured Notes Indenture, the aggregate principal amount of such series of Senior Secured Notes will be deemed to be the Euro Equivalent as of the date such series of Senior Secured Notes is first issued of the outstanding aggregate principal amount of such series of Senior Secured Notes.

In addition to any modifications and amendments that are permitted under, or governed by, the covenants set forth under the captions "*—Certain Covenants—Impairment of Security Interest*", "*—Certain Covenants—Intercreditor Agreement; Additional Intercreditor Agreements*" or the other provisions of this caption "*—Modifications and Amendments*" and not in limitation thereof, without the consent of any holders of the Senior Secured Notes, the Issuer, the Trustee and the Security Agent (if applicable), in each case to the extent a party thereto (without the need for any consent of or authorization or execution by any other party to the Senior Secured Notes Indenture) may modify or amend the Senior Secured Notes Indenture, the Senior Secured Notes, any Guarantee, the Intercreditor Agreement, any additional intercreditor agreement or any Security Document:

(a) to evidence the succession of another Person to the Issuer or any Guarantor or any other obligor under the Senior Secured Notes and the assumption by any such successor of the covenants of the Issuer or such Guarantor in the Senior Secured Notes Indenture (including any supplemental indenture), the Senior Secured Notes, any Guarantee, the Intercreditor Agreement, any additional intercreditor agreement or any Security Document, as applicable, in accordance with "*—Consolidation, Merger, Sale of Assets*";

(b) to add to the covenants of the Issuer, any Guarantor or any other obligor upon the Senior Secured Notes for the benefit of the holders of the Senior Secured Notes or to surrender any right or power conferred upon the Issuer or any Guarantor or any other obligor upon the Senior Secured Notes, as applicable, in the Senior Secured Notes Indenture (including any supplemental indenture), the Senior Secured Notes, any Guarantee, the Intercreditor Agreement, any additional intercreditor agreement or any Security Document;

(c) to cure any ambiguity, or to correct or supplement any provision in the Senior Secured Notes Indenture (including any supplemental indenture), the Senior Secured Notes, any Guarantee, the Intercreditor Agreement, any additional intercreditor agreement or any Security Document which may be defective (or, for the avoidance of doubt, erroneous) or inconsistent with any other provision in the Senior Secured Notes Indenture (including any supplemental indenture), the Senior Secured Notes, any Guarantee, the Intercreditor Agreement, any additional intercreditor agreement or any Security Document or any disclosure in the Offering Memorandum or to make any other provisions with respect to matters or questions arising under the Senior Secured Notes Indenture (including any supplemental indenture), the Senior Secured Notes, any Guarantee, the Intercreditor Agreement, any additional intercreditor agreement or any Security Document that shall not adversely affect the legal rights of the holders of the Senior Secured Notes in any material respect or that shall improve or increase the rights of the holders of the Senior Secured Notes;

(d) to add a Guarantor under the Senior Secured Notes Indenture and to provide for or confirm the existence of any limitations in any Guarantee authorized under the Senior Secured Notes Indenture;

(e) to evidence and provide the acceptance of the appointment of a successor Trustee under the Senior

Secured Notes Indenture;

(f) to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the holders of the Senior Secured Notes as additional security for the payment and performance of the Issuer's or any Guarantor's obligations under the Senior Secured Notes Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent pursuant to the Senior Secured Notes Indenture or otherwise (any such additional security shall be deemed to be Collateral for all purposes under the Senior Secured Notes Indenture);

(g) to provide for the issuance of Additional Senior Secured Notes in accordance with the Senior Secured Notes Indenture;

(h) to conform the text of the Senior Secured Notes Indenture or the Senior Secured Notes to any passage in this "*Description of the Notes*" to the extent that such passage was intended to be a verbatim recitation of a provision of the Senior Secured Notes Indenture or the Senior Secured Notes;

(i) to make, complete or confirm any grant of Collateral permitted or required by the Senior Secured Notes Indenture;

(j) to evidence or provide for the release of any Guarantee or any Lien on any Collateral that is otherwise permitted by the terms of the Senior Secured Notes Indenture, the Security Documents or the Intercreditor Agreement or any additional intercreditor agreement; or

(k) to provide for uncertificated Senior Secured Notes in addition to or in place of certificated Senior Secured Notes (*provided* that the uncertificated Senior Secured Notes are issued in registered form for purposes of Section 163(f) of the Code).

In connection with its execution of any amendment pursuant to the preceding paragraph, the Trustee shall be entitled to request and rely on such evidence as to whether such amendment is authorized by such paragraph as the Trustee may request, which may include an Officer's Certificate and/or an opinion of counsel.

Notwithstanding anything to the contrary in the provisions of the Senior Secured Notes Indenture described under the caption "*—Modifications and Amendments*", (i) in order to effect an amendment authorized by clause (d) in the second immediately preceding paragraph to add a Guarantor under the Senior Secured Notes Indenture, it shall only be necessary for the supplemental indenture providing for the accession of such additional Guarantor to be duly authorized and executed by (a) the Issuer, (b) such additional Guarantor and (c) the Trustee and (ii) the Security Agent shall not be required to authorize or execute any amendment to the Senior Secured Notes Indenture, the Senior Secured Notes or the Guarantees unless such modification or amendment adversely affects the legal rights of the Security Agent. Except as otherwise set forth herein, any amendments permitted by the Senior Secured Notes Indenture need only be duly authorized and executed by the Issuer and the Trustee.

The holders of a majority in aggregate principal amount of the Senior Secured Notes outstanding may waive compliance with the restrictive covenants and provisions of the Senior Secured Notes Indenture.

For the avoidance of doubt, no modification or amendment to, or deletion of, actions taken in compliance with, any of the covenants described under "*—Certain Covenants*", shall be deemed to impair or affect any rights of the holders of the Senior Secured Notes to receive payment of principal of, or premium, if any, or interest on, the Senior Secured Notes.

Listing and General Information

So long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of that exchange and the rules and regulations of the Luxembourg Stock Exchange shall so require (in respect of the future financial information, currently no such disclosure is required by the Luxembourg Stock Exchange), copies, current and future, of all of the Parent's annual audited consolidated financial statements, unaudited consolidated interim semi-annual financial statements and quarterly financial information and this offering memorandum may be obtained, free of charge, during normal business hours at the registered office of the Issuer.

Anyone who receives this offering memorandum may, following the Issue Date, obtain a copy of the Senior

Secured Notes Indenture, the Senior Secured Notes, the Intercreditor Agreement (including any additional intercreditor agreement) and the Security Documents without charge by writing to the Issuer at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

Governing Law

The Senior Secured Notes Indenture, the Senior Secured Notes and the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York. The Intercreditor Agreement is governed by, and construed in accordance with, the laws of New York. The Security Documents will be governed by applicable local law of the jurisdiction under which Security Interests are granted.

Consent to Jurisdiction and Service

The Senior Secured Notes Indenture will provide that the Issuer and each Guarantor will appoint INEOS Styrolution America LLC, with its registered office at 1209 Orange Street, Wilmington, DE 19801, United States (Attention: Senior Legal Counsel) as its agent for service of process in any suit, action or proceeding with respect to the Senior Secured Notes Indenture, the Senior Secured Notes and the Guarantees and for actions brought in any U.S. federal or New York state court located in the Borough of Manhattan, New York and will submit to such jurisdiction.

Enforceability of Judgments

Since many of the assets of the Issuer and the Guarantors are outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, redemption price and any purchase price with respect to the Senior Secured Notes, may not be collectable within the United States.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator, member or shareholder of the Issuer, any Guarantor, any of their respective parent companies or any of their respective Subsidiaries or Affiliates as such, shall have any liability for any obligations of the Issuer under the Senior Secured Notes Indenture (including the Guarantees), the Senior Secured Notes or the Security Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder by accepting a Senior Secured Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Secured Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the Commission that such a waiver is against public policy.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Senior Secured Notes will be prescribed 10 years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Senior Secured Notes will be prescribed five years after the applicable due date for payment of interest.

Concerning the Trustee

The Trustee will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The holders of a majority in principal amount of the then outstanding Senior Secured Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Senior Secured Notes Indenture will provide that in case an Event of Default occurs (which has not been cured), the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Senior Secured Notes Indenture at the request of any holder of Senior Secured Notes unless such holder shall have offered to the Trustee security and indemnity satisfactory (including by way of pre-funding) to it against any loss, liability or expense.

Acknowledgment and Consent to Bail-In

Under this caption "*—Acknowledgment and Consent to Bail-In*":

"**Bail-in Legislation**" means (a) with respect to any EEA Member Country implementing Article 55 of BRRD

of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their Affiliates (other than through liquidation, administration or other insolvency proceedings).

"**BRRD**" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"**BRRD Liability**" means a liability in respect of which the relevant write-down and conversion powers in the applicable Bail-in Legislation may be exercised.

"**BRRD Party**" means HSBC Bank PLC, as Registrar, Paying Agent and Transfer Agent with respect to the Euro Senior Secured Notes under the Senior Secured Notes Indenture.

"**Bail-in Powers**" means any write-down and conversion powers as defined in relation to the relevant Bail-in Legislation.

"**EU Bail-in Legislation Schedule**" means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

"**Relevant Resolution Authority**" means the resolution authority with the ability to exercise any Bail-in Powers in relation to the relevant BRRD Party.

Notwithstanding and to the exclusion of any other term of the Senior Secured Notes Indenture or any other agreements, arrangements, or understanding between the parties, each counterparty to a BRRD Party under the Senior Secured Notes Indenture shall acknowledge and accept that a BRRD Liability arising under the Senior Secured Notes Indenture may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledge, accept, and agree to be bound by:

(a) the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of any BRRD Party to it under the Senior Secured Notes Indenture, that (without limitation) may include and result in any of the following, or some combination thereof:

  (i) the reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;

  (ii) the conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of the relevant BRRD Party or another person (and the issue to or conferral on it of such shares, securities or obligations);

  (iii) the cancellation of the BRRD Liability; or

  (iv) the amendment or alteration of the amounts due in relation to the BRRD Liability, including any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Senior Secured Notes Indenture, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

Certain Definitions

"**2014 Facilities Agreement**" means the credit agreement dated as of November 7, 2014 among, inter alios, INEOS Styrolution Group GmbH and INEOS Styrolution US Holding LLC as borrowers and guarantors, the other guarantors from time to time party thereto, the administrative agent named therein (currently J.P. Morgan SE) and the Security Agent, as amended and restated as of March 30, 2017 and as further amended and restated as of November 22, 2017 and January 31, 2020, as further amended on January 29, 2021 and April 3, 2023, and as further amended from time to time.

"**2020 Facilities Agreement**" means the credit agreement dated as of July 31, 2020, among, inter alios, INEOS

Quattro Holdings UK Limited (formerly INEOS 226 Limited) and INEOS Quattro Financing Limited (formerly INEOS Styrolution Financing Limited), as borrowers, and the administrative agent named therein (currently J.P. Morgan SE), as amended on December 21, 2020, as further amended by an incremental facility agreement dated as of January 29, 2021, as further amended on February 8, 2021, as further amended by an incremental facility agreement dated as of March 14, 2023, as further amended on April 20, 2023, as further amended by an incremental facility agreement dated the Issue Date and as the same may be further amended from time to time.

"**2026 Dollar Term Loan B Facility**" means the term loan facility made available to INEOS US Petrochem LLC pursuant to the 2020 Facilities Agreement.

"**2026 Euro Term Loan B Facility**" means the term loan facility made available to the INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) pursuant to the 2020 Facilities Agreement.

"**2026 Senior Notes**" means the €500,000,000 3¾% Senior Notes due 2026 issued by INEOS Quattro Finance 1 Plc on January 29, 2021.

"**2026 Senior Notes Indenture**" means the indenture dated as of January 29, 2021 among, inter alios, INEOS Quattro Finance 1 Plc, as the issuer, the Guarantors, as guarantors, and HSBC Corporate Trustee Company (UK) Limited, as trustee, pursuant to which the 2026 Senior Notes were issued.

"**2026 Senior Secured Notes**" means the 2½% Senior Secured Notes due 2026 and the 3⅜% Senior Secured Notes due 2026 issued by INEOS Quattro Finance 2 Plc on January 29, 2021.

"**2026 Senior Secured Notes Indenture**" means the indenture dated as of January 29, 2021 among, inter alios, INEOS Quattro Finance 2 Plc, as the issuer, the Guarantors, as guarantors, and HSBC Corporate Trustee Company (UK) Limited, as trustee, pursuant to which the 2026 Senior Secured Notes were issued.

"**2026 Term Loan B Facilities**" means the 2026 Dollar Term Loan B Facility and the 2026 Euro Term Loan B Facility.

"**2027 Dollar Term Loan B Facility**" means the $201 million term loan facility made available to INEOS Styrolution US Holding LLC pursuant to the 2014 Facilities Agreement.

"**2027 Euro Term Loan B Facility**" means the €450 million term loan facility made available to the INEOS Styrolution Group GmbH pursuant to the 2014 Facilities Agreement.

"**2027 Senior Secured Notes**" refers to the €600,000,000 2¼% Senior Secured Notes due 2027 issued by INEOS Styrolution Group GmbH on January 31, 2020.

"**2027 Senior Secured Notes Indenture**" refers to the indenture dated as of January 31, 2020 among, inter alios, INEOS Styrolution Group GmbH, as the issuer, the Guarantors, as guarantors, and The Bank of New York Mellon, London Branch, as trustee, pursuant to which the 2027 Senior Secured Notes were issued.

"**2027 Term Loan B Facilities**" means the 2027 Dollar Term Loan B Facility and the 2027 Euro Term Loan B Facility.

"**2030 Dollar Term Loan B Facility**" means the $500.0 million term loan facility made available to INEOS US Petrochem LLC pursuant to the 2020 Facilities Agreement.

"**2030 Euro Term Loan B Facility**" means the €375.0 million term loan facility made available to the INEOS Quattro Holdings UK Limited pursuant to the 2020 Facilities Agreement.

"**2030 Term Loan B Facilities**" means the 2030 Dollar Term Loan B Facility and the 2030 Euro Term Loan B Facility.

"**Acquired Indebtedness**" means Indebtedness of any Person:

(a) existing at the time such Person becomes a Restricted Subsidiary;

(b) assumed in connection with the acquisition of assets from such Person; or

(c) existing at the time such Person merges, consolidates or amalgamates with the Company or any Restricted Subsidiary;

in each case, other than Indebtedness incurred by such Person in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, merger, consolidation or amalgamation, as the case may be (it being understood and agreed, for the avoidance of doubt, that, so long as the aggregate principal amount of such Indebtedness is not increased thereby, the terms of Acquired Indebtedness may be amended, restated, supplemented or otherwise modified substantially concurrently with such Person becoming a Restricted Subsidiary or such acquisition, merger, consolidation or amalgamation, as the case may be, and such amendment, restatement, supplement or other modification shall not cause such Indebtedness to cease to be Acquired Indebtedness).

Except as otherwise provided herein, Acquired Indebtedness shall be deemed to be incurred on the date such Person becomes a Restricted Subsidiary, on the date of such acquisition of assets from such Person or at the time of such merger, consolidation or amalgamation, as the case may be.

"**Acquisition**" means any acquisition (including pursuant to a merger, consolidation or amalgamation involving the Company or any Subsidiary) of any Capital Stock in, or all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of), any Person.

"**Acquisition Indebtedness**" means Indebtedness of a Person incurred to finance any Acquisition or related transactions, including Indebtedness incurred to refinance existing Indebtedness of any Person that is the subject of such Acquisition.

"**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"**Applicable Redemption Premium**" means, with respect to any Senior Secured Note on any redemption date, the greater of (a) one percent of the principal amount of the Senior Secured Note and (b):

(i) with respect to any Dollar Senior Secured Note, the excess of:

(1) the present value at such redemption date of the redemption price of such Dollar Senior Secured Note at November 15, 2025, plus all required interest payments that would otherwise be due to be paid on such Dollar Senior Secured Note during the period between the redemption date and November 15, 2025, excluding accrued but unpaid interest, computed using a discount rate equal to the Treasury Rate at such redemption date plus 50 basis points, over

(2) the principal amount of such Dollar Senior Secured Note; and

(ii) with respect to any Euro Senior Secured Note, the excess of:

(1) the present value at such redemption date of the redemption price of such Euro Senior Secured Note at November 15, 2025, plus all required interest payments that would otherwise be due to be paid on such Euro Senior Secured Note during the period between the redemption date and November 15, 2025, excluding accrued but unpaid interest, computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points, over

(2) the principal amount of such Euro Senior Secured Note.

For the avoidance of doubt, calculation of the Applicable Redemption Premium shall not be a duty or obligation of the Trustee or any Paying Agent.

"**Aromatics and Acetyls Businesses**" means the Target Business (as defined in the BP Acquisition Agreement).

"**Asset Sale**" means any sale, issuance, conveyance, transfer, lease or other disposition (including by way of merger, consolidation, amalgamation or sale and leaseback transaction) (collectively, a "**disposition**"), directly or

indirectly, in one or a series of related transactions, of:

(a) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares and other nominal amounts of Capital Stock that are required to be held by other Persons under applicable law);

(b) all or substantially all of the properties and assets of any division or line of business of the Company and its Restricted Subsidiaries; or

(c) any other properties or assets of the Company or any of its Restricted Subsidiaries other than in the ordinary course of business.

Notwithstanding the foregoing, the term "Asset Sale" shall not include any disposition of properties and assets:

(i) that is governed by provisions described under "*—Consolidation, Merger, Sale of Assets*";

(ii) that is by the Company to any Restricted Subsidiary, or by any Restricted Subsidiary to the Company or any other Restricted Subsidiary, in accordance with the terms of the Senior Secured Notes Indenture;

(iii) that is a disposition of cash, cash equivalents or Temporary Cash Investments;

(iv) that is a disposition of inventory, trading stock or other assets (A) in the ordinary course of business or (B) pursuant to an inventory financing or similar arrangement that is permitted pursuant to clause (5) of paragraph (b) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(v) that is a disposition of obsolete, used, surplus or worn-out equipment or other assets or of any assets that, as determined, for the avoidance of doubt, in the good faith judgment of the Company, are no longer useful or economically practicable to maintain in the conduct of the business of the Company or any Restricted Subsidiary (including allowing any registrations or any applications for registration of any Intellectual Property Rights to lapse or go abandoned and dispositions that relate to closed facilities or the discontinuation of any product line);

(vi) the Fair Market Value of which, in the aggregate, does not exceed the greater of (A) €50.0 million and (B) 0.50% of Total Assets (determined at the time of (but prior to giving effect to) such disposition) in any transaction or series of related transactions;

(vii) that is a Restricted Payment permitted under the covenant described in "*—Certain Covenants—Limitation on Restricted Payments*" or a Permitted Payment or a Permitted Investment or a disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(viii) that is a disposition as part of any Permitted Reorganization;

(ix) that is a disposition of receivables (and/or related assets, including any credit support or payment instruments relating to receivables) in connection with the compromise, settlement or collection thereof or in the ordinary course of business (including, in each case, pursuant to any "factoring" or similar arrangement) or in insolvency, bankruptcy or similar proceedings;

(x) that is a foreclosure, condemnation or any similar action with respect to any property or assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind, including the unwinding of any Hedging Agreement in accordance with the terms thereof;

(xi) that is a disposition of Receivables Assets in connection with any Permitted Receivables Financing or the conversion or exchange of accounts receivable for notes receivable;

(xii) that is by the Company or a Restricted Subsidiary by way of lease or license in respect of land to a counterparty to which the Company or such Restricted Subsidiary, as applicable, provides services on that land in the ordinary course of business;

(xiii) that is a disposition of assets to a joint venture of the Company or any of its Restricted Subsidiaries; *provided* that (A) such disposition must be for fair consideration as determined in good faith by the Board of Directors or senior management of the Company and (B) the aggregate amount of the

dispositions made to joint ventures pursuant to this clause (xiii) since the Issue Date, less the aggregate amount of cash, cash equivalents and Temporary Cash Investments received by the Company and its Restricted Subsidiaries in exchange for such dispositions, does not exceed the greater of (x) €475.0 million and (y) 5.00% of Total Assets at the time of (but prior to giving effect to) such disposition;

(xiv) that is a disposition of an Investment in any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary or in any other joint venture to the extent required by, or made pursuant to, contractual buy/sell or similar arrangements between the equity holders of such Restricted Subsidiary or the joint venture parties set forth in the agreements relating to such Restricted Subsidiary or such other joint venture; *provided* that the relevant agreement resulted from *bona fide* arm's length negotiation at the time it was entered into;

(xv) that is a disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or any of its Restricted Subsidiaries) from which such Restricted Subsidiary was acquired, or from which such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and, in each case, comprising all or part of the consideration in respect of such acquisition;

(xvi) that is a grant of a Lien that is not prohibited by the covenant described in "*—Certain Covenants—Limitation on Liens*" or a disposition in connection with such Lien;

(xvii) that is a grant of licenses to Intellectual Property Rights to third parties on an arm's length basis in the ordinary course of business;

(xviii) that is a lease, sublease, license, sublicense or other grant of rights to use or exploit, occupancy agreements in respect of or other assignments of, any property, including Intellectual Property Rights, in each case that does not, individually or in the aggregate, materially interfere with the business of the Company and its Restricted Subsidiaries, taken as a whole, as determined in good faith by the Board of Directors or senior management of the Company;

(xix) that is a disposition of non-core assets (as determined, for the avoidance of doubt, by the Company in good faith) acquired in connection with any Acquisition or similar Investment; or

(xx) that is a disposition made to comply with any order of any Governmental Authority or any applicable law.

In the event that a transaction (or a portion thereof) meets the definition of an Asset Sale or an exclusion from the definition of Asset Sale and would also be a Restricted Payment, Permitted Payment or Permitted Investment permitted under the Senior Secured Notes Indenture, the Company, in its sole discretion, will be entitled to divide and classify such transaction (or such portion thereof) as an Asset Sale or an exclusion from an Asset Sale and/or one or more of the types of Restricted Payments, Permitted Payments or Permitted Investments, as the case may be, permitted under the Senior Secured Notes Indenture.

"**Asset Sale Offer**" has the meaning provided in clause (c)(1) of the "*—Limitation on Sale of Assets*" covenant.

"**Attributable Debt**" means, with respect to any sale and leaseback transaction at the time of determination, the present value (discounted at the interest rate implicit in the lease determined in accordance with IFRS or, if not known, at the Company's incremental borrowing rate as determined, for the avoidance of doubt, by the Company in good faith) of the total obligations of the lessee of the property subject to such lease for rental payments during the remaining term of the lease included in such sale and leaseback transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended, or until the earliest date on which the lessee may terminate such lease without penalty or upon payment of penalty (in which case the rental payments shall include such penalty), after excluding from such rental payments all amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water, utilities and similar charges.

"**Average Life**" means, as of the date of determination with respect to any Indebtedness, the quotient obtained by dividing:

(a) the sum of the products of:

(x) the number of years (calculated to the nearest one-twelfth) from the date of determination to the date or dates of each successive scheduled principal payment of such Indebtedness, multiplied by

(y) the amount of each such scheduled principal payment (with the amount of each such scheduled principal payment prior to the final maturity thereof to be determined disregarding the effect thereon of any prepayment made in respect of such Indebtedness), by

(b) the sum of all such principal payments.

"**Belgian Guarantor**" means any Guarantor organized under the laws of Belgium.

"**Board of Directors**" means:

(a) with respect to a corporation, the board of directors (or analogous governing body) of such corporation or any committee thereof duly authorized to act on behalf of such board;

(b) with respect to a partnership, the board of directors (or analogous governing body) of such partnership or of the general partner of such partnership or, in each case, any committee thereof duly authorized to act on behalf of such board;

(c) with respect to a limited liability company (including a public limited company and a private limited company incorporated under the laws of England and Wales), the board of directors (or analogous governing body) of such company or of the managing member or members thereof, or any committee thereof duly authorized to act on behalf of such board, or the managing member or members thereof, or any controlling committee of managing members thereof; and

(d) with respect to any Person, the board or committee of such Person serving a similar function.

"**BP Acquisition**" means the direct or indirect acquisition by the Company and/or any of its Restricted Subsidiaries of the Aromatics and Acetyls Businesses pursuant to the BP Acquisition Agreement.

"**BP Acquisition Agreement**" means the Sale and Purchase Agreement dated June 29, 2020, as amended by the Amendment and Restatement Agreement dated July 3, 2020, as further amended by the Amendment Agreement dated October 12, 2020 and the Further Amendment and Adherence Agreement dated December 29, 2020, between, among others, BP P.L.C., a company incorporated under the laws of England and Wales, INEOS Holdings AG, a company incorporated in Switzerland, and the Company, together with all schedules, annexes and disclosure letters thereto and the other "Transaction Documents" referred to therein.

"**Bund Rate**" means, as of any redemption date, the greater of (i) 0% and (ii) the rate per annum equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(a) "**Comparable German Bund Issue**" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to November 15, 2025, and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of Euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Senior Secured Notes and of a maturity most nearly equal to November 15, 2025, *provided*, *however*, that, if the period from such redemption date to November 15, 2025, is less than one year, a fixed maturity of one year shall be used;

(b) "**Comparable German Bund Price**" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(c) "**Reference German Bund Dealer**" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and

(d) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany time on the third business day in Germany preceding the relevant date.

"**Business Day**" means any day excluding Saturday, Sunday and any other day on which banking institutions in Frankfurt, London or New York City are authorized by law or other governmental actions to remain closed; *provided, however,* that for any payments to be made in Euro under the Senior Secured Notes Indenture, such day shall also be a day on which the real time gross settlement system operated by Eurosystem is open for the settlement of payments.

"**Capital Expenditure**" means any expenditure or obligations of the Group in respect of expenditure (including any obligation in respect of the capital element of any finance lease) for the acquisition of equipment, fixed assets, real property, intangible assets and other assets of a capital nature, or for the replacements or substitutions therefor or additions or improvements thereto, that in any such case have a useful life of more than one year, together, in any case, with costs incurred in connection therewith all as accounted for as capital expenditure.

"**Capital Stock**" of any Person means any and all shares, interests, limited liability company interests, participations, rights in or other equivalents (however designated) of such Person's capital stock, partnership interests (whether general or limited), other equity interests and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such Person and any rights (other than debt securities or other Indebtedness exchangeable or convertible into Capital Stock prior to the exchange or conversion thereof), warrants or options exchangeable for or convertible into such Capital Stock.

"**Cash Management Arrangements**" means (a) any cash management, cash pooling or netting or setting off arrangement, any arrangement for the honoring of checks, drafts or similar instruments and any other treasury, depositary or similar services, including services with respect to commercial credit cards, stored value cards, purchasing cards, treasury management, check drawing and automated payment services (including depositary, overdraft, controlled disbursement, ACH transactions, return items, interstate depositary network services, Society for Worldwide Interbank Financial Telecommunication transfers, cash pooling and operational foreign exchange management), dealer incentive, supplier finance or similar programs, current account facilities and arrangements or services similar to any of the foregoing and (b) any Metals Arrangement that, in accordance with the definition of such term, the Company elected to constitute a Cash Management Arrangement.

"**Cash Management Provider**" shall have the meaning provided in the Intercreditor Agreement.

"**Change of Control**" means the occurrence of any of the following events:

(a) prior to the consummation of an initial Public Equity Offering, the Permitted Holders cease to be the "beneficial owners" (as defined in Rules 13d-3 and 13d-5 under the U.S. Exchange Act), directly or indirectly, of at least 50% of the total voting power represented by the outstanding Voting Stock of the Company;

(b) on and after the consummation of an initial Public Equity Offering, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the U.S. Exchange Act), other than (i) the Permitted Holders, (ii) any employee benefit plan and/or any Person acting as the trustee, agent or other fiduciary or administrator therefor and (iii) any underwriter in connection with any Public Equity Offering, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the U.S. Exchange Act), directly or indirectly, of more than 50% of the total voting power represented by the outstanding Voting Stock of the Public Parent Holdco; *provided* that any Voting Stock of which any Permitted Holder is the "beneficial owner" (other than deemed beneficial ownership derived from membership in a "group") shall not be included in any Voting Stock of which any other "person" or "group" is the "beneficial owner", unless such "person" or "group" is not an Affiliate of a Permitted Holder and has the sole voting power with respect to such Voting Stock; or

(c) the Company consolidates with or merges with or into any Person (other than any Restricted Subsidiary) or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its Consolidated assets to any Person (other than any Restricted Subsidiary), or any Person (other than any Restricted Subsidiary) consolidates with or merges into or with the Company, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where (i) the outstanding Voting Stock of the Company is converted into or exchanged for Voting Stock of the

surviving Person and (ii) immediately after such transaction, no "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the U.S. Exchange Act), other than (A) the Permitted Holders, (B) any employee benefit plan and/or any Person acting as the trustee, agent or other fiduciary or administrator therefor and (C) any underwriter in connection with any Public Equity Offering, is the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the U.S. Exchange Act), directly or indirectly, of more than 50% of the total voting power represented by the outstanding Voting Stock of (1) prior to the consummation of an initial Public Equity Offering, the surviving Person or (2) on and after the consummation of an initial Public Equity Offering, the Public Parent Holdco; *provided* that any Voting Stock of which any Permitted Holder is the "beneficial owner" (other than deemed beneficial ownership derived from membership in a "group") shall not be included in any Voting Stock of which any other "person" or "group" is the "beneficial owner", unless such "person" or "group" is not an Affiliate of a Permitted Holder and has the sole voting power with respect to such Voting Stock ; *provided further* that this clause (c) shall not apply to any such transaction that is consummated in accordance with "—*Consolidation, Merger, Sale of Assets*".

"**Clearstream**" means Clearstream Banking, *société anonyme*.

"**Code**" means the United States Internal Revenue Code of 1986, as amended from time to time.

"**Collateral**" means the Initial Collateral, the Subsequent Collateral and all other rights, property and assets in which a security interest is granted or purported to be granted pursuant to any Security Document to secure the Senior Secured Notes or any Guarantee.

"**Commission**" means the U.S. Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or if at any time after the execution of the Senior Secured Notes Indenture, the U.S. Securities and Exchange Commission is not existing and performing the duties now assigned to it under the Securities Act and the Exchange Act, then the body performing such duties at such time.

"**Commodity Hedging Agreement**" means (a) any forward contract, commodity swap, commodity option or other similar financial agreement or arrangement relating to, or the value of which is dependent upon, fluctuations in commodity prices and (b) any Metals Arrangement that, in accordance with the definition of such term, the Company elected to constitute a Commodity Hedging Agreement.

"**Company**" means:

(a) INEOS Quattro Financing Limited, until any designation is made in accordance with clause (b) below; or

(b) any other Subsidiary of the Parent (1) that guarantees (or, substantially concurrently with such designation, will guarantee, including as a result of the assumption of obligations referred to in clause (iii) below) the Senior Secured Notes and (2) is designated, as part of any Permitted Reorganization, by the then current Company to be the "Company" by written notice to the Trustee, *provided* that (i) such other Subsidiary is wholly owned by the Parent, (ii) the Issuer is a wholly owned direct or indirect Subsidiary of such other Subsidiary and (iii) such other Subsidiary expressly assumes the obligations of the Company under each of the Senior Secured Notes Documents to which the Company is a party pursuant to agreements reasonably satisfactory to the Trustee;

in each case, until a successor replaces such Person pursuant to the covenant described under the caption "—*Consolidation, Merger, Sale of Assets*", and thereafter (unless another Subsidiary of the Parent is designated in accordance with clause (b) of this definition), shall mean such successor. It is understood and agreed that any designation under clause (b) of this definition may be made concurrently with any designation under clause (b) of the definition of Parent, in which case the satisfaction of the requirements set forth in clause (b) of this definition shall be determined on a *pro forma* basis immediately after giving effect to each such designation.

In the event any other Subsidiary of the Parent is designated as the "Company" pursuant to and in accordance with the provisions of clause (b) above, upon the effectiveness of such designation the Subsidiary that was the Company immediately prior thereto shall cease to be the "Company" for all purposes of the Senior Secured Notes Indenture and the other Senior Secured Notes Documents.

"**Consolidated Adjusted EBITDA**" of any Person means, for any period, the sum of (a) Consolidated Net Income (Loss) for such period of such Person and its Restricted Subsidiaries, *plus* (b) the sum of, in each case to the extent deducted (and not already added back) in computing Consolidated Net Income (Loss) for such period,

Consolidated Interest Expense, Consolidated Income Tax Expense and Consolidated Non-Cash Charges for such period of such Person and its Restricted Subsidiaries, all determined in accordance with IFRS, *plus* (c) an adjustment for the amount of *pro forma* "run rate" effects of cost savings, operating expense reductions, synergies, operating improvements and commencement of or changes in operations (including "run rate" effects arising from any acquisition, construction, development or improvement of any plant, facility or other assets used or to be used in the business of the Company and its Restricted Subsidiaries) (collectively, "**Run Rate Adjustment**") (such adjustment to be calculated on a pro forma basis as though such cost savings, operating expense reductions, synergies and operating improvements had been realized, or such operations commenced or changed, on the first day of such period, but net of the actual amounts realized during such period) relating to Asset Sales, Acquisitions, Investments, dispositions, Capital Expenditures, or other transactions, any restructurings or any cost saving initiatives, business optimization initiatives and other initiatives to the extent such effects are projected by the Parent in good faith to be realized by the Group within 24 months after the consummation, adoption or implementation of the applicable transaction, event or initiative.

"**Consolidated First Lien Net Leverage Ratio**" means, as at any date of determination, the ratio of (a) the Consolidated Senior Secured Net Debt of the Group as of such date to (b) Consolidated Adjusted EBITDA of the Group for the most recent period of four full fiscal quarters ending immediately prior to such date for which financial statements are available, in each case after giving *pro forma* effect to:

(a) the incurrence of the Indebtedness giving rise to the need to make such calculation and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, on the first day of such period;

(b) the incurrence, repayment or retirement of any other Indebtedness by the Group Companies since the first day of such period as if such Indebtedness was incurred, repaid or retired at the beginning of such period; *provided*, *however*, that the *pro forma* calculation of Consolidated First Lien Net Leverage Ratio shall not give effect to (A) any Indebtedness incurred on the date of determination pursuant to paragraph (b) of "*—Certain Covenants—Limitation on Indebtedness*" (other than clause (1)(B), clause (14)(ii) or, to the extent such Indebtedness is Senior Secured Indebtedness and is incurred in reliance on clause (i) of the definition of Permitted Collateral Liens, clause (14)(i) of such paragraph (b) of "*—Certain Covenants—Limitation on Indebtedness*") and (B) any repayment or retirement of any Indebtedness on the date of determination to the extent such repayment or retirement results from the proceeds of Indebtedness incurred pursuant to paragraph (b) of "*—Certain Covenants—Limitation on Indebtedness*" (other than clause (1)(B), clause (14)(ii) or, to the extent such Indebtedness is Senior Secured Indebtedness and is incurred in reliance on clause (i) of the definition of Permitted Collateral Liens, clause (14)(i) of such paragraph (b) of "*—Certain Covenants—Limitation on Indebtedness*"); and

(c) any acquisition or disposition by the Group Companies of any Person or any business or any assets out of the ordinary course of business, whether by merger, consolidation, amalgamation, stock purchase or sale or asset purchase or sale, and any related incurrence or repayment or retirement of Indebtedness, in each case since the first day of such period, assuming such acquisition or disposition had been consummated on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations (including in respect of the Run Rate Adjustment) will be as determined in good faith by a responsible financial or accounting officer of the Parent.

"**Consolidated Fixed Charge Coverage Ratio**" of any Person means, for any period, the ratio of (i) the Consolidated Adjusted EBITDA of the Group for such period to (ii) the sum of Consolidated Interest Expense of the Group for such period, plus cash dividends due (whether or not declared) on any Preferred Stock of any Group Company paid or payable during such period to any Person (other than to a Group Company or to a joint venture partner in such Group Company), in each case after *giving pro forma* effect to:

(a) the incurrence of the Indebtedness giving rise to the need to make such calculation and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, on the first day of such period;

(b) the incurrence, repayment or retirement of any other Indebtedness by the Group Companies since the first day of such period as if such Indebtedness was incurred, repaid or retired at the beginning of such period; *provided*, *however*, that the *pro forma* calculation of Consolidated Interest Expense shall not

give effect to (A) any Indebtedness incurred on the date of determination pursuant to paragraph (b) of "*—Certain Covenants—Limitation on Indebtedness*" (other than sub-clause (i) of clause (14) of such paragraph (b)) and (B) any repayment or retirement of any Indebtedness on the date of determination to the extent such repayment or retirement results from the proceeds of Indebtedness incurred pursuant to paragraph (b) of "*—Certain Covenants—Limitation on Indebtedness*" (other than sub-clause (i) of clause (14) of such paragraph (b)); and

(c) any acquisition or disposition by the Group Companies of any Person or any business or any assets out of the ordinary course of business, whether by merger, consolidation, amalgamation, stock purchase or sale or asset purchase or sale, and any related incurrence or repayment or retirement of Indebtedness, in each case since the first day of such period, assuming such acquisition or disposition had been consummated on the first day of such period;

provided that, in making any computation under clauses (a), (b) or (c) above, the Consolidated Interest Expense attributable to interest on any Indebtedness computed on a *pro forma* basis and (x) bearing a floating interest rate shall be computed as if the rate in effect on the date of computation had been the applicable rate for the entire period and (y) which was not outstanding during the period for which the computation is being made but which bears, at the option of such Person, a fixed or floating rate of interest, shall be computed by applying at the option of such Person either the fixed or floating rate (in the case of clauses (x) and (y), taking into account any Interest Rate Agreement applicable to such Indebtedness for a period equal to the remaining term of such Interest Rate Agreement).

For purposes of this definition, whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations (including in respect of the Run Rate Adjustment) will be as determined in good faith by a responsible financial or accounting officer of the Parent.

"**Consolidated Income Tax Expense**" of any Person means, for any period, the provision for federal, national, state and local income taxes of the United States, United Kingdom, Germany or any other jurisdiction of such Person and its Restricted Subsidiaries for such period, on a Consolidated basis determined in accordance with IFRS.

"**Consolidated Interest Expense**" of any Person means, without duplication, for any period, the sum of:

(a) the interest expense (net of interest income) of such Person and its Restricted Subsidiaries for such period, determined on a Consolidated basis in accordance with IFRS, excluding any debt issuance costs and currency translation differences, and in each case any amortization thereof, and any interest expense on employee benefit liabilities, but including (to the extent included in such interest expense):

(1) amortization of debt discount;

(2) the net costs associated with Interest Rate Agreements and, to the extent relating to Indebtedness, Currency Hedging Agreements (but excluding, for the avoidance of doubt, net costs associated with any other Hedging Agreements);

(3) the interest portion of any deferred payment obligation;

(4) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing; and

(5) accrued interest; *plus*

(b) the interest component of the Finance Lease Obligations accrued by such Person and its Restricted Subsidiaries during such period, determined on a Consolidated basis in accordance with IFRS; *plus*

(c) the interest expense under any Guaranteed Debt of such Person or any of its Restricted Subsidiaries (other than in respect of any Indebtedness of such Person or any of its Restricted Subsidiaries) to the extent not included under clause (a) above (and excluding any debt issuance costs and currency translation differences, and in each case any amortization thereof, and any interest expense on employee benefit liabilities), to the extent paid by such Person or its Restricted Subsidiaries during such period.

"**Consolidated Net Income (Loss)**" of any Person means, for any period, the net income (or loss) of such Person and its Restricted Subsidiaries for such period, determined on a Consolidated basis in accordance with IFRS,

adjusted, to the extent included (or, in the case of lost profits referred to in clause (q) below, not included) in calculating such net income (or loss), to exclude (or, in the case of lost profits referred to in clause (q) below, to include), without duplication:

(a) all extraordinary or exceptional (as determined, for the avoidance of doubt, by the Company in good faith) gains or charges, losses or expenses, net of taxes;

(b) the portion of net income (or loss) of such Person and its Restricted Subsidiaries on a Consolidated basis attributable to interests in unconsolidated Persons or Unrestricted Subsidiaries, except to the extent that cash dividends or distributions have actually been received by such Person or any of its Restricted Subsidiaries (it being understood and agreed that the full amount of such cash dividends and distributions received in any period shall be included in Consolidated Net Income for such period); *provided* that, in the case of any increase in net income (or any decrease in net loss) of such Person and its Restricted Subsidiaries on a Consolidated basis attributable to interests in any unconsolidated Person, this clause (b) shall not apply to the extent the aggregate amount of such increase (or such decrease) attributable to interests in all unconsolidated Persons does not exceed for such period €10,000,000;

(c) net income (or loss) of any Person combined with such Person or any of its Restricted Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination;

(d) (i) any gain or charge, loss or expense, net of taxes, realized upon the termination or modification of any employee benefit plan or (ii) any non-cash interest expense on employee benefit liabilities, net of any non-cash interest income on defined benefit pension plan assets;

(e) (i) any charge, loss or expense attributable to any disposed, divested and/or discontinued operations or (ii) any gain or charge, loss or expense, net of taxes, in respect of dispositions, divestitures or discontinuation of assets or operations other than in the ordinary course of business;

(f) the net income of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by such Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary or its shareholders, in each case, other than by encumbrances and restrictions which are not prohibited by the covenant described under "*—Certain Covenants—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*";

(g) the amount of any deduction attributable to non-controlling interests in any non-wholly owned Restricted Subsidiary of such Person;

(h) any net gain or charge, loss or expense arising from the acquisition of any securities or from early extinguishment of any Indebtedness or early termination of any Hedging Agreement, including any charge, loss or expense with respect to any write-off or amortization of any deferred financing costs and/or premiums paid;

(i) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards;

(j) any charges, losses or expenses attributable to the undertaking and/or implementation of restructurings, cost savings initiatives, operating improvements, business optimization initiatives and similar initiatives, including (i) charges, losses and expenses in connection with any integration, any reconfiguration of fixed assets for alternative uses, any construction, development or improvement of any assets, any opening, closure or consolidation of any operations, any project startup or any other strategic initiative, (ii) systems implementation costs and (iii) any severance costs and any retention or completion bonuses;

(k) (i) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of such Person or any of its Restricted Subsidiaries, (ii) any unrealized foreign currency gains or losses relating to translation of assets and liabilities denominated in foreign currencies and (iii) any unrealized gains or losses arising from changes in the fair value of Hedging Obligations;

(l) the impact of capitalized or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding;

(m) (i) any non-cash charges, losses or expenses arising from any write-off and/or write-down of assets, including any impairment charge, or any amortization of goodwill or other intangible assets (but not depreciation of fixed assets), or (ii) any non-cash gain on revaluation of assets;

(n) the cumulative effect of a change (whether effected through cumulative effect adjustment or retroactive application) in, or the adoption or modification of, accounting principles or policies in accordance with IFRS which affect Consolidated Net Income (Loss);

(o) any charge, loss or expense (including non-cash charges) relating to the Transactions;

(p) any charge, loss or expense (including non-cash charges) relating to any Permitted Reorganization, including the amount of incremental amortization or depreciation arising as a result of any adjustments to inventory, equipment and other assets arising as a result of the consummation of, and any other charge, loss or expense arising from other accounting effects of the consummation of, such Permitted Reorganization;

(q) charges, losses, expenses and lost profits (as determined in good faith by the responsible financial or accounting officer of the Parent) to the extent covered by insurance or third party indemnity or similar arrangements, including any indemnification provisions in connection with any Acquisition or any disposition of assets and, in the case of lost profits, any business interruption insurance, in each case, to extent that (i) such amounts are actually reimbursed or (ii) coverage has not been denied in writing by the applicable insurer or indemnitor and the Parent has made a determination that there exists reasonable evidence that such amounts will in fact be reimbursed by the applicable insurer or indemnitor within 365 days of such determination (with a deduction for any amount so added back to the extent not so reimbursed within 365 days); and

(r) (i) any gains or charges, losses or expenses relating to contingent or deferred consideration payable by such Person or its Restricted Subsidiaries in connection with any Acquisition or similar Investment for such period, including any gains or charges, losses or expenses arising from changes in the fair value of such contingent or deferred consideration, (ii) the amount of incremental amortization or depreciation arising as a result of any adjustments to inventory, equipment and other assets arising as a result of the consummation of, and any other expense, loss or other charge arising from other accounting effects of the consummation of, any Acquisition or similar Investment and (iii) any charge, loss or expense that is established, adjusted and/or incurred, as applicable, (A) within 12 months after December 31, 2020 that is required to be established, adjusted or incurred, as applicable, as a result of the Transactions in accordance with IFRS or (B) within 12 months after the closing of any Acquisition or similar Investment that is required to be established, adjusted or incurred, as applicable, as a result of such Acquisition or Investment in accordance with IFRS.

"**Consolidated Non-Cash Charges**" of any Person means, for any period, the aggregate depreciation, amortization and other non-cash charges, losses or expenses of such Person and its Restricted Subsidiaries for such period on a Consolidated basis determined in accordance with IFRS (excluding any non-cash charge, loss or expense that represents an accrual or reserve for cash payments in any future period).

"**Consolidated Senior Secured Net Debt**" means, at any time:

(a) the outstanding principal amount of Funded Indebtedness that is Senior Secured Indebtedness of the Group, determined on a Consolidated basis in accordance with IFRS, at such time; *minus*

(b) the aggregate amount of cash, cash equivalents and Temporary Cash Investments (which, in each case, for purposes of this definition shall only include amounts restricted in favor of any such Indebtedness or amounts which are unrestricted, but shall not include proceeds of any incurrence of Indebtedness with respect to which the calculation is then being made) of the Group, determined on a Consolidated basis in accordance with IFRS, at such time.

"**Consolidated Total Net Debt**" means, at any time:

(a) the outstanding principal amount of Funded Indebtedness of the Group, determined on a Consolidated

basis in accordance with IFRS, at such time; *minus*

(b) the aggregate amount of cash, cash equivalents and Temporary Cash Investments (which, in each case, for purposes of this definition shall only include amounts restricted in favor of any such Indebtedness or amounts which are unrestricted, but shall not include proceeds of any incurrence of Indebtedness with respect to which the calculation is then being made) of the Group, determined on a Consolidated basis in accordance with IFRS at such time.

"**Consolidated Total Net Leverage Ratio**" shall mean, as at any date of determination, the ratio of (a) the Consolidated Total Net Debt of the Group as of such date to (b) Consolidated Adjusted EBITDA of the Group for the most recent period of four full fiscal quarters ending immediately prior to such date for which financial statements are available, in each case after giving *pro forma* effect to:

(a) the incurrence of any Indebtedness incurred in connection with a transaction giving rise to the need to make such calculation and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, on the first day of such period;

(b) the incurrence, repayment or retirement of any other Indebtedness by the Group Companies since the first day of such period as if such Indebtedness was incurred, repaid or retired at the beginning of such period; and

(c) any acquisition or disposition by the Group Companies of any Person or any business or any assets out of the ordinary course of business, whether by merger, consolidation, amalgamation, stock purchase or sale or asset purchase or sale and any related incurrence or repayment or retirement of Indebtedness, in each case since the first day of such period, assuming such acquisition or disposition had been consummated on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations (including with respect to the Run Rate Adjustment) will be as determined in good faith by a responsible financial or accounting officer of the Parent.

"**Consolidation**" shall mean, with respect to any Person, the consolidation of the accounts of such Person and each of its Subsidiaries (or, to the extent specified herein, its Restricted Subsidiaries) if and to the extent the accounts of such Subsidiary would be required to be consolidated with those of such Person in accordance with IFRS. The term "**Consolidated**" shall have a similar meaning.

"**Credit Facilities**" means one or more debt facilities (including debt facilities made available under, or in accordance with, the Existing Facilities Agreements) or commercial paper facilities, credit facility agreements, notes, bonds, debentures, indentures, trust deeds, fiscal agency agreements, note purchase agreements, debt instruments or arrangements with banks, insurance companies or other institutional lenders or investors providing for revolving credit loans, term loans, receivables financing (including through the sale or factoring of receivables to such lenders or investors or to special purpose entities formed to borrow from or issue securities to such lenders against such receivables), letters of credit or other forms of guarantees and assurances, notes, bonds, debentures, indentures, trust deeds, fiscal agency agreements, note purchase agreements, debt instruments or other indebtedness, including overdrafts, in each case, as amended, restated, modified, renewed, refunded, replaced, refinanced, increased or extended in whole or in part from time to time, and whether or not with the original administrative agent and lenders or another administrative agent or agents or trustee or trustees or fiscal agents or agents or other banks or other institutional lenders or investors and whether provided under the Existing Facilities Agreements, the Existing Indentures or one or more other credit agreements or financing agreements or indentures or trust deeds or fiscal agency agreements or note purchase agreements or other debt instruments and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes, bonds, debentures and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "**Credit Facility**" shall include any agreement or instrument (a) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (b) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (c) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (d) otherwise altering the terms and conditions thereof.

"**Currency Hedging Agreements**" means any foreign exchange contracts, currency swap agreements or other similar agreements or arrangements designed to protect against fluctuations in currency values.

"**Declined Proceeds**" means the share of any mandatory prepayment required to be made under either of the Existing Facilities Agreements rejected by any lenders thereunder pursuant to the terms thereof.

"**Default**" means any event, act or condition that with notice or lapse of time, or both, unless cured or waived, would constitute an Event of Default.

"**Designated Non-Cash Consideration**" means the Fair Market Value of non-cash consideration received by the Company or any of its Restricted Subsidiaries in connection with an Asset Sale that is designated as "Designated Non-Cash Consideration" by the Company, less the amount of cash, cash equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed, retired, sold or otherwise disposed of in compliance with the covenant described under "*—Limitation on Sale of Assets*".

"**Designation**" has the meaning provided under the "*—Limitation on Unrestricted Subsidiaries*" covenant.

"**Designation Amount**" has the meaning provided under the "*—Limitation on Unrestricted Subsidiaries*" covenant.

"**Disinterested Director**" means, with respect to any transaction or series of related transactions, a member of the Board of Directors of the Company who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions. A member of the Board of Directors of the Company shall not be deemed to have such a financial interest by reason of such member's holding Capital Stock of the Company or any Parent Holdco or Financing Subsidiary or any options, warrants or other rights in respect of such Capital Stock.

"**Dollar Senior Secured Notes Proceeds Loan**" means the loan note in the amount of the gross proceeds of the Dollar Senior Secured Notes issued on the Issue Date by and among INEOS Quattro Holdings UK Limited, as borrower, and INEOS Quattro Finance 2 Plc, as lender, and all loans directly or indirectly replacing or refinancing such loan or any portion thereof.

"**Dollars**" and "**US$**" mean dollars in lawful currency of the United States of America.

"**DTC**" means The Depository Trust Company.

"**Escrow Indebtedness**" means Indebtedness that is initially incurred by a Person that is not the Company or a Restricted Subsidiary of the Company and the proceeds of which are initially funded and held in escrow pending such Person becoming a Restricted Subsidiary of the Company or transferring its assets to, or merging, consolidating or amalgamating with, the Company or a Restricted Subsidiary of the Company.

"**Escrowed Proceeds**" means the proceeds from the issuance of any debt securities or incurrence of any other Indebtedness paid into any escrow account on the date of the applicable issuance or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events, together with any cash, cash equivalents or Temporary Cash Investments paid into such escrow account to prefund the payment of interest, premiums, make-whole amounts, fees, costs or other expenses on such debt securities or such other Indebtedness. The term "**Escrowed Proceeds**" shall include any such escrow account and all funds, securities, interest, dividends, distributions and other property and payments deposited into or credited to such escrow account.

"**Euro**" or "**€**" shall mean the single currency of Participating Member States of the European Union.

"**Euro Equivalent**" means, (a) with respect to any amount in Euro, such amount and (b) with respect to any amount in a currency other than Euro, as of any date, the equivalent of such amount in Euro to be determined at the rate of exchange quoted by the Reuters World Currency Page for such currency other than Euro (or by reference to such other publicly available service for displaying exchange rates as may be selected by the Company) on or about the date of determination of such Euro Equivalent.

"**Euro Senior Secured Notes Proceeds Loan**" means the loan note in the amount of the gross proceeds of the Euro Senior Secured Notes issued on the Issue Date by and among INEOS Quattro Holdings UK Limited, as borrower, and INEOS Quattro Finance 2 Plc, as lender, and all loans directly or indirectly replacing or refinancing such loan or any portion thereof.

"**Euroclear**" means Euroclear Bank SA/NV.

"**European Government Obligations**" means direct obligations (or certificates representing an ownership interest in such obligations) of a member state of the European Union (including any agent or instrumentality thereof) for the payment of which the full faith and credit of such government is given.

"**Event of Default**" has the meaning provided under the caption "*—Events of Default*."

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"**Excluded Buildings**" shall mean any Buildings located in Special Flood Hazard Areas.

"**Excluded Jurisdiction**" means China, Hong Kong, India, Indonesia, Jordan, Malaysia, Poland, Saudi Arabia, Spain, Taiwan, Trinidad and Tobago and Turkey.

"**Excess Proceeds**" has the meaning provided under the "*—Limitation on Sale of Assets*" covenant.

"**Excluded Property**" has the meaning provided under clause (e) of "*—Brief Description of the Senior Secured Notes, the Guarantees and the Security—Security—The Security Principles*".

"**Existing Facilities Agreements**" means the 2014 Facilities Agreement and the 2020 Facilities Agreement.

"**Existing Indentures**" refers to the 2026 Senior Notes Indenture, the 2026 Senior Secured Notes Indenture and the 2027 Senior Secured Notes Indenture.

"**Existing Notes**" means the Existing Senior Secured Notes and the 2026 Senior Notes.

"**Existing Senior Secured Notes**" means the 2026 Senior Secured Notes and the 2027 Senior Secured Notes.

"**Existing Senior Secured Notes Indentures**" refers to the 2026 Senior Secured Notes Indenture and the 2027 Senior Secured Notes Indenture.

"**Existing Term Loan B Facilities**" means the 2026 Term Loan B Facilities, the 2027 Term Loan B Facilities and the 2030 Term Loan B Facilities.

"**Fair Market Value**" as used in the Senior Secured Notes Indenture (except in relation to an enforcement action or distressed disposal pursuant to the Intercreditor Agreement and except as otherwise specifically provided in the Senior Secured Notes Indenture) shall be determined by the Company in good faith, and may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Company delivered to the Trustee, in each case, setting forth such fair market value as so determined.

"**Finance Lease Obligation**" of any Person shall mean any obligation of such Person under any lease of (or other agreement conveying the right to use) real or personal property which, in accordance with IFRS, is required to be accounted for as a finance lease. The amount of such obligation shall be the capitalized amount thereof determined in accordance with IFRS.

"**Financing Subsidiary**" means a financing Subsidiary of any Parent Holdco that is not a Parent Intermediate Holdco, the Company or a Restricted Subsidiary of the Company.

"**Fitch**" means Fitch Ratings, and any successor to its rating agency business.

"**French Guarantor**" means any Guarantor organized under the laws of France.

"**Fund**" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course.

"**Funded Indebtedness**" means Indebtedness of the type referred to in clauses (a), (b), (c) (solely with respect to Indebtedness in respect of drawings under letters of credit that have not been reimbursed), (d), (e), (g) and (j) of the definition of such term; *provided* that, to the extent otherwise included therein, Funded Indebtedness shall not include any Indebtedness in respect of any Cash Management Arrangements or any Hedging Agreements; *provided further* that

Indebtedness of the type referred to in clauses (d) and (e) of the definition of such term shall constitute Funded Indebtedness only if such Indebtedness would be reflected as financial indebtedness (or a similar line item) on the Parent's Consolidated balance sheet prepared in accordance with IFRS.

"**German Guarantor**" means any Guarantor organized under the laws of Germany.

"**Governmental Authority**" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"**Guarantee**" means the guarantee by any Guarantor of the Senior Secured Notes.

"**Guaranteed Debt**" of any Person means, without duplication, all Indebtedness of any other Person (the "**debtor**") guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement:

(a) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness;

(b) to purchase property or services primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss;

(c) to supply funds to, or in any other manner invest in, the debtor (including any agreement to pay for property or services without requiring that such property be received or such services be rendered);

(d) to maintain working capital or equity capital of the debtor, or otherwise to maintain the net worth, solvency or other financial condition of the debtor or to cause such debtor to achieve certain levels of financial performance; or

(e) otherwise to assure the holder of such Indebtedness against loss;

provided that the term "**Guaranteed Debt**" shall not include (i) endorsements for collection or deposit, in either case in the ordinary course of business, or (ii) any liability owing to customers or suppliers in respect of volume offtake, transportation or capacity reservation arrangements (including pursuant to take-or-pay arrangements) or forward purchase arrangements.

"**Guaranteed Hedging and Cash Management Obligations**" means all obligations, of whatever nature and whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired, of any Restricted Group Company arising in respect of

(a) any Hedging Agreement that, in each case, is permitted under the Senior Secured Notes Indenture and the obligations under which are designated as "Guaranteed Hedging and Cash Management Obligations" by written notice from the Company to the Trustee; and

(b) any Cash Management Arrangements where such Cash Management Arrangements are provided pursuant to an agreement or agreements the obligations under which are designated as "Guaranteed Hedging and Cash Management Obligations" by written notice from the Company to the Trustee;

provided that the Company may terminate any such designation with respect to any such obligations under any Hedging Agreement or any such other agreement, in each case, by providing a written notice thereof from the Company to the Trustee and an Officer's Certificate to the effect that at the time of such termination no obligations of any Restricted Group Company are outstanding thereunder.

"**Guarantors**" means (i) the Initial Guarantors, (ii) the Subsequent Guarantors and (iii) any other Person that otherwise provides a Guarantee of the Senior Secured Notes after the Issue Date, in each case until (x) the Guarantee of such Person has been released in accordance with the provisions of the Senior Secured Notes Indenture or (y) a successor replaces such Person pursuant to the applicable provisions of the Senior Secured Notes Indenture and, thereafter (until the Guarantee of such successor has been so released), shall mean such successor.

"**Guarantor Surviving Entity**" has the meaning provided in clause (a)(2) of "*—Consolidation, Merger, Sale of Assets—Subsidiary Guarantors*".

"**Group**" means the Parent, the Company and its Restricted Subsidiaries from time to time.

"**Group Company**" means a member of the Group.

"**Hedge Counterparty**" has the meaning set forth in the Intercreditor Agreement.

"**Hedging Agreements**" means any Interest Rate Agreements, Currency Hedging Agreements or Commodity Hedging Agreements.

"**Hedging Obligations**" means, with respect to any Person, the obligations of such Person under any Hedging Agreement.

"**IFRS**" means the accounting standards issued by the International Accounting Standards Board and its predecessors, as adopted by the European Union or the United Kingdom, as in effect from time to time; *provided* that if the Company, by written notice to the Trustee, shall request an amendment to any provision of the Senior Secured Notes Indenture to eliminate the effect of any change occurring after July 31, 2020 in IFRS or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in IFRS or in the application thereof, then such provision shall be interpreted on the basis of IFRS as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance with the Senior Secured Notes Indenture and therewith. At any time, the Parent may elect to apply generally accepted accounting principles in the United States ("**U.S. GAAP**") in lieu of IFRS and, upon any such election, references herein to IFRS shall thereafter be construed to mean U.S. GAAP as in effect from time to time; *provided* that any such election, once made, shall be irrevocable and that upon first reporting its fiscal year results under U.S. GAAP, the Parent shall restate its financial statements on the basis of U.S. GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of U.S. GAAP. The Parent shall give notice of any such election to the Trustee.

"**Immaterial Subsidiary**" means a Subsidiary which has not traded or has ceased trading and which does not own assets or have liabilities, in either case, with an aggregate value greater than €1.0 million (or its equivalent); *provided* that any asset or liability which consists solely of a claim by a Subsidiary upon another Subsidiary where but for that asset or liability, both Subsidiaries would be Immaterial Subsidiaries under this definition shall be disregarded.

"**incur**" has the meaning provided in paragraph (a) of "*—Certain Covenants—Limitation on Indebtedness*".

"**Indebtedness**" means, with respect to any Person, without duplication:

(a) the principal amount of all indebtedness of such Person for borrowed money;

(b) the principal amount of all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;

(c) all obligations, contingent or otherwise, of such Person in respect of any letters of credit issued under letter of credit facilities, acceptance facilities or other similar facilities (including reimbursement obligations with respect thereto, except to the extent such reimbursement obligations relate to a trade payable and such obligation is satisfied no later than 30 days following receipt by such Person of a demand for such reimbursement);

(d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business (it being agreed that the amount of Indebtedness under this clause (d) will be the lesser of (i) the Fair Market Value of such property at the date of determination and (ii) the amount of such indebtedness);

(e) the principal component of all obligations of such Person to pay the deferred purchase price of property or services, excluding (x) any obligations owing to customers or suppliers in respect of volume offtake, transportation or capacity reservation arrangements (including pursuant to take-or-pay arrangements) or forward purchase arrangements and any trade payables or other accrued current liabilities arising in the ordinary course of business and (y) any guarantees of any obligations referred to in clause (i);

(f) all obligations under Hedging Agreements of such Person (excluding any Metals Arrangement to the

extent constituting a Hedging Agreement solely as a result of clause (b) of the definition of "Commodity Hedging Agreement") (the amount of any such obligations to be equal at any time to the termination value of the applicable Hedging Agreement giving rise to such obligation that would be payable by such Person at such time, giving effect to any netting arrangements);

(g) all Finance Lease Obligations of such Person;

(h) all obligations referred to in clauses (a) through (g) above of other Persons (but only to the extent such obligations constitute Indebtedness) the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on any property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness (it being agreed that the amount of Indebtedness under this clause (h) will be the lesser of (i) the Fair Market Value of such property at the date of determination and (ii) the amount of such Indebtedness of such other Person);

(i) all Guaranteed Debt of such Person; and

(j) all Attributable Debt of such Person.

Notwithstanding the foregoing and, where applicable, for the avoidance of doubt, the term "**Indebtedness**" shall not include:

(i) Subordinated Shareholder Funding;

(ii) [Reserved];

(iii) contingent obligations incurred in the ordinary course of business;

(iv) in connection with any Acquisition by the Parent or any of its Restricted Subsidiaries, any earnout, indemnity or other contingent obligation or any purchase price adjustment, in each case, until such obligation (A) becomes fixed and determined and (B) has not been paid within 30 days after becoming due and payable;

(v) deferred compensation payable to directors, officers, employees or consultants and any obligations in respect of workers' compensation claims, early retirement obligations, pension fund obligations or contributions or social security or wage Taxes;

(vi) any obligations under any Profit Pooling Agreement;

(vii) deferred or prepaid revenues;

(viii) prepayments or deposits received from clients or customers in the ordinary course of business;

(ix) obligations under any license, permit or other approval (or guarantees given in respect of such obligations) incurred prior to the Issue Date or in the ordinary course of business;

(x) accrued expenses and trade payables (including non-interest bearing installment obligations and accrued liabilities or forward purchase agreements incurred in the ordinary course of business that are not more than 120 days past due);

(xi) obligations in respect of performance, completion, surety, Tax, appeal, judgment, advance payment, customs or VAT bonds, guarantees or similar instruments provided by the Parent or any of its Restricted Subsidiaries in the ordinary course of business;

(xii) obligations in respect of letters of credit and bank guarantees provided by the Parent or any of its Restricted Subsidiaries in the ordinary course of business, to the extent such letters of credit or bank guarantees are not drawn upon or, if and to the extent drawn upon, are reimbursed no later than 30 days following receipt by such Person of a demand for reimbursement following such drawing;

(xiii) any indebtedness to the extent that, upon or prior to the maturity thereof, cash, cash equivalents or Temporary Cash Investments shall have been irrevocably deposited with the applicable agent, trustee

or other proper Person in trust or escrow for the benefit of the holders of such indebtedness for the payment, prepayment, redemption, discharge or other satisfaction of such indebtedness and such cash, cash equivalents or Temporary Cash Investments shall be sufficient to pay, prepay, redeem, discharge or otherwise satisfy such indebtedness, together with all accrued interest, fees, and other amounts, in full; or

(xiv) indebtedness incurred by the Parent or any of its Restricted Subsidiaries in connection with a transaction where (A) such indebtedness is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €250.0 million and whose debt has a rating immediately prior to the time such transaction is entered into of at least BBB− or the equivalent thereof by S&P and Baa3 or the equivalent thereof by Moody's and (B) a substantially concurrent Investment is made by the Parent or any of its Restricted Subsidiaries in the form of cash deposited with the lender of such indebtedness, or a Subsidiary or Affiliate thereof, in an amount equal to such indebtedness.

"**INEOS**" means INEOS AG, a company registered in Switzerland, and any successor thereto.

"**INEOS Capital**" means the Permitted Holders and any Person controlled by any of them that controls the Parent.

"**INEOS Quattro Financing Limited**" means INEOS Quattro Financing Limited (formerly, INEOS Styrolution Financing Limited), a limited liability company incorporated under the laws of England and Wales with registered number 09922303 and having its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

"**INEOS Quattro Holdings Limited**" means INEOS Quattro Holdings Limited (formerly, INEOS Styrolution Holding Limited), a limited liability company incorporated under the laws of England and Wales with registered number 09922632 and having its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

"**INEOS Quattro Holdings UK Limited**" means INEOS Quattro Holdings UK Limited, a limited liability company incorporated under the laws of England and Wales with registered number 12698648 and having its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

"**INEOS Styrolution Group GmbH**" means INEOS Styrolution Group GmbH (formerly known as Styrolution Group GmbH), a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of the Federal Republic of Germany and registered with the commercial register at the local court of Frankfurt am Main under registration number HRB 91762 Germany.

"**INEOS Styrolution Securitization Programs**" means (a) the trade receivables securitization program established on May 6, 2011, by INEOS Styrolution Receivables Finance DAC (Designated Activity Company) (formerly known as Styrolution Receivables Finance Limited) (as purchaser and borrower) and INEOS Styrolution Group GmbH (as master servicer, seller agent and subordinated lender) with, among others, HSBC Bank PLC (as conduit support lender) and The Law Debenture Trust Corporation PLC (as security trustee) and (b) the trade receivables program which was established under a Mexican Trust Agreement number DB/1787 (formerly F/1787) among INEOS Styrolution Mexicana S.A. de C.V., as Initial Trustor; CI Banco, S.A., Institución de Banca Múltiple (as successor of Deutsche Bank Mexico S.A., Institución de Banca Múltiple, División Fiduciaria), as the Trustee; and INEOS Styrolution Receivables Finance DAC (Designated Activity Company), as the First Beneficiary; and under a Mexican Factoring Agreement among INEOS Styrolution Mexicana S.A. de C.V., as the Mexican Seller; CI Banco, S.A., Institución de Banca Múltiple (as successor of Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria), as the Mexican Trustee; INEOS Styrolution Receivables Finance DAC (Designated Activity Company), as the Trust Beneficiary; INEOS Styrolution Group GmbH, as the Master Servicer; Law Debenture Corporate Services Limited as Facility Agent; and The Law Debenture Trust Corporation PLC, as the Security Trustee (as such programs may be amended, supplemented, varied, novated, extended or replaced from time to time and including without limitation any further receivables purchase agreements and other documents evidencing the accession of further receivables sellers to such programs and any additional security from time to time created by or in connection with any additional sellers).

"**Initial Collateral**" means the collateral described under the caption "*—Brief Description of the Senior Secured Notes, the Guarantees and the Security—Security—General—The Initial Collateral*".

"**Initial Guarantors**" means INEOS Styrolution America LLC, INEOS Styrolution US Holding LLC, INEOS Quattro Holdings UK Limited, INEOS Acetyls UK Limited, INEOS Aromatics Holdings Limited, INEOS Aromatics Limited, INEOS Acetyls (Korea) Limited, INEOS World-Wide Technical Services Limited, INEOS Acetyls Americas Limited, INEOS Acetyls International Limited, INEOS Acetyls Investments Limited, INEOS INOVYN Limited, INOVYN ChlorVinyls Holdings Limited, INOVYN ChlorVinyls Limited, INOVYN Enterprises Limited, INOVYN

Europe Limited, INOVYN Finance Limited, INOVYN Group Treasury Limited, INOVYN Newco 2 Limited, Kerling Newco 1 Limited, Kerling Newco 2 Limited, INEOS US Petrochem LLC, INEOS Aromatics Belgium Holdings LLC, INEOS US Chemicals Company, INEOS Aromatics Holding Company, INEOS Aromatics Indonesia Holdings Limited, INEOS Quattro Finance 1 Plc, the Company, and the Parent.

"**Initial Purchasers**" means BNP Paribas, Citigroup Global Markets Inc.; Citigroup Global Markets Limited; Goldman Sachs Bank Europe SE; HSBC Bank PLC; ING Bank N.V., London Branch; J.P. Morgan Securities plc; J.P. Morgan Securities LLC; China Construction Bank (Asia) Corporation Limited; Commerzbank Aktiengesellschaft; Commerz Markets LLC; Crédit Agricole Corporate and Investment Bank; First Abu Dhabi Bank P.J.S.C.; ICBC Standard Bank Plc; KBC Bank NV; Mizuho International plc; and Mizuho Securities USA LLC.

"**INOVYN Contribution**" means (a) the transfer of 94.9% of the issued and outstanding Capital Stock in INOVYN Limited to the Parent in consideration of an issuance by the Parent of Qualified Capital Stock in the Parent and (b) the transfer of 94.9% of the issued and outstanding Capital Stock in INOVYN Limited by the Parent to the Company in consideration of an issuance by the Company of Qualified Capital Stock in the Company to the Parent, with INOVYN Limited and its Subsidiaries becoming Subsidiaries of the Company as a result of such transfers.

"**INOVYN Entity**" means INOVYN Limited or any Subsidiary thereof.

"**INOVYN Finance Limited**" shall mean INOVYN Finance Limited, a company incorporated under the laws of England and Wales with registered number 07027513.

"**INOVYN Limited**" shall mean INEOS INOVYN Limited, a company incorporated under the laws of England and Wales with registered number 08696245.

"**INOVYN Securitization Program**" shall mean the trade receivables securitization, entered into on November 28, 2008, by INOVYN Group Treasury Limited (formerly INEOS Norway SPV Limited) and certain other Subsidiaries of INOVYN Finance Limited as receivables sellers, as amended, supplemented, varied, novated, extended or replaced from time to time.

"**Intellectual Property**" means the Intellectual Property Rights owned or used by any Restricted Group Company throughout the world or the interests of any Restricted Group Company in any such Intellectual Property Rights, together with the benefit of all agreements entered into or the benefit of which is enjoyed by any Restricted Group Company relating to the use or exploitation of any such Intellectual Property Rights.

"**Intellectual Property Rights**" means all patents and patent applications, trade and service marks and trade and service mark applications (and all goodwill associated with any such registrations and applications), all brand and trade names, all copyrights and rights in the nature of copyright, all design rights, all registered designs and applications for registered designs, all inventions, all trade secrets, all know-how and all other intellectual property rights throughout the world.

"**Intercreditor Agreement**" means the Intercreditor Agreement dated as of November 7, 2014, as amended and restated as of January 31, 2020, among, *inter alios*, the Company, the Parent, J.P. Morgan SE, as administrative agent under the 2014 Facilities Agreement and the Security Agent, and to which the Trustee acceded on the Issue Date and, to the extent applicable, any other intercreditor agreement entered into that is permitted under "*—Certain Covenants—Intercreditor Agreement; Additional Intercreditor Agreements*".

"**Interest Rate Agreements**" means any interest rate protection agreements (including interest rate swaps, caps, floors, collars and similar agreements) and any interest rate hedging agreements of any other type.

"**Investment**" means, with respect to any Person, directly or indirectly, any advance, loan or other extension of credit (including guarantees) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities issued by any other Person; *provided* that:

(a) Hedging Obligations entered into for bona fide business purposes (including any commodity trading or commodity risk management business) and not for speculative purposes, as determined in good faith by the Board of Directors or senior management of the Company;

(b) endorsements of negotiable instruments and documents in the ordinary course of business;

(c) any advances, loans or other extensions of credit to customers or suppliers in the ordinary course of business; and

(d) any liability owing to customers or suppliers in respect of volume offtake, transportation or capacity reservation arrangements (including pursuant to take-or-pay arrangements) or forward purchase arrangements;

shall in each case be deemed not to be an Investment.

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*":

(a) Investment will include the Designation Amount as and to the extent set forth in the third paragraph of the covenant under the caption "*—Certain Covenants—Limitation on Unrestricted Subsidiaries*"; *provided*, *however*, that upon a Redesignation of any Unrestricted Subsidiary as a Restricted Subsidiary of the Company, the Company will be deemed to continue to have a permanent "Investment" in such Unrestricted Subsidiary in an amount (if positive) equal to (i) the Company's "Investment" in such Subsidiary at the time of such Redesignation less (ii) the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is so Redesignated as a Restricted Subsidiary of the Company; and

(b) any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment plus the cost of all additional Investments therein by the Company or any of its Restricted Subsidiaries, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"**Investment Grade Rating**" shall mean, with respect to any Rating Agency:

(a) in the case of S&P, a rating of "BBB−" or higher;

(b) in the case of Moody's, a rating of "Baa3" or higher;

(c) in the case of Fitch, a rating of "BBB−" or higher; or

(d) in the case of any other Rating Agency, the equivalent of any such rating by such Rating Agency.

"**Investment Grade Status**" shall occur if the Senior Secured Notes shall have an Investment Grade Rating from at least two Ratings Agencies.

"**Italian Guarantor**" means any Guarantor organized under the laws of Italy.

"**Italian Security Document**" means any Security Document that is governed by the laws of Italy

"**Item**" has the meaning provided in paragraph (d) of "*Certain Calculations*".

"**Issue Date**" means the original issue date of the Senior Secured Notes under the Senior Secured Notes Indenture.

"**Issuer Surviving Entity**" has the meaning provided in clause (a)(2) of "*—Certain Covenants—Consolidation, Merger, Sale of Assets—Issuer*".

"**LC Account Party**" means any Restricted Subsidiary of the Company that is an account party, borrower or guarantor in respect of any LC Facility; *provided* that immediately prior to becoming an account party, borrower or guarantor in respect of any LC Facility, such Restricted Subsidiary would constitute an Immaterial Subsidiary and thereafter does not carry on any business other than being an account party, borrower or guarantor in respect of (a) such LC Facility or any other LC Facility, (b) any letters of credit issued in the ordinary course of business with respect to trade payables, (c) any other letters of credit, bank guarantees, surety, performance, completion, Tax, appeal, judgment,

advance payment, customs or VAT bonds, guarantees or similar instruments, in each case issued in the ordinary course of business and not in connection with the borrowing of money, including letters of credit, bank guarantees or similar instruments in respect of self-insurance and workers compensation obligations, or (d) any Cash Management Arrangements.

"**LC Facility**" means (a) for so long as INOVYN Limited is a Restricted Subsidiary of the Company, (i) the on-demand letter of credit facility entered into on October 12, 2015, as amended on October 30, 2015, between INOVYN Group Treasury Limited as the borrower and Barclays Bank PLC as the issuing bank, or (ii) the on-demand letter of credit facility entered into on October 30, 2015, as amended on March 22, 2017 and May 24, 2018, between INOVYN Group Treasury Limited as the borrower and ING Bank N.V. as the issuing bank or (b) any other letter of credit, bank guarantee, performance bonds or similar working capital facility; *provided* that the aggregate outstanding principal amount of Indebtedness under all LC Facilities shall not exceed €300.0 million (or its equivalent) at any time.

"**Lien**" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege (including "*voorrecht/privilège*"), security interest, assignment or transfer for security purposes, easement, hypothecation, claim, preference, priority, mandate ("*mandaat/mandat*") to create a mortgage or pledge over business assets or other encumbrance, in each case, in the nature of security, upon or with respect to any property of any kind (including any conditional sale or other title retention agreement or any Finance Lease Obligation), real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement or other title retention agreement or any Finance Lease Obligation.

"**Limited Condition Transaction**" means any Acquisition, Investment, disposition, Restricted Payment or Permitted Payment.

"**Long-Term Indebtedness**" shall mean any Indebtedness that, in accordance with IFRS, constitutes (or, when incurred, constituted) a long-term liability.

"**Management Advances**" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent Holdco, the Company or any Restricted Subsidiary:

(a) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;

(b) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(c) in the ordinary course of business and (in the case of this clause (c)) not exceeding €20.0 million in the aggregate outstanding at any time.

"**Material Real Property**" means (a) any real property owned by the Issuer or any Guarantor in fee that constitutes Collateral as of the Issue Date and (b) any other real property owned by the Issuer or any Guarantor in fee and that, as of the Issue Date or as of the time of the acquisition thereof by the Issuer or such Guarantor, has a Fair Market Value in excess of €20.0 million.

"**Maturity**" means, when used with respect to the Senior Secured Notes, the date on which the principal of the Senior Secured Notes becomes due and payable as therein provided or as provided in the Senior Secured Notes Indenture, whether at Stated Maturity, the Offer Date or the redemption date and whether by declaration of acceleration, offer in respect of Excess Proceeds, Change of Control Offer in respect of a Change of Control, call for redemption or otherwise.

"**Metals Arrangements**" means any lease or sublease (for a term not to exceed one year, subject to renewals), consignment or other arrangement with respect to precious, semi-precious or other metals entered into by the Company or any Restricted Subsidiary in the ordinary course of business. Any Metals Arrangement may constitute a Cash Management Arrangement or a Commodity Hedging Agreement, as elected by the Company in its sole discretion.

"**Mexican Subsidiary**" means INEOS Styrolution Mexicana, S.A. de C.V.

"**Moody's**" means Moody's Investors Service, Inc. or any successor to its rating business.

"**Net Cash Proceeds**" means:

(a) with respect to any Asset Sale by any Person, the proceeds thereof (without duplication in respect of all Asset Sales) in the form of cash, cash equivalents or Temporary Cash Investments, including payments in respect of deferred payment obligations or purchase price adjustments when received in the form of, or stock or other assets or any Designated Non-Cash Consideration when disposed of for, cash, cash equivalents or Temporary Cash Investments, but only as and when received (and, for the avoidance of doubt, excluding any proceeds subject to escrow until and to the extent actually received) and excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Sale (in each case, except to the extent that the proceeds of such Asset Sale are financed by, or the properties or assets that are the subject of such Asset Sale are disposed with recourse to, the Company or any Restricted Subsidiary), net of:

(1) brokerage commissions and other reasonable fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;

(2) provisions for all Taxes payable as a result of such Asset Sale;

(3) provisions for payments made in respect of earn-out obligations and purchase price adjustments, including in respect of working capital items;

(4) payments made to retire Indebtedness where such Indebtedness is secured by the assets or properties that are the subject of such Asset Sale (but excluding assets or properties that are subject to Liens created by the Security Documents);

(5) amounts required to be paid to any Person (other than the Company or any Restricted Subsidiary) owning a beneficial interest in the assets subject to such Asset Sale;

(6) amounts reserved by the Company or any Restricted Subsidiary, in accordance with IFRS, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale; and

(7) in the case of any Asset Sale in respect of the assets of any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, the pro rata portion of the Net Cash Proceeds of such Asset Sale (calculated without regard to this clause (7)) attributable to non-controlling interests in such Restricted Subsidiary; and

(b) with respect to any capital contributions, issuance or sale or exercise (as applicable) of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under "*—Certain Covenants—Limitation on Restricted Payments*", the proceeds thereof in the form of cash, cash equivalents or Temporary Cash Investments, including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash, cash equivalents or Temporary Cash Investments (in each case, except to the extent that the proceeds of such contribution, issuance, sale or exercise are financed by the Company or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees (including placement agents' fees, listing fees, or other discounts and commissions) and expenses actually incurred in connection therewith and net of Taxes paid or payable as a result thereof.

"**New Term Loan B Facilities**" means (i) the $1,100 million term loan facility to be made available to INEOS US Petrochem LLC on the Issue Date pursuant to the 2020 Facilities Agreement and (ii) the €875 million term loan facility to be made available to INEOS Quattro Holdings UK Limited on the Issue Date pursuant to the 2020 Facilities Agreement, collectively.

"**Offer Date**" has the meaning provided in clause (c)(3) of the "*—Limitation on Sale of Assets*" covenant.

"**Offered Price**" has the meaning provided in clause (c)(3) of the "*—Limitation on Sale of Assets*" covenant.

"**Officer's Certificate**" means a certificate signed (without personal liability) by an officer of the Parent, the Company, the Issuer, or any other Guarantor or a Surviving Entity, as the case may be, and delivered to the Trustee.

"**Parent**" means

(a) INEOS Quattro Holdings Limited, until any designation is made in accordance with clause (b) below; or

(b) any other Person that guarantees (or, substantially concurrently with such designation, will guarantee, including as a result of the assumption of obligations referred to in clause (ii) below) the Senior Secured Notes and is designated, as part of any Permitted Reorganization, by the then current Parent to be the "Parent" by written notice to the Trustee, *provided* that (i) the Company is a wholly owned direct or indirect Subsidiary of such other Person and (ii) such other Person expressly assumes the obligations of the Parent under the Senior Secured Notes Indenture, the Intercreditor Agreement and the other Senior Secured Notes Documents to which the Parent is a party pursuant to agreements reasonably satisfactory to the Trustee;

in each case, until a successor replaces such Person pursuant to "*—Certain Covenants—Consolidation, Merger, Sale of Assets—Parent Obligors and the Company*", and thereafter (unless another Person is designated in accordance with clause (b) of this definition), shall mean such successor. It is understood and agreed that any designation under clause (b) of this definition may be made concurrently with any designation under clause (b) of the definition of the Company, in which case the satisfaction of the requirements set forth in clause (b) of this definition shall be determined on a *pro forma* basis immediately after giving effect to each such designation.

In the event any other Person is designated as the "Parent" pursuant to and in accordance with the provisions of clause (b) above, upon the effectiveness of such designation the Person that was the Parent immediately prior thereto shall cease to be the "Parent" for all purposes of the Senior Secured Notes Indenture and the other Senior Secured Notes Documents.

"**Parent/Company Surviving Entity**" has the meaning provided in clause (a)(ii) of "*—Certain Covenants—Consolidation, Merger, Sale of Assets—Parent Obligors and the Company*".

"**Parent Holdco**" means any Person (other than a natural person) of which the Company is or becomes a direct or indirect Subsidiary; *provided* that other than in the case of any Parent Holdco that is a Public Parent Holdco (or any Parent Holdco that is a Subsidiary of such Public Parent Holdco), the primary purpose of such Person is to serve as a direct or indirect holding company of the Company. Unless the context expressly otherwise requires, the term "Parent Holdco" shall include each Parent Obligor.

"**Parent Intermediate Holdco**" shall mean any Parent Holdco that is a direct or indirect Subsidiary of the Parent.

"**Parent Obligors**" shall mean the Parent and each Parent Intermediate Holdco.

"***Pari Passu* Debt Amount**" has the meaning provided in clause (c)(2) of the "*—Limitation on Sale of Assets*" covenant.

"***Pari Passu* Indebtedness**" means (a) any Indebtedness of the Issuer that is *pari passu* in right of payment to the Senior Secured Notes and (b) any Indebtedness (including any Guarantee) of the Company or any Subsidiary Guarantor that is *pari passu* in right of payment to the Guarantee of the Company or such Subsidiary Guarantor.

"***Pari Passu* Offer**" has the meaning provided in clause (c)(2) of the "*—Limitation on Sale of Assets*" covenant.

"**Participating Member State**" means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Paying Agent**" means any Person authorized by the Company or the Issuer to pay the principal of (and premium, if any), or interest on any Senior Secured Note on behalf of the Issuer.

"**Permitted Asset Swap**" means the concurrent purchase and sale or exchange of assets used or useful in a business, service or activity relating to the business of the Company and its Restricted Subsidiaries or a combination of such assets and cash, cash equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; *provided* that any cash, cash equivalents and Temporary Cash Investments received in excess of the value of any cash, cash equivalents and Temporary Cash Investments sold or exchanged shall, to the extent constituting Net Cash Proceeds, be applied in accordance with the provisions of the covenant described under "*—Certain*

Covenants—Limitation on Sale of Assets".

"**Permitted Collateral Liens**" means

(a) Liens to secure any Indebtedness of the Company or any Restricted Subsidiary that is permitted to be incurred under clause (b)(1), (b)(2)(B) or (b)(2)(C) of "*—Certain Covenants—Limitation on Indebtedness*" (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such Indebtedness); *provided* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Senior Secured Notes or Guarantees on a senior or *pari passu* basis and each holder of any such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Agreement in the applicable capacity;

(b) Liens to secure the Senior Secured Notes issued on the Issue Date and any related Guarantees (whether provided on or after the Issue Date);

(c) Liens to secure any Indebtedness of the Company or any Restricted Subsidiary that is permitted to be incurred under clause (b)(20) of "*—Certain Covenants—Limitation on Indebtedness*" (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such Indebtedness); *provided* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Senior Secured Notes or Guarantees on a senior or *pari passu* basis and each holder of any such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Agreement in the applicable capacity;

(d) Liens to secure any Indebtedness of the Company or any Restricted Subsidiary that is permitted to be incurred under paragraph (a) of "*—Certain Covenants—Limitation on Indebtedness*" (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such Indebtedness); *provided* that after giving *pro forma* effect to the incurrence of such Indebtedness (including after giving *pro forma* effect to the use of the proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the Consolidated First Lien Net Leverage Ratio as of the last day of the most recent period of four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Indebtedness is not greater than 3.00 to 1.00; *provided further* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Senior Secured Notes or Guarantees on a senior or *pari passu* basis and each holder of any such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Agreement in the applicable capacity;

(e) Liens to secure Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refinance, any Indebtedness which is secured by a Lien pursuant to clause (a) (in the case of Indebtedness incurred in reliance on sub-clause (B) of clause (b)(1) of "*—Certain Covenants—Limitation on Indebtedness*" or sub-clause (B) or (C) of clause (b)(2) of "*—Certain Covenants—Limitation on Indebtedness*"), clauses (b) and (d) above, clause (g) (in the case of Indebtedness incurred in reliance on clause (b)(14) of "*—Certain Covenants—Limitation on Indebtedness*"), clause (i) below or this clause (e) (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such Permitted Refinancing Indebtedness); *provided* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Senior Secured Notes or Guarantees with Lien priority with respect to the Permitted Refinancing Indebtedness substantially similar to, or higher than, that of the Indebtedness which is being refinanced; *provided further* that each holder of any such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Agreement in the applicable capacity;

(f) Liens securing obligations of the Company or any Restricted Subsidiary in respect of Hedging Agreements entered into in accordance with clause (b)(7) of "*—Certain Covenants—Limitation on Indebtedness*" or obligations in respect of Cash Management Arrangements entered into in the ordinary course of business (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such obligations); *provided* that, subject to the Security

Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such obligations also secure the Senior Secured Notes or Guarantees on a senior or *pari passu* basis; *provided further* that each holder of such obligations (or a representative acting on its behalf) shall have entered into the Intercreditor Agreement in the applicable capacity;

(g) Liens that are described in one or more of clauses (b), (d), (e), (f), (i), (j), (k), (l), (n), (o), (p), (q), (r), (s), (u), (v), (y), (dd), (ee), (ff) and (gg) (or in clause (hh) to the extent relating to any of the foregoing clauses) of the definition of Permitted Liens, it being understood that, except to the extent doing so would not be consistent with the applicable clause, any holder of such Lien (or a representative acting on its behalf) may, but shall not be required to, enter into the Intercreditor Agreement (or any additional intercreditor agreement) in the applicable capacity (determined based on whether the obligations secured by such Lien constitute Pari Passu Indebtedness or Subordinated Indebtedness);

(h) Liens securing obligations of the Company or any Restricted Subsidiary, as a primary obligor or as a guarantor, in respect of Proceeds Loans between the Company or any Restricted Subsidiary, as borrower, and the Company or any other Restricted Subsidiary, as lender, of the proceeds received from the issuance, incurrence or offering of any Indebtedness under any Credit Facilities and other Indebtedness permitted by "*—Certain Covenants—Limitation on Indebtedness*" to the extent such Proceeds Loans constitute Collateral; *provided* that such Indebtedness is or could be, at the time of creation of such Liens, secured by Permitted Collateral Liens under any of clauses (a) through (g) above or clause (i) below;

(i) Liens to secure any Indebtedness that is permitted to be incurred under clause (b)(14) of "*—Certain Covenants—Limitation on Indebtedness*" (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such Indebtedness); *provided* that after giving *pro forma* effect to the incurrence of such Indebtedness (including after giving *pro forma* effect to the use of the proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the Consolidated First Lien Net Leverage Ratio as of the last day of the most recent period of four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Indebtedness would either (i) be not greater than 3.00 to 1.00 or (ii) be not greater than it was immediately prior to giving *pro forma* effect to the relevant transaction and incurrence of such Indebtedness; *provided further* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Senior Secured Notes or Guarantees on a senior or *pari passu* basis and each holder of any such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Agreement in the applicable capacity;

(j) Liens to secure any Indebtedness of any Parent Holdco or any Financing Subsidiary or any Indebtedness of the Issuer or any Guarantor (including the 2026 Senior Notes and any guarantees of such 2026 Senior Notes, and guarantees of any other Indebtedness of any Parent Holdco or any Financing Subsidiary); *provided* that, subject to the Security Principles, all property and assets (including, without limitation, the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Senior Secured Notes or Guarantees on a senior basis and each holder of any such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Agreement in the applicable capacity; and

(k) Liens securing the obligations owed to agents and other representatives of creditors, in their capacity as such, under Indebtedness referred to under any of clauses (a) through (j) above.

"**Permitted Holders**" means each and any of:

(a) James A. Ratcliffe, John Reece and Andrew Currie and any Affiliate of any of the foregoing;

(b) any person having a relationship with James A. Ratcliffe, John Reece or Andrew Currie by blood, marriage or adoption not more remote than first cousin;

(c) any heir of James A. Ratcliffe, John Reece or Andrew Currie and any beneficiary of their respective estates;

(d) any trust or similar arrangement established solely for the benefit of James A. Ratcliffe, John Reece or Andrew Currie or any Person mentioned in clause (b) or (c) above; provided that James A. Ratcliffe, John Reece or Andrew Currie or any such Person retains sole control over the voting rights of the Capital Stock held by such trust or arrangement;

(e) any Person that is directly or indirectly owned solely by one or more Permitted Holders described under clause (a), (b), (c) or (d) of this definition; and

(f) any Person or group, together with its Affiliates, whose acquisition of beneficial ownership of the Voting Stock of the Company constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Senior Secured Notes Indenture.

"**Permitted Indebtedness**" has the meaning provided in paragraph (b) of "*—Certain Covenants—Limitation on Indebtedness*".

"**Permitted Investment**" means:

(a) Investments in (i) the Company, (ii) any Restricted Subsidiary of the Company (including the purchase of Capital Stock of any Restricted Subsidiary) or (iii) any Person which, as a result of such Investment, (A) becomes a Restricted Subsidiary of the Company or (B) is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or any Restricted Subsidiary of the Company;

(b) Indebtedness of the Company or a Restricted Subsidiary described under clauses (b)(3), (b)(4) and (b)(6) of "*—Certain Covenants—Limitation on Indebtedness*";

(c) Investments in (i) any of the term loans outstanding under the Existing Term Loan B Facilities or the New Term Loan B Facilities; *provided* that such term loans are cancelled upon the making of such Investment, (ii) any Senior Secured Notes, 2026 Senior Notes or Existing Senior Secured Notes, (iii) any Proceeds Loans or (iv) any other Senior Secured Indebtedness (including, in each case, any guarantees in respect thereof);

(d) Investments in cash, cash equivalents and Temporary Cash Investments;

(e) Investments acquired by the Company or any Restricted Subsidiary in connection with an Asset Sale permitted under "*—Certain Covenants—Limitation on Sale of Assets*" to the extent such Investments are non-cash proceeds or deemed cash proceeds as permitted under such covenant, and Investments acquired by the Company or any Restricted Subsidiary in connection with a sale or other disposition that is specifically excluded from the definition of "Asset Sale" to the extent such Investments are non-cash proceeds or deemed cash proceeds;

(f) (i) Investments in existence (or made pursuant to, and as required under, legally binding agreements that exist) on the Issue Date and (ii) Investments consisting of any modification, replacement, renewal, reinvestment or extension of any of the foregoing (including, for the avoidance of doubt, modifications in the form of interposing one or more Restricted Subsidiaries to directly or indirectly hold such Investments or any other internal reorganization); *provided* that the amount of any Investment permitted pursuant to this clause (ii) is not increased from the amount of such Investment in existence on (or the amount thereof required under legally binding agreements that exist on) the Issue Date except pursuant to the terms of such Investment as of the Issue Date or as otherwise permitted under "*—Certain Covenants—Limitation on Restricted Payments*";

(g) receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided*, *however*, that such trade terms may include such concessionary trade terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances;

(h) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(i) loans or advances to directors, officers, employees and consultants of any Parent Holdco, the Company

or any of its Restricted Subsidiaries made in the ordinary course of business not to exceed € 20.0 million in the aggregate at any one time outstanding;

(j) Investments received in satisfaction of judgments or pursuant to any plan of reorganization, compromise or similar arrangement upon the bankruptcy or insolvency of a debtor, or in settlement of delinquent obligations of, or other disputes with, customers and suppliers or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(k) Hedging Obligations incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*";

(l) any Investment in respect of any Permitted Joint Venture or any other joint venture of the Company or any Restricted Subsidiary so long as the aggregate outstanding amount of such Investments, together with the aggregate outstanding principal amount of any Indebtedness incurred under clause (b)(17) of "*—Certain Covenants—Limitation on Indebtedness*" (without duplication to the extent proceeds of any such Indebtedness are used to make any such Investment), does not exceed at the time of such Investment and after giving *pro forma* effect thereto (including the use of proceeds thereof) the sum of (i) the greater of (x) €500.0 million and (y) 5.00% of Total Assets *plus* (ii) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under clause (b)(17) of "*—Certain Covenants—Limitation on Indebtedness*";

(m) (i)(A) Investments of any Person referred to in clause (a)(ii) or (a)(iii) of this definition that exist (or are made pursuant to, and as required under, legally binding agreements that exist) on the date such Person becomes a Restricted Subsidiary or is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or any Restricted Subsidiary (for the avoidance of doubt, in any event including (x) any such Investments even if they are acquired or made by the Company or any Restricted Subsidiary after (but only if such Investments are acquired or made pursuant to legally binding agreements that exist at the time of) such Person becoming a Restricted Subsidiary or the consummation of the applicable merger, consolidation, amalgamation, transfer, conveyance or liquidation) and (y) any Investments in any joint venture of any such Person entered into or made pursuant to such binding agreement, whether or not such joint venture is acquired by the Company or any Restricted Subsidiary after such Person becomes a Restricted Subsidiary or after the consummation of such merger, consolidation, amalgamation, transfer, conveyance or liquidation); *provided* that such Investment was not acquired or made (for the avoidance of doubt, other than as part of an internal reorganization) in contemplation of such Person becoming a Restricted Subsidiary or such merger, consolidation, amalgamation, transfer, conveyance or liquidation; and (B) any Investments in any joint venture of the Company or any Restricted Subsidiary (including any Investments in any joint venture of the Aromatics and Acetyls Businesses) that exist (or that are made pursuant to, and as required under, legally binding agreements that exist) on the Issue Date; and (ii) Investments consisting of any modification, replacement, renewal, reinvestment or extension of any of the foregoing (including, for the avoidance of doubt, modifications in the form of interposing one or more Restricted Subsidiaries to directly or indirectly hold such Investments or any other internal reorganization); *provided* that the amount of any Investment permitted pursuant to this clause (ii) is not increased from the amount of such Investment in existence on (or the amount thereof required under legally binding agreements that exist on) the date referred to in clause (i) above except pursuant to the terms of such Investment as of such date or as otherwise permitted under "*—Certain Covenants—Limitation on Restricted Payments*";

(n) (i) loans or other Investments made in connection with a Permitted Receivables Financing and (ii) Investments that may be deemed to exist as a result of the terms of any inventory financing or similar arrangement permitted under the terms of the Senior Secured Notes Indenture;

(o) guarantees not prohibited by "*—Certain Covenants—Limitation on Indebtedness*";

(p) any Investment by the Company or any Restricted Subsidiary that, together with the aggregate outstanding amount of all other Investments under this clause (p), does not exceed at the time of such Investment and after giving *pro forma* effect thereto (including the use of proceeds thereof) the greater of (i) €500.0 million and (ii) 5.00% of Total Assets;

(q) loans or advances to directors, officers, employees or consultants of the Parent or any of its Restricted Subsidiaries to fund the purchase of Capital Stock of the Company or any Parent Holdco not to exceed

€10.0 million in any calendar year (with unused amounts in any calendar year (less any amount carried forward to such calendar year) being carried forward to either of the immediately subsequent two calendar years);

(r) Investments (or increases in Investments) that result solely from the receipt by the Company or any of its Restricted Subsidiaries of a dividend, distribution or other payment in respect of Investments held by the Company or any of its Restricted Subsidiaries of the type that would constitute a Restricted Payment or a Permitted Payment if undertaken by the Company or a Restricted Subsidiary in the form of Capital Stock, evidences of Indebtedness or other securities (but not any additions thereto made after the date of the receipt thereof unless such additions involve no additional cost to the Company or any Restricted Subsidiary);

(s) deposits and progress or similar payments made in the ordinary course of business with respect to capital equipment and construction projects;

(t) the BP Acquisition and the INOVYN Contribution, including (i) any Investments acquired in connection therewith or as a result thereof (including Investments in any of China American Petrochemical Company Ltd., INEOS Runcorn (TPS) Holdings Limited and INEOS Runcorn (TPS) Limited) and (ii) any Investment with the proceeds of any indemnity, reimbursement or similar payments received by the Company or any Restricted Subsidiary pursuant to the BP Acquisition Agreement to the extent such Investment is made in connection to the matter to which such indemnity, reimbursement or similar payment relates;

(u) any Investment resulting from the designation as an Unrestricted Subsidiary of any of the following joint ventures acquired in connection with the BP Acquisition: Akra Polyester, S.A. de C.V.; Atlas Methanol Company Unlimited; BP Petronas Acetyls Sdn. Bhd. (Malaysia); BP YPC Acetyls Company (Nanjing) Limited (南京扬子石化碧辟乙酰有限责任公司); China American Petrochemical Company Ltd.; Formosa BP Chemicals Corporation; Lotte BP Chemical Co., Ltd.; Tereftalatos Mexicanos, S.A. de C.V.; Tricoya Technologies Limited; Tricoya Ventures UK Limited; and Yangtze River Acetyls Co. Ltd. (扬子江乙酰化工有限公司);

(v) Investments in joint ventures formed primarily for the purpose of conducting business operations in China (for the avoidance of doubt, whether made directly or indirectly, and including any Investments made in any Subsidiary for the purpose of making any Investment in any such joint venture), *provided* that, in the case of any such Investment in such joint ventures, (i) such Investment (A) exists (or is made as contemplated by legally binding agreements that exist) on the Issue Date or (B) is an Investment consisting of any modification, replacement, renewal, reinvestment or extension of any Investment referred to in clause (A) above (including modifications in the form of interposing one or more Subsidiaries to directly or indirectly hold such Investments or any other internal reorganization), *provided* that the amount of any Investment permitted pursuant to this clause (B) is not increased from the amount of such Investment in existence on (or the amount thereof contemplated by legally binding agreements that exist on) the Issue Date except pursuant to the terms of such Investment as of the Issue Date or as otherwise permitted under "*—Certain Covenants—Restricted Payments*", (ii) such Investment is in any joint venture with China Petroleum & Chemical Corporation (Sinopec) or any Affiliate thereof or (iii) such Investment, together with the aggregate outstanding amount of all other Investments under this clause (iii), does not exceed at the time of such Investment and after giving pro forma effect thereof (including the use of proceeds thereof) the greater of (A) €150.0 million and (B) 1.00% of Total Assets;

(w) any Investment in respect of any Permitted Joint Venture or any other joint venture of the Company or any Restricted Subsidiary as required by, or made pursuant to, customary contractual buy/sell or similar arrangements between the parties thereto set forth in joint venture agreements, shareholder agreements and similar binding arrangements; and

(x) Investments in connection with intercompany cash management arrangements and related activities in the ordinary course of business.

In connection with any assets or property contributed or transferred to any Person as an Investment, such property and assets shall be equal to the Fair Market Value at the time of Investment. For the avoidance of doubt, if an Investment is made pursuant to any clause of this definition in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person subsequently becomes a Restricted

Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to "*—Certain Covenants—Limitation on Unrestricted Subsidiaries*", such Investment may thereafter be deemed to have been made under clause (a)(ii) or (a)(iii) above and not such other clause of this definition.

"**Permitted Joint Venture**" means:

(a) (i) each of the joint ventures of the Company and any of its Restricted Subsidiaries existing on the Issue Date, (ii) each of the joint ventures of IndustriEl AS, INEOS Runcorn (TPS) Limited, INOVYN Olefines France SAS, Runcorn MCP Limited and TTE Training Limited and (iii) each of the joint ventures acquired in connection with the BP Acquisition, or any successor entity to any of the foregoing joint ventures;

(b) any Person in which the Company or any of its Restricted Subsidiaries owns, directly or indirectly, not more than 50.0% of the total voting power represented by the outstanding Voting Stock of such Person and which is in a business relating, incidental or complementary to the business of the Company and its Restricted Subsidiaries; and

(c) any Unrestricted Subsidiary.

"**Permitted Jurisdiction**" means (a) any state of the United States (or the District of Columbia), Luxembourg, Canada, the Netherlands, Germany or England and Wales, or (b) any other jurisdiction if the organization of the relevant Person in such other jurisdiction is not, in the good faith determination of the Company, materially adverse to the interests of the holders of the Senior Secured Notes with respect to the Guarantees or the Collateral as compared to a jurisdiction referred to in clause (a) (it being agreed, without limiting the generality of the foregoing, that the organization of the relevant Person in any jurisdiction the laws of which provide for a moratorium, an automatic stay or similar restrictions on the enforcement of the Liens on any Collateral in the form of Capital Stock in the Company shall be deemed to be materially adverse to such interests of the holders of the Senior Secured Notes).

"**Permitted Lien**" means:

(a) any Lien existing on the Issue Date;

(b) any Lien arising by reason of:

(1) any judgment, decree or order of any court and any Liens that are required to protect or enforce any rights in any administrative, arbitration or other court proceedings in the ordinary course of business;

(2) Taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings and, to the extent required by IFRS, for which reserves have been established in accordance with IFRS;

(3) security for payment of workers' compensation or other insurance (including general liability exposure of the Parent, any Parent Intermediate Holdco, the Company and its Restricted Subsidiaries);

(4) security for tenders, bids, leases and contracts (other than contracts for the payment of money);

(5) zoning restrictions, building codes, land use laws, easements, licenses, reservations, limitations, appropriations, title defects, statutory exceptions to title, conditions revealed by an accurate survey or a physical inspection of real property, rights of others for rights of way, utilities, sewers, electric lines, telephone or telegraph lines, and other similar purposes, provisions, covenants, conditions, waivers, restrictions on the use of real property or minor irregularities of title (and with respect to leasehold interests, mortgages, obligations, liens, easements and other encumbrances incurred, created, assumed or permitted to exist and arising by, through or under a landlord or owner of the leased property, with or without consent of the lessee), none of which materially impairs the use of any parcel of real property material to the operation of the business of the Company or any Restricted Subsidiary or the value of such property for the purpose of such business;

(6) security for public or statutory obligations, or in lieu of surety or appeal bonds;

(7) operation of law or any inchoate Lien, or in favor of mechanics, carriers, warehousemen, landlords, materialmen, laborers, contractors, subcontractors, employees, suppliers or similar Persons, incurred in the ordinary course of business for sums which are not yet overdue for a period of more than 60 days or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof, or any Lien imposed pursuant to applicable Canadian federal or provincial pension benefits standards legislation for amounts required to be remitted but not yet due;

(8) compliance with the requirements of section 8a of the German Act on Partial Retirement (*Altersteilzeitgesetz*) or similar arrangements under applicable law or sections 7b and 7e of the German Social Security Code IV (*Sozialgesetzbuch IV*);

(9) operation of law (sections 22, 204 or 125 of the German Transformation Act (*Umwandlungsgesetz*)) in favor of creditors as a consequence of a merger, demerger or conversion permitted under the Senior Secured Notes Indenture; or

(10) operation of law in favor of social security bodies or administrators;

(c) any Lien securing Hedging Obligations (other than Hedging Obligations that are secured by Permitted Collateral Liens on the Collateral);

(d) any Lien securing Acquired Indebtedness created prior to (and not created in connection with, or in contemplation of) the incurrence of such Indebtedness by the Company or any Restricted Subsidiary; *provided* that such Lien does not extend to any property or assets of the Company or any Restricted Subsidiary other than the assets acquired in connection with the incurrence of such Acquired Indebtedness by the Company or any Restricted Subsidiary (or, pursuant to the terms of such Acquired Indebtedness as then in effect, required to be subject thereto) and additions and accessions thereto and proceeds therefrom;

(e) any Lien to secure the performance of bids, trade contracts, leases (including statutory and common law landlord's liens), statutory obligations, performance, completion surety, Tax, appeal, judgment, customs or VAT bonds, guarantees or similar instruments, letters of credit (including obligations under any LC Facility) and other obligations of a like nature incurred in the ordinary course of business of the Parent, any Parent Intermediate Holdco, the Company or any Restricted Subsidiary;

(f) any Lien securing Finance Lease Obligations, Purchase Money Obligations or other Indebtedness that is incurred in connection with the financing of all or any part of the purchase price, lease expense or cost of development, construction or improvement of real or personal, moveable or immovable property (including Capital Stock) used or to be used in the business of the Company, any of its Restricted Subsidiaries or a Permitted Joint Venture, or any Permitted Refinancing Indebtedness with respect to any such Indebtedness; *provided* that such Lien shall only extend to such acquired, leased, developed, constructed or improved property (and any rights relating thereto) and additions and accessions thereto and proceeds therefrom, such Lien shall secure Indebtedness in an amount not in excess of the original purchase price or the original cost (or if greater, the Fair Market Value) of any such property or any such development, construction or improvement (or such Indebtedness shall be with recourse solely to such property (including such related rights), additions and accessions thereto and any proceeds therefrom) and the incurrence of such Indebtedness is permitted by "*—Certain Covenants—Limitation on Indebtedness*";

(g) Liens on Capital Stock in or assets of any Restricted Subsidiary of the Company that is not a Guarantor securing Indebtedness of any Restricted Subsidiary of the Company that is not a Guarantor;

(h) Liens in favor of the Company or any of its Restricted Subsidiaries;

(i) banker's liens, rights of set-off or similar rights and remedies as to deposit accounts, securities accounts or other funds maintained with a depositary institution or securities intermediary or Liens arising under the general terms and conditions of banks or savings and loans or other financial institutions (*Allgemeine Geschäftsbedingungen der Banken oder Sparkassen*); *provided* that such deposit account or securities account is not intended by the Parent, any Parent Intermediate Holdco, the Company or any Restricted Subsidiary to provide collateral to the depositary institution or securities intermediary;

(j) "precautionary" or purported Liens regarding operating leases or any sale, transfer or other disposition of any receivables (and/or any related assets, including any credit support or payment instruments relating to receivables), including filings of Uniform Commercial Code financing statements (or the equivalent in any other jurisdiction) and any other "precautionary" Liens;

(k) (i) mortgages, liens, security interests, restrictions, easements, encumbrances or any other matters that have been placed by any developer, landlord or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any real property leased by the Company or any Restricted Subsidiary and subordination or similar agreements relating thereto, (ii) easements, restrictions, rights of way, operating agreements and other similar matters with or for the benefit of any public utility provider or with or for the benefit of any developer or other third party purchaser on any real property conveyed by the Company or any Restricted Subsidiary to such developer or third party purchaser in accordance with "*—Certain Covenants—Limitation on Sale of Assets*" or otherwise permitted under the Senior Secured Notes Indenture, and (iii) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(l) any provision for the retention of title to any asset by the vendor or transferor of such asset which asset is acquired by the Company or any Restricted Subsidiary in a transaction entered into in the ordinary course of business of the Company or such Restricted Subsidiary and for which kind of transaction it is normal market practice for such retention of title provision to be included;

(m) other Liens; *provided* that, immediately after giving effect to the creation, incurrence or assumption of any such Lien, the aggregate outstanding principal amount of all Indebtedness secured pursuant to this clause (m) does not exceed, at the time such Lien is created, incurred or assumed and after giving *pro forma* effect to the incurrence of such Indebtedness (including the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow) the greater of (x) €550.0 million and (y) 7.50% of Total Assets;

(n) leases (including operating leases), licenses, subleases and sublicenses of assets (including real property and Intellectual Property Rights), in each case entered into in the ordinary course of business, including, for the avoidance of doubt, (i) ground leases entered into by any Restricted Group Company in connection with any development, construction, operation or improvement of assets on any real property owned by any Restricted Group Company (and any Liens created by the lessee (in the case of any lessee that is a Restricted Group Company, only if such Liens are otherwise permitted under the Senior Secured Notes Indenture) in connection with any such ground lease, including easements and rights of way, or on any of its assets located on the real property subject to such ground lease), and (ii) leases, licenses, subleases and sublicenses in respect of real property to any trading counterparty to which any Restricted Group Company provides services on such real property in the ordinary course of its trading;

(o) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(p) Liens on Receivables Assets created or incurred in connection with any Permitted Receivables Financing;

(q) Liens on Capital Stock in or assets of a Receivables Subsidiary to secure Indebtedness or other obligations incurred in connection with any Permitted Receivables Financing;

(r) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(s) Liens on Capital Stock in or other securities of any Unrestricted Subsidiary that secure Indebtedness of any Unrestricted Subsidiary;

(t) any limited recourse Lien to secure Indebtedness incurred in connection with any project financing; *provided* that the assets or revenues which are subject to that Lien are:

(i) assets which are the subject of the applicable project; or

(ii) claims, revenues or proceeds which arise from the use or operation, failure to meet

specifications, failure to complete, expropriation, sale, or loss of or damage to those assets;

(u) pledges of goods, the related documents of title and/or other related documents arising or created in the ordinary course of the Company's or any Restricted Subsidiary's business or operations as Liens only for Indebtedness to a bank or financial institution directly relating to the goods or documents on or over which that pledge exists;

(v) Liens created on any asset acquired by the Company or a Restricted Subsidiary or developed by the Company or a Restricted Subsidiary after the Issue Date for the sole purpose of financing or refinancing such acquisition or development and securing not more than 100% of the cost of acquisition or development; *provided* that (i) such Lien is released within 6 months of such acquisition or completion of such development or (ii) such Lien shall only extend to such acquired or developed asset (and any rights relating thereto, including Capital Stock) and additions and accessions thereto and any proceeds therefrom;

(w) Liens (other than floating charges) constituting finance leases over the assets leased pursuant to such permitted finance leases;

(x) Liens on any escrow account, and all funds, securities, interest, dividends, distributions and other property and payments deposited into or credited to such escrow account, pursuant to any purchase price retention arrangement as part of any permitted disposition by the Company or a Restricted Subsidiary; *provided* that the cash paid into such escrow account in relation to a disposition does not represent more than 15% of the net proceeds of such disposition;

(y) Liens on Capital Stock in or assets of joint ventures securing obligations of joint ventures; provided that the incurrence of the liability secured by such Lien is not prohibited by "*—Certain Covenants—Limitation on Indebtedness*";

(z) Permitted Collateral Liens (for the avoidance of doubt, whether such Liens are on Collateral or other assets);

(aa) Liens on any Proceeds Loans made by the Company or any Restricted Subsidiary in connection with any incurrence of Indebtedness (other than any Indebtedness of the type referred to in the proviso to clause (h) of the definition of Permitted Collateral Liens secured by Permitted Collateral Liens) permitted under the Senior Secured Notes Indenture and securing that Indebtedness (without any requirement to secure the Senior Secured Notes or Guarantees with a Lien on such Proceeds Loans);

(bb) Liens incurred to secure Cash Management Arrangements or to implement cash pooling arrangements or to cash collateralize letters of credit, bank guarantees or similar instruments in the ordinary course of business, and Liens incurred by any LC Account Party to secure obligations under any LC Facility;

(cc) Liens on cash, cash equivalents and Temporary Cash Investments made to defease or satisfy and discharge any Indebtedness;

(dd) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof);

(ee) Liens arising in connection with Indebtedness incurred pursuant to clause (b)(5) of "*—Certain Covenants—Limitation on Indebtedness*";

(ff) Liens on any property or assets acquired in connection with the BP Acquisition to the extent such Liens are permitted to remain outstanding following the BP Acquisition pursuant to the BP Acquisition Agreement (and remain outstanding on December 31, 2020); *provided* that such Liens shall only extend to such property or assets (*plus* improvements or accessions thereto or proceeds therefrom);

(gg) Liens arising in connection with any sale and leaseback transaction funded directly or indirectly by a German pension trust; and

(hh) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (gg); *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements or accessions thereto or proceeds therefrom) that secured (or,

under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien under the Senior Secured Notes Indenture.

"**Permitted Payment**" has the meaning provided in clause (c) of the "*—Limitation on Restricted Payments*" covenant.

"**Permitted Receivables Financing**" means (a) the INEOS Styrolution Securitization Programs, (b) for so long as INOVYN Limited is a Restricted Subsidiary of the Company, the INOVYN Securitization Program and (c) any other financing pursuant to which the Company or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person, and grant a security interest in, any receivables (and related assets, including any credit support relating to such receivables) of the Company or any of its Restricted Subsidiaries; *provided* that, in each case, (i) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Board of Directors or senior management of the Company) at the time such financing is entered into and (ii) such financing shall be non-recourse to the Company or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) except to a limited extent customary for such transactions and for any Guarantee permitted by clause (19) of paragraph (b) under the caption "*—Certain Covenants—Limitation on Indebtedness*". The amount of any Permitted Receivables Financing shall be deemed for the purposes hereof, at any time, to be the amount that would be required to repay, discharge or satisfy all obligations owing to lenders or other third party investors that have made loans or extended credit in respect of such Permitted Receivables Financing, if such Permitted Receivables Financing were to be terminated at such time. For the avoidance of doubt, a "factoring" or similar arrangement shall not constitute a Permitted Receivables Financing.

"**Permitted Refinancing Indebtedness**" means any Indebtedness that refinances any Indebtedness, including any successive refinancings, so long as:

(a) such Indebtedness is in an aggregate principal or commitment amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal or commitment amount, respectively, of the Indebtedness being refinanced and (ii) an amount necessary to pay any fees (including original issue discount) and expenses, including premiums and defeasance costs, related to such refinancing; and

(b) (i) the Average Life of such Indebtedness is equal to or greater than the Average Life of the Indebtedness being refinanced, (ii) the final Stated Maturity of such Indebtedness is no earlier than the final Stated Maturity of the Indebtedness being refinanced, (iii) in the case of a refinancing of Subordinated Indebtedness, such Indebtedness is subordinated to the Senior Secured Notes and the Guarantees on substantially the same terms (or on terms (taken as a whole) that are not materially less favorable to the holders of the Senior Secured Notes) as provided in any applicable Intercreditor Agreement, as determined by the Company in good faith, and (iv) in the case of a refinancing of Subordinated Lien Indebtedness, the Liens securing such Indebtedness are subordinated to the Liens securing the Senior Secured Notes and the Guarantees on substantially the same terms (or on terms (taken as a whole) that are not materially less favorable to the holders of the Senior Secured Notes) as set forth in the Intercreditor Agreement as applicable to the "Second Lien Debt" under and as defined in the Intercreditor Agreement, as determined by the Company in good faith; *provided* that the requirements of clauses (i) and (ii) above shall apply only to (1) refinancings of Indebtedness to the extent the making of any principal payment on, or the purchase, repurchase, redemption, defeasance, retirement or other acquisition for value of, the Indebtedness being refinanced would constitute a Restricted Payment included under clause (2)(C) or clause (3) of paragraph (a) under the "*—Limitation on Restricted Payments*" covenant and (2) refinancings of Indebtedness to the extent the Indebtedness being refinanced was incurred pursuant to a provision of this Agreement that included an express limitation as to the final Stated Maturity or the Average Life of such Indebtedness; *provided further* that the requirements of clauses (i) and (ii) above shall in any event not apply to any refinancings of Indebtedness under, or with Indebtedness under, any revolving credit, working capital, commercial paper or letter of credit facilities, any receivables financing, any inventory financing, any capital lease or finance lease or any project finance, purchase money or similar financing;

provided that Permitted Refinancing Indebtedness shall not include (i) Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary or (ii) solely to the extent the Indebtedness being refinanced was incurred pursuant to a provision under the "*—Limitation on Indebtedness*" covenant that expressly provided that such Indebtedness may be incurred solely by a Borrower or a Guarantor, Indebtedness of a Person other than the Issuer or a Guarantor that refinances Indebtedness of the Issuer or a Guarantor. It is understood and agreed that (x) Permitted Refinancing Indebtedness in respect of any Indebtedness may be incurred from time to time after the

prepayment, repayment, redemption, repurchase, defeasance or other satisfaction of the Indebtedness being refinanced and (y) so long as the requirements of clauses (a) and (b) above and the immediately preceding proviso are satisfied, the Company may, at its election, deem any Indebtedness to constitute Permitted Refinancing Indebtedness in respect of any other Indebtedness that shall have been prepaid, repaid, redeemed, repurchased, defeased or otherwise satisfied prior to the incurrence of such Permitted Refinancing Indebtedness; *provided* that such prepayment, repayment, redemption, repurchase, defeasance or other satisfaction of such Indebtedness being refinanced was not made with the proceeds of other Long-Term Indebtedness.

"**Permitted Reorganization**" means any reorganization or corporate restructuring, on a solvent basis, involving one or more of the then current Parent, any Parent Intermediate Holdco, the then current Company or any of its Restricted Subsidiaries (any such reorganization or corporate restructuring, a "**Reorganization**"), whether or not such Reorganization also involves any other Person, including any merger, demerger, consolidation or amalgamation, any sale or other disposition of any assets or properties and any voluntary liquidation or winding up on a solvent basis, in each case, that is consummated as part of such Reorganization; *provided* that, in the case of any Reorganization and after giving effect to any related designations of a new Parent or a new Company as contemplated by the definition of such terms, (a) all the business and assets of the then current Company and its Restricted Subsidiaries (as in effect prior to such Reorganization) shall remain within the Company and its Restricted Subsidiaries (other than for such period, not in excess of 10 Business Days, as may be reasonably required, in the good faith determination of the Company, to effect such Reorganization or for such longer period as may be reasonably acceptable to the Trustee), (b) the Parent, each Parent Intermediate Holdco and the Company shall be organized or incorporated, as applicable, under the laws of a Permitted Jurisdiction, (c) any Capital Stock or other assets that constitute Collateral and that are subject to any sale or other disposition as part of such Reorganization shall remain (other than for such period, not in excess of 10 Business Days, as may be reasonably required, in the good faith determination of the Company, to effect such Reorganization or for such longer period as may be reasonably acceptable to the Trustee) Collateral (including as a result of Liens thereon granted by the new owner thereof), subject to Liens thereon securing the Senior Secured Notes and the Guarantees that are valid and enforceable substantially to the same extent as the Liens thereon were prior to such sale or other disposition, in each case, as determined by the Company in good faith, it being understood and agreed that, in connection with any Reorganization, Liens on any Collateral may be released and re-taken in a manner consistent with releases and re-takings permitted by clause (vi) of the second paragraph of "*—Certain Covenants—Impairment of Security Interest*", and (d) in the event of a sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the assets of, or a consolidation, amalgamation or merger with or into, the then current Parent, the then current Company, the Issuer or any Subsidiary Guarantor, the Surviving Entity thereof (if not the Parent, the Company, the Issuer or a Subsidiary Guarantor) shall assume the obligations of the Parent, the Company, the Issuer or such Subsidiary Guarantor, as applicable, in a manner consistent with "*—Consolidation, Merger, Sale of Assets*", as applicable. Nothing in this definition shall be deemed to restrict any merger, demerger, consolidation, amalgamation, sale or other disposition, voluntary liquidation, winding up or other transaction, or any release of any Collateral or any Guarantee, in each case, that is permitted pursuant to the provisions of the Senior Secured Notes Indenture other than those provisions expressly relating to a Permitted Reorganization.

"**Person**" means any individual, corporation, limited liability company (including, a public limited company and a private limited company incorporated under the laws of England and Wales), partnership, joint venture, association, joint stock company, trust, unincorporated organization or Governmental Authority.

"**Preferred Stock**" means, with respect to any Person, any Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class in such Person.

"**Proceeds Loans**" means any proceeds loan or other Indebtedness, in each case, arising from the lending of proceeds of any Indebtedness of any Parent Holdco, any Financing Subsidiary, the Issuer or any other Restricted Group Company to any Restricted Group Company.

"**Proceeds Loans Agreements**" means each loan agreement or any other agreement (a) by and among members of the Restricted Group or (b) by and among members of the Restricted Group, on the one hand, and any Parent Holdco or any Financing Subsidiary, on the other, evidencing or governing any Proceeds Loan, in each case, as amended, supplemented, restated or substituted from time to time.

"**Proceeds Loans Documents**" means the Proceeds Loans Agreements and any documents that provide a guarantee by any Guarantor of, or create a Lien over any Collateral or other assets of any Guarantor as security for, any Proceeds Loan, in each case, as amended, supplemented, restated or substituted from time to time.

"**Profit Pooling Agreement**" means any profit and loss transfer agreement (*Gewinnabführungsvertrag*) between

(a) the Company (as dominating entity) and any of its Restricted Subsidiaries, (b) any two Restricted Subsidiaries of the Company or (c) any Parent Holdco (as dominating entity) and the Company, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof, and any arrangements or transactions made between the parties to such Profit Pooling Agreement to satisfy the obligations arising under any such Profit Pooling Agreement (including, for the avoidance of doubt, distributions for purposes of compensating accounting losses in relation to a profit and loss pooling agreement and/or upstream loans to any Parent Holdco to enable any Parent Holdco to compensate the Company or such Subsidiary for losses incurred which may need to be compensated by a Parent Holdco under any Profit Pooling Agreement).

"**Project Finance Subsidiary**" means

(a) any Restricted Subsidiary formed by the Company for the purpose of acquiring (or constructing or developing) and operating any plant, facility or other fixed assets or any business and incurring Indebtedness in connection therewith, *provided* that such Restricted Subsidiary does not own any material assets other than

(i) the plant, facility, other fixed assets or businesses so acquired, constructed or developed, any additions and accessions thereto and proceeds therefrom (and any rights relating thereto),

(ii) assets relating to any of the foregoing (including contractual rights) or its activities in respect thereof (including to the operation thereof) or to its existence, and

(iii) cash, cash equivalents and Temporary Cash Investments and items of Indebtedness, and

(b) any Restricted Subsidiary that does not own any material assets other than the Capital Stock of a Restricted Subsidiary described in clause (a) above and assets relating thereto (including contractual rights) or to its existence, including cash, cash equivalents and Temporary Cash Investments and items of Indebtedness.

"**Public Debt**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act or (b) a private placement to institutional investors whether or not it is underwritten for resale in accordance with Rule 144A or Regulation S, and whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC.

"**Public Equity Offering**" means any transaction or series of related transactions (including, for the avoidance of doubt, any acquisition by, or combination or other similar transaction with, a special purpose acquisition company (or any other Person the ordinary shares (or equivalent thereof) of which become so publicly traded as part of such transactions)) that results in any of the ordinary shares (or equivalent thereof) of any Parent Holdco being publicly traded.

"**Public Parent Holdco**" shall mean any Parent Holdco the ordinary shares (or equivalent thereof) of which are, following the consummation of a Public Equity Offering, publicly traded.

"**Purchase Money Obligation**" means any Indebtedness secured by a Lien on assets of the Company and its Restricted Subsidiaries (and any additions and accessions thereto and proceeds therefrom) which are purchased, acquired, constructed, developed or improved by the Company or any Restricted Subsidiary at any time after the Issue Date; *provided* that:

(a) the security agreement or conditional sales or other title retention contract pursuant to which the Lien on such assets is created (collectively, a "**Purchase Money Security Agreement**") shall be entered into within 270 days after the purchase or acquisition or substantial completion of the construction, development or improvement of such assets and shall at all times be confined solely to such assets (and any rights relating thereto), any additions and accessions thereto and any proceeds therefrom; and

(b) either (i) the aggregate outstanding principal amount of Indebtedness secured thereby shall not at the time such Purchase Money Security Agreement is entered into exceed 100% of the purchase or acquisition price, or the cost of such construction, development or improvement (in each case, together with the fees, costs and expenses incurred in connection with the applicable acquisition, construction, development or improvement or such Indebtedness), to the Company or any Restricted Subsidiary of the assets subject thereto or (ii) the Indebtedness secured thereby shall be with recourse solely to such assets (including such related rights), any additions and accessions thereto and any proceeds therefrom.

"**Qualified Capital Stock**" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"**Rating Agency**" means any of S&P, Moody's, Fitch or any other "nationally recognized statistical ratings organization" (within the meaning of Rule 436 under the Securities Act).

"**Receivables Asset**s" means any assets that are or will be the subject of a Permitted Receivables Financing.

"**Receivables Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the Company or a Restricted Subsidiary in connection with, any Permitted Receivables Financing.

"**Receivables Repurchase Obligation**" means any obligation of a seller of Receivables Assets in a Permitted Receivables Financing to repurchase any Receivables Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of any receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Receivables Subsidiary**" means any Subsidiary of the Company that engages in no activities other than in connection with a Permitted Receivables Financing; *provided* that, other than pursuant to any Guarantee permitted by sub-clause (19) of paragraph (b) under the caption *"—Certain Covenants—Limitation on Indebtedness*":

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of such Subsidiary:

(1) is guaranteed by the Company or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to representations, warranties, covenants, and indemnities entered into in connection with a Permitted Receivables Financing);

(2) is recourse to (for the avoidance of doubt, other than as permitted by clause (3) below) or obligates the Company or any Restricted Subsidiary in any way other than pursuant to representations, warranties, covenants and indemnities entered into in connection with a Permitted Receivables Financing; or

(3) subjects any property or asset of the Company or any Restricted Subsidiary (other than receivables and related assets as provided in the definition of Permitted Receivables Financing and the Capital Stock of such Subsidiary), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to representations, warranties, covenants and indemnities entered into in connection with a Permitted Receivables Financing;

(b) neither the Company nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding with such Subsidiary other than on terms no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, other than fees payable in the ordinary course of business in connection with servicing accounts receivable; and

(c) neither the Company nor any Restricted Subsidiary has any obligation to maintain or preserve such Subsidiary's financial condition or cause such Subsidiary to achieve a certain level of operating results.

"**Redeemable Capital Stock**" means any Capital Stock that, either by its terms or by the terms of any security into which it is convertible or exchangeable or otherwise, is or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the Senior Secured Notes as of the time of the issuance thereof or is redeemable at the option of the holder thereof at any time prior to such final Stated Maturity of the Senior Secured Notes (other than upon a change of control or an asset sale (howsoever defined) in circumstances where the holders of the Senior Secured Notes would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final Stated Maturity of the Senior Secured Notes at the option of the holder thereof; *provided* that (a) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Redeemable Capital Stock and (b) any Capital Stock that would constitute Redeemable Capital Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale (howsoever defined) shall not constitute Redeemable Capital Stock if any such redemption or

repurchase obligation is subject to compliance by the relevant Person with "*—Certain Covenants—Limitation on Restricted Payments*".

"**Redesignation**" has the meaning provided in the "*—Limitation on Unrestricted Subsidiaries*" covenant.

"**refinances**" shall mean renews, extends, repays, substitutes, refinances or replaces; "**refinanced**" and "**refinancing**" shall have correlative meanings.

"**Regulation S-X**" means Regulation S-X under the Exchange Act as from time to time in effect.

"**Remedy Entity**" means Runcorn MCP Limited, its successors and each of their respective Subsidiaries.

"**Rental Payments**" means rental payments made by the Company and its Restricted Subsidiaries under leases and sub-leases on reasonable commercial terms (as determined in good faith by the Company) in respect of the headquarters or other offices or facilities used by the Company and/or its Restricted Subsidiaries.

"**Restricted Group**" shall mean the Company and its Restricted Subsidiaries from time to time.

"**Restricted Group Company**" shall mean a member of the Restricted Group.

"**Restricted Payment**" has the meaning provided in clause (a) of the "*—Limitation on Restricted Payments*" covenant.

"**Restricted Subsidiary**" means in the case of any reference to (a) the Company and its Restricted Subsidiaries, any Subsidiary of the Company other than an Unrestricted Subsidiary, or (b) the Parent and its Restricted Subsidiaries, any Parent Intermediate Holdco, any Financing Subsidiary, the Company and any Subsidiary of the Company other than an Unrestricted Subsidiary.

"**Revolving Credit Facility**" means the $300 million revolving credit facility made available under the 2020 Facilities Agreement.

"**RPI**" means the index entitled "General Index of Retail Prices" prepared by the Office for National Statistics from time to time (or, if that index ceases to be so prepared, such other comparable index as is generally accepted).

"**Run Rate Adjustment**" has the meaning provided in the definition of Consolidated Adjusted EBITDA.

"**S&P**" means S&P Global Ratings, a division of S&P Global Inc., or any successor to its rating business.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"**Security Agent**" means HSBC Corporate Trustee Company (UK) Limited, in its capacity as security agent under the Security Documents, or any successor security agent pursuant to the Intercreditor Agreement.

"**Security Documents**" means each document that provides for a Lien in favor of the Security Agent, for the benefit of the Trustee and the holders of the Senior Secured Notes, over any Collateral, in each case, as amended, supplemented, restated and/or substituted from time to time.

"**Security Interests**" means the security interests that secure the obligations under the Senior Secured Notes and the Guarantees created by the Security Documents.

"**Security Principles**" means the Security Principles set forth in the Senior Secured Notes Indenture (or a schedule thereto), as applied reasonably and in good faith by the Company. For the avoidance of doubt, any requirement set forth in the Senior Secured Notes Indenture with respect to the granting of a Lien or Guarantee under the Senior Secured Notes Indenture shall be subject to the Security Principles.

"**Senior Indebtedness**" means any Indebtedness of the Company or any of its Restricted Subsidiaries that is not Subordinated Indebtedness.

"**Senior Notes Proceeds Loan Notes**" means the loan notes in the amount of the gross proceeds of the 2026 Senior Notes by and among the Company, as borrower, and INEOS Quattro Finance 1 Plc, as lender, and all loans

directly or indirectly replacing or refinancing such loan or any portion thereof.

"**Senior Notes Shared Collateral**" means (a) the Senior Notes Proceeds Loan Notes and (b) the Capital Stock of the Company.

"**Senior Secured Indebtedness**" shall mean the Senior Secured Notes and any other Senior Indebtedness that is secured by Liens on the Collateral ranking *pari passu* with the Liens on the Collateral securing the Senior Secured Notes as permitted by the Senior Secured Notes Indenture (and, for the avoidance of doubt, excluding any Indebtedness secured on a junior priority basis by a Lien on any Collateral).

"**Senior Secured Notes**" means the $400.0 million aggregate principal amount $9^5/_8$ % Senior Secured Notes due 2029 and the €525.0 million aggregate principal amount $8^1/_2$ % Senior Secured Notes due 2029 issued on the Issue Date by INEOS Quattro Finance 2 Plc.

"Senior Secured Notes Documents" means the Senior Secured Notes (including Additional Senior Secured Notes), the Senior Secured Notes Indenture, the Security Documents and the Intercreditor Agreement.

"**Senior Secured Notes Indenture**" means the indenture dated as of the Issue Date, among the Parent, INEOS Quattro Finance 2 Plc, the guarantors named therein, HSBC Corporate Trustee Company (UK) Limited, as trustee, HSBC Bank PLC, as registrar, paying agent and transfer agent for the Euro Senior Secured Notes, HSBC Bank USA, National Association, as registrar, paying agent and transfer agent for the Dollar Senior Secured Notes and HSBC Corporate Trustee Company (UK) Limited, as security agent, as it may from time to time be supplemented or amended by one or more indentures supplemental thereto entered into pursuant to the applicable provisions thereof.

"**Senior Secured Notes Proceeds Loans**" means, collectively, the Dollar Senior Secured Notes Proceeds Loan and the Euro Senior Secured Notes Proceeds Loan and any proceeds loan from the Issuer to the Company or a Restricted Subsidiary of the Company of the gross proceeds from the issuance of Additional Senior Secured Notes permitted by the Senior Secured Notes Indenture and, in each case, all loans directly or indirectly replacing or refinancing such loan or portion thereof.

"**Significant Restricted Subsidiary**" means, at the date of determination, any Restricted Subsidiary of the Company that, on a Consolidated basis with its Restricted Subsidiaries, (a) for the most recent fiscal year for which audited consolidated financial statements of the Parent shall have been delivered pursuant to paragraph (1) under "—*Certain Covenants—Provision of Financial Statements*", accounted for more than 10% of the Consolidated revenues of the Parent or (b) as of the end of the most recent fiscal quarter for which consolidated financial statements of the Parent shall have been delivered pursuant to paragraph (1) or (2) under "—*Certain Covenants—Provision of Financial Statements*", was the owner of more than 10% of the Consolidated assets of the Parent.

"**Special Flood Hazard Area**" shall mean an area that FEMA has designated as an area subject to special flood or mud slide hazards.

"**Specified Affiliate Payments**" means:

(a) the purchase of (and any dividend, distribution, loan or other payment to any Parent Holdco, Affiliate or employee trust or similar entity to effect the purchase of) (i) any Capital Stock of the Company, any Restricted Subsidiary or any Parent Holdco or (ii) any employee loan stock of the Company, any Restricted Subsidiary or any Parent Holdco, in each case held by any future, present or former employee, director, officer or consultant of any Parent Holdco, the Company or any of its Restricted Subsidiaries (or their estates or beneficiaries under their estates) pursuant to any management equity subscription agreement, stock option agreement, put agreement, consulting agreement, stockholder agreement or similar agreement or employee loan stock scheme that may be in effect from time to time; *provided* that the aggregate price paid for all such purchased Capital Stock and employee loan stock shall not exceed €10.0 million in any calendar year (with unused amounts in any calendar year (beginning with 2020) being carried over to succeeding calendar years subject to a maximum amount of purchases pursuant to this clause (a) of €20.0 million in any calendar year);

(b) transactions with customers, clients, suppliers and distributors, and other purchases or sales of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Senior Secured Notes Indenture, which when taken together are fair to the Company and its Restricted Subsidiaries, as determined in good faith by the Board of Directors or the senior management of the Company, or are on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person that is not an Affiliate, as

determined in good faith by the Board of Directors or senior management of the Company;

(c) dividends, distributions, loans or other amounts paid to or on behalf of any Parent Holdco in amounts equal to amounts required for such Person to pay (i) audit fees and expenses, (ii) directors' fees, remuneration and expenses (including customary indemnification obligations and director and officer insurance premia), (iii) corporate overhead and salary or other compensation to existing and future employees allocable to the Company and its Restricted Subsidiaries, (iv) other ordinary course expenses required to maintain its corporate existence, (v) amounts required in relation to public reporting and registration and on-going administration of any securities or other Indebtedness and the Intercreditor Agreement and (vi) payments of fees under management agreements to INEOS Capital pursuant to agreements in effect on the Issue Date and any amendment or modifications thereof; *provided* that any amendments or modifications to the terms thereof are not materially adverse to the interests of the holders of the Senior Secured Notes in their capacity as such;

(d) dividends, distributions, loans or other amounts paid to or on behalf of any Parent Holdco in amounts equal to amounts required by any Parent Holdco to pay income or corporation taxes or VAT, but only to the extent such income or corporation taxes or VAT are attributable to the business of the Parent Holdcos, the Company or its Restricted Subsidiaries;

(e) the payment of any other amounts; *provided* that the total aggregate amount of Specified Affiliate Payments made under this clause (e) does not exceed in any fiscal year the greater of (x) € 125.0 million and (y) 1.375% of Total Assets at the time such payment is made;

(f) the payment of an annual management fee (in whatever form, including by means of a dividend, distribution or loan) to any Parent Holdco, any Permitted Holder or any of their respective Affiliates; *provided* that the total amount of Specified Affiliate Payments made under this clause (f) does not exceed in any fiscal year the greater of (x) €75.0 million (adjusted, since November 7, 2014, in accordance with the RPI) and (y) 0.8% of Total Assets at the time such payment is made;

(g) Rental Payments; and

(h) the payment of any amount, including any dividend, distribution or loan, in connection with the funding of, and other transactions in connection with, any pension obligations or to or by, or with, any pension trust or other pension vehicle.

"**Sponsor Purchasers**" means any of the Permitted Holders and any of their Affiliates (other than the Company and its Subsidiaries).

"**Stated Maturity**" means, when used with respect to any Indebtedness or any installment of interest thereon, the dates specified in such Indebtedness as the fixed date on which the principal of such Indebtedness or such installment of interest, as the case may be, is due and payable. For the avoidance of doubt, references to the "final Stated Maturity" of any Indebtedness shall mean the final scheduled repayment in respect of such Indebtedness, and in determining such final scheduled repayment date for any Indebtedness incurred in the form of a bridge or other interim credit facility intended to be extended, renewed or refinanced with Long-Term Indebtedness, the initial maturity date or rollover date (however denominated) thereof shall be disregarded so long as such credit facility includes customary "rollover" provisions that are subject to no conditions precedent other than (a) the occurrence of the date specified for the "rollover" and (b) that no payment or bankruptcy event of default shall have occurred and be continuing.

"**Subordinated Indebtedness**" means Indebtedness of the Issuer or any Guarantor that is subordinated in right of payment to the Senior Secured Notes or a Guarantee of such Guarantor, as applicable; *provided* that, for the avoidance of doubt, no Senior Indebtedness held by any Sponsor Purchaser shall constitute Subordinated Indebtedness.

"**Subordinated Lien Indebtedness**" means Indebtedness of the Issuer or any Guarantor secured by a Lien on the Collateral that is contractually junior to the Liens on the Collateral securing the Senior Secured Notes or a Guarantee of such Guarantor, as applicable, pursuant to the Intercreditor Agreement, other than any such Indebtedness owing to the Company or any Restricted Subsidiary.

"**Subordinated Shareholder Funding**" means Subordinated Indebtedness of the Company issued to any Permitted Holder, any Parent Holdco or any Affiliate thereof (other than any Restricted Subsidiary of the Company):

(a) which, by its terms or pursuant to the terms of any subordination agreement to which it is subject:

(i) does not (including upon the happening of any event) mature or require any amortization and is not (including upon the happening of any event) mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder, in whole or in part, and does not include any provision requiring repurchase thereof by the Company or any Restricted Subsidiary (including upon the happening of any event), in each case, prior to the first anniversary of the final Stated Maturity of the Senior Secured Notes as of the date of the incurrence thereof (other than, in each case, upon acceleration of its maturity permitted by clause (a)(iii) below);

(ii) does not (including upon the happening of any event) require the payment of interest (in cash or otherwise, except any interest in the form of additional Subordinated Shareholder Funding), cash withholding amounts or other cash gross ups or any other cash amounts prior to its final Stated Maturity (*provided* that interest may accrete while such Subordinated Indebtedness is outstanding and accreted interest withholding amounts, gross-ups and other such amounts may become due upon acceleration of maturity as permitted by clause (a)(iii) below);

(iii) contains no change of control or similar provisions, has no right to declare a default or event of default, does not provide (including upon the happening of any event) for the acceleration of its maturity (other than any default, event of default or acceleration of its maturity upon the happening of any events described in clause (b)(ii) below, so long as the subordination requirements of such clause are satisfied), the ability to take any enforcement action or the exercise of remedies, in each case, prior to the date on which the Senior Secured Notes mature and are repaid;

(iv) is not required to be, and is not, secured by, a Lien on any assets of the Company or any Restricted Subsidiary and is not guaranteed by any Restricted Subsidiary of the Company;

(v) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Secured Notes or compliance by the Issuer with its obligations under the Senior Secured Notes Documents; and

(vi) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the final Stated Maturity of the Senior Secured Notes as of the date of the incurrence thereof other than into or for Capital Stock (other than Redeemable Capital Stock) of the Company; and

(b) which is contractually subordinated and junior (by its terms in favor of, or pursuant to an agreement with, the Trustee) in right of payment to the prior payment in full in cash of all obligations (including principal, interest, premium (if any) and Additional Amounts (if any)) of the Company under the relevant Guarantee of the Senior Secured Notes and the Senior Secured Notes Indenture (other than contingent indemnity, expense reimbursement, tax gross-up, breakage costs or other yield protection obligations, in each case, for which a claim has not been made) such that:

(i) the Company shall not make any payment in respect of such Subordinated Indebtedness (whether in cash, securities or otherwise, except as permitted by clause (a)(ii) or (a)(iii) above) and may not acquire such Subordinated Indebtedness, in each case, except as permitted by the Senior Secured Notes Indenture until the prior payment in full in cash of all obligations under the relevant Guarantee of the Senior Secured Notes and the Senior Secured Notes Indenture (other than contingent indemnity, expense reimbursement, tax gross-up, breakage costs or other yield protection obligations, in each case, for which a claim has not been made);

(ii) upon any total or partial liquidation, dissolution or winding up of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, the holders of the Senior Secured Notes will be entitled to receive payment in full in cash of all obligations under the relevant Guarantee of the Senior Secured Notes and the Senior Secured Notes Indenture (other than contingent indemnity, expense reimbursement, tax gross-up, breakage costs or other yield protection obligations, in each case, for which a claim has not been made) before the holders of such Subordinated Indebtedness will be entitled to receive any payment in respect of such Subordinated Indebtedness;

(iii) such Subordinated Indebtedness may not be amended such that it would cease to qualify as

Subordinated Shareholder Funding until a date that is after the prior payment in full in cash of all obligations under the relevant Guarantee of the Senior Secured Notes and the Senior Secured Notes Indenture (other than contingent indemnity, expense reimbursement, tax gross-up, breakage costs or other yield protection obligations, in each case, for which a claim has not been made);

(iv) the holders of such Subordinated Indebtedness shall assign any rights to vote, including by way of proxy, in a bankruptcy, insolvency or similar proceeding to the Trustee to the extent necessary to give effect to the priority and subordination provisions described in this definition; and

(v) the holders of such Subordinated Indebtedness shall agree that, in the event any payment on such Subordinated Indebtedness is received by such holder in contravention of the terms of the Senior Secured Notes Indenture and any applicable subordination agreement, then such payment shall be held in trust for the benefit of, and shall be paid over or delivered to, the Trustee, on behalf of the holders of the Senior Secured Notes;

provided that any event or circumstance that results in such Subordinated Indebtedness ceasing to qualify as Subordinated Shareholder Funding shall (A) constitute an incurrence of such Indebtedness by the Company and (B) reduce the amount described in clause (3)(B) of paragraph (b) under "*—Certain Covenants—Limitation on Restricted Payments*" by an amount equal to the amount by which the amount in such clause (3)(B) had been previously increased on account of such Subordinated Shareholder Funding, and any and all Restricted Payments made since the date of the original incurrence of such Subordinated Shareholder Funding shall constitute new Restricted Payments that must satisfy "*—Certain Covenants—Limitation on Restricted Payments*" at a time on or after the date of the original incurrence of such Subordinated Shareholder Funding after giving effect to the reduction referred to above in clause (B) above. It is understood and agreed that the requirements of clause (b) above shall be deemed to be satisfied by the terms and conditions of the Intercreditor Agreement applicable to "Subordinated Creditors" or "Subordinated Obligations" (each such term as defined therein). Notwithstanding clause (i) of the second sentence of the definition of Indebtedness, "Subordinated Indebtedness", as used in this definition, shall not exclude Subordinated Shareholder Funding.

"**Subsequent Collateral**" means the Collateral described under the caption "*—Brief Description of the Senior Secured Notes, the Guarantees and the Security—Security—General—The Subsequent Collateral*".

"**Subsequent Guarantor**" or "**Subsequent Guarantors**" means (i) the Mexican Subsidiary, the Guarantee of which will not be effective for third parties until filed and recorded in the relevant registry, INEOS Chlor Atlantik GmbH, INEOS Styrolution APAC Pte. Ltd., INEOS Styrolution Belgium NV, INEOS Styrolution Canada Ltd., INEOS Styrolution Europe GmbH, INEOS Styrolution Finance GmbH, INEOS Styrolution Group GmbH, INEOS Styrolution Investment GmbH, INEOS Styrolution Köln GmbH, INEOS Styrolution Ludwigshafen GmbH, INEOS Styrolution Switzerland SA, INOVYN Belgium SA, INOVYN Deutschland GmbH, INOVYN France SAS, INOVYN Manufacturing Belgium SA, INOVYN Norge AS, INOVYN Olefines France SAS, INOVYN Sverige AB, INOVYN Trade Services SA, INEOS Aromatics Belgium NV, and INEOS Aromatics Asia Limited and (ii) the Korean Subsidiary, which will guarantee the obligations of the Issuer under the Senior Secured Notes only if the Bank of Korea accepts the report to be filed with it by the Korean Subsidiary.

"**Subsidiary**" of any Person means (a) any corporation more than 50% of the total voting power of the outstanding Voting Stock of which is owned or controlled, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person, or by such Person and one or more other Subsidiaries thereof, (b) any limited partnership of which such Person or any Subsidiary of such Person is a general partner, (c) any other Person in which such Person, or one or more other Subsidiaries of such Person, or such Person and one or more other Subsidiaries, directly or indirectly, owns more than 50% of the outstanding equity value or partnership or similar interests or has the power, by contract or otherwise, to direct or cause the direction of the policies, management and affairs thereof and (d) any Subsidiary within the meaning of Section 17 of the German Stock Corporation Act (*Aktiengesetz*). Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Parent.

"**Subsidiary Guarantor**" means each Restricted Subsidiary of the Company that is a Guarantor of the Senior Secured Notes.

"**Surviving Entity**" means a Parent/Company Surviving Entity, an Issuer Surviving Entity or a Guarantor Surviving Entity, as the context requires.

"**Swedish Security Document**" means any Security Document that is governed by the laws of Sweden.

"**Tax Sharing Agreement**" means any tax sharing or tax payment agreement with customary terms and any arrangement in respect of the surrender of group relief or the allocation of disallowances of deductions for financing expenses, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Senior Secured Notes Indenture.

"**Taxes**" means all present and future taxes, levies, assessments, imposts, deductions, charges, duties, withholdings (including backup withholding), or fees imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Temporary Cash Investments**" means

(a) any evidence of Indebtedness, maturing not more than one year after the date of acquisition, issued by the United States of America, Canada, Norway, Switzerland, the United Kingdom or any state that was a member state of the European Union on December 31, 2003 (or any state, territory, political subdivision or taxing authority of any of the foregoing) or an instrumentality or agency thereof, and guaranteed fully as to principal, premium, if any, and interest by any of the foregoing;

(b) any certificate of deposit, maturing not more than one year after the date of acquisition, issued by, or time deposit of, a commercial banking institution that is a member of the U.S. Federal Reserve System or a bank or trust company organized in the United States of America, Canada, Norway, Switzerland, the United Kingdom or any state that was a member state of the European Union on December 31, 2003 (or any state, territory, political subdivision or taxing authority of any of the foregoing) and that has combined capital and surplus and undivided profits of not less than US$500.0 million and whose debt has a rating, at the time as of which any investment therein is made, of "P-2" (or higher) according to Moody's or any successor rating agency or "A-2" (or higher) according to S&P or any successor rating agency;

(c) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate or Subsidiary of the Company) organized and existing under the laws of the United States of America, Canada, Norway, Switzerland, the United Kingdom or any state that was a member state of the European Union on December 31, 2003 (or any state, territory, political subdivision or taxing authority of any of the foregoing) with a rating, at the time as of which any investment therein is made, of "P-2" (or higher) according to Moody's or any successor rating agency or "A-2" (or higher) according to S&P or any successor rating agency;

(d) any money market deposit accounts issued or offered by a commercial bank organized in the United States of America, Canada, Norway, Switzerland, the United Kingdom or any state that was a member state of the European Union on December 31, 2003 (or any state, territory, political subdivision or taxing authority of any of the foregoing) having capital and surplus in excess of US$500.0 million; *provided* that the short term debt of such commercial bank has a rating, at the time as of which any investment therein is made, of "P-2" (or higher) according to Moody's or any successor rating agency or "A-2" (or higher) according to S&P or any successor rating agency;

(e) repurchase obligations with a term of not more than 30 days for underlying obligations of the types described in clauses (a) and (b) above entered into with any bank meeting the qualifications specified in clause (b) above;

(f) interests in any investment company or money market fund which invests 95% or more of its assets in instruments of the type specified in clauses (a) through (e) above; and

(g) other short-term investments utilized by Restricted Subsidiaries of the Parent in accordance with normal investment practices for cash management in the jurisdiction of organization or operation of such Restricted Subsidiary (as determined by the Company in good faith).

"**Term Loan A Facilities**" means the $210 million, $140 million, €180 million and €120 million term loan A facilities made available under the 2020 Facilities Agreement.

"**Treasury Rate**" means the greater of (a) the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such statistical release is not so published or available, any publicly available source of similar market date selected by the Issuer in good faith)) most nearly equal to the period from the redemption

date to November 15, 2025; *provided*, *however*, that if the period from the redemption date to November 15, 2025 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to November 15, 2025 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used and (b) 0%.

"**Total Assets**" means the Consolidated total assets of the Parent and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Parent, but subject to the final proviso set forth in paragraph (b) under "*—Certain Covenants—Limitations on Activities of Parent and Parent Intermediate Holdcos*".

"**Transactions**" means, collectively, (a) the incurrence and any repayment of indebtedness and the use of proceeds thereof and the issuance of letters of credit under, and the other transactions contemplated by, the 2020 Facilities Agreement and any repayment of Indebtedness thereunder, (b) the transactions contemplated by the Senior Secured Notes Documents and any incurrence or repayment, redemption, defeasance or other satisfaction (in whatever form) of any other Indebtedness, (c) the incurrence of the loans under the Bridge Facility (as defined in the 2020 Facilities Agreement as in effect immediately prior to January 29, 2021) and the use of the proceeds thereof, (d) the Deposit Facility Refinancing (as defined in the 2020 Facilities Agreement as in effect immediately prior to January 29, 2021), (e) the BP Acquisition and the related transactions, (f) the INOVYN Contribution, (g) the issuance and sale of the 2026 Senior Secured Notes and the 2026 Senior Notes, (h) the Transactions (as defined in this offering memorandum) and (i) the payment of fees and expenses in connection with any of the foregoing.

"**Trust Indenture Act**" means the U.S. Trust Indenture Act of 1939, as amended, or any successor statute.

"**U.K." and "United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**United States**" or "**U.S.**" means the United States of America.

"**Unrestricted Subsidiary**" means (a) each of China American Petrochemical Company Ltd., INEOS Runcorn (TPS) Holdings Limited and INEOS Runcorn (TPS) Limited and (b) any Subsidiary of the Company (other than the Issuer) that is designated as such pursuant to and in compliance with "*—Limitation on Unrestricted Subsidiaries*", in each case unless and until such Subsidiary is redesignated as a Restricted Subsidiary pursuant to a Redesignation as provided in paragraph (d) of such covenant.

"**U.S. Government Obligations**" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agent or instrumentality thereof) for the payment of which its full faith and credit is given.

"**VAT**" means (a) any value added tax imposed by the United Kingdom Value Added Tax Act 1994, (b) any Tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112), and (c) any other Tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such Tax referred to in clause (a) or (b), or imposed elsewhere.

"**Voting Stock**" of a Person means Capital Stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors, managers or trustees of such Person (irrespective of whether or not at the time Capital Stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"**wholly owned**", when used in reference to a Subsidiary of any Person, means that all the Capital Stock of such Subsidiary (other than directors' qualifying shares and other nominal amounts of Capital Stock that are required to be held by other Persons under applicable law) are owned by such Person, another wholly owned Subsidiary of such Person or any combination thereof.

"**Wholly Owned Restricted Subsidiary**" means a Restricted Subsidiary all the Capital Stock of which (other than directors' qualifying shares and other nominal amounts of Capital Stock that are required to be held by other Persons under applicable law) is owned by the Company, another Wholly Owned Restricted Subsidiary or any combination thereof.

BOOK-ENTRY, DELIVERY AND FORM

General

The Dollar Notes sold to qualified institutional buyers in reliance on Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the "Rule 144A Dollar Global Notes"). The Dollar Notes sold outside the United States to non-U.S. persons in reliance on Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Dollar Global Notes").

The Euro Notes sold to qualified institutional buyers in reliance on Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the "Rule 144A Euro Global Notes"). The Euro Notes sold outside the United States to non-U.S. persons in reliance on Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Euro Global Notes").

The Rule 144A Dollar Global Notes and the Regulation S Dollar Global Notes are collectively referred to herein as the "Dollar Global Notes". The Rule 144A Euro Global Notes and the Regulation S Euro Global Notes are collectively referred to herein as the "Euro Global Notes". The Rule 144A Dollar Global Notes and the Rule 144A Euro Global Notes are collectively referred to as the "Rule 144A Global Notes". The Regulation S Dollar Global Notes and the Regulation S Euro Global Notes are collectively referred to as the "Regulation S Global Notes". The Rule 144A Global Notes and the Regulation S Global Notes are collectively referred to as the "Global Notes".

The Dollar Global Notes will be deposited upon issuance with the custodian for the Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee of DTC. The Euro Global Notes will be deposited with, or on behalf of, a common depositary (the "Common Depositary") for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the Common Depositary.

Ownership of interests in the Rule 144A Global Notes (the "Rule 144A Book-Entry Interests") and in the Regulation S Global Notes (the "Regulation S Book-Entry Interests" and, collectively with the Rule 144A Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream, as applicable, or persons that hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC, Euroclear and/or Clearstream and their participants. The Book-Entry Interests in the Dollar Global Notes will be issued only in denominations of $200,000 and integral multiples of $1,000 in excess thereof and the Book-Entry Interests in the Euro Global Notes will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

The Book-Entry Interests will not be held in definitive form. Instead, DTC, Euroclear or Clearstream, as applicable, will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not have the Notes registered in their name, will not have received physical delivery of the Notes in certificated form and will not be considered the registered owners or "holders" of Notes under the Indenture for any purpose.

So long as the Notes are held in global form, DTC, Euroclear or Clearstream (or their respective nominees), as applicable, will be considered the sole holder of the Global Notes for all purposes under the Indenture. As such, participants must rely on the procedures of DTC, Euroclear or Clearstream, as applicable, and indirect participants must rely on the procedures of DTC, Euroclear or Clearstream, as applicable, and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

Neither the Issuer, the Guarantors, the Registrar, the Common Depositary, the nominee of the Common Depositary, HSBC Bank USA, National Association as custodian for DTC, the Trustee under the Indenture nor any of the Issuer's respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests will receive Notes in definitive registered form (the "Definitive Registered Notes"):

(1) if DTC (with respect to the Dollar Global Notes) or Euroclear or Clearstream (with respect to the Euro Global Notes) notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through DTC, Euroclear or Clearstream following an event of default under the Indenture.

DTC, Euroclear and Clearstream have advised the Issuer that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), their current procedure is to request that the Issuer issues or causes to be issued Definitive Registered Notes to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of DTC, Euroclear or Clearstream, as applicable, or the Issuer, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

Redemption of the Global Notes

In the event any Global Note, or any portion thereof, is redeemed, DTC, Euroclear or Clearstream, as applicable, will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by DTC, Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that under existing practices of DTC, Euroclear and Clearstream, if fewer than all of the relevant Notes are to be redeemed at any time, DTC, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided*, *however*, that no Book-Entry Interest of less than $200,000, in the case of the Dollar Global Notes or €100,000, in the case of the Euro Global Notes, principal amount at maturity, or less, may be redeemed in part.

Payments on Global Notes

Payments of amounts owing in respect of the Global Notes (including principal, premium, interest, additional interest and additional amounts, if any) will be made by the Issuer to the relevant Paying Agent. The Paying Agent will, in turn, make such payments to DTC or its nominee (in the case of the Dollar Global Notes) and to the Common Depositary for Euroclear and Clearstream (in the case of the Euro Global Notes), which will distribute such payments to participants in accordance with their respective procedures.

Under the terms of the Indenture governing the Notes, the Issuer and the Trustee will treat the registered holder of the Global Notes (for example, DTC, Euroclear or Clearstream (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the Guarantors, the Trustee, the Registrar nor any Paying Agent or any of their respective agents has or will have any responsibility or liability for:

- any aspects of the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, for any such payments made by DTC, Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest; or

- payments made by DTC, Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or

- DTC, Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of subscribers registered in "street name".

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Dollar Global Notes will be paid to holders of interest in such notes (the "DTC Holders") through DTC in dollars. The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Euro Global Notes will be paid to holders of interest in such notes (the "Euroclear/Clearstream Holders") through Euroclear or Clearstream, as applicable, in euro.

Action by Owners of Book-Entry Interests

DTC, Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. DTC, Euroclear and Clearstream will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, each of DTC, Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Registered Notes, and to distribute such Definitive Registered Notes to their respective participants.

Transfers

Transfers between participants in Euroclear and/or Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. Transfers between participants in DTC will be done in accordance with DTC's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream or DTC, as applicable, and in accordance with the procedures set forth in the Indenture.

The Global Notes will bear a legend to the effect set forth in "*Notice to Investors*". Book-Entry Interests in the Global Notes will be subject to the restrictions on transfer discussed in "*Notice to Investors*".

Through and including the 40th day after the later of the commencement of the Offering of the Notes and the closing of the Offering (the "40-day Period"), beneficial interests in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note denominated in the same currency only if such transfer is made pursuant to Rule 144A and the transferor first delivers to the Trustee a certificate (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Notice to Investors*" and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

After the expiration of the 40-day Period, beneficial interests in a Regulation S Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Note denominated in the same currency without compliance with these certification requirements.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note denominated in the same currency only upon receipt by the Trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act (if available).

Subject to the foregoing, and as set forth in "*Notice to Investors*," Book-Entry Interests may be transferred and exchanged as described under "*Description of the Notes—Transfer and Exchange*". Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note of the same denomination will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it retains such a Book-Entry Interest.

Definitive Registered Notes may be transferred and exchanged for Book- Entry Interests in a Global Note only as described under "*Description of the Notes—Transfer and Exchange*" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Notice to Investors*".

Information Concerning DTC, Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of DTC, Euroclear and Clearstream, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Issuer nor the Initial Purchasers or their affiliates are responsible for those operations or procedures.

DTC advised the Issuer that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the U.S. Exchange Act. DTC holds and provides asset servicing for issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (that DTC's direct participants deposit with DTC). DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

Like DTC, Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets.

Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because DTC, Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the DTC, Euroclear and Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the DTC, Euroclear and Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through DTC, Euroclear and Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be admitted to trading on the Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange. Transfers of interests in the Global Notes between participants in DTC, Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although DTC, Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, any Guarantor, the Trustee, the Registrars or the Paying Agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Dollar Global Notes will be made in dollars and initial settlement for the Euro Global Notes will be made in euro. Book-Entry Interests owned through DTC, Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of DTC, Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of DTC and Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through DTC, Euroclear or Clearstream on days when those systems are open for business.

Trustee's Powers

In considering the interests of the holders of the Notes, while title to the Notes is registered in the name of a nominee of a clearing system, the Trustee may have regard to, and rely on, any information provided to it by that clearing system as to the identity (either individually or by category) of its account holders with entitlements to Notes and may consider such interests as if such account holders were the holders of the Notes.

Enforcement

For the purposes of enforcement of the provisions of the Indenture by the Trustee, the persons named in a certificate of the holder of the Notes in respect of which a Global Note is issued shall be recognized as the beneficiaries of the trusts set out in the Indenture to the extent of the principal amounts of their interests in the Notes set out in the certificate of the holder, as if they were themselves the holders of the Notes in such principal amounts.

LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE COLLATERAL AND CERTAIN INSOLVENCY CONSIDERATIONS

Set out below is a summary of certain limitations on the enforceability of the guarantees and the security interests in each of the jurisdictions in which guarantees or Collateral are being provided.

It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future Guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply, and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the guarantees and the security interests on the Collateral.

The following is a brief description of certain aspects of certain limitations on the validity and enforceability of the Guarantees and security interests for the Notes and certain aspects of insolvency law in each of the jurisdictions in which the Issuer, the Guarantors and the providers of security to the Notes are organized or incorporated. In the event that any one or more of the Issuer, the Guarantors and the providers of security to the Notes or any other of the Issuer's subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions bankruptcy, insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency or corporate arrangement laws may affect the enforceability of the obligations of the Issuer, the Guarantors and/or any security granted thereby. The descriptions below are only a summary and do not purport to contemplate or discuss all of the limitations or considerations that may affect the Notes, the Guarantees or any security interests granted in connection therewith. See "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Your rights as a creditor may not be the same under relevant insolvency laws in Germany and other jurisdictions as under U.S. or other insolvency laws. Corporate benefit, capital maintenance and other limitations on the Guarantees and the security interests may adversely affect the validity and enforceability of the Guarantees of the Notes and the security interests and will limit the amount that can be recovered under the Guarantees and the security interests granted by the Issuer and its subsidiaries*".

European Union

Several of the Guarantors or providers of security for the Notes are organized or incorporated under the laws of Member States of the European Union.

Regulation (EU) no. 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (the "Recast EU Insolvency Regulation") entered into force on June 26, 2017 and is applicable to insolvency proceedings opened on or after that date, replacing Council Regulation (EC) no. 1346/2000 on insolvency proceedings (which continues to apply to insolvency proceedings opened prior to June 26, 2017). Pursuant to the Recast EU Insolvency Regulation, which applies within the European Union (other than Denmark), the court which shall have jurisdiction to open main insolvency proceedings in relation to a company is the court of the Member State where the company has its "centre of main interests" ("COMI") (which, according to Article 3(1) of the Recast EU Insolvency Regulation, is "the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties"). The determination of where any such company has its COMI is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

The term "centre of main interests" is not a static concept and may change from time to time. Although there is a rebuttable presumption under Article 3(1) of the Recast EU Insolvency Regulation that a company has its COMI in the Member State in which it has its registered office, this presumption only applies if the registered office has not been moved to another Member State within the 3-month period prior to the request for the opening of insolvency proceedings.

Further, Preamble 30 of the Recast EU Insolvency Regulation states that "it should be possible to rebut this presumption where the company's central administration is located in a Member State other than that of its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual centre of management and supervision and of the management of its interests is located in that other Member State." In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business or had its head office and the location where the large majority of the company's creditors are established may all be relevant in the determination of the place where the company has its COMI. The point at which a company's COMI is determined is at the time that the relevant insolvency proceedings are opened.

If the COMI of a company is and will remain located in the Member State (other than Denmark) in which it has its registered office, the main insolvency proceedings in respect of the company under the Recast EU Insolvency Regulation may only be commenced in such jurisdiction, and accordingly a court in such jurisdiction would be entitled to

commence the types of insolvency proceedings referred to in Annex A to the Recast EU Insolvency Regulation. Main insolvency proceedings opened in one Member State under the Recast EU Insolvency Regulation are to be recognized in the other Member States (other than Denmark), although secondary proceedings may be opened in another Member State. If the COMI of a company is in one Member State (other than Denmark) under Article 3(2) of the Recast EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such company has an "establishment" in the territory of such other Member State. "Establishment" is defined in Article 2(10) of the Recast EU Insolvency Regulation to mean any place of operations where the company carries out or has carried out in the 3-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets. The effects of those territorial proceedings are restricted to the assets of the company situated in the territory of such other Member State where proceedings were opened. If a company does not have an establishment in any other Member State, no court of any other Member State has jurisdiction to open territorial proceedings in respect of such company under the Recast EU Insolvency Regulation.

Where main insolvency proceedings in the Member State in which a company has its COMI have not yet been opened, territorial insolvency proceedings can be opened in another Member State where the company has an establishment, *provided* that either (a) insolvency proceedings cannot be opened in the Member State in which that company's COMI is situated under that Member State's law; or (b) the territorial insolvency proceedings are opened at the request of either (i) a creditor whose claim arises from or is in connection with the operation of the establishment situated within the territory of the Member State where the opening of territorial proceedings is requested or (ii) a public authority which, under the law of the Member State within whose territory the establishment is situated, has the right to request the opening of insolvency proceedings.

The Recast EU Insolvency Regulation provides for a cooperation and communication mechanism in the event that insolvency proceedings concerning two or more members of a group of companies are opened. Insolvency practitioners appointed in proceedings concerning a member of the group shall cooperate with any insolvency practitioner appointed in proceedings concerning another member of the group to the extent that such cooperation is appropriate. Similarly, the court which has opened proceedings shall also cooperate with any other court before which a request is made to open proceedings concerning another member of the group to the extent that cooperation is appropriate to facilitate the effective administration of the proceedings, is not incompatible with the rules applicable to them and does not entail any conflict of interest. In this respect, the courts may, where appropriate, appoint a third party, provided that this is not incompatible with the rules applicable to them.

Irrespective of whether the insolvency proceedings are main or secondary insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus*, *i.e.*, the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor. Furthermore, pursuant to Article 6 of the Recast EU Insolvency Regulation, the courts of the Member State of the European Union within the territory of which insolvency proceedings have been opened in accordance with its Article 3 shall have jurisdiction for any action that derives directly from the insolvency proceedings and is closely linked with them, such as avoidance actions.

The courts of all Member States of the European Union (other than Denmark) must recognize the judgment of the court opening the main proceedings and give the same effect to the judgment so long as no secondary proceedings have been opened there. The insolvency practitioner appointed by a court in a Member State (other than Denmark) which has jurisdiction to open main proceedings (because the company's COMI is there) may exercise the powers conferred on him by the law of that Member State in another Member State (other than Denmark), such as to remove assets of the company from that other Member State, subject to certain limitations, so long as no insolvency proceedings have been opened in that other Member State nor any preservation measure has been taken to the contrary further to a request to open insolvency proceedings in that other Member State where the company has assets.

Belgium

Insolvency Proceedings

Pursuant to European and Belgian law rules on conflict of laws, if any Guarantor has its center of main interests in Belgium (a "Belgian Guarantor"), main insolvency proceedings may be initiated in Belgium. A company is generally presumed to have its center of main interests at the location of its corporate seat, but this presumption is rebuttable. Such proceedings would then be governed by Belgian law, subject to certain exceptions. Under certain circumstances, the Recast EU Insolvency Regulation and Belgian law also allows secondary bankruptcy proceedings to be opened in Belgium over the assets situated in Belgium of companies whose center of main interests are not situated in Belgium. The effects of those secondary bankruptcy proceedings are restricted to the assets situated in Belgium. The following is a brief description of certain aspects of Belgian insolvency law to the extent relevant in the context of the present transaction.

Belgian insolvency law provides for three main insolvency proceedings: judicial reorganization proceedings (*gerechtelijke reorganisatie/réorganisation judiciaire*), transfer under the court's supervision (*overdracht onder gerechtelijk gezag/transfert sous autorité judiciaire*) and bankruptcy proceedings (*faillissement/faillite*). These three proceedings are regulated by Book XX of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended. Note that Belgian (insolvency) law offers different out of court restructuring options and allows for liquidation in deficit (*deficitaire vereffening/liquidation déficitaire*). These proceedings will not be further discussed.

Recently an Act was adopted in the Belgian Parliament to implement the EU Restructuring Directive 2019/1023 (the "New Insolvency Act"). The New Insolvency Act amends certain provisions of Book XX of the Code of Economic Law. These new provisions apply to insolvency proceedings (including judicial restructuring) opened as of September 1, 2023. Note that the New Insolvency Act (i) distinguishes between private and public reorganization proceedings, (ii) no longer considers the transfer under the court's supervision to be a judicial reorganization and (iii) offers the possibility for companies to silently prepare for bankruptcy proceedings (the "Pre-packaged Bankruptcy Proceeding"). These key changes are briefly discussed below.

Judicial Reorganization Proceedings and Transfer under Court's Supervision

Judicial reorganization proceedings and transfer under court's supervision are available to all legal entities as well as all individuals that qualify as an enterprise (*onderneming/entreprise*) in the sense of Article I.1, 1° of the Belgian Code of Economic Law, subject to certain exceptions for regulated liberal professions, credit institutions and certain other entities active on the financial and insurance markets.

A judicial reorganization and transfer under court's supervision may be initiated at the request of the debtor if the continuity of the enterprise is at risk, whether immediately or in the future. The content of this principle is broad and is defined in practice by the courts. The fact that the conditions for bankruptcy are met (entailing that the debtor has the legal obligation to declare bankruptcy under Book XX of the Belgian Code of Economic Law) does not preclude the debtor from filing for judicial reorganization or transfer under court's supervision.

In addition, in the event of manifest shortcomings (*kennelijk tekortkomingen/manquements caractérisés*) on the part of the debtor jeopardizing the continuity of the debtor or in the event the debtor company becomes unmanageable, the debtor, any creditor, the public prosecutor or any other interested party may request the court to appoint a restructuring expert (*herstructureringsdeskundige/praticien de la réorganisation*) who can be tasked with opening judicial reorganization proceedings. The debtor may also request the court to appoint a restructuring expert to facilitate its recovery.

In certain circumstances, creditors, third parties interested in acquiring the business or the public prosecutor may summon the debtor and seek the transfer of all or part of the debtor's business under court's supervision.

The obligation to declare bankruptcy is suspended as from the filing of a petition for judicial reorganization or transfer under court's supervision. As from the filing of the petition and as long as the court overseeing the judicial reorganization or the transfer under court's supervision has not issued a ruling on the petition, the debtor cannot be declared bankrupt (save in case the debtor files a declaration of bankruptcy itself) or be wound up by court order. In addition, during the period between the filing of the petition and the court's decision, as a rule, none of the creditors may proceed with the enforcement of any security interests that such creditors may hold with respect to the debtor's assets. There are, however, important exceptions to this rule, including, among other things, that beneficiaries of security over bank accounts and shares are not subject to the stay on enforcement. Note that the filing of the petition does not have an automatic suspensory effect if the debtor requested the opening of a judicial reorganization less than twelve months before.

Within a period of 15 days as from the filing of the petition, the court will examine such petition, and within eight days following such examination the court will decide on the opening of the judicial reorganization procedures or a transfer under court's supervision, allowing a temporary moratorium for a maximum period of four months. Subject to certain conditions, the moratorium period can thereafter be extended up to a total maximum period of twelve months if justified in light of the circumstances. In the context of a transfer under court's supervision, a further extension of four months is possible.

The granting of the temporary moratorium operates as a stay on enforcement. No enforcement measures with respect to pre-existing claims (i.e., for debts incurred before the judgment opening the judicial reorganization proceedings or transfer under court's supervision) in the moratorium can be continued or initiated against any of the debtor's movable and immovable assets from the time that the moratorium is granted until the end of the period, with few

exceptions. During the moratorium, the debtor can also not be declared bankrupt (except upon declaration of the debtor itself) and, if the debtor is a legal entity, judicial dissolution will not be possible during this period.

If receivables are pledged by the debtor in favour of a creditor prior to the opening of the judicial reorganization proceedings or transfer under court's supervision, these will not be affected by the moratorium provided that the receivables are pledged specifically to that creditor from the moment when the pledge is created. The holder of such pledged receivables is permitted to take enforcement measures against the estate of the initial counterparty of the debtor (such as the debtor's customers) during the moratorium. Receivables that form part of a pledge over business assets do not benefit from such exemption. A pledge on financial instruments and cash on account within the meaning of the Financial Collateral Act of December 15, 2004, as amended from time to time, (the "Belgian Financial Collateral Act"), such as shares in any Belgian Guarantor, can be enforced notwithstanding the enforcement prohibition imposed by the moratorium. In the case of a pledge on cash held on accounts, the enforcement prohibition applies, save in the event of payment default or if certain other conditions are met. Personal guarantees granted by third parties in favour of the debtor's creditors are not covered by the enforcement prohibition imposed by the moratorium, nor are the debts payable by co-debtors, subject to certain exceptions or qualifications in respect of guarantees granted by individuals. The moratorium also does not prevent the voluntary payment by the debtor of claims covered by the moratorium, to the extent such payment is necessary for the continuity of the enterprise.

During judicial reorganization proceedings or proceedings relating to transfer under court's supervision, as a general rule, the board of directors and management of the debtor continue to exercise their management functions, albeit under the limited supervision of the court.

The initiation of judicial reorganization proceedings or proceedings for transfer under court's supervision does not terminate any contracts, and contractual provisions which provide for the early termination or acceleration of the contract upon the initiation or approval of a reorganization procedure, and certain contractual terms such as compensation clauses (including but not limited to default interest), may not be enforceable. Such enforcement prohibition applies, with a few exceptions, to close-out netting provisions as well if the judicial reorganization procedure affects (i) a corporate debtor which is not a public or financial legal entity within the meaning of the Belgian Financial Collateral Act or (ii) a public or financial legal entity where the creditor is not such an entity.

Moreover, Belgian Insolvency Law provides that a creditor may not terminate a contract on the basis of a debtor's default that occurred prior to the commencement of the reorganization procedure unless the debtor would not remedy such default within a 15-day period following the notification of such default.

As an exception to the general rule of continuity of contracts, the debtor may cease performing a contract during the reorganization proceedings, provided that the debtor notifies the creditor and the decision is necessary for the debtor to be able to propose a reorganization plan to its creditors or to transfer all or part of the company or its assets. The exercise of this right does not prevent the co-contractor from suspending the performance of its own obligations. The co-contractor can however not terminate the agreement solely on the ground that the debtor has suspended the performance of its own obligations.

Book XX of the Belgian Code of Economic Law provides for two types of reorganization: (i) an amicable settlement between the debtor and some of its creditors or (ii) a collective agreement. Book XX of the Belgian Code of Economic Law also provides for the possibility to transfer (part of) the activities of the debtor under court's supervision. Where initially such a transfer was a reorganization procedure, this is no longer the case for transfers opened as of September 1, 2023.

Amicable Settlement

In the case of an amicable settlement, the debtor can draw up an agreement and joint payment scheme plan with one or more creditors with a view to restructuring par or all of its assets and activities. Only the parties to such amicable settlement will be bound by the terms they have agreed to. Such in-court agreement requires unanimity among the creditors concerned. The debtor may petition the court to grant a grace period in respect of its payment obligations, including, for example, in relation to interest payments, pending the negotiation of the agreement. Once agreement is reached, the court will in principle homologate it. Such an amicable settlement will remain enforceable in the event of a later bankruptcy, subject to certain exceptions.

Collective Agreement

In the case of a judicial reorganization by collective agreement (or reorganization plan), Belgian Insolvency Law provides for two different regimes: a regime applicable to small and medium sized enterprises ("SMEs") and a regime for large companies and SMEs that have elected to opt-in to the regime for large companies. The regime applicable to SMEs will not be discussed.

With regards to large companies (i.e., companies which, during two consecutive financial years, meet one or more of the following thresholds: (i) annual average number of employees of 250, (ii) annual turnover excluding VAT of EUR 40,000,000, or (iii) the balance sheet total reaches EUR 20,000,000 – this also applies if group companies together exceed one or more of the thresholds), the parties affected by the plan (which could be creditors and equity holders) agree to a reorganization plan through a voting process. Under the large enterprise regime, creditors can and to a certain extend must be placed in different voting classes if their rights in a bankruptcy liquidation or the rights obtained under the proposed restructuring plan are so dissimilar that there is no comparable position. Secured creditors and unsecured creditors must be divided in different classes. A creditor can only be considered secured (both for purposes of voting and treatment under the plan) to the extent of the liquidation value of the collateral. In principle, a restructuring plan is adopted if each class has voted in favor of the restructuring plan, i.e., if a simple majority (in amount of the claim) is obtained in each class. The plan may include measures such as the reduction or rescheduling of liabilities and interest obligations, amendment to contracts and the swap of debt into equity and may be based on a differentiated treatment of various categories of affected parties. Belgian Insolvency Law contains certain limitations, primarily aimed at protecting employees of the debtor. If the plan is approved, the reorganization plan needs to be confirmed by the court prior to it taking effect. At the occasion of the confirmation, the court will perform a number of tests, including whether the plan complies with the formal requirements under the law and, in case of dissenting classes of affected parties, whether the criteria for cross-class cram-down are satisfied.

A reorganization plan is deemed approved if each class of affected parties approves the plan. A class of affected parties is deemed to approve the plan if it is approved by creditors or equity holders representing a fifty percent majority in value of the claims or (in case of equity holders) the participations. Moreover, a reorganization plan can also be approved if one or more classes dissent if the restructuring plan respects certain conditions ("cross-class cram-down"), including the application of the absolute priority rule. Once approved, the plan will bind all the classes of affected parties.

Private Judicial Reorganization

The New Insolvency Act distinguishes between private and public judicial reorganization. As of 1 September 2023, Book XX of the Code of Economic Law allows debtors to apply for a private judicial reorganization by amicable or collective agreement. In such case, all proceedings will be confidential except for the debtor or the practitioner, the court and the specific creditors involved.

Private judicial restructuring proceeding may be initiated by a debtor or a creditor of the company. The opening of the proceedings would only impact those parties that will be affected by the plan, which may be limited to financial creditors for example. The restructuring expert will determine the creditors to be involved in the plan. The court rules within eight days on the petition for private judicial reorganization. Opting for the private judicial reorganization implies a court-appointed restructuring expert who assists all parties during the negotiations. During a private judicial reorganization, the debtor does not automatically benefit from a stay of enforcement measures, but under certain conditions the restructuring expert may request the court to apply a stay in respect of certain creditors.

Transfer under court's supervision

The court authorized transfer of all or part of the debtor's enterprise can be requested by the debtor in its petition or at a later stage in the procedure. It may also be requested by the public prosecutor, by a creditor or by any party who has an interest in acquiring, in whole or in part, the debtor's enterprise, and the court can order such transfer in specific circumstances. The price of the transferred assets should at least be equal to the liquidation value. In case of comparable offers, priority will be given to the offer guaranteeing employment by way of a social agreement.

The court-ordered transfer will be organized under the supervision of a liquidation expert. Following the transfer, the recourse of the creditors will in most cases be limited to the transfer price, subject to certain exceptions.

In the case of a court-ordered transfer, co-contractors of on-going agreements can be forced to continue to perform the agreement without their consent after the transfer (except in case of intuitu personae agreements), provided historical debts under such agreement are paid.

Since September 1, 2023, the transfer must be followed by liquidation or bankruptcy proceedings of the debtor.

Pre-packaged Bankruptcy Proceedings

These (pre-pack) proceedings allow insolvent companies to discreetly prepare for the transfer of assets and activities under court supervision before formal bankruptcy proceedings are opened. Pre-Packaged bankruptcy proceedings can only be initiated by the debtor. In its petition, the debtor must demonstrate that these proceedings will (i) facilitate the liquidation of the company while achieving the highest possible distribution to the creditors as a whole, and (ii) preserve jobs to the extent possible.

If the court grants the debtor's request, a liquidation expert is appointed for maximum 30 days (with possible extension to a total of 60 days). The liquidation expert takes the lead during the preparation phase and assesses whether the transfer of all or part of the undertaking is likely to be successful, considering the interests of all creditors involved.

The preparation phase is done under the supervision of a prospective supervisory judge. During the preparations, the debtor remains in control of its assets and the day-to-day operation of its business and the debtor will not benefit from a moratorium. However, the debtor actively cooperates to achieve the transfer of its assets within the shortest possible time. Following the confidential preparation procedure, formal bankruptcy proceedings are opened.

Bankruptcy

Bankruptcy proceedings may be initiated by the debtor, by unpaid creditors, upon the initiative of the public prosecutor's office, by the provisional administrator of the debtor's assets (if there are strong indications that the conditions for bankruptcy are met), by the liquidator of the debtor's assets or by the liquidator of "main insolvency proceedings" opened in another EU Member State (other than Denmark) in accordance with the EU Insolvency Regulation. Once the court ascertains that the requirements for bankruptcy are met, the court fixes the date prior to which the debtor's creditors must submit all claims of unpaid debts, as well as the date of the first report on the verification of claims. The court can be requested to pronounce the judicial dissolution (*gerechtelijke ontbinding/dissolution judiciaire*) of the debtor, provided that (i) the conditions for bankruptcy are met, (ii) there are no significant assets available, and (iii) the public interest requires a judicial dissolution rather than a bankruptcy.

Bankruptcy proceedings may be opened in respect of any "enterprise" as defined by Article I.1, 1° of the Code of Economic Law (which includes notably any legal person, other than certain public law entities). Conditions for a bankruptcy order (*faillietverklaring/déclaration de faillite*) are that the debtor must be in a situation of sustained cessation of payments (*op duurzame wijze opgehouden hebben te betalen/ cessation de paiements de manière persistante*) and must be unable to refinance its debts (*wiens krediet geschokt is/ébranlement de crédit*). Cessation of payments is generally accepted to mean that the debtor is not able to pay its debts as they have fallen due. Such a situation must be persistent and not merely temporary. The mere fact that a debtor has more debts than assets does not necessarily mean that the bankruptcy conditions are met. Companies in liquidation can be declared bankrupt up to six months after the judgments of the closing of the liquidation.

In bankruptcy, the debtor loses all authority and decision rights concerning the management of the bankrupt business. The bankruptcy receiver (*curator/curateur*), appointed by the court, becomes responsible for the operation of the business and implements the sale of the debtor's assets, the distribution of the sale proceeds to creditors and the liquidation of the debtor. The rights of creditors in the process are limited to being informed of the course of the bankruptcy proceedings on a regular basis by the bankruptcy receiver. Creditors may oppose the sale of assets by bringing an action before the court or may request the temporary continued operation of the business.

The bankruptcy receiver must decide whether to continue performance of ongoing contracts (i.e., contracts existing before the bankruptcy order). The bankruptcy receiver may elect to continue the business of the debtor, provided the bankruptcy receiver obtains the authorization of the court and such continuation does not cause any prejudice to the creditors. However, two exceptions apply:

(a) the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an automatic early termination or acceleration event; and

(b) *intuitu personae* contracts (*i.e.*, contracts whereby the identity of the counterparty constitutes an essential element upon the signing of the contract) are automatically terminated as of the bankruptcy judgment, since the debtor is no longer responsible for the management of the company. Parties can however agree to continue to perform under such contracts.

The bankruptcy receiver may elect not to perform the obligations of the bankrupt party which are still to be performed after the bankruptcy under any agreement validly entered into by the bankrupt party prior to the bankruptcy if

such decision is necessary for the management and the liquidation of the bankrupt estate. The counterparty to an ongoing contract may summon the bankruptcy receiver to take a decision within 15 days. If no extension of the 15 days term is agreed upon or if the bankruptcy receiver does not take any decision, the ongoing contract is presumed to be terminated after the expiration of the 15 days term. The counterparty to that agreement may make a claim for damages in the bankruptcy and such claim will rank pari passu with claims of all other unsecured creditors and/or seek a court order to have the relevant contract dissolved. The counterparty may not seek injunctive relief or require specific performance of the contract.

As a general rule, the enforcement rights of individual creditors are suspended upon the rendering of the court order opening bankruptcy proceedings, and after such order is made, only the bankruptcy receiver may proceed against the debtor and liquidate its assets. However, such suspension does not apply to a pledge on financial instruments or cash held on account falling within the scope of the Belgian Financial Collateral Act. Further exceptions exist with regard to estate credits (*boedelschulden/dettes de la masse*).

For creditors with claims secured by movable assets (other than financial collateral), such suspension would normally be limited to the period required for the verification of the claims. At the request of the bankruptcy receiver, the suspension period may be extended for up to one year as from the bankruptcy judgment. Such extension requires a specific order of the court which can only be made if the further suspension will allow for a realization of the assets in the interest of all creditors without prejudicing the secured creditors and provided that those secured creditors have been given the opportunity to be heard by the court. However, a pledge on financial instruments or cash held on accounts can be enforced during the suspension period.

For creditors with claims secured by immovable assets, the intervention of the bankruptcy receiver is necessary to pursue the sale of the assets, subject to certain exceptions. The bankruptcy receiver will do so upon an order of the court, given either at its request or at the request of a mortgagee. A first-ranking mortgagee will generally be entitled to pursue the enforcement of its mortgage as soon as the report of claims has been finalized. The court may suspend such enforcement for a period of not more than one year from the date of the bankruptcy if the suspension will allow for a realization of the assets without prejudicing the mortgagee provided that the mortgagee has been given the opportunity to be heard by the court.

If a security interest, such as a pledge, has been granted over assets that, at the time of opening of an insolvency proceeding, are located in another EU Member State, the rights the creditor has under such security shall, in accordance with the EU Insolvency Regulation, not be affected by the opening of such insolvency proceedings.

As from the date of the bankruptcy judgment, no further interest accrues against the bankrupt debtor on its unsecured debt, or debts secured by a general privilege, such as tax debts or social security debts.

The debts of the bankrupt estate generally will be ranked as to priority on the basis of complex rules. The following is a general overview of only the main principles:

(a) Estate debt: Costs and indebtedness incurred by the bankruptcy receiver during the bankruptcy proceedings, the so-called “estate debts,” have a senior priority. In addition, if the bankruptcy receiver has contributed to the realization and enforcement of secured assets, such costs will be paid to the bankruptcy receiver in priority out of the proceeds of the realized assets before distributing the remainder to the secured creditors. Tax and social security claims incurred during the judicial reorganization proceedings will be preferential debts of the estate in a subsequent liquidation or bankruptcy;

(b) Security interests: Creditors that hold a security interest have a priority right over the secured asset (whether by means of appropriation of the asset or on the proceeds upon realization);

(c) Privileges: Creditors may have a particular privilege on certain or all assets (including, for example tax claims, claims for social security premiums, etc.). Privileges on specific assets rank before privileges on all assets of the debtor. Certain privileges prevail over the security interests;

(d) Unsecured creditors (*pari passu*): Once all estate debts and creditors having the benefit of security interests and privileges have been satisfied, the proceeds of the remaining assets will be distributed by the bankruptcy receiver among the unsecured creditors who rank *pari passu* (unless a creditor agreed to be subordinated); and

(e) Subordinated creditors will receive the remainder (if any).

Book XX of the Belgian Code of Economic Law provides that any assets, amounts and sums of distributions (such as income generated by a new activity) received after a bankruptcy are excluded from the bankruptcy estate if their

relevant cause dates from after the bankruptcy.

Subsidiary Guarantee

The grant of a guarantee or collateral by a Belgian Guarantor for the obligations of another group company must fall within the grantor's corporate object and corporate purpose and be for the own corporate benefit of the granting Belgian Guarantor. Corporate benefit is not a well-defined concept under Belgian law and its interpretation is left to the courts and legal authors. The corporate benefit rules and their application in the context of granting guarantees or collateral for the benefit of a group company are not clearly established under Belgian law and there is only limited case law on this issue.

If the granting of a guarantee or the creation of a security interest does not fall within the grantor's corporate object or purpose, then such guarantee or security interest could, upon certain conditions, be held null and void. The assessment of whether or not the grant of a guarantee or security interest is in the relevant Belgian Guarantor's own corporate benefit is largely dependent on factual considerations and is to be determined on a case-by-case basis by the board of directors of such Belgian Guarantors at the time of the granting of the guarantees or security interests, in anticipation of their enforcement and to be reviewed ultimately on a case-by-case basis at the time of the enforcement by the competent courts. Consideration has to be given to any direct and/or indirect benefit that such Belgian Guarantor would derive from the transaction. This is particularly relevant for upstream or cross-stream guarantees and security interests. It is generally considered by legal scholars that at least the following principles apply to such evaluation: (i) the risk taken by the Belgian Guarantor in issuing the guarantee must be proportional to the direct and/or indirect benefit derived from the transaction; and (ii) the financial support granted by the Belgian Guarantor should not exceed its financial capabilities. The responsibility for such assessment lies with the board of directors of the Belgian Guarantors. The corporate benefit justification by the company's management will be subject to only a "marginal review" by the courts. In insolvency situations, however, the courts can be expected to take a more critical view.

If the corporate benefit requirement is not met, the (board of) directors of the Belgian Guarantor may be held liable (i) by the company for negligence in the management of the company and (ii) by third parties in tort and under criminal law in certain specific circumstances (i.e., where the specific facts can be qualified as "abuse of company goods" (*misbruik van vennootschapsgoederen/abus de biens sociaux*)). Moreover, the guarantee or security interest could be declared null and void and, under certain circumstances, the creditor that benefits from the guarantee or security interest may also be held liable on the basis of the principles of tort liability. Alternatively, the guarantee or collateral could be reduced to an amount corresponding to the corporate benefit and, under certain circumstances, the creditor could be held liable on the basis of the principles of tort liability for any guarantee amount in excess of such amount. These rules have however seldom been tested under Belgian law, and there is only limited case law on this issue.

In order to enable Belgian subsidiaries to grant a guarantee and security interest to secure liabilities of a direct or indirect parent or sister company without the risk of violating Belgian rules on corporate benefit, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to subsidiaries incorporated or established in Belgium. Accordingly, the Purchase Agreements, the Indenture and the security documents will contain such limitation language and the security and the guarantees of the Belgian Guarantors will be so limited.

The Indenture will expressly provide, substantially to the effect that, the obligations of each Belgian Guarantor under the guarantee clause of the Indenture:

(a) shall not include any liability which would constitute unlawful financial assistance (as determined in article 5:152 or 7:227 of the Belgian Companies and Associations Code, as applicable, or any other applicable provision of the Belgian Companies and Associations Code depending on the type of undertaking the Belgian Guarantor is); and

(b) shall be limited to a maximum aggregate amount equal to the greater of (a) 90% of such Belgian Guarantor's net assets (as defined in article 5:142 or 7:212 of the Belgian Companies and Associations Code, as applicable, or any other applicable provision of the Belgian Companies and Associations Code depending on the type of undertaking the Belgian Guarantor is) as shown in its most recent audited annual financial statements as approved at its meeting of shareholders, and (b) the aggregate of the amounts, either directly or through one or more other companies of the INEOS Group, made available to such Belgian Guarantor and its subsidiaries (if any) using all or part of the proceeds of the Notes (increased by all interests, commissions, costs, fees, expenses and other sums accruing or payable in connection with such amount).

Financial assistance

Any guarantee granted by a Belgian Guarantor which constitutes a breach of the provisions on financial assistance as defined by Article 5:152 or 7:227 of the Belgian Code of Companies and Associations, as applicable, or any other applicable provision of the Belgian Code of Companies and Associations depending on the type of undertaking the Belgian Guarantor is, might not be enforceable.

Hardening Periods and Fraudulent Transfer

In the event of bankruptcy proceedings governed by Belgian law, certain transactions may be declared ineffective against third parties if concluded or performed by the debtor during the so-called "hardening period" (*verdachte periode/période suspecte*).

In principle, the cessation of payments (which constitutes a condition for filing for bankruptcy) is deemed to have occurred as of the date of the bankruptcy order. The court issuing the bankruptcy order may determine, based on serious and objective indications, that the cessation of payments occurred on an earlier date. Such earlier date may not be earlier than six months before the date of the bankruptcy order, except in the case where the bankruptcy order relates to a company that was dissolved more than six months before the date of the bankruptcy order in circumstances suggesting an intent to defraud its creditors, in which case the date of cessation of payments may be determined as being the date of such decision to dissolve the company. The period from the date of cessation of payments up to the declaration of bankruptcy is referred to as the "hardening period".

The transactions entered into or performed during the hardening period which may be declared ineffective against third parties and are unenforceable against the bankruptcy receiver include, among others, (i) gratuitous transactions or transactions entered into at an undervalue or on extremely beneficial terms for the counterparty, (ii) payments for debts which have not yet fallen due (iii) payments other than in cash for debts due and (iv) new security interests provided for pre-existing debts.

Other transactions entered into or performed during the hardening period may be declared ineffective against third parties provided that the counterparty was aware of the debtor's cessation of payment. In particular, a guarantee or security interests entered into during the hardening period may be declared ineffective against third parties if (i) it is regarded as having been granted gratuitously, unbalanced or at an undervalue, (ii) the beneficiaries of the guarantee or security interests were aware of the debtor's cessation of payments or (iii) it is granted to secure pre-existing debts.

If the guarantee or security interests granted by the Belgian Guarantor were successfully voided (based on the above), holders of the Notes would cease to have any claim in respect thereof and could be under an obligation to repay any amounts received pursuant to such guarantee or the enforcement proceeds of the security interests.

Furthermore, even in the absence of bankruptcy proceedings, a third party creditor may obtain a court ruling that an act or transaction (such as a guarantee) is not enforceable against it if it can establish that the challenged act or transaction was effected with the fraudulent intent to adversely affect its position as an existing creditor (*actio pauliana*).

Regardless of fraudulent intent, registration of a security interest after cessation of payments can also be declared ineffective against third parties, when more than 15 days have passed in between the date of the deed and the date of registration.

Recognition and Enforcement

The granting of a guarantee and of security interests may be subject to validity and/or enforceability conditions. The breach of any of such conditions may render such guarantee or security interest invalid or unenforceable. The foreclosure of a guarantee or of security interests may be subject to formalities (including, for example, judicial or non-judicial consent) and may be time consuming in the event that the foreclosure takes place under judicial control or in the event of a legal dispute. Courts may condition the enforcement of a guarantee or a security interest upon the evidence that the creditor has a final and undisputed claim triggering the foreclosure of the guarantee or security interest. Enforcement of guarantees or security interests may be hindered by conflict of law and/or conflict of jurisdiction issues and may not breach any public policy provision and/or mandatory legal provisions. Courts may require a sworn translation in French or Dutch of the English documents which they may review.

In particular, and without limiting the generality of what is set out above, validity, effectiveness and enforceability of certain security interests may be limited as follows:

- bank account and receivables pledge: the perfection of the pledge towards respectively the account bank or the debtor of the pledged receivables requires a notice of pledge or acknowledgment of pledge by the relevant account bank or debtor. In the absence of notice (or, in the case of a receivable governed by foreign law, of compliance with the applicable rules set by that foreign law), the pledge is not perfected as against the debtors of the receivables and (i) the debtors may still validly pay the receivables to the pledgor, (ii) the debtors may still raise defenses of set-off, (iii) subsequent assignment or pledge of the receivables to a bona fide third party in respect of which notice is given first would take priority over the pledge effected by the bank account and receivable pledge agreement, (iv) the pledge will not be effective against a third-party creditor of the company (such as, typically, a creditor, a creditor having made an attachment on the receivables) to whom a debtor would, in good faith, have paid a receivable before having received notice of the pledge, and (v) it is uncertain whether, after notice, debtors may still raise defenses of set-off.
- pledge on moveable assets: the perfection of the pledge towards third parties requires a registration of the pledge with the National Pledge Register (*Nationaal Pandregister/Registre National des gages*) established by a royal decree of 14 September 2017 in execution of the articles of title XVII of book III of the Belgian Civil Code relating to the use of the National Pledge Register. The pledgee or its proxy holder is responsible to complete the registration process through an online application by inserting, amongst others, the identity of the parties, the secured amount, the pledged asset and a declaration of the pledgee confirming he assumes liability for any incorrect information. The pledge will become effective as of the date of payment of the retribution and such registration remains valid for a renewable period of 10 years. As long as it is not recorded with the National Pledge Register, there is a risk that the holders of Notes secured by such pledge on moveable assets will not receive any proceeds from an enforcement of the security interest in that collateral; and
- pledge on registered shares representing the issued share capital of a Belgian company: a notice of pledge must be recorded and dated in the share register of the Belgian company to be enforceable against third parties. As long as the recordation is not effectuated in the share register of the Belgian company, there is a risk that the holders of Notes secured by such pledge on registered shares will not receive any proceeds from an enforcement of the security interest in that collateral.

Canada

INEOS Styrolution Canada Ltd. (the "Canadian Guarantor") is a corporation organized under the federal laws of Canada. This summary highlights certain aspects of (i) the laws of the province of Ontario relating to guarantees granted by corporations and (ii) the federal and provincial laws in effect in Canada in respect of bankruptcy, insolvency, corporate arrangement and restructuring and receiverships in respect of the business and assets of debtors, in each case in force on the date of this offering memorandum.

Guarantees

Under the laws of the province of Ontario, there are no financial assistance rules that would restrict the giving of upstream guarantees by corporations. Under the laws of the province of Ontario (and the federal laws of Canada applicable therein), a guarantee or some of its provisions may be unenforceable against the guarantor if they constitute (i) a penalty or (ii) a breach of law or public policy (*e.g.*, a clause providing for a rate of interest exceeding the statutory maximum under the Canadian Criminal Code would be illegal). A guarantee may also be unenforceable if the underlying guaranteed obligation has been changed without the consent of the guarantor or is unenforceable against the principal debtor.

Canadian Bankruptcy and Insolvency Laws

Canadian bankruptcy, insolvency, winding-up, reorganization and other restructuring or similar corporate arrangement legislation (collectively, "Canadian insolvency laws"), may impair, delay, stay, compromise, or otherwise restrict the rights of the Trustee or Security Agent, as applicable, to enforce remedies under the Indenture governing the Notes or the Guarantees, or the Notes or the Guarantees if the benefit of applicable Canadian insolvency laws is sought with respect to the Issuer, the Guarantors or any of their assets. For example, the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) and other corporate arrangement legislation each contain provisions enabling a debtor to obtain a stay of proceedings or other rights and remedies in favor of itself and its property against its creditors and others and to prepare and file a restructuring proposal, a plan of arrangement or a plan of compromise or arrangement to be voted on by the various classes of its affected creditors. A restructuring proposal, plan of arrangement or plan of compromise or arrangement, as applicable, if accepted by the requisite majorities of each affected class of creditors, and if approved by the relevant Canadian court and implemented, would be binding on all affected creditors, including those affected creditors that did not vote to accept the proposal, plan of arrangement or plan of compromise or arrangement. In addition, the relevant Canadian court may, subject to certain conditions, create court-ordered charges on the assets of the debtor to secure interim financing, professional fees, post-filing amounts owing to critical suppliers, director liabilities or other obligations, in priority to the security interests that secure the Notes and the Guarantees. Moreover, Canadian insolvency

laws permit the debtor (or its court appointed receiver) to retain possession and administration of its property (including property that constitutes collateral), subject to court oversight, even though it may be in default under the applicable debt instrument or security document during the applicable proceedings and notwithstanding the ability of its creditors to enforce their rights upon such default are impaired, delayed, stayed, compromised or otherwise restricted. In addition, it may be possible to restructure certain debt obligations, including guarantees, under the applicable governing federal or provincial corporate statute without commencing formal insolvency proceedings.

In this regard, the approval threshold requirements provided in the Indenture governing the Notes for modification of certain rights of the holders of Notes may be disregarded in a restructuring of our debt under applicable law or the order or decree of a court having jurisdiction. In an insolvency, bankruptcy corporate arrangement in respect of a compromise of the debt of the debtors or similar proceeding, the applicable statute or the court will establish the approval threshold. The approval threshold requirements under the Indenture governing the Notes may also be disregarded in a restructuring by way of a court approved arrangement under a Canadian corporate statute. Stays of proceedings have also been granted in connection with these corporate debt restructurings.

The powers of the court under Canadian insolvency laws, and particularly the *Companies' Creditors Arrangement Act* (Canada), have been interpreted and exercised broadly and remedially so as to preserve the enterprise value of a restructuring entity and protect such entity and its assets from actions taken by creditors and other parties. Accordingly, we cannot predict whether payments under the Notes or the Guarantees thereof would be made during any bankruptcy, insolvency, corporate arrangement in respect of a compromise of the debt of the debtors or other restructuring proceedings, whether (and to what extent) or when the Security Agent or the Trustee, as applicable, could exercise its rights under the Indenture governing the Notes, the Notes, the Guarantees or the Security Documents or in respect of the Collateral during any such proceedings, or whether (and to what extent) holders of the Notes would be compensated for any delays in payment of principal, interest and costs, including the fees and disbursements of the Security Agent or the Trustee, or the loss of value of the Collateral. Accordingly, if we were to become subject to any bankruptcy, insolvency, corporate arrangement in respect of a compromise of the debt of the debtors or other restructuring proceedings, we may cease making payments on the Notes and the Security Agent and the Trustee may not be able to exercise their respective rights under the relevant Security Documents or the Indenture governing the Notes, respectively, following commencement of or during such proceedings, without leave of the court.

In addition, under Canadian insolvency laws, courts have jurisdiction over a debtor's property wherever it is located, including property situated in other countries. However, courts outside of Canada may not recognize the Canadian court's jurisdiction. Accordingly, absent recognition of the Canadian proceeding in the foreign jurisdiction, there may be difficulty administering a Canadian bankruptcy or insolvency proceeding involving the Canadian Guarantor because their center of main interest and/or the substantial majority of their respective property is located outside of Canada, and any orders or judgments of a Canadian court may not be enforceable against the Canadian Guarantor or as against any other creditors of the Canadian Guarantor with respect to its property located outside Canada.

In the event of an insolvency of the Issuer or the Guarantors, holders of the Notes may be determined to have an unsecured claim to the extent that said party's obligations in respect of the Notes or the Guarantee exceed the fair market value of the Collateral securing the Notes or the Guarantee, as applicable. Regardless of whether the Notes were fully secured, the holders of Notes could be compelled to exchange their Notes for other securities that may have less favorable terms than the Notes.

Preference and Transfers at Undervalue

Generally, under Canadian insolvency laws and most provincial preference and fraudulent conveyance statutes in Canada, the conveyance of property by a person will be subject to avoidance under certain circumstances if the conveyance is made with the intent to defeat, hinder, delay or defraud creditors or others of their just and lawful actions, suits, debts, accounts, damages, penalties or forfeitures. Furthermore, under Canadian insolvency laws, a disposition of property made by a person who subsequently becomes bankrupt or subject to certain insolvency proceedings within a defined period of time thereafter (one year for arm's length and five years for non-arm's length dispositions) where the person is insolvent or rendered insolvent by the disposition may be reviewed by a court where no consideration is received by the person or where the consideration received by the person is conspicuously less than fair market value of the property or services given by the person in such transaction. In cases in which the transfer is made to a non-arm's length party within one year before the initial bankruptcy event, there is no requirement to establish insolvency or intention to defeat, defraud or delay a creditor. Such "transfer at undervalue" may be set aside or judgment may be given by the court against the other party to such transaction for the difference between the value of the consideration received by the person and the value of the consideration given by the person. In addition, under federal insolvency legislation in Canada an entity that was insolvent at the time of a transfer or charge, which was either (a) made within three months of the initial bankruptcy event in favor of a creditor who is dealing at arm's length with a view of giving that creditor a preference over another creditor (which is presumed, in the absence of evidence to the contrary, if it has the effect to giving the creditor a preference, which presumption is rebuttable) or (b) made within twelve months of the initial

bankruptcy event with a creditor who is not dealing at arm's length that has the effect of giving that creditor a preference over another creditor, can be void as a preference. Accordingly, the grant of security interest or incurrence of obligations in respect of the Notes or Guarantees could be set aside, rendered void or subject to other remedies if a court were to determine that (a) the transaction was a preference or fraudulent conveyance under applicable provincial law, (b) such transaction was a transfer at undervalue pursuant to the Canadian insolvency laws or other relevant legislation or (c) such transaction was a preference pursuant to the Canadian insolvency laws.

If a Canadian court were to find that the granting of the security interests or the incurrence of the obligations in respect of the Notes was a voidable transaction, or any payments or granting of the security interest was a preference or transfer at undervalue, that court could recover payments made in respect of the Notes or Guarantees, or take other actions detrimental to the holders of the Notes, including under certain circumstances, invalidating the Notes or Guarantees.

Also, Canadian corporate legislation in many provinces provides the court with broad powers to make any interim or final order it thinks fit where it is satisfied that in respect of a corporation or any of its affiliates:

- any act or omission of the corporation or any of its affiliates effects a result,
- the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or
- the powers of the directors of the corporation or any of its affiliates are, or have been, exercised in a manner,

that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any shareholder, creditor, director or officer. It is a very flexible remedy because it gives the court broad powers that can be applied in respect of any conduct that the court, in its discretion, concludes was oppressive, including an order setting aside a transaction or compensating a creditor.

Generally, the relevant cases in Canada have held that a creditor may be entitled to an oppression remedy when the corporation has been used as a vehicle for committing fraud on the creditor, or when the conduct complained of breached the creditor's reasonable expectations arising from the circumstances of the creditor's relationship with the corporation. Each case will depend on its facts and whether an oppression remedy is granted will ultimately depend on whatever outcome seems fair, just and reasonable to the presiding judge based on the unique facts of the case at hand.

England and Wales

The Issuer, the Parent and the Company (both Guarantors) are companies incorporated under the laws of England and Wales (together with a number of other Obligors incorporated under the laws of England and Wales, the "English Obligors"). Therefore, any main insolvency proceedings in respect of the English Obligors would likely be commenced in England.

The United Kingdom's Withdrawal from the European Union

Unless insolvency proceedings or certain related proceedings were opened prior to the expiry of the transition period, which commenced on January 31, 2020 and expired on December 31, 2020 (the "Transition Period"), in which case the unmodified Recast EU Insolvency Regulation and related EU insolvency legislation govern the proceedings, insolvency proceedings with respect to English Obligors would likely proceed under, and be governed by, English insolvency laws in force at the time of commencement of the relevant proceedings. However, to the extent that an English Obligor has its COMI in an EU Member State, insolvency proceedings could, pursuant to the Recast EU Insolvency Regulation and subject to certain exceptions, be opened in the relevant Member State and be subject to the laws of that Member State (see "—*European Union*"). In addition, pursuant to the Cross-Border Insolvency Regulations 2006 (SI 2006/1030) (the "Cross-Border Insolvency Regulations"), certain foreign courts may have jurisdiction to oversee insolvency proceedings of any English Obligor which has its COMI or an "establishment" (being a place of operations where it carries out a non-transitory economic activity with human means and assets or services) in such foreign jurisdiction.

Although the scope of the English courts' jurisdiction varies for the different insolvency proceedings available in England and Wales, English courts generally have jurisdiction to open insolvency proceedings in respect of any company which has its COMI in the United Kingdom or which has its COMI in an EU Member State (other than Denmark) and an "establishment" in the United Kingdom. An "establishment" is defined in the same way as under the Recast EU Insolvency Regulation (see "—*European Union*"). While this allows English courts to assume jurisdiction over certain foreign companies in respect of certain insolvency proceedings, the efficacy of such proceedings will significantly depend on the likelihood and extent of subsequent recognition of such proceedings in relevant other jurisdictions.

The Cross-Border Insolvency Regulations, which implemented the UNCITRAL Model Law on Cross-Border Insolvency in the United Kingdom, allow a foreign representative to apply to the English courts for recognition of certain foreign law insolvency proceedings. If recognition is granted, those foreign law proceedings may benefit from certain protections, some of which may arise automatically (depending on the circumstances) and some of which are at the discretion of the English courts. The recognition of English courts' jurisdiction and orders in respect of schemes of arrangement, which are restructuring rather than insolvency proceedings, will be subject to treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention on Choice of Court Agreements 2005 (as used in this section, the "Hague Convention") and the Lugano Convention 2007 (as used in this section, the "Lugano Convention") (subject to the United Kingdom's pending application to accede to the latter, which was blocked by the European Commission in 2021) where these apply. In addition, recognition may still be available under principles of private international law and Regulation (EC) No 593/2008 of the European Parliament and of the Council of June 17, 2008 on the law applicable to contractual obligations (as used in this section, "Rome I").

The recognition of English courts' jurisdiction and orders in respect of restructuring plans is a developing area of law. It remains to be seen whether restructuring plans will fall within the scope of treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention, or whether they will be treated more akin to insolvency and restructuring proceedings and fall within related exceptions to such treaties, although an initial judgment from 2021 suggests that the latter approach may be followed.

English insolvency law may not be as favorable to the interests of investors as the laws of the United States or other jurisdictions with which investors are familiar. In the event that any English Obligor experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

The Issuer's obligations under the Notes will be guaranteed by the English Obligors and secured by security interests over the Collateral. English insolvency laws and other limitations could limit the enforceability of a guarantee against an English Obligor and the enforceability of security interests over the Collateral.

The following is a brief description of certain aspects of English insolvency law relating to certain limitations on the guarantees or the security interests over the Collateral.

The application of these laws could adversely affect investors, their ability to enforce their rights under the guarantees and/or the Collateral securing the Notes and therefore may limit any amounts that investors may receive in an insolvency of an English Obligor.

Fixed and Floating Charges

There are a number of ways in which fixed charge security has an advantage over floating charge security, including: (a) an administrator appointed to a charging company can convert floating charge assets to cash and use such cash, or use cash subject to a floating charge, to meet administration expenses (which can include the costs of continuing to operate the charging company's business) while in administration in priority to the claims of the floating charge holder; (b) a fixed charge, even if created after the date of a floating charge, may have priority as against the floating charge over the charged assets (provided that the floating charge has not crystallised at the time the fixed charge was granted); (c) general costs and expenses (including the remuneration of the insolvency officeholder) properly incurred in a winding-up are payable out of the company's assets (including the assets that are the subject of the floating charge) in priority to floating charge claims; (d) until the floating charge security crystallizes, a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of business, meaning that such assets can be effectively disposed of by the charging company so as to give a third party good title to the assets free of the floating charge and meaning that there is a risk of security being granted over such assets in priority to the floating charge security; (e) floating charge security is subject to certain challenges under English insolvency law (please see "*—Grant of Floating Charge*"); (f) where the floating charge is not a security financial collateral arrangement (please see "*—Administration and Floating Charges*"), floating charge security is subject to the claims of preferential creditors (such as occupational pension scheme contributions and salaries owed to employees) and to ring-fencing for unsecured creditors (please see "*—Priority on insolvency*"); and (g) an administrator may dispose of or take action relating to property subject to a floating charge without the prior consent of the charge holder or court, although the floating charge holder retains the same priority in respect of the proceeds from the disposal of the assets subject to the floating charge. With prior approval of the court, an administrator may deal with property subject to a fixed charge provided that disposing of the property is likely to promote the administration's purpose and that the administrator apply the net proceeds from the disposal of the property in question towards discharging the obligations of the company to the charge holder.

Under English law there is a possibility that a court could re-characterize fixed security interests purported to be created by a security document as floating charges and the description given to security interests by the parties is not determinative. Whether security interests labelled as fixed will be upheld as fixed security interests rather than floating

security interests will depend, among other things, on whether the chargee has the requisite degree of control over the relevant chargor's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the chargee in practice. Where the chargor is free to deal with the secured assets without the consent of the chargee prior to crystallization, the court is likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge in the security documents.

Administration and Floating Charges

The relevant English insolvency statutes empower English courts to make an administration order in respect of an English company in certain circumstances. An administration order can be made if the court is satisfied that the relevant company is or is likely to become "unable to pay its debts" and that the administration order is reasonably likely to achieve the purpose of administration. A company is unable to pay its debts if it is insolvent on a "cash flow" basis (unable to pay its debts as they fall due) or if it is insolvent on a "balance sheet" basis (the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities). Such insolvency is presumed if, among other matters, the company fails either to satisfy a creditor's statutory demand for a debt exceeding £750 or to satisfy in full or in part a judgment debt (or similar court order). An administrator can also be appointed out of court by the company, its directors or the holder of a qualifying floating charge and different procedures apply according to the identity of the appointor.

The purpose of an administration is comprised of three objectives that must be looked at successively: rescuing a company as a going concern or, if that is not reasonably practicable, achieving a better result for a company's creditors as a whole than would be likely upon immediate liquidation or, if neither of those objectives is reasonably practicable, and the interests of the creditors as a whole are not unnecessarily harmed thereby, realising property to make a distribution to one or more secured or preferential creditors. The order of priority which applies to any distribution to creditors is set out below (see "*Priority on insolvency*").

In general, during the administration, no proceedings or other legal process may be commenced or continued against the debtor, or security enforced over the company's property, except with leave of the court or the consent of the administrator. Accordingly, if any of the English Obligors were to enter into administration, the relevant guarantees and the Collateral could not be enforced while the relevant company was in administration without the permission of the court or consent of the administrator. There can be no assurance that the Security Agent would obtain such permission of the court or consent of the administrator.

Certain creditors of a company in administration may be able to realize their security over that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to a "security financial collateral arrangement" (generally, a charge over cash or financial instruments such as shares, bonds or tradable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "Financial Collateral Regulations"). If an English Obligor were to enter administration, it is possible that, to the extent that it is not a financial collateral arrangement, the security granted by it or the guarantee granted by it may not be enforced while it is in administration, without the leave of the court or consent of the administrator. In addition, other than in limited circumstances, no administrative receiver can be appointed by a secured creditor in preference to an administrator, and any already appointed must resign if requested to do so by the administrator. Where the company is already in administration no other receiver may be appointed and an administrative receiver may only be appointed with the leave of a court or consent of the administrator.

In addition, an administrator is given wide powers to conduct the business and, subject to certain requirements under the U.K. Insolvency Act 1986 (as amended, and as used in this section, the "Insolvency Act 1986"), dispose of the property of a company in administration (including property subject to a floating charge).

In order to empower the Security Agent to appoint an administrative receiver or an administrator out of court to the company, the floating charge granted by the relevant English Obligor must constitute a "qualifying floating charge" for purposes of English insolvency law and, in the case of the ability to appoint an administrative receiver, the qualifying floating charge must, unless the security document pre-dates September 15, 2003, fall within one of the exceptions in the Insolvency Act 1986 to the prohibition on the appointment of administrative receivers. In order to constitute a qualifying floating charge, the floating charge must be created by an instrument which (a) states that the relevant statutory provision applies to it, (b) purports to empower the holder to appoint an administrator of the company or (c) purports to empower the holder to appoint an administrative receiver within the meaning given by Section 29(2) of the Insolvency Act 1986. The Security Agent will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with the fixed charge security interests, relate to the whole or substantially the whole of the relevant English Obligor's property and at least one such security interest is a qualifying floating charge. Whether the assets that are subject to the floating charges and other security will constitute substantially the whole of the relevant English Obligor's assets at the time that the floating charges are enforced will be a question of fact at that time and there is no statutory guidance as to what percentage of a company's assets should be charged to satisfy this test. The most relevant exception

to the prohibition on the appointment of an administrative receiver is the exception relating to "capital market arrangements" (as defined in the Insolvency Act 1986), which will apply if the Issuer of the Notes creates a debt of at least £50,000,000 for the relevant company during the life of the arrangement and the arrangement involves the issue of a "capital markets investment" (which is defined in the Insolvency Act 1986, but is generally a rated, listed or traded debt instrument).

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying floating charge using the out of court procedure) and then only if the person who appointed the administrative receiver consents or the court considers that the security pursuant to which the administrative receiver was appointed is capable of challenge on certain grounds. If an administrator is appointed, any administrative receiver will vacate office. Further, upon the appointment of an administrator, any receiver of part of the company's property must resign if required to do so by the administrator unless that receiver was appointed under a charge created or otherwise arising under a "financial collateral arrangement" (as defined in the Financial Collateral Regulations).

Liquidation

Liquidation is a termination procedure applicable to companies incorporated under the laws of England and Wales. There are three ways an English company may be placed into liquidation or "wound up," being (1) Members' Voluntary Liquidation (which is a procedure available to solvent companies only), (2) Creditors' Voluntary Liquidation, and (3) Compulsory Winding-Up.

On the voluntary liquidation of an English company, there is no automatic statutory moratorium in place preventing the holders of security interests from taking steps to enforce those security interests (although the liquidator or any creditor or shareholder of the company in liquidation may apply to court for a stay). Where a company incorporated under the laws of England and Wales is placed into liquidation, a creditor holding a valid mortgage, charge or other security interest has four options: (1) to realize the security, apply the proceeds towards discharge of the secured debt, and prove in the liquidation for any balance; (2) to retain the security and not prove in the liquidation; (3) to value the security and prove for any shortfall between that value and the value of the debt; and (4) to surrender the security and prove for the full amount of the debt.

The effect of a compulsory winding-up differs in a number of respects from that of a voluntary liquidation. In a compulsory winding-up, under Section 127 of the Insolvency Act 1986, any disposition of the relevant company's property made after the commencement of the winding-up is, unless sanctioned by the court, void. Subject to certain exceptions, when an order is made for the winding-up of a company by the court, it is deemed to have commenced from the time of the presentation of the winding-up petition. Once a winding-up order is made by the court, a stay of all proceedings against the company will be imposed. No legal action may be continued or commenced against the company without permission of the court.

Foreign Currency

Under English insolvency law, where creditors are asked to submit formal proofs of claim for their debts, the office-holder will convert all foreign currency denominated proofs of debt into sterling at a single rate for each currency determined by the office-holder by reference to the exchange rates prevailing on the relevant date. If a creditor considers the rate to be unreasonable, they may apply to the court. Accordingly, in the event that an English Obligor goes into liquidation or administration, holders of the Notes may be subject to exchange rate risk between the date that such English Obligor went into liquidation or administration and receipt of any amounts to which such holders of the Notes may become entitled.

Priority on insolvency

With the exception of the Prescribed Part (as defined below), distributions generally cannot be made to a class of creditors until the claims of the creditors in a prior ranking class have been paid in full. Unless creditors have agreed otherwise, distributions are made on a pari passu basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class.

The general priority on insolvency is as follows (in descending order of priority):

- First-ranking: holders of fixed charge security and creditors with a proprietary interest in specific assets in the possession (but not full legal and beneficial ownership) of the debtor but only to the extent of the realisations from those secured assets or with respect to the asset in which they have a proprietary interest;

- Second ranking: expenses of the insolvent estate (there are statutory provisions setting out the order of priority in which expenses are paid);

- Third ranking: these are divided into ordinary preferential creditors and secondary preferential creditors with ordinary preferential creditors being paid in priority to secondary preferential creditors. Ordinary preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (a) contributions to occupational and state pension schemes; (b) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; (c) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the date of insolvency; and (d) bank and building deposits eligible for compensation under the Financial Services Compensation Scheme up to the statutory limit. As between one another, ordinary preferential debts rank equally. Secondary preferential debts include (x) the balance of insured bank and building deposits above the statutory limit of amounts insured under the Financial Services Compensation Scheme and (y) with respect to all insolvencies commencing on or after December 1, 2020, claims by HM Revenue and Customs in respect of certain taxes including VAT, PAYE income tax, student loan deductions, employee National Insurance contributions and Construction Industry Scheme deductions which are held by the company on behalf of other taxpayers such as employees and customers. As between another, secondary preferential debts rank equally;

- Fourth ranking: holders of floating charge security, according to the priority of their security, to the extent of the realizations from those secured assets.

This would include any floating charge that was stated to be a fixed charge in the document that created it but which, on a proper interpretation, was re-characterised or rendered as a floating charge.

However, before distributing asset realisations to the holders of floating charges, the Prescribed Part (as defined below) must, subject to certain exceptions, be set aside for distribution to unsecured creditors;

- Fifth ranking:

    - firstly, provable debts of unsecured creditors and any secured creditor to the extent of any unsecured shortfall, in each case including accrued and unpaid interest on those debts up to the date of commencement of the relevant insolvency proceedings. To pay the secured creditors any unsecured shortfall, the insolvency officeholder can only use realisations from unsecured assets, as secured creditors are not entitled to any distribution from the Prescribed Part unless the Prescribed Part is sufficient to pay out all unsecured creditors;

    - secondly, interest on the company's debts (at the higher of the applicable contractual rate and the official rate) in respect of any period after the commencement of liquidation, or after the commencement of any administration which had been converted into a distributing administration. However, in the case of interest accruing on amounts due under the Notes or the guarantees, such interest due to the holders of the Notes may, if there are sufficient realisations from the secured assets, be discharged out of such security recoveries; and

    - thirdly, non-provable liabilities, being liabilities that do not fall within any of the categories above and therefore are only recovered in the (unusual) event that all categories above are fully paid. This however does not include "currency conversion" claims following the English Supreme Court Lehman Brothers ruling dated May 17, 2017; and

- Sixth ranking: shareholders. If after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Subject to the above order of priority, subordinated creditors are ranked according to the terms of the subordination language in the relevant documentation.

An insolvency practitioner of the company (e.g., administrator, administrative receiver or liquidator) will generally be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors (after making full provision for preferential creditors and expenses out of floating charge realisations) (the "Prescribed Part"). Under current law, this ring-fence applies to 50% of the first £10,000 of floating charge realisations and 20% of the remainder over £10,000, with a maximum aggregate cap of £600,000, or £800,000 in relation to floating charges which come into existence on or after 6 April, 2020. The Prescribed Part must be made available to unsecured creditors unless the cost of doing so would be disproportionate to the resulting benefit to creditors.

Challenges to Guarantees and Security

There are circumstances under English insolvency law in which the granting by an English company of security and guarantees can be challenged. In most cases this will only arise if the company is placed into administration or

liquidation within a specified period (as set out in more detail below) of the granting of the guarantee or security. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, he may challenge the validity of the guarantee or security given by such company.

The following potential grounds for challenge may apply to guarantees and charges:

Transaction at an Undervalue

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or guarantee constituted a transaction at an undervalue. There will only be a transaction at an undervalue, if at the time of the transaction or as a result of the transaction, the English company was or becomes unable to pay its debts (as defined in the Insolvency Act 1986). The transaction can be challenged if the English company enters into liquidation or administration proceedings within a period of two years (in the case of a transaction entered into between the relevant company and a person who is "connected" with that company, within the meaning of section 249 of the Insolvency Act 1986 (a "Connected Person") or six months (in the case of a transaction entered into between the relevant company and any person who is not a Connected Person, including where such beneficiary is a Connected Person by reason only of being the company's employee) from the date the English company grants the security interest or the guarantee. A transaction might be subject to being set aside as a transaction at an undervalue if the company makes a gift to a person, if the company receives no consideration or if the company receives consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court generally will not intervene if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit it. If the court determines that the transaction was a transaction at an undervalue, the court can make such order as it thinks fit to restore the position to what it would have been in if the transaction had not been entered into. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent unless a beneficiary of the transaction was a Connected Person, in which case there is a presumption of insolvency and the Connected Person must demonstrate the solvency of the English company in such proceedings. The Issuer cannot assure holders of the Notes that in the event of insolvency, the granting of the security or the giving of the guarantees by companies incorporated under the laws of England and Wales would not be challenged by a liquidator or administrator or that a court would support the Group's analysis that (in any event) the security and guarantees were entered into in good faith for the purposes described above.

In general terms, in such circumstances the Courts of England and Wales have the power to make void such transactions, or restore the position to what it would have been if the company had not entered into the transaction. If a court voided any grant of security or giving of any guarantee as a result of a transaction at an undervalue or preference, or held it unenforceable for any other reason, investors would cease to have any security over the grantor or a claim against the Guarantor giving such guarantee.

Preference

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or such guarantee constituted a preference. There will only be a preference if, at the time of the transaction or as a result of the transaction, the English company was or becomes unable to pay its debts (as defined in the Insolvency Act 1986). The transaction can be challenged if the English company enters into liquidation or administration proceedings within a period of six months (if the beneficiary of the security or the guarantee is not a Connected Person) or two years (if the beneficiary is a Connected Person, except where such beneficiary is a Connected Person by reason only of being the company's employee) from the date the English company grants the security interest or the guarantee. A transaction will constitute a factual preference if it has the effect of putting a creditor of the English company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. If the court determines that the transaction constituted such a preference, the court has very wide powers for restoring the position to what it would have been if that preference had not been given, which could include reducing payments under the Notes and the guarantees (although there is protection for a third party who enters into one of the transactions in good faith and without notice). However, for the court to do so, it must be shown that in deciding to give the factual preference the English company was influenced by a desire to produce the preferential effect. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent at the relevant time and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a Connected Person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the Connected Person must demonstrate in such proceedings that there was no such influence.

Transaction Defrauding Creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim, which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction and, subject to certain conditions, the U.K. Financial Conduct Authority and the U.K. Pensions Regulator, and is not therefore limited to liquidators or administrators. There is no time limit in the English insolvency legislation within which the challenge must be made (subject to the normal statutory limitations period) and the relevant company does not need to be insolvent at the time of the transaction. If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction.

Extortionate Credit Transaction

An administrator or a liquidator can apply to court to set aside an extortionate credit transaction. The court can review extortionate credit transactions entered into by an English Obligor up to three years before the day on which the English Obligor entered into administration or went into liquidation. A transaction is "extortionate" if, having regard to the risk accepted by the person providing the credit, the terms of it are (or were) such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit or it otherwise grossly contravened ordinary principles of fair dealing.

Grant of Floating Charge

Under English insolvency law, if an English Obligor is unable to pay its debts at the time of (or as a result of) granting the floating charge, and the floating charge was granted within the specified period referred to below, then such floating charge is invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English Obligor at the same time as or after the creation of the floating charge. The requirement for the English Obligor to be insolvent at the time of (or as a result of) granting the floating charge does not apply where the floating charge is granted to a Connected Person and within the specified period referred to below. If the floating charge is granted to a Connected Person, and the floating charge was granted within the specified period referred to below, then the floating charge is invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English Obligor at the same time as or after the creation of the floating charge, whether the relevant English Obligor is solvent or insolvent. The granting of the charge can be challenged only if the relevant English Obligor enters into liquidation or administration proceedings within a period of one year (if the beneficiary is not a Connected Person) or two years (if the beneficiary is a Connected Person) from the date the relevant English Obligor grants the floating charge. However, if the Floating Charge qualifies as a "financial collateral arrangement" under the Financial Collateral Arrangements (No. 2) Regulations 2003, the floating charge will not be subject to challenge as described in this paragraph. An administrator, or a liquidator (as applicable), does not need to apply to court for an order declaring that a floating charge is invalid. Any floating charge created during the relevant time period is automatically invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English company at the same time as or after the creation of the floating charge (plus certain interest), whether the relevant English company is solvent or insolvent at the time of grant.

The Corporate Insolvency and Governance Act 2020

On June 25, 2020 the Corporate Insolvency and Governance Bill 2020 received Royal Assent and took effect as the Corporate Insolvency and Governance Act 2020 on June 26, 2020 (the "Insolvency Act 2020") (save for certain temporary business protection measures which have retrospective effect from 1 March 2020). The Insolvency Act 2020 introduced a number of substantial and permanent changes to the insolvency regime of the United Kingdom including the following:

Moratorium

The Insolvency Act 2020 introduces a new standalone moratorium to facilitate company restructurings. The entry into a moratorium for companies incorporated in England and Wales would be similar to the current out of court administrator appointment procedure, i.e., filing papers at court. A "moratorium monitor" (the "Monitor") (an insolvency practitioner and officer of the court) will file their consent to act and confirm that they have assessed the company's eligibility and that all moratorium qualifying conditions are satisfied. Costs incurred during a moratorium will be treated in the same way as expenses in an administration. Where a company exits a moratorium and subsequently enters

administration or liquidation, any unpaid moratorium costs will have super priority over any costs or claims in the administration or liquidation, including the expense of those later procedures.

The moratorium is intended to enable the company to reach an agreement with creditors and the Monitor will be obliged to monitor whether it remains likely that the moratorium will result in the rescue of the company as a going concern (which is one of the eligibility criteria for a company to avail itself of the moratorium).

The eligibility criteria require the directors to state that the company is, or is likely to become, unable to pay its debts. A company which has entered into a moratorium, administration or company voluntary arrangement in the last 12 months is not eligible to enter into a moratorium. Certain categories of companies are excluded from being eligible (including those "excluded" as parties to capital markets arrangements as more particularly described in the Insolvency Act 2020).

The moratorium shall last for an initial period of up to 20 business days beginning with the business day after the day on which the moratorium comes into force, which may be extended (i) by the directors, for a period of a further 20 business days, (ii) with creditor consent for a total period of a year (including the initial 20 business day period), and (iii) by the court for an unlimited period.

The moratorium imposes a general restriction on the enforcement or payment of debts, insolvency proceedings and legal proceedings and the crystallization of floating charges. The moratorium also impacts the company's ability to engage in a range of corporate acts including those which relate to obtaining credit, the grant of security, entering into market contracts, payment of certain pre-moratorium debts, disposal of property, disposal of hire-purchase property and disposal of charged property free from charge.

The Monitor can terminate the moratorium on various grounds, including if the Monitor thinks that the moratorium is no longer likely to result in the rescue of the company as a going concern, or is unable to pay moratorium debts, or pre-moratorium debts for which the company does not have a payment holiday, as and when those debts fall due.

Creditors and other persons affected by the moratorium are entitled to apply to the court to challenge the Monitor's actions. A creditor or member of the company may challenge the conduct of or continuation of the moratorium on the ground that the interests of the company's creditors or members generally are being unfairly harmed.

Certain ipso facto clauses to be rendered ineffective

The Insolvency Act 2020 renders ineffective termination clauses in contracts for the supply of goods and services where the termination clause is activated by the purchaser of the goods or services becoming subject to a formal insolvency procedure (so-called 'ipso facto' clauses). This provision does not apply in relation to certain types of financial contracts, or where the company or the supplier are engaged in certain types of financial services.

Restructuring plan

The Insolvency Act 2020 introduces a new restructuring process under Part 26A of the U.K. Companies Act 2006, which is broadly similar to, and intended to follow the same process as, a scheme of arrangement but with an ability for cross class cramdown.

This standalone restructuring plan will be available to certain companies that have encountered, or are likely to encounter, financial difficulties that are affecting, or will or may affect, their ability to carry on business as a going concern. The compromise or arrangement proposed in the plan must have as its purpose the elimination, reduction or prevention of, or mitigation of the effect of, any such financial difficulties.

The process closely resembles that for a scheme of arrangement. However, unlike a scheme of arrangement, to commence this process a restructuring plan proposal can be made not only by the company, but also any creditor or member of the company, or if the company is being wound up, the liquidator, or if the company is in administration, the administrator. Every creditor or member whose rights are affected should be able to participate in a meeting. Creditors will be divided into classes based on the similarity or otherwise of their rights prior to the restructuring plan and following implementation of the plan and the court must approve the formation of any such classes.

At a first hearing, the court may order the holding of a meeting of creditors, classes of creditors, members or class of members. Before that meeting, a statement must be provided to the creditors, class of creditors or class of members (as applicable) which statement must explain the effect of the compromise or arrangement. At the meeting, the requisite voting threshold of 75% in value of the creditors, class of creditors or members (as applicable) present and voting must be met before, at a second hearing, the court will consider whether to sanction the compromise or arrangement. Creditors whose rights are affected by the compromise or arrangement must be permitted to participate in

the meeting and vote on the plan but there is no need to include creditors whose rights are not affected. Furthermore, a court may exclude a creditor whose rights are affected where it is satisfied that such a creditor, or class of creditors, have no genuine economic interest in the company.

Where a compromise or arrangement is approved by 75% in value of a class of creditors or members (as applicable) present and voting who would receive a payment or have a genuine economic interest in the company in the event of the "relevant alternative" (i.e. whatever the court considers would be most likely to occur in relation to the company if the restructuring plan were not sanctioned) then the court may still sanction the scheme even if one or more classes of creditors or members did not vote in favor of it, thereby "cramming-down" dissenting classes, if: (i) the court is satisfied that none of the members of the dissenting class would be any worse off under the restructuring plan than they would be in the event of the "relevant alternative"; and (ii) the restructuring plan has been approved by a number representing 75% in value of a class of creditors or members (as applicable), present and voting, who would receive a payment, or have a genuine economic interest in the company, in the event of the relevant alternative referred to in (i) above.

The restructuring plan must then be sanctioned by the court at a sanction hearing where the court will review the fairness of the restructuring plan and consider what is reasonable. The court retains discretion to sanction a restructuring plan as approved, make an order conditional upon modifications being made or reject the restructuring plan.

Statutory demands and winding-up petitions

Under section 127 of the Insolvency Act certain transactions, including any disposition of the company's property and any transfer of shares made after the commencement of a winding-up, unless sanctioned by the court, are void. Where a creditor makes a winding-up petition during the period set out above and the court makes an order for a winding-up of the company, the Insolvency Act 2020 shifts the point in time at which a winding-up will be deemed to commence for the purposes of section 127 of the Insolvency Act from the time of the presentation of the winding-up petition to the making of the winding-up order. Therefore, transactions that are entered into after the presentation of a winding-up petition during the 'relevant period' but prior to the making of the winding-up order will not be void.

Ranking of Security Interests

Under English law, there are certain common law rules and equitable principles which will determine the ranking of two or more competing security interests over the same assets. A number of different factors are taken into account, such as the nature of the security interest, the order of creation, compliance with perfection requirements and the order of giving notice. English law security interests are to be granted to secure obligations under the Notes (which will also extend to obligations under the Existing Term Loan B Facility Agreements, certain hedging liabilities and certain cash management liabilities); these security interests will be granted over the same assets in respect of which security interests have already been granted in favour of the lenders under the Existing Term Loan B Facilities Agreements and the holders of the Existing Senior Secured Notes. Accordingly, without the Intercreditor Agreement, these new security interests would be likely to rank after the existing security interests. However, the Intercreditor Agreement provides that as a contractual matter as among Senior Secured Creditors (as defined in the Intercreditor Agreement) the Notes will be secured on a *pari passu* basis with the Existing Term Loan B Facilities, the New Term Loan B Facilities, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities and will be treated as such for the purposes of the application of proceeds from the enforcement of such assets.

Disclaimer

An English liquidator has the power to disclaim onerous property, which is any unprofitable contract or other property of the company that cannot be sold, readily sold or may give rise to a liability to pay money or perform any other onerous act. A contract may be unprofitable if it gives rise to prospective liabilities and imposes continuing financial obligations on a company that may be detrimental to creditors. However, this power does not apply to an executed contract, nor can it disturb accrued rights and liabilities.

Limitation on enforcement

The grant of a guarantee or Collateral by any of the English Obligors in respect of the obligations of another group company must satisfy certain legal requirements. More specifically, such a transaction must be allowed by the respective company's memorandum and articles of association. To the extent that these documents do not allow such an action, there is the risk that the grant of the guarantee and the subsequent security can be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with an English Obligor in good faith; however, the relevant legislation is not without difficulties in its interpretation. Further, corporate benefit must be established for each English Obligor in question by virtue of entering into the proposed transaction. Section 172 of the U.K. Companies Act 2006 provides that a director must act in the way that he considers,

in good faith, would be most likely to promote the success of the English Obligor for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found as abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court.

Security over shares

Security over shares granted by an English Obligor or over shares of an English Obligor are, under English law, equitable charges, not legal charges. An equitable charge arises where a chargor creates an encumbrance over the property in favour of the chargee but the chargor retains legal title to the shares. Remedies in relation to equitable charges may be subject to equitable considerations or are otherwise at the discretion of the court.

Security over bank accounts

With respect to any security over bank accounts (each an "Account Charge") granted by an English Obligor, the banks with which some of those accounts are held (each an "Account Bank") may hold a right at any time (at least prior to them being notified of a crystallisation event under the Account Charge) to exercise the rights of netting or set-off to which they are entitled under their cash pooling or other arrangements with that guarantor. As a result, and if the security granted over those accounts is merely a floating (rather than fixed) charge, the collateral constituted by those bank accounts will be subject to the relevant Account Bank's rights to exercise netting and set-off with respect to the bank accounts charged under the relevant Account Charge. Once the floating charge has crystallised and converted into a fixed charge (as it would on enforcement or the occurrence of certain insolvency events with respect to the relevant English Obligor) and the Account Bank has been formally notified of that fact, the collateral will no longer be subject to the relevant Account Bank's netting and set-off rights.

Company voluntary arrangements

Pursuant to Part I of the Insolvency Act 1986, a company (by its directors or its administrator or liquidator as applicable) may propose a company voluntary arrangement to the company's shareholders and creditors which entails a compromise, or other arrangement, between the company and its creditors, typically a rescheduling or reducing of the company's debts. Provided that the proposal is approved by the requisite majority of creditors by way of a decision procedure, it will bind all unsecured creditors who were entitled to vote on the proposal. A company voluntary arrangement cannot affect the right of a secured creditor to enforce its security, or of a preferential creditor to be paid in priority to non-preferential creditors (see "*Priority on insolvency*"), except with the consent of the secured creditor or the preferential creditor (as applicable).

In order for the company voluntary arrangement proposal to be passed, it must be approved by at least 75% (by value) of the company's creditors who respond in the decision procedure, and no more than 50% (by value) of unconnected creditors may vote against it. Secured debt cannot be voted in a company voluntary arrangement. However, a secured creditor may vote to the extent that it is undersecured. A secured creditor who proves in the company voluntary arrangement for the whole of its debt may be deemed to have given up its security.

Scheme of arrangement

Although it is not an insolvency proceeding, pursuant to Part 26 of the U.K. Companies Act 2006, the English courts have jurisdiction to sanction a scheme of arrangement that effects a compromise of a company's liabilities between a company and its creditors (or any class of its creditors). An English Obligor may be able to pursue a scheme in respect of its financial liabilities. In addition, a foreign Guarantor which is liable to be wound up under the Insolvency Act 1986 and has a "sufficient connection" to England and Wales could also pursue a scheme. In practice, a foreign company is likely to satisfy the first limb of this test and the second limb has been found to be satisfied where, amongst other things, the company's COMI is in England or Wales, the company's finance documents are English law-governed, or the company's finance documents have been amended in accordance with their terms to be governed by English law. Ultimately, each case will be considered on its particular facts and circumstances so previous cases will not necessarily determine whether or not any of the grounds of the second limb are satisfied in the present case.

Before the court considers the sanction of a scheme of arrangement at a hearing where the fairness and reasonableness of the scheme will be considered, affected creditors will vote on the proposed compromise or arrangement in respect of their claims in a single class or in a number of classes, depending on the rights of such creditors that will be affected by the proposed scheme and any new rights that such creditors are given under the scheme. Such compromise can be proposed by the company or its creditors. If a majority in number representing 75% or more by value of those creditors present and voting at the meeting(s) of each class of creditors vote in favour of the proposed scheme, irrespective of the terms and approved thresholds contained in the finance documents, then that scheme will (subject to the sanction of the court) be binding on all affected creditors, including those affected creditors who did not participate in the vote and those who voted against the scheme. The scheme then needs to be sanctioned by the court at a sanction

hearing where the court will review the fairness of the scheme and consider whether it is reasonable. The court has the discretion as to whether to sanction the scheme as approved, make an order conditional upon modifications being made or reject the scheme.

The commencement of a scheme of arrangement does not trigger a moratorium of claims or proceedings.

France

Insolvency

The registered office of several of the Guarantors is located in France; consequently, they could be subject to French court-assisted proceedings affecting creditors, i.e. *mandat ad hoc* or *conciliation proceedings* (which do not fall within the scope of the Recast EU Insolvency Regulation). In addition, to the extent that the COMI of the Issuer or any Guarantor, or, in cases where the Recast EU Insolvency Regulation does not apply, their registered office or main center of interests within the meaning of article R. 600-1 of the French Commercial Code, is deemed to be in France, or they have an establishment in France, they could be subject to French court-administered proceedings affecting creditors, i.e. either safeguard proceedings, accelerated safeguard proceedings (*sauvegarde or sauvegarde accélérée*), judicial reorganization proceedings (*redressement judiciaire*) or judicial liquidation proceedings (*liquidation judiciaire*).

Annex A of the Recast EU Insolvency Regulation lists safeguard, accelerated safeguard, accelerated financial safeguard (which no longer exists and was merged into one single proceeding namely accelerated safeguard proceedings by Ordinance No. 2021-1193 dated September 15, 2021), judicial reorganization and judicial liquidation proceedings as insolvency proceedings within the meaning of the Recast EU Insolvency Regulation. The Issuer or any Guarantor having its COMI in France would be subject to French main insolvency proceedings within the meaning of the Recast EU Insolvency Regulation and the Issuer or any Guarantor having an establishment in France and its COMI in another EU Member State (other than Denmark) could be subject to French secondary insolvency proceedings within the meaning of the Recast EU Insolvency Regulation.

Pursuant to Article L. 721-8 of the French Commercial Code, specialized commercial courts exist for (i) conciliation or insolvency proceedings with respect to debtors that meet or exceed (on a stand-alone basis or together with the companies under their control) (x) €20 million in net turnover and 250 employees or (y) €40 million in net turnover, (ii) commencement of proceedings with respect to which the court's international jurisdiction results from the application of the Recast EU Insolvency Regulation, or (iii) in cases where the Recast EU Insolvency Regulation does not apply, from the debtor having its main center of interests within the jurisdiction of such specialized courts.

In addition, the French court that commences insolvency proceedings with respect to the member of a corporate group has jurisdiction over all the other members of the group (subject to French courts having international jurisdiction with respect to such entities, in accordance with the rules outlined above, and to specific control thresholds); accordingly, a court can supervise the insolvency proceedings of the whole group and may, for this purpose, appoint the same court-appointed administrator (*administrateur judiciaire*) and creditors' representative (*mandataire judiciaire*) for all proceedings in respect of members of the group.

In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes and/or the Guarantees granted by the French Subsidiary Guarantors and, in the case of the Notes corresponding security interests in the Collateral.

The following is a general discussion of preventative and insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes.

Transposition of the EU Restructuring Directive

The French government's ordinance No 2021-1193 dated September 15, 2021 (the "**Transposition Ordinance**"), and its implementation decree No 2021-1218 dated September 23, 2021, transposed the EU Restructuring Directive into French law. Following the transposition of the EU Restructuring Directive by the Transposition Ordinance, French insolvency proceedings are significantly modified (particularly with regard to the process of adoption of restructuring plans under insolvency proceedings). The provisions of the Transposition Ordinance are detailed in the sections below.

The Transposition Ordinance entered into force on October 1, 2021, subject to very limited exceptions, and is applicable to insolvency proceedings opened as from the said date. Given the date of issuance of the Notes, French insolvency law, as amended by the Transposition Ordinance, are described in the sections below.

Note that at the date of issuance of the Notes, the Transposition Ordinance has received limited application in case law given the recent entry into force of the text. The elements provided for in this offering memorandum are therefore a mere description of the provisions of the Transposition Ordinance and should be read under the assumption that their understanding and application by the French courts may still evolve in the near future.

Grace Periods

In addition to insolvency laws discussed below, you could, like any other creditors, be subject to Article 1343-5 of the French Civil Code (*Code civil*).

Pursuant to the provisions of this article, French courts may, in any civil or commercial proceedings involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's needs, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations and/or decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate, as published semi-annually by the French government) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1343-5 of the French Civil Code will suspend any pending enforcement measures, and any contractual default interest or penalty for late payment will not accrue or be due during the grace periods ordered by the relevant judge. A creditor cannot contract out of such provisions.

If the debtor is engaged in conciliation proceedings or has reached a conciliation agreement that is in the course of being executed, special rules apply to the grant of grace periods (see "—*Court-assisted pre-insolvency Proceedings*" below).

Warning procedure (procédure d'alerte)

In order to anticipate a debtor's difficulties to the extent possible, French law provides for certain warning procedures which take place in stages. If a company is incorporated as a *société anonyme*, when there are elements which the statutory auditors of a company believe put the company's existence as a going concern in jeopardy, they can request the management to provide an explanation for the situation (Stage 1 of the warning procedure). Failing satisfactory explanations or corrective measures by management within 15 days, the statutory auditor must request that the board of directors (or the equivalent body) be convened and may request to be heard by the president of the relevant commercial court (Stage 2 of the warning procedure). The minutes of the board of directors' meeting are sent to the employee representatives and the president of the relevant commercial court during Stage 2, as Stage 1 proceedings are confidential.

If, despite the statutory auditor's request, the board of directors (or an equivalent body) has not been convened, if the statutory auditor has not been summoned to the meeting of the board, or if the statutory auditor concludes that in the context of this meeting satisfactory explanations have not been given and appropriate corrective measures have not been taken by management, then management must convene a shareholders' meeting at which the auditors present a special report on the state of the company. This report is also sent to the employee representatives (Stage 3 of the warning procedure). In practice, the statutory auditor commonly invites the management to convene a shareholders' meeting. If management fails to act, then the statutory auditor convenes the shareholders' meeting himself/herself and sets the agenda. If the statutory auditor considers that decisions made by the shareholders during the shareholders' meeting do not ensure the company's existence as a going concern, he or she must inform the president of the relevant commercial court of the warning procedure and may also request to be heard on the matter (Stage 4 of the warning procedure).

Similar warning procedures exist for companies not registered as a *société anonyme*, with minor differences in technical details of the procedure.

Shareholders representing at least 5% of the share capital and the social and economic committee, or, in their absence, the employees' representatives have similar rights.

The statutory auditors may also request to be heard, at any time, alongside the management, by the president of the relevant commercial court.

The president of the relevant commercial court can also summon the management to provide explanations on elements which the president of the court believes put the company's existence as a going concern in jeopardy, or when the company has not filed its financial statements within the statutory timeframe, despite his injunction.

In addition, where a warning procedure is initiated in accordance with articles L. 234-1, L. 234-2, L. 251-15 and

L. 612-3 of the French Commercial Code, if the statutory auditor considers the state of the relevant company to require immediate action, and has determined that the director is refusing to take such action or is taking insufficient measures, the statutory auditors may inform the president of the relevant commercial court concurrently with his or her initial report made to the director, the chairman of the board of directors (*conseil d'administration*) or of the supervisory board (*conseil de surveillance*), as the case may be. In such case, the statutory auditor may communicate by any means and without delay to the president of the court his or her findings and proceedings, and may produce copies of any relevant documents.

Insolvency Test

Under French law, a debtor is deemed to be insolvent (*en état de cessation des paiements*) when it is unable to pay its due debts (*passif exigible*) with its immediately available assets (*actif disponible*) taking into account available credit lines, existing debt rescheduling agreements and moratoria.

The date of insolvency (*état de cessation des paiements*) is generally deemed to be the date of the court ruling commencing the judicial reorganization or judicial liquidation proceedings, unless the court sets an earlier date, which may be carried back up to 18 months before the date of such court ruling. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that approved an agreement (homologation) in the context of conciliation proceedings. The date of insolvency marks the beginning of the hardening period (see "*—The "hardening period" (période suspecte) in judicial reorganization and judicial liquidation proceedings"* below).

Court-assisted pre-insolvency Proceedings

A French debtor facing difficulties may in certain conditions request the commencement of court-assisted proceedings (*mandat ad hoc* or conciliation), the aim of which is to reach an amicable agreement with the debtor's main creditors and stakeholders e.g. an agreement to reduce or reschedule its indebtedness.

Mandat ad hoc proceedings may only be initiated by the debtor itself, in its sole discretion. In practice, *mandat ad hoc* proceedings are used by debtors that are facing any type of difficulties but are not insolvent (see "*—Insolvency Test"* above). The proceedings are informal and confidential by law (save for the disclosure of the order of the President of the court appointing the *mandataire ad hoc* to the statutory auditors if any). They are carried out under the aegis of a court-appointed officer (*mandataire ad hoc*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The proceedings are not limited in time. The duties of the *mandataire ad hoc* are determined by the president of the competent court (usually the commercial court) that appoints him or her, usually to facilitate negotiations with creditors, it being noted that such *mandataire ad hoc* does not have any coercive power. Any agreement between the debtor and its creditors will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. The agreement reached is reported to the president of the court but is not formally approved by him or her. *Mandat ad hoc* proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually accept not to do so for their duration. In any event, the debtor retains the right to petition the relevant judge for a grace period under Article 1343-5 of the French Civil Code (see "*—Grace Periods*" above).

Conciliation proceedings may only be initiated by the debtor itself if it faces actual or foreseeable difficulties of a legal, economic or financial nature and (at the time the conciliation proceedings are commenced) is not insolvent (see "*—Insolvency Test"* above) or has not been insolvent for more than 45 calendar days. The proceedings are confidential by law (save for the disclosure of the court decision commencing the proceedings to the statutory auditors, if any). They are carried out under the aegis of a court-appointed conciliator (*conciliateur*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The proceedings may last up to four months (with the *conciliateur* being able to request a month extension so that its total duration can be up to five months). In case the debtor intends to have the conciliation agreement approved (*homologué*) or acknowledged (*constaté*), its request must be filed by the end of this five-month period, even though the hearing can take place afterwards, in which case the conciliation period will be extended until the decision of the president of the court or the court itself.

The duties of the *conciliateur* are to assist the debtor in negotiating an agreement with all or part of its creditors and/or other stakeholders that puts an end to its difficulties, e.g. providing for the restructuring of its indebtedness, it being noted that such *conciliateur* does not have coercive power. Any agreement between the debtor and its creditors will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. Conciliation proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually accept not to do so for their duration and creditors may not request the opening of insolvency proceedings (*redressement judiciaire or liquidation judiciaire*) against the debtor.

Pursuant to Article L. 611-7 of the French Commercial Code, during the proceedings, the debtor retains the right to petition the judge that commenced them for a grace period in accordance with Article 1343-5 of the French Civil Code (see "—*Grace Periods*" above) provided that a creditor (i) has formally put the debtor on notice to pay or is suing for payment or (ii) has not accepted, by the deadline set by the conciliator, a request made by the conciliator to suspend payment of its claim. In the case of (ii), the judge may defer or reschedule the payment of claims that are not yet due, for the duration of the conciliation proceedings, whereas claims that are due are deferred in accordance with Article 1343-5 of the French Civil Code (debt rescheduling for a maximum of two years). The judge will take its decision after having heard the conciliator and may condition the duration of the measures it orders to reaching an agreement in the conciliation proceedings.

Additionally, pursuant to Article L. 611-10-1 of the French Commercial Code, the judge having commenced conciliation proceedings may, during the execution period of a conciliation agreement (whether it is acknowledged or approved as described below), impose grace periods on creditors who were asked to participate in the conciliation proceedings (other than the tax and social security administrations) and have formally put the debtor on notice to pay or are suing for payment of claims that were not dealt with in the conciliation agreement, such decision being taken after hearing the *conciliateur* if he/she has been appointed to monitor the implementation of the agreement.

The conciliation agreement reached between the parties may be acknowledged (*constaté*) by the president of the Commercial Court at the request of the parties, which makes the agreement binding upon them (in particular, performance of the conciliation agreement prevents any action by the creditors party thereto against the debtor to obtain payment of claims governed by the conciliation agreement) and enforceable without further recourse to a judge (*force exécutoire*), but the conciliation proceedings remain confidential.

Alternatively, the conciliation agreement may be approved (*homologué*) by the Commercial Court at the request of the debtor following a hearing held for that purpose (to which the representative or representatives appointed by social and economic committee (previously known as works council) must be convened) if (i) the debtor is not insolvent or the conciliation agreement has the effect of putting an end to the debtor's insolvency, (ii) the conciliation agreement effectively ensures that the company will survive as a going concern and (iii) the conciliation agreement does not impair the rights of the non-signatory creditors. Such approval will have the same effect as its acknowledgement (*constatation*) as described above and in addition:

- the decision of approval by the relevant court, which should only disclose the existence of the proceedings, the guarantees, security interests and liens as well as the amount benefitting from the so-called New Money Lien (see below), will be public but the agreement itself should otherwise remain confidential except vis-à-vis the social and economic committee, as the case may be that is informed of the contents of the conciliation agreement and may have access to the full conciliation agreement at the clerk's office (*greffe*) of the Court;

- creditors that, as part of the conciliation agreement or during the course of the conciliation proceedings, provide new money, goods or services designed to ensure the continuation of the business of the debtor (other than shareholders providing new equity in the context of a capital increase) will enjoy a priority of payment over all pre-commencement and post-commencement claims (except with respect to certain pre-commencement employment claims and procedural costs) (the "**New Money Lien**"), in the event of subsequent insolvency proceedings;

- in the event of subsequent safeguard proceedings, accelerated safeguard proceedings or judicial reorganization proceedings, the claims benefiting from the New Money Lien may not, without their holders' consent, be written off and their payment date may not be rescheduled, not even by the classes of Affected Parties (as defined below);

- when the debtor is submitted to statutory auditing, the conciliation agreement is communicated to its statutory auditors; and

- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of insolvency (see "—*Insolvency Test*" above), and therefore the starting date of the hardening period (as defined below) (see "—*The "hardening period"* (*période suspecte*) *in judicial reorganization and judicial liquidation proceedings*" below), cannot be set by the court as of a date earlier than the date of the final decision approving (*homologation*) the agreement by the court (except in case of fraud).

Whether the conciliation agreement is acknowledged or approved, the president of the court or the court (depending on whether the agreement was acknowledged or approved) may, at the request of the debtor, appoint the *conciliateur* to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its execution

and, while the agreement is in force:

- interest accruing on the claims that are the subject to the conciliation agreement cannot be compounded;
- the debtor retains the right to petition the judge that commenced the conciliation proceedings for a grace period in accordance with Article L. 611-10-1 of the French Commercial Code as explained above; and
- joint debtors or a third party which had previously granted credit support (a guarantee or security interest) with respect to the debtor's obligations may benefit from the provisions of the conciliation agreement as well as from grace periods granted to the debtor in the context of conciliation proceedings pursuant to article L. 611-7 of the French Commercial Code or during the implementation period of the conciliation agreement pursuant to article L. 611-10-1 of the French Commercial Code as explained above.

If the debtor breaches the terms of the conciliation agreement, any party to it may petition the president of the court or the court (depending on whether the agreement was acknowledged or approved) for its termination. If such termination is granted, grace periods granted in relation to the conciliation proceedings may be revoked. However, the termination of the conciliation agreement does not render ineffective the provisions intended to organize the consequences of this termination. Conversely, provided the conciliation agreement is duly performed, any individual proceedings by creditors with respect to obtaining payment of the claims dealt with by the conciliation agreement are suspended and/or prohibited. The commencement of subsequent insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will be entitled to recover their claims (decreased by the payments already received) and pre-existing security interests or guarantees.

Conciliation proceedings in which a draft plan is supported by a large majority of creditors which is likely to meet the threshold requirements for creditors' consent in safeguard, is a mandatory preliminary step of accelerated safeguard proceedings, as described below.

At the request of the debtor and after the creditors taking part in the proceedings have been consulted on the matter, *mandat ad hoc* and conciliation proceedings may also be used to organize the partial or total sale of the debtor, in particular through a sale of one or several activities which could be implemented in the context of subsequent safeguard proceedings or a "plan for the disposal of the business" (*plan de cession*) which could be implemented in the context of subsequent judicial reorganization or liquidation proceedings. Provided that they comply with certain requirements, any offers received in this context by the *mandataire ad hoc* or the *conciliateur* may be directly considered by the court in the context of safeguard, judicial reorganization or judicial liquidation proceedings after consultation of the Public Prosecutor.

As a matter of law, any contractual provision that (i) modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the designation of a *mandataire ad hoc* or of the commencement of conciliation proceedings or of a request submitted to this end or (ii) requires the debtor to bear, by reason only of the appointment of a mandataire ad hoc or of the commencement of conciliation proceedings, more than three-quarters of the fees of the professional advisers retained by creditors in connection with these proceedings, is deemed null and void.

Where the maximum time period allotted to court-assisted proceedings expires without an agreement being reached, the proceedings will end. The termination of such proceedings does not, in and of itself entail any specific legal consequences for the debtor. In particular, it does not result in the automatic commencement of insolvency proceedings. New conciliation proceedings cannot be commenced before 3 months have elapsed as from the end of the previous ones.

Court-administered Proceedings - Safeguard

A debtor which experiences difficulties that it is not able to overcome may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, provided that it is not insolvent (see "— *Insolvency Test*" above). When the situation of the debtor does not show difficulties that it cannot overcome, the court will first invite the debtor to petition the president of the court for the opening of conciliation proceedings (see "— *Court-assisted pre-insolvency Proceedings*" above). The court will then rule on the sole request for the opening of safeguard proceedings. Creditors of the debtor are not notified of, nor invited to attend the hearing before the court at which the commencement of safeguard proceedings is requested. Following the commencement of safeguard proceedings, a court-appointed administrator (*administrateur judiciaire*) is appointed (except for small companies where the court considers that such appointment is not necessary) to investigate the business of the debtor during an "observation period" (being the period starting on the date of the court decision commencing the proceedings and ending on the date on which the court takes a decision on the outcome of the proceedings), which may last up to 12 months. The role of the court-appointed administrator is also to assist the debtor in preparing a draft safeguard plan (*projet de plan de*

sauvegarde) that will be circularized to its creditors. Creditors do not have effective control over the proceedings, which remain in the hands of the debtor assisted by the court-appointed administrator. The court-appointed administrator will, in accordance with the terms of the judgment appointing him or her, exercise ex post facto control over decisions made by the debtor (*mission de surveillance*) or assist the debtor to make all or some of the management decisions (*mission d'assistance*), all under the supervision of the court. A supervising judge (*juge-commissaire*) and a creditors' representative (*mandataire judiciaire*) are also appointed at the beginning of the proceedings, alongside the court-appointed administrator. Management decisions in respect of disposals (*acte de disposition*) that fall outside the scope of the ordinary course of business, as well as decisions considered to be important under statute, require the prior approval of the supervising judge (e.g., granting security interests or settling disputes).

The supervising judge can appoint 1 to 5 controllers (*contrôleurs*) among the creditors who have filed a request, provided they meet certain conditions (in particular no affiliation to the debtor). Controllers assist the creditors' representative in his functions and the supervising judge in his duty of supervising the progress of the insolvency proceedings. In order to protect creditors' interests and under certain conditions, the controllers may act in the interests of the creditors when the creditors' representative fails to take sufficient action.

If, after commencement of the proceedings, it appears that the debtor was insolvent (*en état de cessation des paiements*) before their commencement, at the request of the debtor, the court-appointed administrator, the creditors' representative or the Public Prosecutor but, in any event, after having heard the debtor, the court may convert the safeguard proceedings into judicial reorganization proceedings.

In addition, the court may convert safeguard proceedings into (i) judicial reorganization proceedings (a) at any time during the observation period if the debtor becomes insolvent or (b) if the approval of a safeguard plan is manifestly impossible and if the company would shortly become insolvent should safeguard proceedings end or (ii) judicial liquidation proceedings at any time during the observation period if the debtor is insolvent and its recovery is manifestly impossible. In all such cases:

- the court may decide the conversion at the request of the debtor, the court-appointed administrator, the creditors' representative or the Public Prosecutor except in the case of (i)(b), as described below;
- the court may also act upon its own initiative, except in the case of (i)(b), as described below; and
- the court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the creditors of the debtor appointed by the court as controller ("*contrôleurs*") (if any), the Public Prosecutor and the workers' representatives (if any).

In case of the situation described in (i)(b) above, the court would decide the conversion (i) at the request of the court-appointed administrator, the creditors' representative or the public prosecutor if no draft plan was approved by the relevant classes of Affected Parties or (ii) at the sole request of the debtor in all other circumstances.

In case of conversion of the proceedings, classes of Affected Parties that would already be constituted before the conversion would remain with the same allocation and computation of the votes, subject to pending challenges. The process of constitution of classes shall continue notwithstanding this conversion.

As soon as safeguard proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

As an incentive for new financings granted to debtors after the commencement of insolvency proceedings, the Transposition Ordinance provides for a new privilege (the "**Post Money Lien**"). The Post Money Lien replaces the existing statutory preference enjoyed by financing granted, with the approval of the supervising judge, after the commencement of the proceedings, for the needs of the proceedings or of the observation period.

With the exception of the cash contributions made through a share capital increase, the Post Money Lien applies to all new cash contributions made by any person:

- during the observation period or the temporary continuation of the business operations in judicial liquidation proceedings, in order to ensure the continuity of debtor's business during the procedure, in which case such cash contributions must be authorized by the supervising judge and are published, or
- within the plan as approved or modified by the court, and for the purposes of its execution, it being specified that the decision endorsing or modifying the plan must mention all claims benefiting from the lien, as well as the relevant amounts.

Claims benefiting from the Post Money Lien enjoy a priority of payment over pre-commencement and post-commencement claims except notably with respect to (i) wages claims benefitting from the employees' super-priority lien, (ii) procedural costs, (iii) claims benefitting from a New Money Lien, (iv) pre-petition claims secured by a real estate security interest (in judicial liquidation proceedings only) and (v) post-petition wages claims not advanced by the French wages guarantee fund in the event of on-going or subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings and they may not be termed-out or written-off without the consent of the relevant creditors, not even within the frame of the classes of Affected Parties (as defined below) .

During the safeguard proceedings, payment by the debtor of any debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the proceedings if not incurred for the purposes of the proceedings or the observation period or in consideration of services rendered/goods delivered to the debtor, is prohibited, subject to very limited exceptions. For example, the supervising judge (*juge-commissaire*) can authorize payments for prior debts in order to discharge a lien on property needed for the continued operation of the debtor's business or to recover goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*).

Creditors (and if applicable, Equity Holders) must be consulted on the manner in which the debtor's liabilities will be settled under the safeguard plan (including debt write-offs, debt rescheduling or debt-for-equity swaps) prior to the plan being approved by the court. The rules governing consultation will vary depending on the size of the business.

Liabilities to be taken into account in the draft plan shall include, provided that they are established on the basis of a certificate drawn up by a chartered accountant or the statutory auditor, those claims admitted and not challenged as well as those "identifiable" claims (in particular when the deadline for filing proofs of claim has not expired yet).

Standard consultation: this applies in respect of debtors for which the constitution of classes of Affected Parties is not mandatory (as described below) unless, upon the debtor's request and with the consent of the supervising judge, they are subject to the classes of Affected Parties-based consultation (see below).

In such case, the court-appointed administrator notifies the proposals for the settlement of debts to the court-appointed creditors' representative, who seeks the agreement of each creditor who filed a claim, regarding the debt write-offs, debt rescheduling or debt-for-equity swaps proposed, as the case may be. Creditors are consulted individually or collectively.

French law does not state whether the debt settlement proposals can vary according to the creditor and whether the principle of equal treatment of creditors is applicable at this consultation stage. According to legal commentaries and established practice, differing treatment as between creditors is possible, provided that it is justified by the difference in situation of the creditors and approved by the court-appointed creditors' representative. In practice, it is also possible at the consultation stage to make a proposal for a partial payment of claims over a shorter time period instead of a full payment of such claims over the length of the plan (ten years maximum except for agricultural businesses where the maximum is fifteen years).

As part of the standard consultation, creditors whose payment terms are not affected by the plan or who are paid in cash in full as soon as the plan is approved are not required to be consulted. Creditors that do not respond within 30 days of their receipt of the debt settlement proposal (other than debt-for-equity swap proposals which require the agreement of each individual creditor in writing) made to them are deemed to have accepted it. The creditors' representative keeps a list of the responses from creditors, which is notified to the debtor, the court-appointed administrator and any creditors of the debtor appointed by the court as a controller (*contrôleur*) pursuant to Article L. 621-10 of the French Commercial Code.

If the draft plan provides for a modification of the share capital or the by-laws, the court may decide that the shareholders general meeting and, as the case may be, the general meetings of the holders of securities giving access to the share capital of the company shall vote, the first time the relevant meeting is convened, at a simple majority of the votes of the shareholders attending, or represented at, the meeting, *provided that* they hold at least half of the shares with voting rights. The second time the meeting is convened, the usual provisions relating to quorum and majority shall apply.

Within the framework of a standard consultation, the court that approves the safeguard plan (*plan de sauvegarde*) can impose a uniform rescheduling of the claims of creditors having refused the proposals that were submitted to them (subject to specific regimes such as the one applicable to claims benefiting from the New Money Lien or the Post Money Lien) over a maximum period of ten years (except for agricultural businesses where the maximum is fifteen years and for claims with maturity dates of more than the deferral period set by the court, in which case the maturity date shall remain the same), but no write-off of any claim or debt-for-equity swap may be imposed without the relevant creditor's individual acceptance.

Following a court imposed rescheduling, the first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual instalment must be of at least 5% of the amount of each debt claim and from the sixth year onwards the amount of each annual instalment must be of at least 10% of the amount of each debt claim (except for agricultural businesses)) or on the first payment date following the initial maturity of the claim if it is later than the first payment date provided for by the plan, in which case the amount of such first payment is equal to what the creditor would have received had such debtor been paid in accordance with the uniform payment rescheduling applying to the other creditors.

If the court adopts a safeguard plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be sold without its consent. The plan adopted by the court may be modified during its implementation. However, when the modification is substantial and relates to the terms and conditions of the discharge of liabilities, the interested parties are consulted by registered letter with acknowledgment of receipt sent by the court clerk. Such interested parties shall answer to this consultation no later than 21 calendar days following the receipt. Failure to respond shall constitute acceptance of the proposed changes, except if they relate to debt write-offs or debt-to-equity swaps. In addition, substantial modifications to the plan must be approved by the court.

Classes of Affected Parties-based consultation (pursuant to the Transposition Ordinance): This applies to (i) companies that (*x*) either employ at least 250 employees and have a net turnover of 20 million euros (*y*) or have a net turnover of 40 million euros, and to (ii) companies that own or control another company, within the meaning of Articles L. 233-1 and L. 233-3 of the French commercial code, provided that all the companies together reach the aforementioned thresholds. This consultation could also apply upon the debtor's request and with the consent of the supervising judge in the case of debtors that do not meet the aforementioned thresholds. The consultation involves the submission of a draft safeguard plan for consideration by Affected Parties which include:

- creditors whose rights are directly affected by the draft plan (referred to as "**Affected Creditors**");
- all types of equity holders (whether they own common or preferred stock) and bondholders owning securities that give future access to the share capital of the company (together referred to as "**Equity Holders**" together with the Affected Creditors, the "**Affected Parties**"), provided that the draft plan provides for a modification in their equity interest in the debtor, in the articles of association or in their rights.

Only the Affected Parties are entitled to vote on the draft plan.

The classes of Affected Parties are established by the court-appointed administrator on the basis of the claims and rights that arose prior to the judgment commencing the proceedings (it being noted that claims resulting from a labor contract, pension rights pursuant to a professional retirement scheme and essential needs claims (*créances alimentaires*) are not affected by the plan). Classes shall be formed by the court-appointed administrator in such a way that each class comprises claims or interests with rights that reflect a sufficient commonality of economic interests based on objective and verifiable criteria. Furthermore, class formation must respect the following conditions:

- creditors of secured claims (i.e. claims benefitting from a security interest over the debtor's assets) shall be treated in a separate class than other creditors, with regards to their secured claims;
- class formation must comply with subordination agreements entered into by the Affected Parties before the commencement of the proceedings, provided that the Affected Parties have notified the existence of such subordination agreements to the court-appointed administrator within 10 days of the receipt of the notice sent by the court-appointed administrator or the publication of such notice inviting the Affected Parties to notify the existence of such subordination agreements. Otherwise, the subordination agreements are unenforceable in the context of the proceedings;
- Equity Holders form one or more separate classes.

At least twenty one days prior to the date of the vote on the draft plan, the court-appointed administrator shall submit to each Affected Party the methods for class allocation and for computation of the voting rights corresponding to the affected claims or rights that enable them to cast a vote. The amount of the claims taken into account for the computation of the voting rights is the one indicated by the debtor and certified by its statutory auditor (*commissaire aux comptes*) or failing that, endorsed by a certificate from its chartered accountant (expert-comptable). The methods used are also notified to the court-appointed creditor's representative. In the event of disagreement, the matter may be brought before the supervising judge at the request of the Affected Party, the debtor, the public prosecutor, court-appointed creditor's representative or the court-appointed administrator.

The amounts of claims secured by a trust (*fiducie*) granted by the debtor do not give rise to voting rights.

Any Affected Party, the debtor, the public prosecutor, the creditors representative or the court-appointed administrator is entitled, within ten days following the notification of the criteria for the formation of the classes and the determination of the voting rights referred to in the preceding paragraph, to dispute the same before the supervising judge. The supervising judge must rule within ten days of the referral date, and failing that, any aforementioned person may refer the dispute to the court, which must rule within ten days of such later referral date. The supervising judge's decision (or the court's decision, as the case may be) may be appealed within five days of its notification to the parties.

The right of an Affected Party to vote in a class is attached to its pre-petition claim and is assigned as a right alongside the claim itself notwithstanding any contradictory clause. The assignee of the claim will only be entitled to receive the debtor's proposals and to vote once the transfer has been communicated to the court-appointed administrator by a registered letter with acknowledgement of receipt. A creditor whose claim is extinguished or transferred is no longer deemed an Affected Party.

The debtor, with the assistance of the court-appointed administrator, submits proposals to the classes of Affected Parties in order to prepare a draft plan that is communicated to these classes to be then voted on. Where the thresholds applicable to specialized commercial courts are not met (see above "*–Insolvency–*"), the debtor's Equity Holders which are affected by the draft plan can make a non-monetary contribution to the restructuring (e.g. by providing their experience, reputation or professional contacts).

The draft plan does not have to be limited to a ten-year duration nor respect the annual installments provided for in the standard consultation above.

The classes of Affected Parties must approve or reject the safeguard plan within 20 to 30 days of its submission. The period may be extended or shortened by the supervising judge at the request of the debtor or the court-appointed administrator, but may never be shorter than 15 days. The plan must be approved by a majority vote of each class (two-thirds of the votes of the members casting a vote). The Equity Holders' class shall approve the restructuring plan in accordance with the provisions applicable to the relevant extraordinary general meetings / special meetings or mass meetings where relevant, subject to the afore-mentioned voting timetable and majority. Within a class of Affected Parties, the vote on the draft plan may be replaced by an agreement which, after consultation of the class' members, has been approved by two-third of the cast votes.

Following the approval of the plan by all of the classes of Affected Parties, the plan has to be approved (*arrêté*) by the court which makes sure that the interests of all the Affected Parties are "sufficiently protected". The court must verify that:

- class formation rules set out above are respected;
- Affected Parties which share sufficient communality of interests within a class, benefit from an equal treatment and are treated in proportion to their claim or right;
- the plan has been regularly notified to all Affected Parties;
- if some Affected Parties have voted against the plan, none of these parties is in a worse situation, under the restructuring plan, than they would be if the order of priority for the distribution of asset sale proceeds in judicial liquidation proceedings, whether the assets are sold individually or the business as a going concern is sold via an asset sale plan (*plan de cession*) (see below – *Court-administered Proceedings – Judicial Reorganization or Liquidation Proceedings*) were applied or in the event of the next-best-alternative scenario if the restructuring plan were not to be confirmed. If a party voting against a draft plan argues the judgment does not satisfy the "best interest of creditors test", the court will determine the value of the company on a going concern basis;
- as the case may be, any new financing necessary to implement the restructuring plan does not overly prejudice the interest of creditors.

Finally, the court may refuse to adopt the plan if it does not offer a reasonable prospect of (i) preventing the insolvency of the debtor or (ii) ensuring the sustainability of the business. Once so approved by the relevant court, the safeguard plan will be binding on all.

If the draft plan is not approved by each and every class of Affected Parties, the plan may however be approved (*arrêté*) by the court at the request of (i) the debtor or (ii) the court-appointed administrator with the agreement of the

debtor and imposed on dissenting classes ("**cross-class cram-down**"), provided that the plan meets the following conditions:

- the draft plan respects the conditions set out above relating to the approval of the plan by all of the classes of Affected Parties;
- the plan has been approved:
    - by a majority of the voting classes of Affected Parties, provided that at least one of those classes is a secured creditors class or is senior to the ordinary unsecured creditors class; or, failing that,
    - by at least one of the voting classes of Affected Parties, other than an Equity Holders class or any other class for which it is reasonable to assume that, upon a valuation of the debtor as a going-concern, it would not receive any payment or keep any interest if the normal ranking of priorities for the distribution of asset sale proceeds in judicial liquidation proceedings, whether the assets are sold individually or the business as a going concern is sold via an asset sale plan (*plan de cession*) (see below – *Court-administered Proceedings – Judicial Reorganization or Liquidation Proceedings*), were applied;
- the plan complies with the absolute priority rule (*i.e.*, a dissenting voting class of Affected Parties must be satisfied in full before a more junior class may receive any distribution or keep any interest under the restructuring plan). However, at the request of (i) the debtor or (ii) the court-appointed administrator with the agreement of the debtor, the court may decide to deviate from the application of the absolute priority rule where such deviations are necessary in order to achieve the aims of the restructuring plan and where the restructuring plan does not overly prejudice the rights or interests of any Affected Parties. In particular, claims of the debtor's suppliers of goods or services, the Equity Holders and claims arising from the debtor's tort liability may receive special treatment;
- no class of Affected Parties can, under the restructuring plan, receive or keep more than the full amount of its claims or interests;
- if one or more classes of Equity Holders have been formed and have not approved the plan, this plan can be imposed on them provided that:
    - the debtor must (*x*) either employ at least 250 employees and have a net turnover of 20 million euros (*y*) or have a net turnover of 40 million euros. These thresholds apply to companies that own or control another company, within the meaning of Articles L. 233-1 and L. 233-3 of the French commercial code, provided that all the companies together reach the aforementioned thresholds;
    - it is reasonable to assume that, upon a valuation of the debtor as a going-concern, Equity Holders of the dissenting classes would not receive any payment or keep any interest if the normal ranking of priorities for the distribution of asset sale proceeds in judicial liquidation proceedings, whether piecemeal or via an asset sale plan, were applied;
    - if the draft plan provides for a share capital increase through a cash contribution, the newly issued shares shall be offered in preference to the shareholders (in proportion to their shareholding);
    - the plan does not provide for the assignment of all or part of the rights of the class or classes of dissenting Equity Holders.

The court's decision constitutes an approval of the amendments to the share capital or to the rights of the Equity Holders or to the articles of association provided for by the plan. The court may appoint a trustee to carry out the acts necessary for the implementation of these amendments.

As for plans adopted through a standard consultation, if the court adopts a safeguard plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be disposed of without court's consent.

At the latest within ten days from the vote of the classes on the draft plan, any Affected Party having voted against the draft plan and considering that

- the best interest test criterion has not been met; or

- in the event of a plan adopted by a cross-class cram-down and, based on the valuation of the debtor as a going concern, either (or both) of the following conditions has not been met:

    - in the event that the plan was approved solely by the vote of an affected class that was not an equity holder, such class would not have been entitled to a payment if the order of payment in a judicial liquidation were applied (whether in the event of a piecemeal sale or, a court-ordered sale plan);

    - in the event that a class, or classes, of equity holders voted against the plan, such class(es) would not have received a payment or retained an interest in the event that the order of payment applicable in a judicial liquidation were applied (whether in the event of a piecemeal sale or, of a court-ordered sale plan),

may petition the court to dispute the same. Following a hearing and after receiving the public prosecutor's opinion, the court will, in the same decision, determine the value of the debtor (in respect of which the court is entitled to order the appointment of an expert) and rule on compliance with the aforementioned conditions and on the adoption of the plan.

This decision may itself be challenged within ten days of its notification or communication to them, by the Affected Party(ies) that initially challenged the class vote, the debtor, the court-appointed administrator, the creditors representative or the public prosecutor.

In the event no safeguard plan is adopted through the class-based consultation procedure (whether by approval by the classes of Affected Parties or by a cross-class cram-down), there is no statute that allows French courts to impose a term-out (i.e., a rescheduling over a maximum period of 10 years of the indebtedness of dissenting creditors) although the courts retain this power under statute if the plan is adopted under the standard consultation procedure (i.e., if no classes are formed and, in judicial reorganization proceedings, in case of failure of the class-based consultation (see section "*Court-administered Proceedings—Judicial Reorganization or Liquidation Proceedings*" below)).

Specific case—Creditors that are public institutions: public creditors (financial administrations, social security and unemployment insurance organizations) may agree to grant debt write-offs under conditions that are similar to those that would be granted under normal market conditions by a private economic operator placed in a similar position. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors examine possible debt write-offs within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax administrations may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

Where the plan provides for debt write-offs or rescheduling affecting secured public creditors' claims, the administrator can decide to gather those public creditors within a class (or classes) of Affected Parties called upon to vote on the proposed plan.

Court-administered Proceedings - Accelerated Safeguard

A debtor that is engaged in conciliation proceedings may request the commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*).

The accelerated safeguard proceedings have been designed to "fast-track" difficulties faced by faced by a debtor.

To be eligible for accelerated safeguard proceedings, the debtor must fulfil the following conditions:

- the debtor must have its accounts certified by its statutory auditor (*commissaire aux comptes*) or established by its chartered accountant (*expert-comptable*);

- the debtor must not have been insolvent for more than 45 days when it initially applied for commencement of conciliation proceedings;

- the debtor must be subject to ongoing conciliation proceedings when it applies for the commencement of the proceedings;

- as is the case for regular safeguard proceedings, the debtor must face difficulties which it is not in a position to overcome; and

- the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern which is supported by enough of the Affected Parties involved in the proceedings to render likely its adoption by the relevant Affected Parties within a maximum of four months following the commencement of accelerated safeguard proceedings (provided that the court has decided to extend the initial two-month duration of the accelerated safeguard proceedings).

If the debtor does not meet the conditions that require classes of Affected Parties (see above) to be constituted, the court shall order such constitution in the opening decision, as the opening of accelerated safeguard proceedings is subject to the constitution of such classes.

The opening of accelerated safeguard proceedings only has effect with regards to the Affected Parties (i.e. those parties directly affected by the draft safeguard plan prepared by the debtor in the context of its conciliation proceedings).

Where the debtor's accounts show that the nature of the indebtedness makes it likely that a plan can be adopted only by creditors having the status of financing companies, credit institutions and similar entities (i.e. those institutions (i) referred to in articles L. 511-1 and L. 518-1 of the French Monetary and Financial Code, (ii) operating under the freedom of establishment or the freedom to provide services in the territory of the States parties to the agreement on the European Economic Area mentioned in Book V of the French Monetary and Financial Code and (iii) any other entity with which the debtor has entered into a credit transaction, the "**financial institutions**"), as well as by all holders of a claim acquired from such financial institutions or from a supplier of goods or services and, if applicable, bondholders, the debtor may request the opening of accelerated safeguard proceedings, the effects of which are limited to these creditors, in which case creditors other than financial institutions (such as public creditors, the tax or social security administration and suppliers) are not directly impacted by the proceedings. Their debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms. The provisions of the present paragraph correspond to the former "Accelerated Financial Safeguard" proceedings that existed prior to the Transposition Ordinance and that are now merged with the provisions of the accelerated safeguard proceedings.

The debtor will be prohibited from paying, to any creditor to whom the accelerated safeguard proceedings apply, any amounts (including interest) in respect of debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the proceedings if not incurred for the purposes of the proceedings or the observation period or in consideration of services rendered/goods delivered to the debtor (post-commencement non-privileged debts).

Such amounts may be paid only after the judgment of the court approving the safeguard plan and in accordance with its terms.

The regime applicable to standard safeguard proceedings is broadly applicable to accelerated safeguard proceedings (for example, creditors will be consulted by way of a classes of Affected Parties-based consultation on a draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) and Affected Parties may not prepare alternative draft plans. However, certain provisions relating to ongoing contracts and to the recovery of assets by their owners do not apply in accelerated safeguard proceedings.

The plan in the context of accelerated safeguard proceedings is adopted following the same majority rules as in the classes of Affected Parties-based consultation of standard safeguard proceedings and may notably provide for rescheduling, debt write-offs and conversion of debt into equity capital of the debtor (debt-for-equity swaps requiring relevant shareholder consent).

If a plan is not adopted by the classes of Affected Parties and approved by the court within the applicable deadline, the court shall terminate the proceedings.

The list of claims (which shall also mention subordination agreements communicated to the debtor by the creditors prior to the opening of the insolvency proceedings) of creditors party to the conciliation proceedings established by the debtor and certified by the statutory auditor or, failing that, endorsed by a certificate from its chartered accountant (*expert-comptable*) shall be deemed to constitute the filing of such claims for the purpose of accelerated safeguard proceedings unless the creditors otherwise elect to make such a filing (see "*—Status of Creditors during Safeguard, Accelerated Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings"* below).

Court-administered Proceedings - Judicial Reorganization or Liquidation Proceedings

Judicial reorganization (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) proceedings may be

initiated against (i.e., by a creditor or the public prosecutor) or by a debtor only if it is insolvent and, in the case of liquidation proceedings only, if the debtor's recovery is manifestly impossible. Within 45 days of becoming insolvent, the debtor, if it does not file for conciliation proceedings (as discussed above), is required to petition for judicial reorganization or liquidation proceedings; de jure managers (including directors) and, as the case may be, de facto managers that would have deliberately failed to file such a petition within the deadline are exposed to civil liability.

Where the debtor requested the commencement of judicial reorganization proceedings and the court, after having heard the debtor, considers that judicial liquidation proceedings would be more appropriate, it may order the commencement of the proceedings which it determines to be most appropriate. In addition, at any time during the observation period, upon request of the debtor, the court-appointed administrator, the creditors representative (*mandataire judiciaire*), a controller, the public prosecutor or upon its own initiative, the court may convert the judicial reorganization proceedings into judicial liquidation proceedings if it appears that the debtor's recovery is manifestly impossible. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the court considered that judicial reorganization proceedings would be more appropriate. The court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the creditors of the debtor appointed by the court as controller ("*contrôleurs*") (if any), the Public Prosecutor and the workers' representatives (if any).

The objectives of judicial reorganization proceedings are the sustainability of the business, the preservation of employment and the payment of creditors, in that order.

As soon as judicial reorganization or judicial liquidation proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

In the event of judicial reorganization proceedings, a court-appointed administrator (*administrateur judiciaire*) is usually appointed by the court to investigate the business of the debtor during an observation period, which may last up to 18 months (instead of a maximum of 12 months under safeguard proceedings), and make proposals either for the reorganization of the debtor (by elaborating a draft judicial reorganization plan, which is similar to a draft safeguard plan with the contribution of the debtor), or the sale of the business or the liquidation of the debtor. The court-appointed administrator will assist the debtor in making management decisions (*mission d'assistance*) or may be empowered by the court to take over the management and control of the debtor (*mission d'administration*). Judicial reorganization proceedings broadly take place in a manner that is similar to safeguard proceedings (see "*—Court-administered Proceedings—Safeguard*" above), subject to certain specificities.

In particular, the rules relating to creditor consultation, especially the powers of the court adopting the judicial reorganization plan (*plan de redressement*) in the event that at least one class of Affected Parties has rejected the proposals made to it, are the same (see "*—Court-administered Proceedings—Safeguard*" above) subject to the following provisions:

- in the context of judicial reorganization proceedings, in addition to the debtor, the court-appointed administrator can also request the constitution of classes of Affected Parties in the case of debtors that do not meet the required size thresholds.

- in the context of judicial reorganization proceedings, any Affected Party may submit a draft plan which shall be the subject of a report from the court-appointed administrator and shall be submitted, together with the plan proposed by the debtor, to a vote of the classes of Affected Parties provided that such draft plan has been submitted to the debtor and the court-appointed administrator 15 days before the date of the vote on the draft plan submitted by the debtor, at the latest.

- a cross-class cram-down may also be requested by the court-appointed administrator with the agreement of an Affected Party (meaning that that the cross-class cram-down mechanism can be used without the debtor's consent).

If the draft reorganization plan or the plan provides for a change in the equity structure or share transfers, prior approval clauses (*clauses d'agrément*) are deemed null and void. In addition, the new Post Money Lien (as described above) applies in judicial reorganization proceedings.

At any time during the observation period, the court can, at the request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*), the creditors of the debtor appointed by the court as controller ("*contrôleurs*") (if any), the Public Prosecutor or at its own initiative, order the partial stop of the activity (*cessation partielle de l'activité*) or order the liquidation of the debtor if its recovery is manifestly impossible. At the end of the observation period, the outcome of the proceedings is decided by the court.

In judicial reorganization proceedings, in case a shareholders' meeting needs to vote to bring the shareholders' equity to a level equal to at least one half of the share capital as required by Article L. 626-3 of the French Commercial Code, the court-appointed administrator may appoint a trustee (*mandataire*) to convene a shareholders' meeting and to vote the restoration of the shareholders' equity up to the amount proposed by the court-appointed administrator on behalf of the shareholders that refuse to vote in favor of such a resolution if the draft restructuring plan provides for a modification of the equity to the benefit of a third party(ies) undertaking to comply with the reorganization plan.

If the proposed reorganization plans are manifestly not likely to ensure that the debtor will recover or if no reorganization plan is proposed, the court, upon the request of the court-appointed administrator, can order the total or partial transfer of the business in accordance with the process for a sale of the business described below.

In judicial reorganization proceedings if (i) the company has at least 150 employees, or if it controls (within the meaning of the French Labor Code) one or more companies having together at least 150 employees, (ii) the disappearance of the company is likely to cause serious harm to the national or regional economy and to local employment and (iii) the modification of the company's share capital appears to be the only credible way to avoid harm to the national or regional economy and to allow the continued operation of the business as a going concern, then, at the request of the court-appointed administrator or of the Public Prosecutor (x) after the review of the options for a total or partial sale of the business and (y) if at least 3 months have elapsed as from the court decision commencing the proceedings, provided that the shareholders meetings required to approve the modification of the company's share capital required for adoption of the reorganization plan have refused such modification, the insolvency court may either:

- appoint a trustee (*mandataire*) in order to convene the shareholders meeting and vote the share capital increase in lieu of the shareholders having refused to do so, up to the amount provided for in the reorganization plan; or

- order, in favor of the persons who have undertaken to perform the reorganization plan, the sale of all or part of the share capital held by the shareholders having refused the share capital modification and holding, directly or indirectly a portion of the share capital providing them with a majority of the voting rights (including as a result of an agreement with other shareholders) or a blocking minority in the company's shareholder meetings, any consent clause being deemed unwritten; the other shareholders have the right to withdraw from the company and request that their shares be purchased simultaneously by the transferees.

In the event of a sale ordered by the court, the price of the shares shall, failing agreement between the parties, be set by an expert designated by the court in summary proceedings.

In either of the above cases, the reorganization plan shall be subject to the undertaking of the new shareholders to hold their shares for a certain time period set by the court which may not exceed the duration of the reorganization plan. The abovementioned mechanism is not applicable where a cross-class cram-down applies.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator, which is generally the former creditors' representative (*mandataire judiciaire*). There is no observation period in judicial liquidation proceedings nor does the law limit their duration (except with respect to simplified judicial liquidation proceedings). The liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities to the extent the proceeds from the liquidated assets are sufficient, in accordance with the creditors' priority order of payment).

The liquidator will take over the management and control of the debtor and the managers of the debtor are no longer in charge of its management.

Concerning the liquidation of the assets of the debtor, there are two possible outcomes:

- a sale of the business (*cession d'entreprise*) (in which case a court-appointed administrator (*administrateur judiciaire*) will usually be appointed, or remain in office if already appointed, to manage the debtor during a temporary period of continuation of the business operations ordered by the court (three months, renewable once) (during which the rules of the observation period will generally apply) and organize such sale of the business as a going-concern via an asset sale, a.k.a. a "sale of the business plan" (*plan de cession*)), any third party (as construed under French insolvency law) being entitled to present a bid on all or part of the debtor's business.

  As part of the bids submitted to the court, the third-party purchasers can, under certain conditions, cherrypick assets (including the real estate assets)/jobs/contracts without the liabilities pertaining to them (save exceptions). The price offered for the transferred assets (including the real estate assets) is often at a

significant discount compared to their *in bonis* market value. The court will indeed tend to favor a credible sale plan, that ensures the sustainability of the business as a going concern, and the preservation of jobs, over the payment of creditors.

Subject to certain exceptions, the court can judicially impose such a sale plan on creditors, including secured creditors and mortgagees as a general principle, the payment of the purchase price operating to release their security interests. By way of exception:

- a purchaser is obliged to continue to pay remaining instalments due to creditors having granted financing for the acquisition of assets acting as collateral for such creditors and included in the sale of the business plan provided that such creditors have regularly filed their claims (see below - *Status of Creditors during Safeguard, Accelerated Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings*). In this case, the debtor is released from the payment of these remaining instalments; and

- the purchaser will be able to exercise the purchase option under a financial lease only if the outstanding amounts under such lease are repaid (but within the limit of the value of the leased asset as set by agreement between the parties or, failing such agreement, by the court); and

- only those secured creditors benefitting from a retention right (which is the case for pledges over inventory or certain types of pledges over shares, but not mortgages of real estate assets) would be entitled to retain their security interest over the asset on which they have such right (and therefore in practice prevent it from being transferred) until repaid in full of their claim so secured or unless reaching an agreement with the relevant parties.

Third-party purchasers may also submit combined bids in respect of all or part of the business of several debtors subject to insolvency proceedings, in particular when the key assets are located in different legal entities subject to insolvency proceedings. Again, the price offered for the transferred assets could be significantly less than their *in bonis* market value;

- a sale of the individual assets of the debtor, in which case the liquidator may decide to:

  - launch auction sales (*vente aux enchères* (or *adjudication amiable* for real estate assets only));

  - sell on an amicable basis (*vente de gré à gré*) each asset for which spontaneous purchase offers have been received, (the formal authorization of the supervising judge being necessary to conclude the sale agreement with the bidder); or

  - request, under the supervision of the supervising judge, all potential interested purchasers to bid on each asset, as the case may be, by way of a private competitive process whereby the bidders submit their offers only at the hearing without the proposed prices being disclosed before such hearing (*procédure des plis cachetés*). However the possibility to implement such process is questioned by certain legal authors and case-law in this respect has varied.

If the court adopts a reorganization or sale of the business plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be sold without its consent. The court will end the proceedings when either no due liabilities remain, the liquidator has sufficient funds to pay off the creditors (*extinction du passif*), or continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*).

The court may also terminate the proceedings:

- when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets;

- in the event where there are insufficient funds to pay off the creditors, by appointing a *mandataire* in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

The "hardening period" (période suspecte) in judicial reorganization and judicial liquidation proceedings

The date of insolvency (*cessation des paiements*) of a debtor is deemed to be the date of the court order commencing the proceedings, unless the court sets an earlier date, which may be no earlier than 18 months before the date of such court order. Also, except in the case of fraud, the insolvency date may not be set at a date earlier than the date of the final court decision that approved an agreement (homologation) in the context of conciliation proceedings (see "*—Court-assisted pre-insolvency Proceedings*" and "*—Insolvency Test*" above). The insolvency date is important because it marks the beginning of the hardening period (*période suspecte*), being the period from the insolvency date of the debtor to the court decision commencing the judicial reorganization or liquidation proceedings affecting it.

Certain transactions entered into during the hardening period are automatically void or voidable by the court.

- Automatically void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration or for a nominal consideration, (such transfers could be declared void by the court even if they occurred up to 6 months before the date of insolvency),, contracts under which the obligations of the debtor significantly exceed the reciprocal obligations of the other party, payments of debts not due at the time of payment, payments of debts that are due made in a manner that is not commonly used in the ordinary course of business, deposits of cash or monetary instruments ordered by a court decision that has not yet become final to serve as guarantee or as a precautionary measure in accordance with article 2350 of the French Civil Code, any contractual security or contractual retention right granted over the assets of the debtor for debts previously incurred unless they replace a previous security of at least an equivalent nature and scope and with the exception of an assignment of a claim provided for in Article L. 313-23 of the French Monetary and Financial Code when it is made pursuant to a master assignment agreement entered into prior to the date of insolvency, any statutory mortgage attached to judgments of condemnation constituted over the assets of the debtor for debts previously incurred, provisional attachment or seizure measures (*mesures conservatoires*) (unless the attachment or seizure predates the date of insolvency), operations relating to stock options, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as security for a debt simultaneously incurred), any amendment to a trust arrangement (*fiducie*) that affects assets or rights already transferred in the trust as security for debt incurred prior to such amendment, and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) pursuant to Article L. 526-1 of the French Commercial Code (this declaration could be declared void by the court even if it was made up to 6 months before the date of insolvency).

- Transactions which are voidable by the court include payments made on debts that are due, transactions for consideration and notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the hardening period, in each case if the court determines that the party dealing with the debtor knew (or could not fail to know) that the debtor was insolvent at the relevant time. Transactions relating to the transfer of assets for no consideration and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) are also voidable when entered into during the six-month period prior to the beginning of the hardening period. Unlike automatically void transactions, which must be set aside by the court if so requested, the court has discretion to decide whether or not it is appropriate to set aside transactions that are only "voidable".

There is, in theory, no hardening period prior to the opening of safeguard or accelerated safeguard (assuming the proceedings are successful).

Status of Creditors during Safeguard, Accelerated Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings

Contractual provisions pursuant to which the commencement of the proceedings triggers the acceleration of the debt (except with respect to judicial liquidation proceedings in which the court does not order the continued operation of the business) or the termination or cancellation of an ongoing contract are not enforceable against the debtor. Nor are "*contractual provisions modifying the conditions of continuation of an ongoing contract, diminishing the rights or increasing the obligations of the debtor solely upon the opening of judicial reorganization proceedings*" (in accordance with a decision of the French Supreme Court dated January 14, 2014, n° 12-22.909, this case law is likely to be extended to safeguard, accelerated safeguard). However, the court-appointed administrator can unilaterally decide to terminate ongoing contracts (*contrats en cours*) which it believes the debtor will not be able to continue to perform. Conversely, the court-appointed administrator can require that other parties to a contract continue to perform their obligations even though the debtor may have been in default (including in payment default) prior to the opening of insolvency proceedings, but on the condition that the debtor fully performs its post-commencement contractual obligations (and provided that, in the case of judicial reorganization or judicial liquidation proceedings, absent consent to other terms of payment, the debtor pays cash on delivery). The commencement of liquidation proceedings, however, automatically

accelerates the maturity of all of a debtor's obligations unless the court orders the continued operation of the business with a view to the adoption of a "sale of the business plan" (*plan de cession*) as described above (which it may do for a period of three months, renewable once); in such case, the acceleration of the obligations will only occur on the date of the court decision adopting the "sale of the business plan" (*plan de cession*), as described above, or on the date on which the continued operation of the business ends.

As from the court decision commencing the proceedings:

- accrual of interest is suspended, except in respect of loans for a term of at least one year, or of contracts providing for a payment which is deferred by at least one year (however, accrued interest can no longer be compounded);

- the debtor is prohibited from paying debts incurred prior to the commencement of the proceedings, subject to specified exceptions (which essentially cover the set-off of related (*connexes*) debts and payments authorized by the supervising judge (*juge commissaire*) to recover assets required for the continued operation of the business);

- the debtor is prohibited from paying debts having arisen after the commencement of the proceedings unless they were incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/goods provided to the debtor;

- debts duly arising after the commencement of the proceedings and which were incurred for the purposes of the proceedings or of the observation period, or in consideration of services rendered/goods provided to the debtor during this period, must be paid as and when they fall due and, if not, will be given priority over debts incurred prior to the commencement of the proceedings (with certain limited exceptions, such as claims secured by a New Money Lien), provided that they are duly brought to the attention of the court-appointed administrator or, failing one, the creditors' representative (*mandataire judiciaire*), or, should they both have ceased to be in office, the court-appointed trustee in charge of supervising the implementation of the plan or the judicial liquidator within one year of the end of the observation period;

- creditors may not initiate or pursue any individual legal action against the debtor (or a guarantor of the debtor where such guarantor is a natural person and the proceedings are safeguard, accelerated safeguard or judicial reorganization proceedings) with respect to any claim arising prior to the court decision commencing the proceedings, if the objective of such legal action is:

    - to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due in order to file a proof of claim, as described below);

    - to terminate a contract for non-payment of amounts owed by the creditor;

    - to enforce the creditor's rights against any assets of the debtor except (i) in judicial liquidation proceedings, by way of the applicable specific process for judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) where such asset—whether tangible or intangible, movable or immovable—is located (y) in another Member State within the European Union at the time of the opening of the insolvency proceedings, in which case the rights in rem of creditors thereon would not be affected by the insolvency proceedings commenced in France, in accordance with the terms of Article 8 of the Recast EU Insolvency Regulation (*provided* no secondary proceedings are commenced in such Member State). Similarly, the rights of a creditor on the debtor's assets located outside France and the EU would only be affected by the French insolvency proceedings if they were to be recognized by the local courts where the assets at stake are located (unless provided otherwise in a treaty to which France is a party); or

- any increase in the scope of a contractual security or a contractual right of retention, by any means whatsoever, by the inclusion of goods or rights, or by transfer of the debtor's assets or rights, is prohibited. Any contrary provision, in particular relating to a transfer of property or rights of the debtor which have not yet arisen on the date of decision commencing the proceedings, is unenforceable. However, the increase in the scope may validly result from an assignment of a claim provided for in Article L. 313-23 of the Monetary and Financial Code when it is made pursuant to a master assignment agreement entered into prior to the opening of the proceedings, or from an express derogation from this prohibition provided for in the French Monetary and Financial Code or the French Insurance Code;

- in the context of reorganization or liquidation proceedings only, absent consent to other terms of payment, immediate cash payment for services rendered pursuant to an ongoing contract (c*ontrat en cours*), will be required.

A natural person that is the guarantor of the debtor may avail itself of the provisions of a safeguard plan adopted by the Court and of the provisions of a judicial reorganization plan.

In the context of accelerated safeguard proceedings whose effects are limited only to creditors having the statuts of financial institutions, the above rules only apply to the Affected Parties that fall within the scope of these proceedings. Debts owed to other creditors, such as suppliers, continue to be payable in the ordinary course of business.

As a general rule, creditors domiciled in metropolitan France whose claims arose prior to the commencement of the proceedings must file a claim with the court-appointed creditors' representative within two months of the publication of the court decision in an official gazette (*Bulletin Officiel des annonces civiles et commerciales*); this period is extended to four months for creditors domiciled outside metropolitan France. Creditors must also file a claim for the post-commencement non-privileged debts, with respect to which the two- or four- month period referred to above starts to run as from their maturity date. Creditors whose claims have not been submitted during the relevant period are, except for limited exceptions, barred from receiving distributions made in connection with the proceedings. Employees do not need to file a proof of claim in respect of their wage-related claims and are preferred creditors under French law.

Beneficiaries of security interests granted by the debtor to secure third parties' obligations also have to comply with the proof of claim filing process.

At the beginning of the proceedings, the debtor must provide the court-appointed administrator and the creditors' representative with the list of all its creditors and all of their claims. Where the debtor has informed the creditors' representative of the existence of a claim, the claim as reported by the debtor is deemed to be a filing of the claim with the creditors' representative on behalf of the creditor. Creditors are allowed to ratify or amend a proof of claim so made on their behalf until the supervising judge rules on the admissibility of the claim. They may also file their own proof of claim within the deadlines described above.

In accelerated safeguard proceedings however, the debtor draws a list of the claims of its creditors having taken part in the conciliation proceedings, which is certified by its statutory auditors or accountant. Although such creditors may file proofs of claim as part of the regular process, they may also avail themselves of this simplified alternative and merely adjust if necessary the amounts of their claims as set forth in the list prepared by the debtor (within the above two or four months' time limit). Creditors that did not take part in the conciliation proceedings must file their proofs of claim within the aforementioned deadlines.

If the court adopts a safeguard plan, accelerated safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan.

If the court adopts a sale of the business plan (*plan de cession*) of the debtor in judicial reorganization or judicial liquidation proceedings (see "*—Court-administered Proceedings—Judicial Reorganization or Liquidation Proceedings"* above), the proceeds of the sale will be allocated towards the repayment of its creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the liquidator appointed by the court will be in charge of selling the assets of the debtor and settling the debtor's debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees (for the super-privileged part of their claims), post-commencement legal costs (essentially, court officials fees), creditors who benefit from a New Money Lien or a Post Money Lien (see above), post-commencement privileged creditors and the French State (taxes and social charges). In the event of judicial liquidation proceedings only, certain pre-commencement secured creditors whose claim is secured by real estate are paid prior to post-commencement privileged creditors. Some creditors may nevertheless bypass this order of priority which, for example, does not apply to creditors benefiting from an enforceable retention right over assets with respect to their claim related to such asset.

Creditors' Liability

Pursuant to Article L. 650-1 of the French Commercial Code (as interpreted by case law), where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors may only be held liable for the losses suffered as a result of facilities granted to the debtor if the granting of such facilities was wrongful and if the relevant creditor: (i) committed a fraud; (ii) interfered with the management (*immixtion caractérisée dans la gestion*) of the debtor; or (iii) obtained security or guarantees that are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be

cancelled or reduced by the court.

If a creditor has repeatedly interfered in the company's management, it can be deemed a de facto manager of such company ("*dirigeant de fait*"). In such case, article L 651-2 of the French Commercial Code provides that, if liquidation proceedings (*liquidation judiciaire*) have been commenced against the debtor, such creditor being deemed de facto manager may be liable for bearing the excess of liabilities over the company's assets, along with the other managers (whether de jure or de facto), as the case may be, if it is established that their mismanagement has contributed to the company's shortfall of assets. If such conditions are met, French courts will decide whether the managers should bear all or part of the shortfall amount. However, de jure or de facto managers cannot be held liable on the grounds of article L 651-2 of the French Commercial Code in the event of simple negligence on their part in the management of the company.

Rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Under French law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we fail or are unable to take the actions required to perfect any of these liens. Furthermore, it should be noted that neither the Trustee nor the Security Agent shall have any obligation to take any steps or action to perfect any of these liens.

In particular, pledges over the securities of French subsidiaries in the form a stock company (*société par actions*) that are governed by French law consist of pledges over a securities account (*nantissement de compte de titres financiers*) in which the relevant securities are registered. The securities account pledges will be validly established after execution of a statement of pledge (*déclaration de nantissement de compte titres financiers*) by each security provider in favor of the Security Agent. Each transfer of shares relating to the statement of pledge will have to be registered in the relevant shareholder's account (*compte d'actionnaire*) and shares registry (*registre de mouvements de titres*) of the French entity which issued the securities which are pledged. In France, no lien searches are available for security interests which are not publicly registered (such as pledges over securities account), with the result that no assurance can be given on the priority of a security interest if it is not publicly registered.

Limitations on enforcement of security interests and cash amount ("soulte")

Security interests governed by French law may only secure payment obligations, may only be enforced following a payment default or an acceleration resulting in a payment default and may only secure a creditor up to the secured amount that is due and unpaid to it. Pledges over securities (whether in the form of a pledge over securities account or in the form of a pledge over shareholding interests (*parts sociales*)) may generally be enforced at the option of the secured creditors either (i) by way of a sale of the pledged securities in a public auction (the proceeds of the sale being paid to the secured creditors) or (ii) by way of judicial foreclosure (*attribution judiciaire*) or contractual foreclosure (*pacte commissoire*) of the pledged securities to the secured creditors, following which the secured creditors become the legal owner of the pledged securities.

If the secured creditors choose to enforce by way of foreclosure (whether a judicial foreclosure or contractual foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed securities. Such value is determined either by the court in the context of a judicial foreclosure or by a contractually agreed expert (or a judicially appointed expert) in the context of a contractual foreclosure. If the value of the Collateral exceeds the amount of secured debt, the secured creditors may be required to pay the pledgor a cash amount (*soulte*) equal to the difference between the value of the securities as so determined and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditor from a subsequent on-sale of the Collateral.

If the value of such securities is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such securities, and the remaining amount owed to such creditors will be unsecured in that respect.

An enforcement of the pledged securities could be undertaken through a public auction in accordance with applicable law. If enforcement is implemented through a public auction procedure, it is possible that the sale price received in any such auction might not reflect the value of the securities, since the latter will not be sold pursuant to a competitive bid process and/or a private sale organized by an investment bank and controlled by the vendor on the basis of a value determined pursuant to the methods usually used for the purpose of the acquisition of companies or groups of companies.

Parallel Debt – Trust

The security interests governed by French law are stated to be granted in favor of the Trustee acting as security

agent for the benefit of the specified secured parties.

There is no established concept of "trust" or "trustee" under the present French legal system. A concept of "trust" has been recognized for tax purposes by article 792-0 bis of the *Code Général des Impôts* and the French Supreme Court (*Cour de cassation*) has held, in a decision dated September 13, 2011 rendered in the context of safeguard proceedings in France, that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings opening in France. However, France has not ratified the 1985 The Hague Convention on the law applicable to trusts and on their recognition, so that the concept of "trust" has not been generally recognized under French law and the precise nature, effect and enforceability of the duties, rights and powers of a security agent as agent or trustee for noteholders in respect of security interests such as pledges are unclear under French law.

Under French law, certain "accessory" security interests such as pledges require that the pledgee and the creditor be the same person. Such security interests cannot be held on behalf of the creditors by third parties who do not hold the secured claim, unless they act as trustees (*fiduciaires*) under Article 2011 of the French Civil Code or as security agents (*agent des sûretés*) under Article 2488-6 of the French Civil Code, which is not the case here for the security documents governed by French law. The holders of interests in the Notes from time to time will not be parties to the security documents. In order to permit the holders of the Notes to benefit indirectly from a secured claim, the Indenture will provide for the creation of a "parallel debt" governed by New York law in favor of the security trustee. Pursuant to such parallel debt, the security trustee becomes the holder of a claim equal to each amount payable by a relevant obligor under the Indenture. The pledges governed by French law will directly secure the parallel debt, and will not directly secure the obligations under the Notes and the other indebtedness secured by the Collateral.

Although the concept of parallel debt was held to be not incompatible with the French law concept of international public policy in a French Supreme Court (*Cour de cassation*) decision dated September 13, 2011 in the context of safeguard proceedings opened in France, this decision cannot be considered as a general recognition of the enforceability in France of the rights of a security trustee benefiting from a parallel debt obligation and no assurance can be given that such a structure will in all circumstances be upheld by the French courts. Indeed, it should be noted that the legal issue addressed by this decision is limited to the proof of claims. The French court was not asked to generally uphold French security interests securing a parallel debt. Case law on this matter is scarce and based on a case by case analysis.

There is no certainty that the parallel debt construct will eliminate or mitigate the risk of unenforceability under French law. To the extent that the security interests in the Collateral created under the parallel debt construct are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of the security interests in the Collateral, which in turn could materially adversely affect the recovery under the Collateral. In addition, the holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the security trustee.

Fraudulent conveyance

French law contains specific, "*action paulienne*" provisions dealing with fraudulent conveyance both in and outside insolvency proceedings. The action paulienne offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such debtor guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such debtor's or a third party's obligations, enters into additional agreements benefiting from existing security or any other legal act having similar effect) can be challenged in the context of insolvency proceedings of the relevant debtor by the creditors' representative (*mandataire judiciaire*), the court-appointed trustee in charge of supervising the execution of the plan (*commissaire à l'exécution du plan*), or by any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings. Any such legal act may be declared unenforceable against all the creditors of the relevant debtor (if the claim was lodged by the creditors' representative (*mandataire judiciaire*) or the trustee in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*) or the concerned creditor (if the claim was lodged by such creditor) if: (i) the debtor performed such act without an obligation to do so; (ii) the relevant creditor or (in the case of a claim lodged by the creditor's representative (*mandataire judiciaire*) or the trustee in charge of supervising the execution of the plan) any creditor who was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the legal act was performed, both the debtor and the counterparty to the transaction knew or should have known that one or more of such debtor's creditors (existing or future) would be prejudiced in their means of recovery (where the legal act was entered into for no consideration (*à titre gratuit*), no such knowledge of the counterparty is necessary).

If a court found that the issuance of the Notes or the grant of the security interests in the Collateral, involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes or the granting of the security interests in the Collateral could be declared unenforceable against third parties or declared

unenforceable against the creditor who lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes or the security interests in the Collateral and the value of any consideration that holders of the Notes received with respect to the Notes or the security interests in the Collateral could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer as a result of the fraudulent conveyance.

Recognition of intercreditor agreements by French courts

There is no law or published decision of the French courts of appeal or of the French Supreme Court (*Cour de cassation*) on the validity or enforceability of the obligations of an agreement such as the Intercreditor Agreement, except for Articles L. 626-30 and L. 631-19 of the French Commercial Code pursuant to which, in the context of safeguard or judicial reorganization proceedings, formation of classes of Affected Parties must comply with subordination agreements entered into by the Affected Parties before the commencement of the proceedings, provided that the Affected Parties have notified the existence of such subordination agreements to the court-appointed administrator within 10 days of the receipt of the notice sent by the court-appointed administrator or the publication of such notice inviting the Affected Parties to notify the existence of such subordination agreements. Otherwise, the subordination agreements are unenforceable in the context of the proceedings. Please note that this provision is applicable as from October 1, 2021 and there is no case law regarding its application. As a consequence, except to the extent referred to above (which, as at the date of this offering memorandum, has received no judicial interpretation), we cannot rule out that a French court would not give effect to certain provisions of the Intercreditor Agreement.

Recognition of validity of third or lower ranking financial securities account pledges by French courts

Each of the pledges over the shares of Inovyn France SAS and Inovyn Oléfines SAS, governed by French law is a pledge over the relevant securities account (*nantissement de compte de titres financiers*) in which the shares of Inovyn France SAS and Inovyn Oléfines SAS are registered. In France, no lien searches are available for security interests which are not registered, such as pledges over securities accounts (*nantissements de comptes de titres financiers*). As a result, no assurance can be given on the priority of the pledges over the relevant securities account in which the shares of Inovyn France SAS and Inovyn Oléfines SAS are registered.

Prior to January 1, 2022, French law did not expressly mention the possibility of granting lower ranking or subsequent pledges over a securities account already subject to a first ranking security interest. As of now, article L.211-20 I.bis of the French Monetary and Financial Code expressly mentions the possibility of several successive pledges of the same securities account and provides that the ranking among creditors will be determined pursuant to the date of the statements of pledges of lower ranking or subsequent rankings to the financial securities account holder.

Limitation on guarantees

The liabilities and obligations of a French Subsidiary Guarantor are subject to the rules relating to corporate benefit: under French corporate benefit rules, a court could declare any guarantee unenforceable and void, if payment had already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if the court found that the French Subsidiary Guarantor did not receive some real and adequate corporate benefit from the transaction involving the grant of the guarantee as a whole. Existence of corporate benefit is a factual matter which must be determined on a case-by-case basis.

The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

However, based on current case law certain inter-group transactions (including up-stream guarantees) can be in the corporate interest of the relevant company, in particular, where the following four criteria are fulfilled:

- existence of a genuine group of companies to which the guarantor and the person whose obligations are being guaranteed belong operating under a common strategy aimed at a common objective and the guarantee or security documents, and the transaction to which they relate, must be entered into in furtherance of the common economic interest of the group as a whole and the liability under the guarantee should be commensurate with such group benefit;

- the risk assumed by a French Subsidiary Guarantor must be proportionate to the benefit;

- the French Subsidiary Guarantor must receive an actual and adequate benefit, consideration or advantage from the transaction involving the granting by it of the guarantee or security interest which is commensurate with the liability which it takes on under the guarantee or security interest; and

- the obligations of the French Subsidiary Guarantor under the guarantee or security interest must not exceed its financial capability.

However, such criteria being subject to interpretation and depending on factual matters, the prudent approach prevailing in the French market is to create a strict correlation between the risk assumed and the benefit received by a French Subsidiary Guarantor without relying on the corporate benefit of the group (*intérêt social de groupe*) and applying the conditions listed above and therefore, limiting the amounts of the guarantee to the amounts on-lent to the French Subsidiary Guarantors as set out below.

Each Guarantee provided by a French Subsidiary Guarantor will apply only insofar as required to:

(i) guarantee the payment obligations under the Notes of any of its direct or indirect subsidiaries which are or become Issuer or Guarantor from time to time under the Notes and incurred by those subsidiaries as Issuer or Guarantor (without double counting). However, where such subsidiary is itself a Guarantor which guarantees the obligations of a member of the Group which is not a subsidiary of the relevant French Subsidiary Guarantor, the amounts payable by such French Subsidiary Guarantor under this paragraph (i) in respect of the obligations of this subsidiary as Guarantor shall be limited as set out in paragraph (ii) below; and

(ii) guarantee the payment obligations under the Notes of the Issuer or each other Guarantor which is not a direct or indirect subsidiary of that French Subsidiary Guarantor, provided that in each case such guarantee shall be limited to the payment obligations of the Issuer or such other Guarantor under the Notes provided that these shall not exceed an amount equal to the aggregate of all amounts made available (directly or indirectly) to the Issuer or such other Guarantor under the Notes and on-lent (directly or indirectly by way of intra-group loans) to such French Subsidiary Guarantor or any of its subsidiaries and outstanding at the time of the claim pursuant to such Guarantee against such French Subsidiary Guarantor (such amount being the "**French Maximum Guaranteed Amount**").

It being specified that any payment made by such French Subsidiary Guarantor in accordance with paragraph (ii) above in respect of the obligations of any other Guarantor shall reduce *pro tanto* the outstanding amount of the intercompany loans (if any) due by such French Subsidiary Guarantor to that Guarantor under the intercompany loan arrangements referred to above. For the avoidance of doubt, any payment made by a French Subsidiary Guarantor in respect of the payment obligations of a Guarantor referred to in paragraph (ii) above shall reduce the French Maximum Guaranteed Amount.

No French Subsidiary Guarantor will secure liabilities under the Notes which would result in such French Subsidiary Guarantor not complying with French financial assistance rules as set out in Article L. 225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets within the meaning of article L. 241-3, L. 242-6 or L. 244-1 of the French Commercial Code or any other law or regulations having the same effect, as interpreted by French courts.

By virtue of this limitation, each French Subsidiary Guarantor's obligations under the Guarantees and the security interests in the Collateral could be significantly less than amounts payable with respect to the Notes or a French Subsidiary Guarantor may have effectively no obligation under the Guarantee and the security interest in the Collateral should the balance of the portion of the proceeds of the Notes made available to a French Subsidiary Guarantor directly or indirectly be equal to or reduced to zero.

In addition, if a French Subsidiary Guarantor receives, in return for issuing the guarantee, an economic return that is less than the economic benefit such French Subsidiary Guarantor would obtain in a transaction entered into on an arms' length basis, the difference between the actual economic benefit and that in a comparable arms' length transaction could be taxable under certain circumstances.

Security Agent

Articles 2488-6 to 2488-12 of the French Civil Code allow the creation of security interests and personal guarantees for the direct benefit of a security agent, which will hold such rights separately from its own estate. As a result, the rights of secured creditors under security interests and personal guarantees will be ring fenced if the security agent is the subject of insolvency proceedings (except in cases of fraud or in cases of the exercise of a right of pursuit (*droit de suite*) of a creditor). The security agent will remain liable for gross negligence or willful misconduct in the performance of its duties. The security agent can take all legal actions to protect the secured creditor's interests and file a receivable on behalf of one or several creditors in a debtor's insolvency proceeding. The security agent must be appointed pursuant to a written agreement specifying its quality, its duties, the duration of its duties and its powers.

Germany

Insolvency

Several of the Guarantors of the Notes and providers of security to the Notes are organized under the laws of Germany ("German Guarantors"). Consequently, in the event of an insolvency of any such Guarantor, subject to the information presented in "*—European Union*," insolvency proceedings may be initiated in Germany. Such proceedings would then be governed by German law. However, pursuant to the Recast EU Insolvency Regulation, where a German company conducts business in more than one member state of the European Union, the jurisdiction of the German courts may be limited if the company's COMI is found to be in a member state other than Germany (see "*—European Union*"). There are a number of factors that are taken into account to ascertain the COMI, which should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The point at which this issue falls to be determined is at the time that the relevant insolvency proceedings are opened. The insolvency laws of Germany and, in particular, the provisions of the German Insolvency Code (*Insolvenzordnung*) may be less favorable to your interests as creditors than the insolvency law of other jurisdictions including in respect of the priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings.

Under German law, insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) or illiquidity (*Zahlungsunfähigkeit*) of the debtor. If for example a stock corporation (*Aktiengesellschaft—AG*) or a limited liability company (*Gesellschaft mit beschränkter Haftung—GmbH*) is in a situation of illiquidity and/or over-indebtedness, the management of such company is obligated to file for the opening of insolvency proceedings without undue delay, however, in the case of illiquidity at the latest within three weeks after illiquidity occurred and in case of over-indebtedness at the latest six weeks after-over-indebtedness occurred. Under the the Act on the Temporary Adjustment of Restructuring and Insolvency Law Provisions to Mitigate Crisis Effects (*Gesetz zur vorübergehenden Anpassung sanierungs- und insolvenzrechtlicher Vorschriften zur Abmilderung von Krisenfolgen*) (*SanInsKG*), the six-week period following the occurrence of over-indebtedness was extended to a period of eight weeks until December 31, 2023. The debtor is over-indebted if its liabilities exceed the value of its assets (based on their liquidation value) unless a continuation of the debtor's business is predominantly likely (*überwiegend wahrscheinlich*) for a prognosis period covering the next twelve months (*positive Fortbestehensprognose*) . Under the SanInsKG, the forecast period relevant for the over-indebtedness test was reduced to four months until December 31, 2023. However, from September 1, 2023 onwards, management may need to take into account that the reduction ceases to apply within the four-month period. The debtor is illiquid if it is unable to pay its debts as and when they fall due. In addition, the debtor may, but is not obliged to file for insolvency proceedings if it is imminently at risk to be unable to pay its debts as and when they fall due (*drohende Zahlungsunfähigkeit*).

Once illiquidity or over-indebtedness occurs, any payments, including any payments under the Guarantees by the German Guarantors, are voidable (but see also below "*—Hardening Periods and Fraudulent Transfer*").

The insolvency proceedings are court-controlled, and upon receipt of the insolvency petition, the insolvency court may take preliminary protective measures to secure the property of the debtor during the preliminary proceedings. The insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings and may appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*) who, depending on the court decision, may have the right to manage and dispose of the business and assets of the debtor. During preliminary insolvency proceedings, depending on the size of the debtor's business operations, the insolvency court must or may appoint a "preliminary creditors' committee" (*vorläufiger Gläubigerausschuss*). The requirements apply to the respective entity without taking into account the assets of other group companies. If these requirements are not met, a preliminary creditors' committee can be established at the request of the preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*) or a creditor. The preliminary creditors' committee will be able to participate in certain important insolvency court decisions. It will have, for example, the power to influence the following: the selection of a preliminary insolvency administrator or an insolvency administrator (*vorläufiger Insolvenzverwalter* and *Insolvenzverwalter*), orders for "debtor-in-possession" proceedings (*Anordnung der Eigenverwaltung*), and appointments of preliminary trustees (*Sachwalter*). The court opens the insolvency proceedings (*Insolvenzeröffnung*) if certain formal requirements are met and if there are sufficient assets to cover at least the costs of the proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open formal insolvency proceedings if third parties, for instance creditors, advance the costs themselves. In the absence of such advancement, the petition for opening of insolvency proceedings will usually be refused for insufficiency of assets (*Abweisung mangels Masse*). If formal insolvency proceedings are opened, the court appoints an insolvency administrator (*Insolvenzverwalter*) unless debtor-in-possession (*Eigenverwaltung*) is ordered. In the absence of debtor-in-possession proceedings, the right to administer the debtor's business affairs and to dispose of the assets of the debtor passes to the insolvency administrator. The insolvency administrator has full power to manage the business and dispose of the debtor's assets, whereas the debtor is no longer entitled to manage the business or dispose of its assets. The insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's

operations or may deem it necessary to wind down the company, and satisfaction of these liabilities as preferential debts of the estate (*Masseschulden*) will be preferred to any insolvency liabilities created by the debtor (including secured debt).

From the perspective of the holders of the Notes, among others, some relevant consequences of such opening of formal insolvency proceedings that are subject to the German insolvency regime (against a German Guarantor or against any other Guarantor having its COMI in Germany and where the German insolvency courts have jurisdiction in accordance with the Recast EU Insolvency Regulation or the German Insolvency Code) would be the following:

- if the court does not order a debtor-in-possession proceeding, the right to administer and dispose of the assets of the relevant German Guarantor and any of its subsidiaries would generally pass to the insolvency administrator (*Insolvenzverwalter*) as sole representative of the insolvency estate;
- if the court does not order a debtor-in-possession proceeding with respect to the relevant German Guarantor and any of its subsidiaries, disposals effected by the management of such German Guarantor and any of its subsidiaries, after the opening of formal insolvency proceedings, are null and void by operation of law;
- if, during the final month preceding the date of filing for insolvency proceedings or thereafter, a creditor in the insolvency proceedings has acquired through execution (*e.g.*, attachment) a security interest in part of the relevant German Guarantor's or any of its subsidiaries' property that would normally form part of the insolvency estate, such security becomes null and void by operation of law upon the opening of formal insolvency proceedings; and
- claims against the relevant German Guarantor and any of its subsidiaries may only be pursued in accordance with the rules set forth in the German Insolvency Code.

Under German insolvency law, termination rights, automatic termination events or "escape clauses" entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement, upon the opening of insolvency proceedings in respect of the other party, the filing for insolvency or the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte or Lösungsklauseln*) may be invalid if they frustrate the election right of the insolvency administrator whether or not to perform the contract unless they reflect termination rights applicable under statutory law. This may also relate to agreements that are not governed by German law in the event insolvency proceedings are opened in Germany against the counterparty. Also, powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings. Certain executory contracts become unenforceable at such time unless and until the insolvency administrator opts for performance.

All creditors, whether secured or unsecured, unless they have a right to segregate an asset from the insolvency estate (*Aussonderungsrecht*)—as opposed to a right of preferential satisfaction from realisation proceeds (*Absonderungsrecht*, see below)—who wish to assert claims against the debtor need to participate in the insolvency proceedings. Any individual enforcement action (*Zwangsvollstreckung*) brought against the debtor by any of its creditors other than creditors with preferred claims (*Absonderung der Masseverbindlichkeiten*) is subject to an automatic stay once insolvency proceedings have been opened. Secured creditors are generally not entitled to enforce their security interests outside the insolvency proceedings. In the insolvency proceedings, however, secured creditors have certain preferential rights (*Absonderungsrechte*). Depending on the legal nature of the security interest, entitlement to enforce such security is either vested with the secured creditor or the insolvency administrator. The insolvency administrator generally has the sole right to realize any movable assets in his, her or the debtor's possession that are subject to preferential rights (*e.g.*, liens over movable assets (*Mobiliarsicherungsrechte*), or security transfer of title (*Sicherungsübereignung*)) as well as to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). This will also apply to security over certain types of stock. If the enforcement right is vested with the insolvency administrator, the enforcement proceeds are disbursed to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims, however less certain contributory charges for (i) assessing the value of the secured assets (*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in the aggregate, usually add up to 9% of the gross enforcement proceeds plus VAT (if any). With the remaining unencumbered assets of the debtor the insolvency administrator has first to satisfy the preferential creditors of the insolvency estate (*Massegläubiger*) (including the costs of the insolvency proceedings as well as any preferred liabilities incurred by the insolvency estate after, or with permission of the insolvency court prior to, the opening of formal insolvency proceedings). Thereafter, all other unsubordinated claims (insolvency claims) (*Insolvenzforderungen*), will be satisfied on a *pro rata* basis if and to the extent there is cash remaining in the insolvent estate (*Insolvenzmasse*) after the security interest and the preferential claims against the estate have been settled and paid in full. Therefore, the proceeds resulting from the realization of the insolvency estate of the debtor may not be sufficient to satisfy unsecured creditors of the relevant German Guarantor or under a guarantee granted by such German Guarantor in full after the preferred and secured creditors have been satisfied. Claims of subordinated creditors in the insolvency proceedings (*nachrangige Insolvenzgläubiger*) are satisfied only after

the claims of other non-subordinated creditors (including the unsecured insolvency claims) have been fully satisfied (see also below "*—Satisfaction of Subordinated Claims"*).

A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*). Such plan can be submitted by the debtor or the insolvency administrator and requires, among other things and subject to certain exceptions, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules and the approval of the insolvency court. The insolvency court may order the deemed approval of one or more opposing creditor groups under certain conditions (cram down). The insolvency plan may derogate from the provisions of the German Insolvency Code. In particular, it may contain provisions regarding the discharge of secured and unsecured creditors, the disposal of the insolvency estate as well as procedure. It may also create, modify, transfer or terminate rights *in rem* such as property rights or security interests. If the debtor is a corporate entity, the shares or, as the case may be, the membership rights in the debtor can also be included in the insolvency plan, e.g., these can be transferred to third parties, including a transfer to creditors based on a debt-to-equity swap. Thus, an insolvency plan could under certain circumstances provide for provisions regarding the Guarantees or the Collateral which are less favorable to the Noteholders than the provisions of the German Insolvency Code, such as the release of the Collateral, the release of obligations under the Guarantees of the German Guarantors or the contribution of the Guarantees of the German Guarantors in exchange for equity. Under certain conditions, such provisions could be adopted against the votes of the affected Noteholders.

Moreover, if the debtor has filed a petition for the opening of insolvency proceedings based on a reason for the insolvency other than illiquidity (i.e., imminent illiquidity or over-indebtedness), combined with a petition to initiate such process based on a debtor-in possession proceeding and can demonstrate that a restructuring of its business is not obviously futile, the court may grant a period of up to three months to draw up an insolvency plan for the debtor business (*Schutzschirmverfahren*). During this period, the creditors' rights to enforce security may—upon application of the filing debtor—be suspended. Under these circumstances, the insolvency court must appoint a preliminary custodian to supervise the process. The debtor is entitled to suggest an individual to be appointed as custodian with such suggestion being binding on the insolvency court unless the suggested person is obviously not eligible to become a custodian (i.e., he or she is obviously not competent or impartial).

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity, from an insolvency law point of view, has to be dealt with separately (*i.e.*, there is generally no group insolvency concept under German insolvency law). As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and vis-à-vis each entity have to be dealt with separately. On April 21, 2018, the Bill to Facilitate the Handling of Group Insolvencies (*Gesetz zur Erleichterung der Bewältigung von Konzerninsolvenzen*) entered into force. While the bill does not abolish the principle of separate insolvency proceedings in relation to each group entity, it provides for the following four key amendments of the German Insolvency Code in order to facilitate an efficient administration of group insolvencies: (i) a single court may be competent for each group entity's insolvency proceeding; (ii) the appointment of a single person as insolvency administrator for all group companies is facilitated; (iii) certain coordination obligations are imposed on insolvency courts, insolvency administrators and creditors' committees; and (iv) certain parties may apply for "coordination proceedings" (*Koordinationsverfahren*) and the appointment of a "coordination insolvency administrator" (*Koordinationsverwalter*) with the ability to propose a "coordination plan" (*Koordinationsplan*).

German insolvency law provides for certain creditors to be subordinated by law (in particular, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the return of funds or payment of a consideration), while claims of a person who becomes a creditor of the insolvency estate only after the opening of insolvency proceedings generally rank senior to the claims of regular, unsecured creditors. See also below under "*—Satisfaction of Subordinated Claims*".

Limitation on Enforcement

The Guarantors of the Notes that are organized under German law are incorporated or established in the form of a GmbH (*Gesellschaft mit beschränkter Haftung*, Limited Liability Company). Consequently, the grant of Collateral by these Guarantors is subject to certain provisions of the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, the "GmbHG"). These provisions would also apply to any future Guarantor in the form of a GmbH, or in case of a private limited partnership with a limited liability company as general partner (*Kommanditgesellschaft*) ("GmbH & Co. KG") to its general partner.

Sections 30 and 31 of the GmbHG ("Sections 30 and 31") prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbH's net assets determined in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch, the HGB*) (*i.e.*, assets minus liabilities and liability reserves) is or would fall below the amount of its stated share capital (*Begründung einer Unterbilanz*) or would increase any already existing capital impairment (*Vertiefung einer Unterbilanz*). Guarantees, share pledges and any other collateral granted by a GmbH

in order to guarantee or secure liabilities of a direct or indirect parent or sister company are considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to grant guarantees and collateral to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice for credit agreements, indentures, guarantees and security documents to contain so-called "limitation language" in relation to subsidiaries in the legal form of a GmbH or a GmbH & Co. KG. Pursuant to such limitation language, the beneficiaries of the guarantees and security interests agree, subject to certain exemptions, to enforce the guarantees and security interests against the GmbH or the GmbH & Co. KG (or retain the proceeds of an enforcement of the security interests) only to the extent that such enforcement does not result in the GmbH's, or the KG's general partner that is a GmbH, net assets falling below its stated share capital or, as the case may be, if the net assets are already below the amount of its stated share capital, to cause such amount to be further reduced. Accordingly, the Guarantees and security interests provided by a German Guarantor to secure the Notes will contain such limitation language and therefore the enforcement of the Guarantees and the security interests securing the Notes is limited in the manner described. This could lead to a situation in which the respective Guarantee or security interest granted by a German Guarantor cannot be enforced at all. Details of the application of Sections 30 and 31 (or capital maintenance rules) are subject to evolving case law. Furthermore, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding so-called destructive interference (*existenzvernichtender Eingriff*) (*i.e.*, a situation where a shareholder deprives a German limited liability company of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a guarantee or security interest granted by a German (direct or indirect) subsidiary or sister company of the Issuer. In such case, the amount of proceeds to be realized in an enforcement process may be reduced, even to zero.

German capital maintenance rules are subject to ongoing court decisions. We cannot assure you that future court rulings may not further limit the access of shareholders to assets of its subsidiaries constituted in the form of a GmbH or of a limited partnership, the general partner or general partners of which is or are a GmbH incorporated or established in Germany, which can negatively affect the ability of the German Guarantors to make payments on the relevant Guarantees, of the secured parties to enforce the Collateral (or retain the proceeds of an enforcement of the Collateral) or of the beneficiaries of the relevant Guarantees to enforce the relevant Guarantees.

In addition to the limitations resulting from the capital maintenance rules, the Guarantees and the security documents entered into by the German Guarantors will contain additional provisions which may limit the enforcement in the event the enforcement would result in an illiquidity of the relevant German Guarantors.

Parallel Debt

Under German law, certain "accessory" security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor of the secured claim be the same person. Such accessory security interests (*akzessorische Sicherungsrechte*) cannot be held on behalf of third parties who do not (yet) hold the secured claim, will automatically lapse to the extent a secured claim is settled, discharged or novated, and may not be assigned independently, but will automatically follow the claims they secure in case the relevant secured claim is assigned. The holders of the Notes from time to time will not be party to the security documents. In order to permit the holders of the Notes from time to time to benefit from pledges granted to the Security Agent under German law, the Intercreditor Agreement provides for the creation of a "parallel debt." Pursuant to the creation of the parallel debt, the Security Agent has its own separate and independent claim equal to each amount payable by each obligor under, in particular, the Notes and the Guarantees. The pledges governed by German law will directly and exclusively (to the extent the Notes are concerned) secure the parallel debt rather than the obligations under the Notes or the holders of the Notes directly. There is no conclusive case law on the validity of the parallel debt concept and of the pledges granted under German law to secure such parallel debt and, in particular, such concept has not been tested before higher German courts, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by German law. Therefore, the ability of the Security Agent to enforce the Collateral may be restricted. In addition, holders of the Notes bear some risk associated with a possible insolvency or bankruptcy of the Security Agent.

German law does not generally permit the appropriation of pledged assets by the pledgee upon enforcement of the pledge. The enforcement of a share pledge under German law usually requires the sale of the asset constituting the collateral through a formal process involving a public auction to which certain waiting periods and notice requirements apply. Under German law, it is unclear whether the security interest in the collateral gives the Security Agent the right to prevent other creditors of the entities having granted such security from foreclosing on and realizing the asset constituting the collateral. Some courts have held that certain types of security interests only give their holders priority (according to their ranking) in the distribution of any proceeds from the realization of the asset constituting the collateral and no right to intervene (*i.e.*, the right to request the court to impose a stay on proceedings initiated by other creditors).

Satisfaction of Subordinated Claims

The insolvency estate shall serve to satisfy the liquidated claims held by the personal creditors against the debtor on the date when the insolvency proceedings were opened. The following claims shall be satisfied ranking below the other claims of insolvency creditors in the order given below, and according to the proportion of their amounts if ranking with equal status: (i) interest and penalty payments accrued on the claims of the insolvency creditors from the day of the opening of the insolvency proceedings; (ii) costs incurred by individual insolvency creditors due to their participation in the proceedings; (iii) fines, regulatory fines, coercive fines and administrative fines, as well as such incidental legal consequences of a criminal or administrative offence binding the debtor to pay money; (iv) claims to the debtor's gratuitous performance of a consideration and (v) claims for restitution of a shareholder loan (*Gesellschafterdarlehen*) or claims resulting from legal transactions corresponding in economic terms to such a loan unless a state aid bank or any of its subsidiaries which is a shareholder of the relevant company have granted the respective loan or legal transaction corresponding in economic terms to such a loan.

Ranking of Security Interests

Under German law, the ranking of several security interests over the same assets is determined, as a matter of law, by the timing of the perfection of the several security interests, and security interests perfected at an earlier point in time will have a higher rank than security interests granted at a later point in time over the same assets (*Prioritätsgrundsatz*). The German law security interests granted to secure the Notes are expressed to cover the same assets as the security interests already granted to secure the obligations under the Existing Term Loan B Facilities Agreements, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities. Whereas the German law "non-accessory" security interests granted to secure the obligations under the Notes will be granted by way of confirmations and/or amendments to the security purpose under the existing security interests granted originally to secure the obligations under the Existing Term Loan B Facilities Agreements, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities, with the effect that the obligations under the Notes will also be included in the security purpose and accordingly also be secured, the German law "accessory" security interests to secure the obligations under the Notes will also have to be granted as junior ranking security interests, which, as a matter of law will rank below the corresponding accessory security interests granted to secure the obligations under the Existing Term Loan B Facilities Agreements, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities. Although the Intercreditor Agreement provides that, as amongst the parties, security interests to secure obligations under the Notes, the Existing Term Loan B Facilities Agreements, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities shall rank *pari passu*, these provisions under the Intercreditor Agreement are only of an obligatory nature and cannot enhance the junior rank of the accessory security interests (*e.g.*, the pledges over bank accounts, shares and partnership interests) granted to secure the obligations

under the Notes. In the event of insolvency proceedings opened under German law against a security grantor of such junior ranking accessory security interests, the preferential rights of the secured parties under such junior ranking security interests would be satisfied after the preferential rights of the secured parties under the senior ranking accessory security interests over the same assets, regardless of the provisions of the Intercreditor Agreement.

Under German law, it is unclear whether all of the security interests in the Collateral give the Security Agent a right to prevent other creditors of the German Guarantors from foreclosing into and realizing the Collateral. Some courts have held that certain types of security interests only give their holders priority (according to their rank) in the distribution of any proceeds of such realization. Accordingly, the Security Agent and the holders of the Notes may not be able to avoid foreclosure by unsecured creditors into the Collateral, even if they consider such foreclosure untimely.

Hardening Periods and Fraudulent Transfer

In the event that insolvency proceedings with respect to a German Guarantor, which would most likely be based on and governed by the insolvency laws of Germany, the security interests granted as well as the guarantee provided by that entity could be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) under the rules of avoidance as set out in the German Insolvency Code (*Insolvenzordnung*).

Based on these rules, an insolvency administrator may challenge transactions that are deemed detrimental to insolvency creditors and were effected prior to the commencement of insolvency proceedings. Such transactions can include the payment of any amounts to the holders of the Notes as well as granting them any security interest. The administrator's right to challenge transactions can, depending on the circumstances, extend to transactions during the 10-year period prior to the filing of the petition for commencement of insolvency proceedings. In the event such a transaction is successfully avoided, the holders of the Notes would be under an obligation to repay the amounts received or to waive the guarantee or security interest. In such case, you may not be able to recover any amounts under the Guarantees or the Collateral. If payments have already been made under the Guarantees or in respect of Collateral, the insolvency administrator or custodian may require that the recipients return the payment to the insolvency estate and you would instead then only have a general unsecured claim under the Guarantees without preference in insolvency proceedings (unless and to the extent the Collateral would not be subject to voidness in which case such claim would be secured to that extent).

In particular, an act (*Rechtshandlung*) or a transaction (*Rechtsgeschäft*) (which term includes the provision of security or the repayment of debt) may be avoided in the following cases:

- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction (i) if such act was performed during the last three months prior to the filing of the petition for the commencement of the insolvency proceedings and the debtor was illiquid (*zahlungsunfähig*) at the time when such act was taken and the creditor had knowledge of such illiquidity (or of the circumstances that unmistakably suggest that the debtor was illiquid) at such time, or (ii) if such act was performed after the filing of the petition for the commencement of the insolvency proceedings and the creditor had knowledge of the illiquidity of the debtor or the filing of such petition (or of circumstances unmistakably suggesting such illiquidity or filing);

- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction to which such creditor was not entitled or which was granted or obtained in a form or at a time to which or at which such creditor was not entitled to such security or satisfaction if (i) such act was performed during the last month prior to the filing of the petition for the commencement of the insolvency proceedings or after such filing, (ii) such act was performed during the second or third month prior to the filing of the petition and the debtor was illiquid at such time, or (iii) such act was performed during the second or third month prior to the filing of the petition for the commencement of the insolvency proceedings and the creditor knew at the time such act was taken that such act was detrimental to the other insolvency creditors (or had knowledge of circumstances that unmistakably suggest such detrimental effects);

- any transaction by the debtor that is directly detrimental to the insolvency creditors or by which the debtor loses a right or the ability to enforce a right or by which a proprietary claim against a debtor is obtained or becomes enforceable, if (i) it was entered into during the three months prior to the filing of the petition of the commencement of the insolvency proceedings, the debtor was illiquid at the time of such transaction and the counterparty to such transaction had knowledge of the illiquidity at such time or (ii) it was entered into after such filing and the counterparty to such transaction had knowledge of either the debtor's illiquidity or such filing at the time of the transaction;

- any act by the debtor without (adequate) consideration (for example, whereby a debtor grants security for a third-party debt), which might be regarded as having been granted gratuitously (*unentgeltlich*), if it was

effected in the four years prior to the filing of a petition for the commencement of insolvency proceedings against the debtor;

- any act performed by the debtor in the 10 years prior to the filing of the petition for the commencement of insolvency proceedings with the intent (known to the beneficiary of the act at the time of such act) to prejudice its creditors; if the relevant act consisted of a settlement of an obligation or the grant of the security to the counterparty, the relevant period is four years instead of 10 years; "knowledge by the beneficiary of the act" in terms of such provision is presumed if the beneficiary knew that the debtor was imminently illiquid (*drohende Zahlungsunfähigkeit*) and that the relevant act disadvantaged the other creditors; in case the relevant act granted a creditor, or enabled a creditor to obtain, security or satisfaction in a form or at a time to which or at which such creditor was entitled, the "knowledge by the beneficiary of the act" is presumed if the beneficiary knew that the debtor was actually illiquid (*eingetretene Zahlungsunfähigkeit*) and that the relevant act disadvantaged the other creditors; the fact that the creditor agreed on a payment plan with the debtor or agreed to deferred payments establishes a presumption that he had no knowledge of the debtor being illiquid at this time;

- any contract entered into by the debtor in the last two years prior to the filing of the petition for the opening of insolvency proceedings with a closely related party (which term includes in particular the management, supervisory board members and shareholders of the debtor owning more than 25% of the debtor's share capital, certain persons with comparable access to information about the debtor, and certain of their or its affiliates, management and relatives) and which is directly detrimental to the insolvency creditors, unless the closely related party was unaware of the debtor's intent to prejudice its creditors;

- any act that provides security or satisfaction for a shareholder loan made to the debtor or a similar claim if (i) in the case of the provision of security, the act occurred during the 10 years prior to the filing of the petition for the commencement of the insolvency proceedings or after the filing of such petition, or (ii) in the case of satisfaction, the act occurred during the last year prior to the filing of the petition for the commencement of the insolvency proceedings or after the filing of such petition; and

- any act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party if (i) the transaction was effected in the last year prior to the filing of a petition for commencement of insolvency proceedings or thereafter and (ii) a shareholder of the debtor had granted security or was liable as a guarantor (*Bürge*) (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)).

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that the debtor was unable to pay its debts generally as they fell due, that a petition for the opening of insolvency proceedings had been filed, or that the act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. A person is deemed to have knowledge of the debtor's intention to prejudice the insolvency creditors if it was aware of the debtor's actual illiquidity (*Zahlungsunfähigkeit*) or impending illiquidity (*drohende Zahlungsunfähigkeit*) and that the transaction prejudiced the debtor's creditors, *provided* that, if the relevant act by the debtor consisted of a settlement of an obligation or the grant of a security which was due to be paid or granted, as the case may be, then the knowledge of the debtor's intention to prejudice the insolvency creditors is only presumed if the other party was aware of the actual illiquidity (*Zahlungsunfähigkeit*) of the debtor and of the fact that the transaction prejudiced the debtor's creditors. With respect to a "related party," there is a general statutory presumption that such party had "knowledge".

Furthermore, even in the absence of an insolvency proceeding, a third-party creditor who has obtained an enforcement order (*Vollstreckungstitel*) but has failed to obtain satisfaction on its enforceable claims by a levy of execution, under certain circumstances, has the right to avoid certain transactions, such as the payment of debt and the granting of security pursuant to the German Code on Avoidance (*Anfechtungsgesetz*). The conditions for avoidance under the German Code on Avoidance differ to a certain extent from the above-described rules under the German Insolvency Code and the avoidance periods are calculated from the date when a creditor exercises its rights of avoidance in the courts.

In addition, under German law, a creditor who provided additional, or extended existing, funding to a debtor or obtained security from a debtor may be liable in tort if such creditor was aware of the debtor's (impending) insolvency or of circumstances indicating such debtor's (impending) insolvency at the time such funding was provided or extended or such security was granted. The German Federal Supreme Court (*Bundesgerichtshof*) held that this could be the case if, for example, the creditor was to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the debtor as the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto. Furthermore,

according to a decision of the German Federal Supreme Court (*Bundesgerichtshof*), a security or guarantee agreement may be void due to tortious inducement of breach of contract if a creditor knows about the distressed financial situation of the debtor and anticipates that the debtor will only be able to grant collateral by disregarding the vital interests of its other business partners. It cannot be ruled out that German courts may apply this case law with respect to the granting of guarantees and/or security interests to be granted by the German Guarantors.

Preventive Restructuring Framework

On June 20, 2019, the European Parliament and the Council have adopted a new directive (Directive of the European Parliament and the Council EU 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending directive (EU) 2017/1132 (the "Preventive Restructuring Directive")). The Preventive Restructuring Directive sets out minimum standards to be applied by the member states (*i.e.*, minimum harmonization). Although certain features of the EU Restructuring Directive need to be transposed into national legislation, the EU Restructuring Directive leaves a large degree of discretion regarding the implementation of certain other features.

In Germany, the Preventive Restructuring Directive was implemented by the law on the Further Development of the German Restructuring and Insolvency Laws, which became effective on January 1, 2021. The core element of this law is a new Act on a Stabilisation and Restructuring Framework for Enterprises ("Company Stabilisation and Restructuring Act") as well as changes to other laws, including to the German Insolvency Code. The Company Stabilisation and Restructuring Act provides for a new framework allowing the stabilization and restructuring of companies outside and before an insolvency procedure, on the basis of a restructuring plan prepared by the company in financial crisis.

Proceedings under the Company Stabilisation and Restructuring Act ("Restructuring Proceedings") are initiated through a notification by the respective debtor to affected creditors and/or the competent restructuring court (*Anzeige des Restrukturierungsvorhabens*). Restructuring Proceedings are applicable in cases in which a debtor faces imminent illiquidity (*drohende Zahlungsunfähigkeit*), i.e. that there is the imminent risk for the debtor of being unable to pay any of its debt as and when it falls due during the course of (regularly) the next 24 months. The debtor's management is not obliged to file for such Restructuring Proceedings. Therefore, the debtor may alternatively file for regular insolvency proceedings if the respective requirements are met (see above under "—*Insolvency*").

Unlike insolvency proceedings, Restructuring Proceedings do not necessarily cover all of a debtor's liabilities, as the debtor has a certain amount of flexibility under the Company Stabilisation and Restructuring Act to adapt the scope of the proceedings to cover either all of his liabilities, only certain types (*e.g.*, financial liabilities, including under the Notes), or only selected liabilities. In addition and depending on the extent to which a debtor requires to make use of certain legal tools available under the Company Stabilisation and Restructuring Act, the involvement of the competent restructuring court can be kept to a minimum and proceedings can—under certain circumstances—even be conducted without the need for any public notices despite being binding on affected creditors. Restructuring Proceedings may in the case of a group of companies only be conducted for each entity separately. However, the Company Stabilisation and Restructuring Act provides for a respective application of the provisions of the German Insolvency Code which implemented the law to facilitate the mastering of group insolvencies (see above under "—*Insolvency*").

The core component of the Company Stabilisation and Restructuring Act is an out-of-court restructuring of a debtor's liabilities via a restructuring plan, including, e.g., by way of changes to the principal amounts, interest rates and/or maturities of liabilities. Such restructuring plan may also negatively impact (including, *e.g.*, a release of) collateral granted for the benefit of the Notes by subsidiaries, parent and sister companies of the debtor. A restructuring plan can generally be adopted and become binding for creditors upon being approved by the required majority or majorities of a debtors' creditors. Generally, the relevant majority requirement is 75% of the respective principal amounts. However, if the restructuring plan provides for multiple creditor groups (which the Company Stabilisation and Restructuring Act provides for and allows under certain circumstances), such plan can even be adopted and become binding on a creditors even if creditor class(es) have not approved the plan, provided certain requirements are met and a restructuring court provides its approval (*cross-class cramdown*).

In order for the debtor to be able to draw up and negotiate the restructuring plan, the Company Stabilisation and Restructuring Act offers the possibility of having a moratorium ordered by the competent court upon application by the debtor, which can restrict enforcement measures by certain or all creditors. The moratorium can initially be ordered for a maximum period of up to three months, with subsequent orders to extend the moratorium up to a maximum of eight months permissible under certain conditions.

For the holders of the Notes, among the relevant consequences of an initiation of Restructuring Proceedings by a German Guarantor or any other Guarantor having its COMI in Germany would be the following:

- potentially no or limited court review and/or supervision of the Restructuring Proceedings;
- restrictions on individual enforcement actions for all or certain creditors of up to eight months due to a moratorium;
- any measures (such as reduction in principal and/or interest or deferrals) regulated by the restructuring plan may be approved within a class of creditors with a majority of 75% of the claims or by way of a so-called cross-class cram down;
- any collateral granted by the debtor as well as intra-group collateral may be subject to Restructuring Proceedings potentially leading to a negative impact on the respective collateral.

Restructuring Plans which are public and confirmed by a German restructuring court will be recognized in any EU member state pursuant to the EU Insolvency Proceedings Regulation (Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings) . However, this does not apply to plans in non-public restructuring matters under the Company Stabilisation and Restructuring Act as they are not mentioned in Exhibit A of the EU Insolvency Proceedings Regulation. Except for public restructuring matters, the recognition of the restructuring plan is subject to certain rules and regulations under applicable international private law.

Hong Kong

Insolvency

One of the Guarantors (the "*Hong Kong Guarantor*") is a company incorporated under Hong Kong law. In the event of an insolvency of the Hong Kong Guarantor, insolvency proceedings may be initiated in Hong Kong. Such proceedings will be governed by Hong Kong law. Under certain circumstances, insolvency proceedings may also be opened in Hong Kong in accordance with Hong Kong law with respect to companies that are not incorporated under Hong Kong law (for example, if such company is registered as a non-Hong Kong company in Hong Kong or has a sufficient connection with Hong Kong).

The following is a brief description of certain aspects of insolvency law in Hong Kong. Under Hong Kong law, there are two main forms of liquidation (or winding-up) procedure:

(a) compulsory liquidation, which occurs following the court's acceptance of a petition presented by a company's contributory or creditor or the company itself. A creditor may petition for the winding up of a company on the ground that, among other things, the company "is unable to pay its debts". The CWUMPO sets out the circumstances in which a company will be deemed to have such inability. These include:

  (i) failure to pay a debt of at least HK$10,000 within three weeks of service of a statutory demand by a creditor;

  (ii) where execution or other process on a judgment, decree or court order in favor of a creditor of the company has been returned unsatisfied in whole or in part; or

  (iii) where it is otherwise proved to the satisfaction of the court that the company is unable to pay its debts as they fall due and, in determining whether a company is unable to pay its debts, the court will take into account the contingent and prospective liabilities of the company.

  There are other grounds for granting a winding-up order, such as where the court is of the opinion that it is just and equitable that the company should be wound up.

  In a compulsory winding-up, all legal proceedings against the company will be stayed once a winding-up order has been made or a provisional liquidator has been appointed, unless the leave of the court is obtained and subject to such terms as the court may impose.

(b) voluntary liquidation, a procedure conducted out of court which typically occurs where the shareholders of a company pass the requisite resolution to place the company into liquidation. If the directors of the company or, in the case of a company having more than two directors, the majority of the company's directors have issued a certificate of solvency within five weeks immediately preceding the date of the passing of the shareholders resolution or on that date but before the passing of the resolution stating that in their opinion, after having made a full inquiry into the affairs of the company, the company will be able to pay its debts in full within 12 months after commencement of the winding-up, the liquidation will be a members' voluntary winding up. In the absence of such a

certificate, the liquidation will be a creditors' voluntary winding up. In addition, there is a special procedure under section 228A of the CWUMPO for the directors of the company or, in the case of a company having more than two directors, the majority of the directors of a company to resolve at a directors' meeting that a company be wound up on the grounds that it cannot, by reason of its liabilities, continue its business.

Provisional liquidators may be appointed to protect the assets of a company between the date of petition for the company's winding-up and the date on which a winding-up order is made. The appointment of provisional liquidators triggers an automatic stay on actions or proceedings against the company and such actions or proceedings may thereafter be proceeded with or commenced against the company only with the leave of court. The court may be persuaded to appoint provisional liquidators where the assets of the company are in jeopardy or where the provisional liquidators would assist in exploring a restructuring (however, this latter ground is only available if the company is insolvent and there is also jeopardy to the assets of the company). A provisional liquidator's powers are limited by the terms of his or her appointment order.

Upon the appointment of a liquidator or a provisional liquidator, the right to manage and dispose of the business and assets of the company passes to the liquidator or (as the case may be) the provisional liquidator.

Hong Kong insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims separately. Accordingly, unsecured creditors may file their claims in the insolvency proceedings and will, subject to certain preferential payments to be paid first, receive a distribution from the liquidator on a pari passu basis.

There is no statutory reorganisation in Hong Kong, but it is possible for creditors of a Hong Kong company to attempt to negotiate a consensual contractual restructuring agreement with the company.

Schemes of arrangement are provided under Part 13, Division 2 of the Companies Ordinance (Cap. 622) (the "CO") and, although not strictly an insolvency procedure, involve a compromise or arrangement between a company and its creditors or members (or any class of them). A scheme will typically require the agreement of a majority in number representing three-fourths in value of the creditors (or class of them), or of the voting rights of the members (or class of them) and if approved by the court and such approval has been filed with the Hong Kong Registrar of Companies, will become binding on all creditors or members (or the relevant class of them, as the case may be). The court maintains a discretion whether to sanction a scheme and will consider compliance with the statutory process, whether the majority approving the scheme is acting in good faith and whether the scheme is fair to all creditors in the circumstances. Where there are different classes of creditors (e.g., contingent or unsecured) each class is required to hold separate meetings to discuss and consider the scheme proposals. The terms of each scheme of arrangement will vary; however, they often involve variation of contractual terms, waiver of part of creditor claims and exchanges of debt for equity. During the process where a scheme of arrangement is being sanctioned, there is no stay on legal action or proceeding against the company. Creditors therefore retain the ability to seek to enforce their claims through obtaining judgment or to present a winding-up petition during such process, although the Hong Kong court has been persuaded to exercise its discretion to refuse to make a winding-up order whilst a restructuring proposal is put to creditors through a scheme.

In the event of a liquidation under Hong Kong law of the Hong Kong Guarantor, secured creditors can generally enforce their security outside the liquidation process (and the secured assets would not form part of the insolvency estate). The liabilities of the Hong Kong Guarantor to its unsecured creditors will, in effect, be satisfied only after payment of all secured indebtedness (to the extent of the assets securing that indebtedness) and after payment of all claims entitled to priority under Hong Kong insolvency law. Claims entitled to priority may include, among others, (a) all expenses of the winding up, including those properly incurred by the liquidator (including his remuneration) in a winding up; (b) certain amounts owed to the Government; and (c) certain amounts owed to employees. If the proceeds from the enforcement of the security are insufficient to cover the secured creditor's claim, the balance may be proved as unsecured debt in the liquidation.

There is no assurance that, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the unsecured creditors.

Any interest accruing under or in respect of amounts due under a guarantee or other finance documents to which the Hong Kong Guarantor is a party in respect of any period after the date of the resolution to wind up the company or winding-up order (as applicable) would only be recoverable, if the company is not, in the event, insolvent, from any surplus remaining after payment of all other debts proved in the proceedings.

Risk of Challenge and Insolvency

Under Hong Kong law, a transaction of a company may be void if it is beyond the powers of the directors and/or the company under such company's articles of association, or is not for a proper corporate purpose. Examples of the latter include: the transaction is not in the best interest of the company or the directors are not entering into the transaction for the furtherance of the substantive objects of the company. To comply with the corporate benefit requirement, in the case of upstream or cross-stream guarantees, it is usual practice for such guarantees to be approved by a shareholder resolution (preferably unanimous) authorizing or subsequently ratifying the giving of the guarantee. However, this does not prevent the possibility of challenge by a liquidator.

Under Hong Kong law, the provision of financial assistance by a company (formed and registered under the CO) or any of its subsidiaries in relation to the acquisition of shares in the company is prohibited, if such financial assistance is, directly or indirectly, (i) for the purpose of the acquisition of shares in that company before or contemporaneously with the acquisition; or (ii) for the purpose of reducing or discharging a liability incurred for the purpose of such an acquisition. This means that any financial assistance given before, at the same time as or after the acquisition (including financial assistance given in relation to any refinancing of an acquisition loan) may be called into question. Accordingly, if any guarantee given by the Hong Kong Guarantor of an Issuer's obligations under the Notes (a "Notes Guarantee") or indemnity given by the Hong Kong Guarantor constitutes unlawful financial assistance, unless certain statutory exceptions apply, then such Notes Guarantee or indemnity would be invalid.

Under Hong Kong insolvency law, any unfair preference made within six months (or two years in the case of transactions entered into with an "associate" (as defined under sections 265B and 265C of the CWUMPO) before the commencement of the winding up of a company may be voidable at the discretion of the court or otherwise subject to such order as the court thinks fit for restoring the position to what it would have been if the company had not given that unfair preference. An unfair preference is given by a company to a creditor, guarantor or surety of the company if the relevant act has the effect of putting that person in a better position (in the event of the company going into insolvent liquidation) than if the action had not been taken. In order for that action to be deemed an unfair preference, the company must have been influenced by a desire to produce that result and provided that, at the time or as a result of the preference, the company was unable to pay its debts when they fall due (within the meaning of section 178 of the CWUMPO).

Under Hong Kong insolvency law, any transaction entered into at an undervalue within five years before the commencement of the winding up of a company may be voidable at the discretion of the court or otherwise subject to such order as the court thinks fit for restoring the position to what it would have been if the company had not entered into that transaction. The company enters into a transaction with a person at an undervalue if the company makes a gift to that person, or otherwise enters into a transaction with that person on terms that provide for the company to receive no consideration or the company enters into a transaction with that person for a consideration the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by the company. In order to be deemed a transaction at an undervalue, the (i) transaction must not have been entered into (a) in good faith and (b) for the purpose of carrying on its business, (ii) the company must not have had reasonable grounds to believe that the transaction would benefit the company and, (iii) at the time or as a result of the preference, the company must have been unable to pay its debts when they fall due (within the meaning of section 178 of the CWUMPO).

Under Hong Kong insolvency law, the court may, on the application of the liquidator, make orders to, among others, set aside the whole or part of the company's obligations (and make other orders) with respect to, or vary the terms of a transaction for, or involving, the provision of credit to the company if that transaction is or was extortionate and was entered into in the period of three years ending on the date the resolution to wind up the company was passed or the winding-up order was made (as the case may be). A credit transaction will be presumed to be extortionate unless the contrary is proved if, having regard to the risk accepted by the person providing the credit, (i) the terms of it are or were such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of credit or (ii) it otherwise grossly contravenes ordinary principles of fair dealing.

Under Hong Kong law, the disposition of property made by a company, with intent to defraud its creditors, shall be voidable, except if the disposition is for valuable consideration and in good faith, or upon good consideration and in good faith to any person not having, at the time of the disposition, notice of the intent to defraud creditors. This rule applies at all time, irrespective of when the transaction was entered into and/or whether the company was insolvent at the time or as a result of the disposition.

The CO requires the registration of certain types of charges created by a Hong Kong company or a non-Hong Kong company registered under Part 16 of the CO within the prescribed time (for example, in the case of a registrable charge created in Hong Kong in respect of property situate in Hong Kong, the prescribed time is one month from the creation of that charge). Registrable charges include (among others) floating charges on the undertaking or property of the company and certain fixed charges (such as land, certain book debts, etc.). A fixed charge over certain assets (such as a deposit in a bank account) is not a registrable charge under the CO. Failure to register a registrable charge within the

prescribed time will render the charge void against any creditor or liquidator of the company. Security over certain types of assets created under Hong Kong law may also be subject to other registration and/or perfection requirements (for example, a legal mortgage over land in Hong Kong must be registered at the Hong Kong Land Registry within one month of its creation in order to preserve its priority).

Under Hong Kong law, there are certain common law rules and equitable principles which will determine the ranking of two or more competing security interests over the same assets. A number of different factors are taken into account, such as the nature of the security interest, the order of creation, compliance with perfection requirements and the order of giving notice.

If the Notes Guarantee or any security given by the Hong Kong Guarantor were avoided or held unenforceable for any reason, a holder of the Notes would cease to have any claim in respect thereof.

Korea

Overview

The basic insolvency law in Korea is the "Debtor Rehabilitation and Bankruptcy Act" (the "DRBA").

Under the DRBA, the ability of secured creditors to enforce their rights to security may be subject to rescheduling under the debtor rehabilitation proceeding. Under the bankruptcy proceeding and the individual debtor rehabilitation proceeding, however, it is possible for secured creditors to enforce their security interests, subject to certain restrictions.

DRBA

The DRBA contains:

(a) provisions applicable to rehabilitation pursuant to Chapter 2 Proceedings;

(b) provisions applicable to bankruptcy procedures;

(c) provisions applicable to individual rehabilitation pursuant to Chapter 4 Proceedings, which are applicable only to certain individual debtors who are wage earners or self-employed earners with debts of no more than a certain specified amount; and

(d) provisions applicable to international insolvency proceedings.

Under the DRBA, the petitioner must specify which procedure he or she wishes to use.

For a debtor that has filed for bankruptcy proceedings, a bankruptcy trustee will be appointed to liquidate the assets of the debtor and to distribute the proceeds to its unsecured creditors on a pro-rata basis. Secured creditors remain free to exercise their interests under the bankruptcy proceedings.

On the other hand, the goal of Chapter 2 Proceedings and Chapter 4 Proceedings is to rehabilitate insolvent companies or, as the case may be, individuals. While in a Chapter 2 Proceeding secured creditors will not be able to enforce their security outside such Chapter 2 Proceeding, secured creditors in a Chapter 4 Proceeding will be able to enforce their security interests notwithstanding such Chapter 4 Proceeding (x) unless the court issues an order to suspend or prohibit such exercise during the period after the filing of the petition for the Chapter 4 Proceeding but before the court decides to commence the Chapter 4 Proceeding, or (y) once the court decides to commence the Chapter 4 Proceeding, only after the earlier of (i) the court's approval of the repayment plan or (ii) the final decision by the court to discontinue such Chapter 4 Proceeding.

Chapter 2 Proceedings

A Chapter 2 Proceeding (*i.e.,* rehabilitation proceeding) is designed for use by an insolvent debtor which desires to rehabilitate itself. This type of proceeding is tightly controlled by the court so that most of the material actions or decisions of the debtor may be taken or made only with the approval of the court.

All types of legal entities, including joint stock companies, limited liability companies and unincorporated foundations or associations, as well as individuals, can rehabilitate pursuant to Chapter 2 Proceedings.

The DRBA provides that, in principle, the debtor itself or, in cases where the debtor is a company, its own representative, and not a third party, should be elected as the receiver. Further, the DRBA permits a legal entity to be

appointed as the receiver in the rehabilitation proceeding, in which case this legal entity should designate one of its directors to exercise the rights and powers conferred to it as a receiver and report such designation to the court.

Under the DRBA, the debtor may file a petition to the court for Chapter 2 Proceedings in cases where (i) debts cannot be repaid without causing material damage to the continuance of the debtor's business or (ii) any events leading to bankruptcy of the debtor may arise. If the debtor is a joint stock company or a limited liability company, (a) a creditor who has claims in an amount of not less than 10 percent of the debtor's paid-in capital or (b) a shareholder or equity holder who holds shares or equity interest not less than 10 percent of the debtor's paid-in capital may also apply for a Chapter 2 Proceeding. If the debtor is not a joint stock company or a limited liability company, a creditor who has claims in an amount of not less than KRW50 million or an equity holder who holds an equity interest of not less than 10 percent of the debtor's equity can apply for a Chapter 2 Proceeding.

When the debtor itself or its creditor or equity holder satisfying the above requirements applies for a Chapter 2 Proceeding, the court may, upon the request of interested parties or in its sole discretion, but after hearing the opinion of the management committee, issue a preservation order against individual assets of the debtor, and may issue an injunction against bankruptcy proceedings or enforcement proceedings initiated by the debtor's secured or unsecured creditors. Further, if the court determines that the object of the Chapter 2 Proceedings may not be achieved through individual asset preservation orders, it may, upon the petition of interested parties or in its sole discretion, issue a comprehensive stay order against enforcement proceedings initiated by creditors against the assets of the debtor. If a comprehensive stay order is issued, enforcement proceedings that are already in progress will be suspended, and the court may cancel such enforcement proceedings upon the request of the debtor or, as the case may be, the receiver, if deemed necessary for the continuance of the debtor's business. However, if the court determines that a creditor may sustain unjust damages as a result of such comprehensive stay order, the court may lift the stay order for that particular creditor upon the request of such creditor.

When a petition for a Chapter 2 Proceeding is filed, the court is required within one month of the date of petition to determine whether to commence such proceeding. Once the commencement of the Chapter 2 Proceeding is declared, most claims against the debtor that arose prior to such commencement date are automatically stayed, while claims arising after such commencement date are generally not subject to the proceedings. Also, the court will appoint a permanent receiver with the power to conduct all of the debtor's business and manage all of the debtor's properties, subject to court supervision.

Under the DRBA, unless the debtor is a small or medium sized enterprise or an individual, the committee of creditors composed of not more than 10 major creditors of the debtor should be instituted and the committee of creditors has the rights, among others, to submit their opinion on the various matters including appointment of a receiver or an auditor and to request investigation of the debtor company's business status after the approval of the rehabilitation plan.

As a general rule, any creditor whose claim against the debtor arose prior to the commencement of the Chapter 2 Proceeding, whether secured or unsecured, may not enforce such claims other than as provided for in the rehabilitation plan adopted at the meeting of interested parties and approved by the court. The rehabilitation plan may alter or modify the rights of creditors or shareholders. Accordingly, there can be no assurance that the rights of the creditors, whether secured or unsecured, will not be adversely affected by a Chapter 2 Proceeding. Further, a creditor who intends to participate in the rehabilitation plan must file its claim with the court within the period fixed by the court.

Under a Chapter 2 Proceeding, creditors are classified into three basic categories: (i) creditors with unsecured rehabilitation claims, (ii) creditors with secured rehabilitation claims and (iii) creditors with common *benefit claims*. The former two categories of creditors are subject to Chapter 2 Proceedings and generally may not receive payment or repayment for their respective claims other than as provided in the rehabilitation plan. Creditors with common *benefit claims* are not subject to the rehabilitation plan, and include, among others, those creditors whose claims either arose after the commencement of a Chapter 2 Proceeding (subject to certain exceptions) or those creditors whose claims were approved by the court during the preservation period.

In order to encourage mergers and/or acquisitions of insolvent companies, the DRBA loosens the requirements for approval of rehabilitation plans contemplating liquidation, by requiring the approval of the creditors representing four-fifths of the outstanding amount of secured rehabilitation claims. However, in case of rehabilitation plans contemplating the continuance of the debtor's business including, without limitation, merger, spin-off or business transfer, the consent of the creditors representing not less than three-quarters of the amount of secured rehabilitation claims is required. For approval of all types of rehabilitation plans, each of the consent of the creditors representing not less than two-thirds of the amount of unsecured rehabilitation claims and the consent of the shareholders having not less than half of the voting rights is also required.

If the debtor fails to perform its payment obligations in accordance with the rehabilitation plan, affected creditors are not permitted to initiate lawsuits or enforce their security interests. Instead, they (or the receiver of the

debtor) may only request the court to amend the rehabilitation plan. However, if such amendment could have an adverse effect on creditors with rehabilitation claims or shareholders of the debtor, the court may amend the rehabilitation plan only by obtaining an affirmative vote at a meeting of interested parties. If it becomes apparent, either before or after the court approves the rehabilitation plan, that the debtor cannot be rehabilitated, the court may, at its sole discretion or upon the request by the receiver or a creditor with a rehabilitation claim, issue an order to discontinue the Chapter 2 Proceeding.

Once the Chapter 2 Proceeding is discontinued and if the court determines the debtor is insolvent, the court must declare the debtor bankrupt and must initiate the bankruptcy proceeding against the debtor. The compulsory declaration of bankruptcy in Chapter 2 Proceedings is limited to those cases where a final decision has been made to discontinue the Chapter 2 Proceedings after the approval of the rehabilitation plan. Declaration of bankruptcy is optional in cases of:

(i) the dismissal of a petition for the commencement of Chapter 2 Proceedings;

(ii) the non-approval of a rehabilitation plan; and

(iii) an order to terminate Chapter 2 Proceedings before the approval of the rehabilitation plan.

If the bankruptcy proceedings are initiated, unsecured rehabilitation claims are characterized as bankruptcy claims, and creditors with unsecured rehabilitation claims will be paid pursuant to the bankruptcy proceedings. Creditors with secured rehabilitation claims, on the other hand, may immediately enforce their security interest once the rehabilitation proceeding is discontinued; provided however that, if the terms of the secured claim are amended by the rehabilitation plan, such claim may only be enforced in accordance with such amendment and the original terms shall not be revived.

Bankruptcy Proceeding

A bankruptcy proceeding is a court administered process designed to liquidate an insolvent debtor's assets and formally begins upon an adjudication of bankruptcy by the court where the debtor is unable to pay its debts or, in the case of a corporation, its liabilities exceed assets. The court will make its determination as to whether grounds for bankruptcy exist based on the written pleadings and oral argument of the petitioner. The adjudication of bankruptcy also has the effect of automatically staying all unsecured creditors from executing their claims against the bankruptcy estate.

The bankruptcy trustee appointed by the court will be vested with the exclusive right to manage and dispose of the bankruptcy estate, and to conduct an investigation and assessment of the bankruptcy estate. If a legal entity is appointed the bankruptcy trustee, it shall designate one of its directors to exercise the right and power conferred to it as bankruptcy trustee and shall report such designation to the court.

Subject to certain statutory limitations and approval by the inspection commissioners, the bankruptcy trustee has the power to liquidate the bankruptcy estate, and to determine the manner and timing of such liquidation. The bankruptcy trustee distributes the proceeds from the liquidation of the bankruptcy estate to the creditors in proportion to their claims. The distribution proceeds in several stages. Claims entitled to distribution are differentiated according to the priority of claims. Bankruptcy creditors are classified as follows, in accordance with their priorities: (i) secured creditors, who have the right to proceed against their securities on the same terms as would be available if the debtor were not in bankruptcy; (ii) creditors with estate claims, which include costs of judicial proceeding, tax claims, wages and payment of severance, management expenses incurred in connection with management, liquidation and distribution of the bankruptcy estate, and other claims arising from administration of the bankruptcy estate; (iii) creditors with other statutorily preferred claims (including policyholders' claims against an insurance company to the extent of the amount equal to the relevant reserves); (iv) general claims; and (v) less preferred claims.

The DRBA ensures that the priority rights of tenants under the Residential Tenant Protection Act and the Commercial Building Tenant Protection Act are also protected under bankruptcy proceedings.

International Insolvency Proceedings

The representative in a foreign insolvency proceeding (*i.e.,* a person or entity recognized by the applicable court as the receiver or representative in the foreign insolvency proceeding) may file with the Korean court for approval of such foreign insolvency proceeding. Once the foreign insolvency proceeding is approved by the Korean court, the representative in such proceeding may apply for insolvency proceedings in Korea or participate in the insolvency proceeding that is already in progress in Korea. On the other hand, the receiver or bankruptcy trustee in the insolvency proceeding in Korea may, for purposes of such proceeding, take actions in foreign jurisdictions to the extent permitted by the applicable laws.

Parallel Debt

In Korea, due to certain laws and jurisprudence governing the creation and perfection of security interests and enforceability of such security interests, it is necessary in order to grant the relevant Collateral (*i.e.,* the Capital Stock of Styrolution Korea Ltd., the "Korean Collateral") to the Security Agent, that the Security Agent hold its own "parallel debt" claim ("Parallel Debt").

The Intercreditor Agreement thus provides for the creation of such Parallel Debt in favor of the Security Agent, mirroring the obligations of the Issuer towards the holders of the Notes and the Trustee under or in connection with the Indenture and the Intercreditor Agreement ("Principal Obligations"). This Parallel Debt is created to address a Korean law requirement that the Security Agent, as the grantee of the security interest created by the security documents governed by Korean law (the "Korean Security Documents"), be a creditor of the relevant security provider.

The pledge of the Korean Collateral will be granted to the Security Agent as security for the Parallel Debt and will not directly secure the Principal Obligations. In respect of the security interest granted to secure the Parallel Debt, as the holders of the Notes from time to time will not be party to the Korean Security Documents, such holders of the Notes will not have direct security interests in the Korean Collateral and will not be entitled to take direct enforcement actions, individually or collectively, in respect of such security interests except through the Security Agent. Therefore, although the Security Agent will have, pursuant to the Parallel Debt, a claim against the Issuer for the full principal amount of the Notes, the holders of the Notes will bear the risk of insolvency or bankruptcy of the Security Agent in relation to the Korean Collateral. In addition, the Parallel Debt construct has not been tested under Korean law and to the extent that the security interests in the Korean Collateral created under the Parallel Debt construct are successfully challenged in Korea by other parties, the holders of the Notes will not receive any proceeds from an enforcement of such security interests in Korea.

Limitation on Enforcement

The grant of a guarantee or collateral by a Korean company for the obligations of another group company must be for the corporate benefit of the granting company. The question of corporate benefit is determined on a case-by-case basis and at the time when such guarantee or collateral is provided considering the totality of the circumstances at that point in time.

Under Korean law, if there is no corporate benefit justifiable for a Korean company to provide guarantee or security interest securing another group company's obligations, such provision of guarantee or security interest can raise a breach of fiduciary duty issue for the directors of such Korean company. In a recent case, the Korean Supreme Court ruled that the provision of security interests by a Korean company securing its parent company's obligations in a certain transaction without consideration constituted a breach of fiduciary duty.

In addition, any provision of a guarantee by a Korean company for the benefit of a non-Korean company requires the filing of the report with the Bank of Korea, and the acceptance of such report by the Bank of Korea. In connection with such filing, the Bank of Korea has in the past limited the maximum amount of the guarantee provided by a Korean company that is a "foreign-invested enterprise" under the Foreign Investment Promotion Law (such as the Korean Subsidiary), pursuant to its internal guideline which provides that the maximum amount of the guarantee provided by such Korean company should not, as a general matter, exceed the sum of (i) the paid-in capital of such Korean company and (ii) the aggregate amount of the outstanding principals of any inter-company loan(s) from offshore affiliates owed by such Korean company as of the date of the filing of the report with the Bank of Korea. There have been recent cases where the Bank of Korea accepted the report without imposing such limitation, but we cannot exclude the possibility that the Bank of Korea may impose this limitation on the guarantee to be provided by the Korean Subsidiary.

Hardening periods and fraudulent transfer

Under the Korean Civil Code, a creditor of a company may apply to the court for cancellation and restitution of any "legal act" (including, but not limited to the debtor company's provision of a guarantee) of a company if (i) the company committed such a legal act, (ii) such act is detrimental to its creditors and (iii) both the company and the transferee (or beneficiary) had knowledge that such act would be detrimental to the company's creditors. In order to constitute a fraudulent conveyance under Korean law, a transaction should be detrimental to the general creditors of the company. Conceptually, this "detriment to creditors" requirement requires that the company become insolvent due to the transaction or, if the company is already insolvent, that the financial condition of the company worsen due to the transaction, since the purpose of a fraudulent conveyance action is to protect the unsecured creditors by preventing a diminution of the gross assets of the company to a level where such gross assets would not be sufficient to cover the creditors' claims.

Under Korean insolvency laws, the receiver or the bankruptcy trustee of an insolvent Korean company has the right to exercise its "avoidance" right with respect to acts (*e.g.,* transfer of assets, provision of a guarantee, etc.) of such insolvent Korean company for which it does not receive any compensation during the period allotted by statute.

Specifically, the Korean insolvency laws allow the receiver or the bankruptcy trustee to avoid an act of a debtor which falls under one of the following categories:

- any act taken by the debtor company with the knowledge that creditors will be harmed by the act (unless the party that benefited from such act did not know about such harm to creditors);
- (x) any act that would harm creditors or (y) any repayment of debt or provision of collateral, in either case, taken or made after occurrence of suspension of payments by the debtor or a petition for insolvency proceeding of the debtor has been filed ("Insolvency Event") (but only if the party that benefited from such act knew that the Insolvency Event has occurred or that such act will harm creditors);
- repayment of debt or provision of collateral made by the debtor after, or within 60 days (if such act was made with a specially related party, one (1) year) prior to, an Insolvency Event when the debtor had no obligation to do so or the method or timing of such act does not fall under the debtor's obligation (but only if the payee/secured party knew such act will prejudice equal treatment of creditors and where the payee/secured party did not know about the Insolvency Event has occurred if such act was carried out after the Insolvency Event); and
- any gratuitous act or act that can be deemed gratuitous which occurs after, or within six (6) months (if such act was made with a specially related party, one (1) year) prior to, an Insolvency Event.

The receiver and the bankruptcy trustee has the right to avoid any such act with no compensation for a period of two (2) years from the date of the rehabilitation commencement order or the adjudication of bankruptcy, as the case may be.

Other Local Law Considerations

Under the Foreign Exchange Transaction Law of Korea, in case any collateral over the Korean Won-denominated securities (including the shares issued by a Korean company) or the rights related to such securities is provided by a non-resident to another non-resident of Korea, such non-resident collateral provider is required to file a report with the Bank of Korea with respect to such provision of collateral, which must be accepted by the Bank of Korea prior to the execution of any definitive documents for provision of such collateral. If the Korean Won-denominated securities subject to such collateral were acquired in accordance with the Foreign Investment Promotion Act of Korea, however, such report to the Bank of Korea would not be required.

Further, under the Foreign Exchange Transaction Law of Korea, in the case a guarantee or collateral is provided by a resident of Korea to guarantee or secure the obligations of a non-resident of Korea, such Korean resident is required to file a report with the Bank of Korea with respect to such provision of guarantee or collateral, which report should be accepted by the Bank of Korea prior to the execution of the guarantee or relevant security document.

Mexico

Guarantees

One of the Guarantors is organized under the laws of Mexico. Under Mexican law, there are no limitations for Mexican companies to guarantee third-party obligations, including parents, subsidiaries or affiliates, to the extent permitted by its corporate by-laws and authorized by its competent corporate bodies if necessary pursuant to its corporate by-laws. Mexican law provides that contractual obligations such as those assumed by Guarantors are considered to be ancillary obligations (*obligaciones accesorias*) to the principal obligations that they secure and therefore the same may only exist to the extent that the obligations of the principal obligor are valid. Therefore, it should be noted that upon a finding of lack of genuineness, validity or enforceability of the obligations of the Issuer under the Notes, the ancillary obligations of the Mexican Guarantor shall be equally affected and in such circumstances the obligations provided for under the Notes might not be enforced in a proceeding before a Mexican court.

Additionally, under Mexican law, a Guarantor may be released from its obligations under a Guarantee by the extension or the granting of grace periods to the principal obligor, any modification of a guaranteed obligation that would increase the obligation of the Guarantor, or any other amendment to the principal obligation that could be considered a novation of the principal obligation, without the consent of such Guarantor. Therefore, the obligations of the Mexican Guarantor under the Notes may not be enforced by Mexican courts if any of the obligations under the Notes are extended, increased or novated without the consent of the Mexican Guarantor.

Security Interest

One of the most common types of security interests in personal property that may be implemented in Mexico is a pledge. At a minimum, security interests require a written agreement for perfection. In most cases, security interests require formalization in a public instrument issued by a Mexican notary public or public attestor. Also, in many cases, the documents evidencing the security interests are required to be recorded in a public registry in order to obtain priority *vis-à-vis* third parties.

Pledge

A pledge creates a lien on personal property, including account receivables and shares. Although pledges are regulated by state law, federal law regulating pledges overrides state law if the pledge is granted for commercial purposes. Commercial law provides for two types of pledges: possessory, when the pledged asset is delivered to the pledgee or a person appointed by the parties, and non-possessory (*prenda sin transmisión de posesión*), when the pledged asset remains with the pledgor.

In the case of a possessory pledge, the pledge is perfected by delivery of the asset to the pledgee or to a third party appointed by the parties. Also, depending on the nature of the asset, notice to third parties may be required, as in the case of accounts receivables (notice to the account borrower), and of stock (book-entry of the pledge in the issuer of the shares stock's registry book). Further formalities may be required in the case of negotiable instruments, which may require the endorsement of the share certificate (*endoso en garantía*) and its physical deliver in favor of the pledgee and its annotation in the share's registry book of the issuer entity of the shares subject to the pledge. A pledgee in a possessory pledge has the right, in case of default, to request the court to sell the assets and apply the proceeds of the sale to the payment of the secured obligations up to the outstanding amount of the latter.

Enforcement of Security Interests

As a general principle under Mexican law, a secured creditor may not take possession of the collateral without court intervention, and if it does so, such action could constitute a criminal offence. Generally speaking, the main right that a security interest provides is the right to request a court to dispose of the asset and apply the proceeds of the sale to payment of the secured obligation up to its outstanding amount. Procedural steps to enforce liens before courts in Mexico depend on the nature of each security interest, and on whether the debtor is in insolvency (*concurso mercantil*), bankruptcy (*quiebra*), or is still doing business. In any event, the procedural approach will vary and the type of action will depend on the documentation held by the creditor.

Pursuant to the foregoing, in order to enforce its security interest, in many cases the creditor must initiate a lawsuit. When the collateral is located within Mexican territory, filing the lawsuit before a Mexican court would be more effective than trying to enforce the judgment of a foreign court in Mexico. Judgments of non-Mexican courts are enforceable in Mexico provided that a number of conditions are met, including certain basic principles of Mexican due process rules and the non-violation of Mexican law or public policy (*orden público*). Among such basic principles is service of process, which in all instances should be made personally on the defendant, its attorney-in-fact or its duly appointed process agent. Service of process by mail is ineffective under Mexican due process rules.

There are no limitations to the election of remedies in Mexico; creditors can pursue multiple remedies at the same time until the total amount of indebtedness is fully paid, in the understanding however that under Mexican law an obligation in a currency other than the Mexican peso, which is payable in Mexico, may be satisfied in Mexican currency at the applicable official exchange rate published by the Mexican Central Bank (*Banco de México*) on the date on which the payment is effectively made. The debtor is entitled to receive any outstanding amount derived from the enforcement and foreclosure of all security interest, once the secured obligations have been paid in full to the creditors.

Foreclosure

Court intervention is required in order to foreclose most security interests afforded by Mexican law. The time implications of foreclosure of a possessory pledge and of the conditional sale, based in a Mexican legal practice, can take from two to four years (and up to three to five years, in certain scenarios).

Insolvency

The Mexican Insolvency Law (*Ley de Concursos Mercantiles*) contemplates a single proceeding for insolvency (*concurso mercantil*) and bankruptcy (*quiebra*) with two successive stages: the first stage, known as the "mediation" stage, is compulsory (except in the event in which the insolvent entity directly requests to be declared bankrupt), and is designed to reorganize the insolvent entity, and the second stage, known as the "bankruptcy" stage, provides for the bankruptcy and liquidation of the insolvent entity. During these two phases, the creditors have to comply with different obligations to reach either a payment agreement or foreclose on their collateral.

General requirements to initiate insolvency proceedings

In Mexico, a person will be declared insolvent when it generally fails to pay its obligations as and when they become due. Insolvency of a person will be adjudicated upon the request of the insolvent entity, the Mexican attorney general's office or any creditor of the insolvent entity when, (a) the insolvent entity has defaulted on its payment obligations with two or more creditors and (b) when, on the date of such request, (i) 35% or more of such obligations have been delinquent for more than 30 days; and/or (ii) the insolvent entity does not have sufficient liquid assets (namely, cash and cash equivalents, such as bank deposits and other receivables with a maturity of no more than 90 days, or securities that may be sold within 30 days, in each case, from the date of filing of the insolvency request) to pay at least 80% of its due and payable obligations on the date of filing of the insolvency request.

If the insolvency request is filed voluntarily by the insolvent entity, only one of the conditions described in items (i) and (ii) of clause (b) above would have to be satisfied. If the insolvency request is filed by the attorney general's office or any creditor of the insolvent entity, both conditions described in items (i) and (ii) of clause (b) above would have to be satisfied. An insolvency presumption will exist with respect to any person or entity when, *inter alia*, its assets for attachment in aid of execution of a judgment or claim are insufficient; it has failed to pay two or more creditors; or it has participated in fraudulent or fictitious acts to avoid payment to creditors.

Upon the filing of a petition for a judgment declaring insolvency, the court will instruct the Federal Institute of Insolvency Specialists (*Instituto Federal de Especialistas de Concursos Mercantiles*) to appoint an inspector (*visitador*) to visit the entity presumed to be insolvent. The inspector will then issue an opinion regarding the commercial entity's insolvency, which will enable the court to issue a judicial resolution declaring the legal insolvency of such person. Following the issuance of such insolvency judgment, the Federal Institute of Insolvency Specialists will designate and appoint a mediator (*conciliador*) who will facilitate the negotiations between the insolvent entity and its creditors in order to reach a creditors' agreement.

Mediation

The issuance of the insolvency judgment and the appointment of the mediator will initiate the "mediation" stage of the insolvency proceeding. The insolvency proceeding in Mexico is at all times court controlled, and upon receipt of an insolvency petition, the insolvency court may take preliminary measures (*providencias precautorias*) to secure the property of the insolvent entity.

During the "mediation" stage, the insolvent entity and those creditors that have been recognized within the insolvency proceeding as creditors of the insolvent entity would negotiate an agreement with respect to the payment of the outstanding obligations of the insolvent entity. In order for such creditors' agreement to become effective and binding, it must be entered into between the insolvent entity and those recognized creditors holding title to more than 50% of the sum of (i) the amount of all unsecured claims of all unsecured recognized creditors of the insolvent entity, and (ii) the amount of all secured claims of those secured recognized creditors that enter into such creditors' agreement. The creditors' agreement would then have to be approved by the insolvency court. A secured claim under the Mexican insolvency law is considered to be a claim secured under a pledge or a mortgage or otherwise benefiting from any other form of statutory privilege or priority of payment.

Under the Mexican insolvency statute, the creditors' agreement would be deemed entered into by an unsecured recognized creditor (whether or not such creditor actually enters into the agreement) if the agreement expressly contemplates (a) the payment of all amounts due and payable to such creditor on the date of the respective insolvency judgment converted to *Unidades de Inversión* ("UDIs") or indexed inflation units at the applicable official rate fixed by the Mexican Central Bank (*Banco de México*) on the date on which the conversion takes place, (b) the payment of all amounts that would become due and payable to such creditor from the date of the insolvency judgment until the date of approval of the creditors' agreement by the insolvency court, which would be converted into UDIs on the date such amounts become due and payable and (c) the payment of all amounts that would become due and payable to such creditor after the date of approval of the creditors' agreement.

The creditors' agreement could also provide, with respect to any unsecured recognized creditors that are not a party to such agreement, (i) a stay of such creditors' claim (with capitalization of ordinary interest), but only to the extent that the term of such stay is at least equal to the shortest stay assumed by those unsecured creditors that are a party to the creditors' agreement and whose claims amount to 30% of all aggregate recognized claims; (ii) a write-off of such creditors' claim, but only to the extent such write-off is at least equal to the lowest write-off assumed by those unsecured creditors that are a party to the creditors' agreement whose claims amount to 30% of all aggregate recognized claims; or (iii) a combination of a stay and a write-off of such creditors' claim, to the extent it is identical to the combinations accepted by those unsecured creditors that are a party to the creditors' agreement whose claims amount to 30% of all aggregate recognized claims.

Secured recognized creditors that do not become a party to the creditors' agreement may commence or continue foreclosure of their respective collateral; unless the creditors' agreement contemplates the payment of their respective claims or the payment of the price of the properties constituting such collateral. In this case, any excess with respect to the value of such properties would be deemed an unsecured claim for purposes of the insolvency proceeding.

Bankruptcy

The insolvency court will declare the borrower in bankruptcy if (i) the "mediation" phase expires without the filing of an approved creditors' agreement before the insolvency court, (ii) if requested by the insolvent entity, or (iii) at the request of the mediator. The purpose of the bankruptcy phase is to liquidate the borrower's assets in order to pay the creditors.

Upon such declaration of bankruptcy, the insolvency court will instruct the Federal Institute of Insolvency Specialists to appoint a receiver (*síndico*) who would be charged with the management of the insolvent entity until its liquidation. The receiver would carry out the liquidation of the insolvent entity through the sale of its assets, in accordance with certain preset rules and conditions.

Bankruptcy proceedings shall be terminated by the court if all the assets of the borrower have been sold, or all creditors have been paid in full, or the insufficiency of the borrower's assets to pay all creditors has been proved.

Effect of Bankruptcy on transactions

Under Mexican law, the Guarantee under the Indenture provides a basis for a direct claim against the Mexican Guarantor; however, it is possible that such Guarantee may not be enforceable under Mexican insolvency law. While Mexican law does not prohibit the giving of guarantees and as a result does not prevent the Guarantee of the Notes from being valid, binding and enforceable against the Mexican Guarantor, in the event that the Mexican Guarantor becomes subject to an insolvency proceeding, the Guarantee granted by the Mexican Guarantor may be deemed to have been a fraudulent transfer and declared void. Under the Mexican insolvency law, any action consummated by the Mexican Guarantor prior to the date of an insolvency judgment will be deemed fraudulent when the Mexican Guarantor is knowingly defrauding its creditors, and the third party participating in any such action had actual knowledge of such fraudulent intent. If the action is gratuitous, the action will be deemed fraudulent even if the third party had no actual knowledge of the fraudulent intent.

Any action consummated by the Mexican Guarantor at any time after the date that is 270 calendar days prior to the date of the applicable insolvency judgment (i) will be deemed fraudulent when, *inter alia*, (a) the Mexican Guarantor receives no consideration, or the consideration received or paid by the Mexican Guarantor, or the terms and conditions of the transaction, are clearly or materially below market, or (b) the Mexican Guarantor makes a payment of indebtedness not yet due, or forgives receivables owed to it and (ii) will be presumed fraudulent, unless the interested third party proves that it was acting in good faith, when (a) the Mexican Guarantor grants or increases collateral that was not originally contemplated and (b) the Mexican Guarantor makes any payments in kind that were not originally contemplated. In addition, certain transactions among related parties will also be deemed fraudulent and may be set aside by the insolvency court. In Mexico, the obligations of the Mexican Guarantor would be considered to be ancillary obligations (*obligaciones accesorias*) to the principal obligations that they secure. If the principal obligations were to be declared null and void by the insolvency court, the ancillary obligations would also be considered to be null and void.

In addition, the mediator may order the borrower to abstain from performing agreements which have not been performed by the borrower at the time of the declaration of insolvency, if the mediator considers that performance of such agreement would adversely affect the borrower's estate, case in which the agreement shall be rescinded.

The Mexican Insolvency Law also provides that all Mexican peso denominated obligations will be converted to UDIs, and foreign currency denominated obligations are to be converted to Mexican pesos at the prevailing exchange rate on the date the insolvency judgment is rendered, and then converted to UDIs. With this mechanism, although creditors will not be entitled to collect interest during the insolvency proceedings, the fact that the obligations will be denominated in UDIs, protects the value of the debts from a loss of value resulting from inflation.

Those creditors with a perfected security interest (mortgage, pledge or guarantee trust) will not suffer any currency or unit conversion, and their debts will continue to accrue interest at the contractual (not default of penalty) interest rate, up to the amount of the value of the mortgaged or pledged assets. Any amount not covered by collateral will be converted to UDIs and subject to the general rules of the Mexican Insolvency Law.

Therefore, upon issuance of an insolvency judgment (*concurso mercantil*) or bankruptcy (*quiebra*) declaration against the Mexican Guarantor, the obligations of such Mexican Guarantor under the Notes (i) would be converted from euro to U.S. dollar (in the case of euro-denominated Notes) and then converted into Mexican pesos at the exchange rate

prevailing at the time of the insolvency judgment and then from Mexican pesos into UDIs, a Mexican inflation-pegged accounting unit, and would not be adjusted to take into account any devaluation of the Mexican peso relative to any foreign legal currency occurring after such conversion; (ii) would be subject to the outcome of, and priorities recognized in, the Mexican Insolvency Law; (iii) would cease to accrue interest from the date an insolvency proceeding is declared; and (iv) would be subject to certain statutory preferences, including tax, social security and labor claims and claims of secured creditors.

Ranking of creditors

Recognized claims against a bankruptcy estate are classified in categories, according to the nature of their claims. The proceeds obtained from the liquidation of the assets of the insolvent entity would be applied by the receiver to make payments to creditors in the following order of priority:

(a) *Claims against the bankruptcy estate*, which are (i) payments of labor claims for salaries and severance for the two calendar years preceding the insolvency judgment (*concurso mercantil*) or bankruptcy (*quiebra*); (ii) payments of liabilities and obligations of the estate of the insolvent entity (*i.e.,* management costs, fees and expenses incurred after the insolvency judgment); and (iii) payments of litigation costs and expenses, and fees and expenses of the inspector (*visitador*), the mediator (*conciliador*) and any appointed receivers (*síndico*);

(b) *Mortgagee's and pledgee's claims*, which are payments to secured creditors (including the costs and expenses relating to foreclosure and the enforcement of their respective rights), but only to the extent of the value of their respective collateral;

(c) Common labor credits and tax credits different to the ones referred in paragraph (a)(i) above which shall be paid once the creditors referred in paragraphs (a) and (b) above are satisfied and with priority to the special privileged creditors provided in paragraph (d) hereafter and common creditors;

(d) *Special privileged claims,* which are payments to other creditors that qualify as "privileged" under Mexican commercial laws (*e.g.,* creditors that are entitled to retain an asset until payment is made), but only to the extent of the value of the respective privilege;

(e) *Common claims*, which are payments to unsecured creditors; and

(f) *Subordinated claims*, which are those of creditors who have agreed to be subordinated with respect to the common claims.

Limitation on Enforcement

Under Mexican law, there is no limitation with respect to the amount of the secured obligations nor the corporate benefit received by the Mexican Guarantor. However, the grant of a guarantee or collateral by the Mexican Guarantor in respect of the obligations of another Group company must fall within the grantor's legal and corporate purpose and it must be authorized by its competent corporate bodies if necessary pursuant to its corporate by-laws, to the extent that, in case it is not expressly allowed and authorized, if the latter is necessary, there is the risk that the grant of the guarantee and the subsequent security can be found to be void and the respective creditor's rights unenforceable.

Norway

Limitations on the validity and enforceability of guarantees and securities provided by Guarantors incorporated in Norway

The legal capacity or ability for a Guarantor incorporated in Norway (a "Norwegian Guarantor") to provide financial assistance, including granting loans and providing security or guarantees, may be limited by applicable law, including, but not limited to the mandatory provisions of Section 8-7 and 8-10 of the Norwegian Private Limited Companies Act of June 13, 1997 No. 44 (the "Norwegian Companies Act").

Section 8-7 of the Norwegian Companies Act restricts a Norwegian private limited liability company from granting credit to, guaranteeing or providing security for the obligations of, its shareholders (or any related party) beyond its distributable reserves (free equity) and then, further provided that satisfactory security for repayment/recovery has been established in favor of the relevant company.

The above restriction does not, however, apply to credit or security/guarantee for the obligations of a Norwegian incorporated parent company or another Norwegian incorporated group company. This exemption must be read in conjunction with the group definition in Section 1-3 of the Norwegian Companies Act. A Norwegian limited liability

company may also grant credit or provide security and guarantees for the obligations of a foreign company who has decisive influence over the Norwegian company or subsidiaries of such company, *provided* that such credit, security or guarantee serves the economic interest of the group of companies (*i.e.*, for instance, that the purpose of the transaction is not to benefit the beneficial owners of the group, for example by financing distributions to the owners).

In addition to the restrictions with regard to, among others, upstream and cross-stream guarantees and security as outlined above, Section 8-10 of the Norwegian Companies Act restricts the ability of a Norwegian private limited liability company to provide financial assistance (including to put funds at disposal, grant loans or provide security or guarantees) in connection with the acquisition of its shares or shares in the parent company (and any intermediate parent company). The restrictions concerning financial assistance apply irrespective of whether the company whose shares are acquired is a Norwegian or a foreign company. In order for a guarantee, loan or security provided by a Norwegian Guarantor in favour of a purchaser of shares in such Norwegian Guarantor or its parent company to be valid and binding, the financial exposure of such Norwegian Guarantor must not exceed the amounts that the Norwegian Guarantor has available for distribution of dividends to its shareholders, and furthermore the financial assistance must be granted on ordinary, commercial terms. The limitation of financial assistance to amounts that a Norwegian Guarantor has available for distribution of dividends does not apply if the acquirer of the shares is based in the European Economic Area and the acquirer is, or will following the acquisition, form part of the same group of companies as the Norwegian Guarantor providing financial assistance. Moreover, Section 8-10 of the Norwegian Companies Act requires the board of directors of the company providing financial assistance to (i) ensure that the credit worthiness of the purchaser is evaluated and (ii) grant a declaration to the effect that it will be in the interest of the company to grant the financial assistance and that the company will have sufficient equity and liquidity for doing so and also give an account for the background and terms of such financial assistance. The financial assistance must thereafter be approved by at least two-thirds of both the votes cast and the share capital represented at the general meeting of the Norwegian Guarantor, and furthermore, the financial assistance cannot be provided before completion of a special procedure where the information is filed with the Norwegian Register of Business Enterprises (No.: *Foretaksregisteret*). The restrictions apply not only to the granting of loans, guarantees and securities, but also to asset distributions and other transfers which are not deemed lawful distributions under the Norwegian Companies Act. The financial assistance is restricted if made "in connection with" an acquisition of shares, which may also cover financial assistance after completion of such acquisition, for instance by way of a refinancing of acquisition debt.

A loan, guarantee or security interest infringing the limitations set out in Section 8-7 and Section 8-10 of the Norwegian Companies Act is void and any funds paid out pursuant to such guarantee or security interest will have to be repaid. In addition, loans, securities and guarantees of Guarantors incorporated in Norway may be deemed void for failing to comply with the provisions in Chapter 3 of the Norwegian Companies Act regulating transactions between the company and its shareholders and transactions within the "group".

The principle of corporate benefit also exists in Norway and may in some situations impose a restriction on a Norwegian company's ability to offer credits or a guarantee and provide security to its shareholders (or close associates of the shareholders), in addition to the restrictions on financial assistance and upstream/cross-stream guarantees, loans and security described above.

The liability of each Guarantor incorporated in Norway for the Issuer's and the other Guarantors' obligations under the Notes will be limited to €7,850,000,000 with the addition of interest, default interest, fees, costs, enforcement costs and expenses under the Notes (or its equivalent in other currencies).

The above limitation shall apply *mutatis mutandis* to any security created by a Guarantor incorporated in Norway under the Collateral and to any guarantee, indemnity and similar obligations resulting in a payment obligation and payment pursuant to the Collateral made by a Guarantor incorporated in Norway.

Foreclosure of Security Interest

Enforcement of security granted pursuant to the Norwegian Financial Collateral Act of March 26, 2004 No. 17, implementing the EU Financial Collateral Directive (Directive 2002/47/EC, as amended), must be implemented on commercially reasonable terms pursuant to the mandatory provisions of the Norwegian Financial Collateral Act. Enforcement of other Norwegian law security in Norway will be subject to the mandatory provisions of the Norwegian Enforcement Act of June 26, 1992 No. 86.

Under the Norwegian Companies Act, Section 5-2, a shareholder may at any time revoke a power of attorney to exercise voting rights. Accordingly, provisions in a Norwegian law governed share pledge giving the holder of the security power of attorney to vote for the relevant shares may therefore be rendered ineffective against the relevant company whose shares are pledged in the event the pledgor of the relevant shares were to revoke the power of attorney while he remains the registered owner of the shares.

A pledge in future shares is only to be read as an obligation to pledge future shares, and is not a legal and valid pledge in itself. Consequently, a share declaration by the pledgor must be issued and notified to the issuer of the shares, upon issuance of the shares, in order to obtain a perfected security interest in such future shares.

Only creditors of a claim may have active judicial standing in a Norwegian court; therefore, a security agent may seek enforcement of a claim but such claim may have to be supported by the actual creditors of such claim. A security agent has standing to be sued in Norway and it is believed that a security agent may enforce any security being subject to the Norwegian Financial Collateral Act of March 26, 2004 No. 17.

Insolvency

Norwegian insolvency legislation is regulated by the Norwegian Bankruptcy Act of June 8, 1984 No. 58 (the "Bankruptcy Act"), which sets out the various procedures to be followed both in case of court administered debt negotiations and bankruptcy proceedings, and the Norwegian Creditors Recovery Act of June 8, 1984 No. 59 (the "Recovery Act") containing provisions on, among other things, the priority of claims.

As a response to the Covid-19 pandemic, the Norwegian Parliament passed the temporary Norwegian Reconstruction Act of May 7, 2020 No. 38 (the "**Temporary Reconstruction Act**") on April 28, 2020. The Temporary Reconstruction Act introduced a new debt reorganization regime to temporarily replace the abovementioned rules on court administered debt negotiations proceedings in the Bankruptcy Act. Originally set to expire on January 1, 2022, the Temporary Reconstruction Act has been extended on numerous occasions, and is currently, following an extension approved by the Norwegian Parliament on May 11, 2023, scheduled to be repealed on July 1, 2025.

On January 13, 2023, a proposal for a permanent act on reorganization, based on principles largely similar to those set out in the Temporary Reorganization Act, was sent on public hearing.

The key features of the Norwegian bankruptcy proceedings are (i) the seizure and subsequent disposal of the debtor's assets, (ii) the assessment and ranking of claims, (iii) the testing and revocation of transactions (including security over existing claims) made prior to the bankruptcy proceedings being initiated, (iv) the handling of the debtor's contractual relationships and (v) the distribution of funds (if any) in accordance with the priority rules. If the business operations of the bankrupt company are continued, they are in practice continued at the risk of, and only to the extent guaranteed by, the creditors.

Bankruptcy Proceedings

Bankruptcy proceedings may be opened if the debtor is insolvent. Both the debtor and the creditors (holding or pretending to hold a claim) can petition for bankruptcy.

There are two requirements for a debtor to be deemed to be insolvent. The debtor must (i) be unable to service its debt as it becomes due (the "cash flow test"), and (ii) be in asset "deficit" (i.e., the company's liabilities must exceed the sum of its assets and revenues) (the "balance sheet test").

During bankruptcy proceedings the debtor's assets are controlled by the court appointed liquidator (generally a lawyer), on behalf of the bankruptcy estate. The main task of the liquidator is to turn all the debtor's assets into cash in the manner assumed to be most profitable for the bankruptcy estate (the creditors), and then to distribute the available cash to the rightful creditors.

All the debtor's assets will in practice be seized by the bankruptcy estate, and the debtor may not dispose of the seized assets in any way while the bankruptcy proceedings are ongoing. The bankruptcy estate may also seize assets held by third parties if (A) these assets are acquired from the debtor in an unlawful manner,(B) the acquisition lacks legal protection, or (C) if the transaction can be reversed according to the provisions of the Recovery Act. The bankruptcy estate is a separate legal entity, which is authorized to exercise all ownership interests/rights with respect to the seized assets, including but not limited to the realization of assets.

Secured creditors are, in principle, not deemed to be part of the bankruptcy proceedings to the extent the value of the security is sufficient to cover the underlying obligations of the debtor. The secured creditors may, in principle, realize the security and cover their claims, however, keeping in mind that the realization of a number of categories of security the first six months after the opening of a bankruptcy will be subject to the approval of the bankruptcy estate (the same principles apply to official debt negotiations). The bankruptcy estate may, subject to certain conditions being fulfilled, also decide to realize the security and divide the proceeds between the secured creditors and others holding legal rights in the assets.

Any undersecured amount (any amount exceeding the value of the secured assets) will be deemed as an ordinary (unsecured) trade claim.

In a Norwegian bankruptcy, claims against the estate are covered in the following order of priority:

1. Secured claims (valid and perfected security covered up to the value of the secured asset - either after the realization by the secured creditor itself or after realization undertaken by the bankruptcy estate).

2. Super priority claims (claims which arise during the bankruptcy proceedings, liquidator's costs, obligations of the bankruptcy estate).

3. Salary claims (within certain limitations).

4. Tax claims (such as withholding tax and value-added tax within certain limitations).

5. Ordinary unsecured claims (all other claims unless subordinated, including unsecured debt, trade creditors and indemnity claims).

6. Subordinated claims (including interest incurred after the opening of bankruptcy proceedings, claims subordinated by agreement, liquidated damages and penalty claims).

Creditors will obtain recovery from the surplus remaining after claims with better priority have received full recovery (the "waterfall principle").

Pursuant to the Recovery Act, the bankruptcy estate may be entitled to set aside or reverse certain transactions carried out in the three- up to 12-month period (and in respect of transactions in favor of related parties up to two years) before the opening of the bankruptcy, such as extraordinary payments of certain creditors, security established for existing debt and transaction at under-value. The bankruptcy estate may also, under certain circumstances, be entitled to set aside or reverse transactions made in bad faith or negligently which in an improper manner increase the debtor's debt, favor one creditor at the expense of others or deprive the debtor of assets which may otherwise have served to cover the creditors' claims, in which case the time limit for challenges by the estate is increased to 10 years.

It should also be noted that the bankruptcy estate has a statutory first lien of up to five percent of the respective asset's estimated value or sales value over assets which have been mortgaged/pledged by the debtor or mortgaged/pledged by a third party for the debtor's indebtedness. The purpose of such statutory lien is to secure necessary costs related to the bankruptcy proceedings. However, the statutory lien is limited to the Norwegian Court Fee (presently being in the amount of 1,243 Norwegian kroner) multiplied by 700 for assets registered in an asset register ("*realregister*")). Such statutory lien is not applicable to security granted pursuant to the Norwegian Financial Collateral Act of March 26, 2004 No.17, implementing the EU Financial Collateral Directive, cf. the Norwegian Liens Act of February 8, 1980 No. 2 section 6-4 (9).

Debt Reorganization Proceedings

Pursuant to the Temporary Reconstruction Act, debtors that are facing, or in the near future will face, serious economic problems (without necessarily being insolvent) may petition to the court for the commencement of debt reorganization proceedings. Moreover, any of the company's creditor may request debt reorganization proceedings if the debtor is unable to meet its obligations as they fall due.

The goal of such proceedings is to enable the debtor to restructure its debts, following either unanimous creditor consent (**"Unanimous Reorganization"**) or consent from a requisite majority of the creditors affected (a **"Non-Unanimous Reorganization"**). The commencement of debt reorganization proceedings results in the appointment of a reorganization officer and a creditor committee that together form a reorganization committee. The reorganization committee is charged with supervising the debtor during the proceedings and assisting it with putting forward reorganization proposal to its creditors.

Subject to certain exceptions, the enforcement rights of creditors are suspended during debt reorganization proceedings.

During the course of debt reorganization proceedings, the debtor may, subject to the consent of the reorganization committee, incur new debt to finance its operations during reconstruction and in relation thereto grant security over its assets that rank ahead of existing security interests (so called "superpriority"). Such superpriority security interests may be created over the debtor's machinery and plant, inventory and trade receivables in favor of lenders who agree to finance the continuation of the debtor's business activities and associated expenses during the debt

reorganization proceedings. There is no limit to the amounts of debt that may be secured on a superpriority basis, but existing secured creditors may petition for the reversal of the reorganization committee's consent if the superpriority security interest has a material adverse effect on their position. In addition to having superpriority security over certain assets, any person providing financing of debt reorganization proceedings under the Temporary Reconstruction Act has a statutory first priority lien of up to 5% of the estimated value (or realized value, if different) of any of the debtor's assets which have been pledged as security for the debtor's liabilities, limited to 700 times the applicable Norwegian court fee for each registered asset.

Assets (including receivables) acquired by a debtor while under debt reorganization proceedings will as a starting point fall outside the scope of existing security interests.

A Unanimous Reorganization may in principle consist of any amendments to the debtor's debts. The adoption of a reorganization proposal as Unanimous Reorganization generally requires the consent of all creditors concerned. However, in the event that no creditors have rejected the proposal following the expiry of a voting period set by the reorganization officer, the proposal will be deemed approved if it has been approved by creditors representing three-fourths of the claims affected.

A Non-Unanimous Reorganization may consist of any of the following measures:

- a rescheduling of the debtor's payment obligations;
- a reduction of the debtor's debts;
- the conversion of debt to equity capital;
- the transfer of all or parts of the debtor's business and assets to a purchaser;
- the transfer and winding up of all the debtor's business and assets with the debtor being released from debts exceeding the proceeds of the winding up; and/or
- a combination of the above measures.

A Non-Unanimous Reorganization cannot encroach upon the rights of non-consenting secured creditors, creditors that enjoy preferential priority in bankruptcy (except for certain tax claims) and creditors with set-off rights. However, secured claims may be encroached upon if and to the extent the reorganization committee deems that the claim exceeds the value of the secured assets.

The adoption of a Non-Unanimous Reorganization requires the approval of creditors representing a majority of the claims with voting rights, calculated by amount. The claims with voting rights will generally be the claims that are affected by the proposal.

Following the approval of a requisite majority, a Non-Unanimous Reorganization must be sanctioned by the court. The court may, in addition to reviewing whether procedural requirements have been observed, review the fairness of the proposal. Such review will take into account whether individual creditors have been compensated to consent to the reorganization, the burden-sharing among the creditors and whether creditors are worse off than if the debtor was instead subject to bankruptcy proceedings.

Singapore

The main legislation applicable to corporate insolvencies and reorganizations in Singapore, at the date of this offering memorandum, is the Insolvency, Restructuring and Dissolution Act 2018 of Singapore (the "IRD Act") which came into force on 30 July 2020. With the coming into force of the IRD Act, the provisions in the Companies Act 1967 of Singapore pertaining to corporate insolvency and restructuring were repealed.

Difference in Insolvency Law

One of the Guarantors is incorporated under the laws of Singapore (the "Singapore Guarantor"). Any insolvency proceedings applicable to the Singapore Guarantor will likely be governed by Singapore insolvency laws. Singapore insolvency laws differ from the insolvency laws of the United States and may make it more difficult for holders of the Notes to recover the amount in respect of the Singapore Guarantor's guarantee of the Notes and/or the Collateral securing the Notes than they would have recovered in a liquidation or bankruptcy proceeding in the United States.

Priority of Secured Creditors

Singapore insolvency laws generally recognize the priority of secured creditors over unsecured creditors. The lenders under the Senior Secured Term Loans have security interests on certain of the assets of the Singapore Guarantor.

Security over Book Debts

Where security is taken over the book debt of a Singapore company by way of an assignment, the Civil Law Act 1909 of Singapore prescribes that a statutory assignment must be by way of an absolute assignment in writing under hand of the assignor, not purporting to be by way of charge only, and express notice in writing thereof must be given to the debtor, trustee or other person from whom the assignor would have been entitled to receive or claim such book debt. Where such notice is not given, the assignment is only effective as an equitable assignment and a subsequent assignee of the book debt who gives notice might have priority.

Fixed and Floating Charges

Fixed charges are superior to floating charges in a number of aspects. Until a floating charge crystallizes, a company is entitled to deal with assets that are subject to a floating charge in the ordinary course of business, meaning that such assets can be effectively disposed of by the chargor company so as to give a third party good title to the assets free of the floating charge and so as to give rise to the risk of security being granted over such assets in priority to the floating charge. In addition, a floating charge created within one year (or, in the case of a floating charge created in favor of a person who is connected (as defined in the IRD Act) with the chargor company, two years) of the commencement of judicial management or winding up of the chargor company is invalid except to the extent set out in the IRD Act. Where the assets of the chargor company are insufficient to pay certain preferential debts (these include winding up costs, wages and salaries and retrenchment benefits), those preferential debts would have priority over debts secured by a floating charge.

Amounts received in a winding-up or receivership from the realization of assets subject to a floating charge must first be used to pay the holders of any fixed charge over such assets and then certain preferential creditors if applicable (explained above) before any distribution is made to the holders of a floating charge.

It is open to a court to find that assignments and charges described as fixed charges constitute floating charges rather than fixed charges, the description given to them as fixed charges not being determinative. One of the three characteristics of a floating charge is the ability of the chargor company to carry on business in the ordinary course so far as concerns the particular class of assets in question until some further step is taken by or on behalf of the chargee. Where the chargor company, without the consent of the chargee, is free to deal with the assets or the proceeds of such assets that form the subject matter of the charge, the court would be likely to hold that the charge in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge. In addition, to the extent that any of the assets secured by the Collateral are not specifically identified, an insolvency official may hold that such assets, which are expressed to be subject to a fixed charge, may in fact be subject to a floating charge.

Preferential Creditors

Under the IRD Act, in a winding-up of a Singapore company preferential debts are required to be paid in priority to all other debts other than those secured by a fixed charge. Certain preferential debts therefore have priority over debts secured by a floating charge (*i.e.*, those listed in paragraphs (a) to (c) and (e) to (f) below) if the assets of the chargor company are insufficient to satisfy such preferential debts. The preferential debts covered by the relevant sections of the IRD Act are described briefly below:-

(a) costs and expenses of the winding up;

(b) employees' wages and salaries, including gratuity or other sum of money due and owing to an employee on his retirement or on termination of his services pursuant to a collective agreement or an award;

(c) retrenchment benefits or *ex gratia* payments under employment contracts;

(d) work injury compensation under the Work Injury Compensation Act 2019 of Singapore;

(e) certain amounts due under employee's superannuation or provident funds or under any scheme of superannuation which is an approved scheme under the Income Tax Act 1947 of Singapore;

(f) other remuneration payable to employees such as vacation leave and death benefits; and

(g) taxes assessed and goods and services tax.

Under the IRD Act, in a winding-up of a Singapore company, certain claims (if they exist) also rank ahead of a fixed charge, including (without limitation) claims of workmen or employees with salaries of up to the amounts set out in the Employment Act 1968 of Singapore.

Limitation on Enforcement

The grant of a guarantee or collateral by a Singapore company for the obligations of another group company must be for the corporate benefit of the granting company. The question of corporate benefit is determined on a case-by-case basis and at the time when such guarantee or collateral is provided considering the totality of the circumstances at that point in time.

Under Singapore law, if there is no corporate benefit justifiable for a Singapore company to provide guarantee or security interest securing another group company's obligations, such provision of guarantee or security interest can raise a breach of fiduciary duty issue for the directors of such Singapore company. In such situation, the directors could be sued by the Singapore company for damages suffered.

Transactions at Undervalue or Unfair Preference

Under the IRD Act, if a Singapore company goes into liquidation or judicial management, and has entered into certain transactions at an undervalue within a period of three years before commencement of winding up or judicial management, or has entered into a transaction by way of unfair preference within a period of one year (a two-year period applies in the case of a transaction with a person who is connected with the company (as defined in the IRD Act)) before the commencement of winding up or judicial management, those transactions may be liable to be made void or voidable.

Disclaimer of Onerous Contracts

The IRD Act provides that a liquidator or judicial manager may, by giving notice to the creditors and the Official Receiver, disclaim, save in certain circumstances, any unprofitable contract, or any other property of the company which is unsaleable, is not readily saleable, or may give rise to a liability of the company to pay money or perform any other onerous act ("Onerous Property"). The Singapore court may make certain orders where a liquidator or judicial manager has disclaimed Onerous Property, such as setting aside the disclaimer or make such order as the court thinks just where the injury caused by the disclaimer outweighs any advantage likely to be gained by the liquidator or judicial manager.

Certain Contractual Rights Limited

The IRD Act limits the exercise of certain contractual rights, such as terminating an agreement, claiming an accelerated payment or forfeiture of term under any agreement (including a security agreement) with a Singapore company, by reason only that certain restructuring proceedings in respect of the company have commenced or that the company is insolvent.

Enforcement Process

Receivership

Receivership arises principally by way of enforcement of the right of the holders of security under mortgage or charges, as set out in the security document. The receiver is, in effect, an agent of the chargor company. Its rights and obligations are usually set out in the security document itself.

The IRD Act expressly provides that a receiver is personally liable on any contract he or she entered into in the performance of his or her functions (except insofar as the contract otherwise provides) and, to the extent of any qualifying liability, on any contract of employment adopted by him or her in the performance of those functions. A receiver is however entitled to an indemnity out of the property of the company or corporation.

Appointment

Receivers can be appointed on the basis of the powers set out in the security document. A person appointed on the basis of a fixed charge over specific assets will act as receiver in respect of those assets. However, mortgages containing a floating charge over all of the assets and undertaking typically provide for enforcement by means of the appointment of a receiver having full powers as a receiver and manager over all of the secured assets (*i.e.*, all of the assets and undertaking of a chargor company), including the power of sale of the assets.

Sweden

Insolvency

One Guarantor of the Notes is incorporated under the laws of Sweden (the "Swedish Guarantor") and, as such, any insolvency proceedings applicable to such Swedish Guarantor including any and all of its assets will as a starting point and by virtue of Article 7 of the Recast EU Insolvency Regulation be governed by Swedish insolvency law. However, pursuant to the Recast EU Insolvency Regulation, where a Swedish company conducts business in more than one member state of the European Union, the jurisdiction of the Swedish courts may be limited if the company's "centre of main interests" is found to be in a member state other than Sweden. There are a number of factors that are taken into account to ascertain the centre of main interests, which should correspond to the place where the company conducts the administration of its interests on a regular basis and which is ascertainable by third parties. The point at which this issue falls to be determined is at the time that the relevant insolvency proceedings are opened.

Priority of certain creditors

As a general principle, under Swedish insolvency law competing claims have equal right to payment in relation to the size of the amount claimed from the debtor's assets. However, according to the Swedish Rights of Priority Act (Sw. *förmånsrättslagen (1970:979)*) some preferential and secured creditors have the benefit of payment before other creditors. There are two types of preferential rights: specific and general preferential rights (Sw. *särskild och allmän förmånsrätt*). Specific preferential rights apply to certain specific property and give the creditor a right to payment from such property. General preferential rights cover all property belonging to the insolvent company's estate in bankruptcy, which is not covered by specific preferential rights, and give the creditor a right to payment from such property. Claims that do not carry any of the above mentioned preferential rights or exceed the value of the security provided for such claim (to the extent of such excess), are non-preferential and are of equal standing as against each other. However, a claim can also be subordinated, for example, if the creditor has entered into an agreement stipulating such subordination. It should be noted that, in the case of bankruptcy, claims in relation to the bankruptcy estate (a legal entity separate from the debtor) due to costs relating to the bankruptcy (including fees payable to the receiver in bankruptcy), may have priority over claims in relation to the debtor. In general, proceeds are distributed in the following order: (i) fees to the receiver in bankruptcy; (ii) debts of the estate (Sw. *massaskuld*); (iii) specific preferential rights; (iv) general preferential rights; (v) non-prioritized debts; and (vi) subordinated debts.

Limitations on the value of a guarantee or security interest

Certain provisions of the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) may limit a guarantee or security interest provided by a Swedish Guarantor.

According to the Swedish Companies Act, a value transfer from a Swedish limited liability company (a "Swedish Company") would be unlawful to the extent (i) the Swedish Company after such transfer would not have sufficient funds to cover its debts and its restricted equity or (ii) to the extent it would not be considered prudent by the Swedish Company to undertake the value transfer after having taken into consideration the equity requirements imposed by the nature, scope and risks relating to the Swedish Company's business or the Swedish Company's need to strengthen its balance sheet, liquidity or financial position. Should the Swedish Company be a parent company, the latter assessment should be made also on group level. The provision of a guarantee or security interest by a Swedish company for a third party's obligation would typically be deemed to constitute a value transfer to the extent the guarantee or security interest is deemed to be made for an obligation, if the obligor in relation to such obligation would be deemed not able to fulfil its obligation to repay the Swedish Company at the time the guarantee or security interest is provided by the Swedish Company.

Furthermore, according to the Swedish Companies Act, a Swedish Company may not, subject to certain exceptions, provide a guarantee or security interest for an obligation of, among other things, its shareholder or a shareholder of another company within the same group of companies. The most important exception in this case would be that the prohibition does not apply to any guarantee or security interest provided for an obligation of another company within the same group (Sw. *koncern*) of companies where the parent company of the group is domiciled within the EEA.

Finally, the Swedish Companies Act prohibits a Swedish Company from providing a guarantee or security interest for a loan that is provided to facilitate the acquisition of shares in the Swedish Company or any of its parent or fellow subsidiary companies.

All three of the above described provisions of the Swedish Companies Act may under certain conditions limit a guarantee or security interest provided by a Swedish Guarantor, and the guarantees and security interests provided by the Swedish Guarantor has been limited accordingly to ensure compliance with the Swedish Companies Act.

Limitations on the validity of certain transactions

In bankruptcy and company reorganization proceedings, transactions can (in certain circumstances and subject to specific time limits) be reversed and the goods or money can then be returned to the bankruptcy estate or the company subject to company reorganization. Broadly, these transactions include, among others, situations where the debtor has conveyed property fraudulently or preferentially to one creditor to the detriment of its other creditors before the initiation of the relevant insolvency proceedings, created a new security interest, granting a guarantee or security that was either not stipulated at the time when the secured obligation arose, or not perfected without delay after such time and the delay is not considered to be ordinary, or has not been perfected within the statutory time before the bankruptcy or company reorganization proceedings, or paid a debt that is not due or that is considerable compared to the value of the debtor's assets or if the payment is made by using unusual means of payment. In the majority of situations, a claim for recovery can be made concerning actions that were made during the three months preceding the commencement of the relevant insolvency proceedings. In certain situations, longer time limits apply and in others there are no time limits. These include, among others, situations where the other party to an agreement or other arrangement is deemed to be a closely related party to the debtor, such as a subsidiary or parent company and situations where the other party to an agreement or other arrangement are aware of, *inter alia*, the insolvency of the debtor.

Security granted in favor of an agent

It is generally possible under Swedish law to grant security interests in favor of an agent acting on behalf of the secured parties. However, it is not established by judicial precedent or otherwise by law that a power of attorney or a mandate of agency, including the appointment of an agent, can be made irrevocable. Therefore, any powers of attorney or mandates of agency can under Swedish law be revoked and will in addition terminate by operation of law and without notice at the bankruptcy or temporal demise of the party giving such powers.

Limitations on enforceability due to the Swedish Reorganization Act

The Swedish Reorganization Act (Sw. *lag (2022:964) om företagsrekonstruktion*) provides companies facing economic difficulty with an opportunity to resolve these difficulties without being declared bankrupt. A company reorganization may be granted by the court if it can be presumed that the company cannot pay its due and payable debts or that such inability will exist shortly or that the debtor, in some other respect, is having financial difficulties which entail a risk of insolvency and there are clear grounds to assume that the viability of the company's business can be secured through the company reorganization. Company reorganization proceedings continue for an initial period of three months from commencement but may under certain conditions be extended with three month periods at a time. A company reorganization may not last longer than a total of fifteen months although certain key provisions for the benefit of the debtor, e.g., the moratorium on execution in respect of a claim or enforcement of security and the termination of contracts entered into by the debtor, can only be extended to have effect for a total of twelve months (as described further below).

An administrator (Sw. *rekonstruktör*) is appointed by the court and supervises the day-to-day activities and safeguards the interests of creditors. However, the debtor remains in full possession of the business except that, for important decisions such as paying a debt that has fallen due prior to the order of reorganization, granting security for a debt that arose prior to the order, undertaking new obligations or transferring, pledging or granting rights in respect of assets of a substantial value for the business, the consent of the administrator is required. If the debtor undertakes any of the mentioned legal acts, the legal act shall be rescinded where the administrator, within a reasonable time after they learned or should have learned about the legal act, so requests. However, a legal act between the debtor and a third person which is undertaken on or before the date on which the restructuring was registered in the insolvency register shall be valid notwithstanding that it was performed without the administrator's consent, unless it is shown that the other party knew or had reasonable grounds to believe that company restructuring had been ordered for the debtor.

All parties with a claim or right affected by the reorganization are included in a company reorganization and divided into one or more classes based on similarity in ranking and other interests. The company reorganization can include anything the parties may voluntarily agree on, including *e.g.* debt restructuring, change of terms, issue of shares, change in management, debt-to-equity swaps. Limitations exist *e.g.* by principles of equal treatment of creditors in the same class, meaning that it is not possible to favour a specific contract or creditor. Furthermore, the outcome for a creditor in the company reorganization may not be worse than it would have been in the event of the debtor's bankruptcy.

A company reorganization procedure entails a stay of enforcement measures and bankruptcy during the procedure (subject to certain exceptions, including enforcement of certain types of security). The stay of enforcement will last for a maximum period of twelve months, even if the company reorganization procedure continues beyond that point. Existing security does not expire, but cannot be enforced during the period of the company reorganization procedure (security in the possession of a creditor may be enforced, unless it is likely that this would jeopardise the

reorganization or the stay would unfairly prejudice the creditors of those claims and subject to the approval of the administrator).

A debtor subject to a company reorganization may elect which contracts to fulfil during the company reorganization procedure. The debtor will require the administrator's approval to perform a contract entered into prior to the reorganization (in part or in full), unless the contract is in the course of day-to-day management of the business. The debtor may, with the consent of the administrator, terminate long-term contracts with three month notice period. Counterparties are generally prohibited from terminating contracts, including credit agreements and financing agreements. Creditors may only terminate contracts entered into prior to the reorganization if the debtor does not perform the contracts or after confirmation from the debtor (and the administrator) that the contract will not be performed. The debtor shall compensate for loss incurred by the contracting party as a consequence of the termination. The contracting party's claim for damages shall be deemed to have arisen prior to the order regarding company restructuring and may therefore be subject to write-off.

Following a decision to initiate a company reorganization, the debtor may request that the court schedule a negotiation regarding a reorganization plan (plan negotiation). In the proposed reorganization plan, the affected parties shall be divided into one or more classes based on similarity in ranking and other interests, and parties within the same class must be treated equally. The affected parties (*i.e.* the parties whose claims are affected by the proposed reorganization plan) shall vote to adopt the proposed reorganization plan. If the plan is adopted, the court will consider whether there are grounds to confirm it. A reorganization plan is considered adopted by the affected parties if, for each class of creditors, not less than two-thirds of the parties voting have approved the plan, and the claims or rights of such approving parties constitute not less than two-thirds of the claims or rights for which voting rights may be exercised. A reorganization plan that has not been adopted in accordance with the foregoing may upon request by the debtor or the administrator be confirmed by a court by way of cross-group cram-down subject to certain conditions, including: that the reorganization plan has been approved by more than one-half of the classes and at least one of these is comprised of creditors who have a right of priority, a security interest, or a right of set-off, or at least two of these classes are creditors who can be expected to receive payment in the debtor's bankruptcy; and classes that voted against the reorganization plan receive at least as beneficial treatment under the reorganization plan as that of other classes which have the same priority in the event of the debtor's bankruptcy, and receive full satisfaction for their claims if any lower priority group receive payment or retains rights under the reorganization plan. Further, no group of affected parties may keep more than the full value of their claims or rights. A reorganization plan that has been confirmed by the court is binding on the company, all affected parties and potential counterparties in agreements concerning new financing. This means that various actions, including write-down of debt, could be forced upon individual creditors as well as classes of creditors.

Enforcement

Pursuant to the Swedish Bankruptcy Act (Sw. konkurslag (1987:627)), if a Swedish company is unable to rightfully pay its debts as they fall due and such inability is not merely temporary, it is deemed insolvent and can be declared bankrupt following a bankruptcy petition filed with the competent district court (Sw. *tingsrätt*) by the debtor or by a creditor of the debtor.

In the event of bankruptcy (Sw. *konkurs*), the court will appoint a receiver in bankruptcy (Sw. *konkursförvaltare*) who will work in the interest of all creditors with the objective of selling the debtors assets and distribute the proceeds among the creditors. The bankruptcy estate (Sw. *konkursbo*) is deemed to constitute a separate legal entity.

The purpose of bankruptcy proceedings is to wind up the company in such a way that the company's creditors receive as high a proportion of their claims as possible. The receiver in bankruptcy is required to safeguard the assets and can decide to continue the business or to close it down, depending on what is best for all creditors. In general, the receiver in bankruptcy is required to sell the assets of the debtor as soon as possible and to distribute the proceeds. In the interim, the receiver will take over the management and control of the company and the company's directors or managing director will no longer be entitled to represent the company or dispose of the company's assets.

When distributing the proceeds, the receiver must follow the mandatory provisions of the Swedish Rights of Priority Act, as amended, which states the order in which creditors have a right to be paid. As a general principle, in bankruptcy proceedings competing claims have equal right to payment in relation to the size of the amount claimed from the debtor's assets. However, preferential or secured creditors have the benefit of payment before other creditors.

A declaration of bankruptcy does not automatically terminate existing contracts; instead, the receiver in bankruptcy may in its discretion choose to have the bankruptcy estate itself step into any such existing contracts. A clause in a contract which provides that the contract is terminated by reason of bankruptcy proceedings or similar is likely to be unenforceable (the bankruptcy estate shall always be given a right to fulfil the company's obligations according to a contract). If the bankruptcy estate steps into the contract and performance by the creditor is due, the

creditor may demand that the bankruptcy estate performs its newly assumed obligations as well or, if a grace period has been granted, request that the bankruptcy estate, without unreasonable delay, provides acceptable security for its performance. If performance by the creditor is not due, the creditor may request security where this is necessary in order to protect it against loss. If the bankruptcy estate does not step into the contract within a reasonable time after the creditor's demand or if it does not comply with the creditor's request to provide security, the creditor may terminate the contract.

In case of enforcement outside of bankruptcy, an enforcement process is initiated by the creditor obtaining an enforcement order from the Swedish Enforcement Authority (*Sw. Kronofogdemyndigheten*) or the court. Upon obtaining an enforcement order against a debtor, a creditor may apply to the Swedish Enforcement Authority for enforcement of its claim. If agreed upon between a pledgor and a secured creditor and the secured creditor or its agent is in physical possession of the security assets, the agent may under certain circumstances enforce the pledge without the involvement of the Swedish Enforcement Authority or a court. A provision granting the secured party or its agent such right of enforcement is typically included in any pledge agreement between the pledgor and the secured party or its agent but it should be noted that the secured party or its agent has, in case of such a right of enforcement, extensive obligations to observe the pledgor's interest when enforcing the pledge.

Creation of valid security interests

In order to create a valid security interest under Swedish law, the asset subject to such security interest must generally fulfil the following criteria: (a) there must be an underlying debtor-creditor relationship in respect of the obligations which the security purports to secure; (b) the security provider must grant the security interest, typically in the form of a pledge agreement; (c) the security assets must be sufficiently specified; and (d) an act perfecting the security interest must take place. The method for perfection varies depending on the asset type.

Under Swedish law, in addition to certain actions that must be taken to perfect a security interest by the secured party and the grantor, for any security to be validly created, the grantor must be effectively deprived of its right to control, deal with or dispose of the assets subject to the security interest. Any security interests purported to be created under Swedish law over assets which the security provider may remain in possession of, retain exclusive control over, freely operate or collect, invest and dispose of any income from until the occurrence of an enforcement event would therefore not be effective until an enforcement event has occurred and the security interests have been perfected. Security interests that are subject to such delayed perfection stand the risk of being subject to a hardening period and clawback claims whereby the security interest might be held invalid and unenforceable. Thus, a security provider must be effectively deprived of its right to control, deal with or dispose of the secured assets, and arrangements providing for the release of a security interest over an asset in connection with the disposal thereof or upon the occurrence of other circumstances would be at risk of impairing the validity of the security.

In the case of a pledge over shares, the perfection of the pledge is achieved by transferring the share certificates to the possession of the pledgee. In addition, if the share certificates are situated outside Sweden, perfection of the pledge requires that all necessary perfection requirements (if any) under the applicable laws in such jurisdictions are complied with.

The right to future shares and dividends can be pledged. As set out above, any security purported to be created over, *inter alia*, (i) future shares before such shares are issued and/or (ii) dividends after a certain triggering event, will not be perfected from the outset and may as such be vulnerable under applicable provisions of Swedish law of being set aside as a preference in any Swedish insolvency proceeding affecting the security provider.

Trust

Currently, Swedish law does not contain any provisions for trusts to be formed and trustees to be appointed. While Swedish law does not know the concept of trust, it is generally believed that a trustee that has been appointed under foreign law, provided that a trustee is capable of being appointed under the laws governing such appointment, will be recognized and acknowledged in Sweden and that such an appointed trustee may be able to claim and enforce or procure the enforcement of the rights of the beneficiaries under the trust, subject to the terms of the relevant documents.

Parallel Debt

The concept of parallel debt arrangements is not generally recognized under Swedish law and any agreement or document may not be enforceable to the extent it purports to effect such arrangements.

Switzerland

Limitations on guarantees and securities provided by the Swiss Guarantors

One of the Guarantors is incorporated in Switzerland (the "Swiss Guarantor").

The validity or enforceability of a security interest granted or a guarantee issued by a Swiss Guarantor may be limited by applicable debt collection and bankruptcy laws, insolvency, re-organization, corporate, tax, contract or similar laws, regulations or defenses affecting creditors and secured parties in general (including provisions relating to fraudulent transfer, voidable preference, corporate purpose, financial assistance, capital maintenance and solvency) or laws or principles of general application (including the abuse of rights (*Rechtsmissbrauch*) and the principle of good faith *(Grundsatz von Treu und Glauben*) and public policy.

In particular, Swiss rules regarding capital maintenance, including but not limited to Articles 671, 672, 675(2), 675(3) and 680(2) of the Swiss Code of Obligations, prohibit the direct or indirect repayment of a Swiss corporation's share capital and legal reserves to its shareholders and restrict the distribution of a Swiss corporation's accrued earnings to its shareholders. Guarantees, share pledges, assignments for security purposes and any other collateral granted by a Swiss corporation in order to guarantee or secure liabilities of a direct or indirect parent or sister company as well as any other undertaking contained in any agreement having the same or a similar effect, such as, but not limited to, the waiver of set off or subrogation rights or the subordination of intra-group claims may be considered as an indirect distribution of assets which are subject to the limitation provided by Swiss law to protect the share capital and legal reserves of Swiss corporation. Similar rules apply in case the guarantee or collateral is granted by a Swiss limited liability company (*GmbH*). Therefore, it is standard market practice for indenture agreements, credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to Swiss subsidiaries essentially providing for that if and to the extent a Swiss Guarantor becomes liable under the relevant agreement for obligations of any direct or indirect shareholder or subsidiary of such shareholder (other than direct or indirect wholly-owned subsidiaries of such Swiss Guarantor (the "Restricted Obligations") and if complying with such obligations would constitute a repayment of capital (*Einlagerückgewähr*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*Gewinnausschüttung*) by such Swiss Guarantor or would otherwise be restricted under Swiss law and practice then applicable, such Swiss Guarantor's aggregate liability for Restricted Obligations shall not exceed the amount of the Swiss Guarantor's freely disposable equity (*frei verfügbares Eigenkapital*) at the time it becomes liable in accordance with Swiss law, and providing for that if the secured/guaranteed obligations are "Restricted Obligations", then any obligation to gross-up for tax (such as, in particular, Swiss withholding tax of currently 35% on a deemed dividend distribution or of a lower tax rate resulting from a refund procedure applicable under a double-taxation treaty) triggered by the enforcement of the security interest/guarantee would equally be limited under the context of "Restricted Obligations" as described above. The Restricted Obligations are only valid if approved by the general meeting at the time of enforcement in accordance with the rules applicable to the distribution of dividend. There are restrictions for companies that have obtained a COVID-19 credit, including the prohibition, amongst other things, of distribution of dividend as long as such credit has not been repaid or terminated. As a result, the creditors to be secured by any Restricted Obligations should take into account that the actual value of such Restricted Obligations may be very limited. This shall in particular be relevant for the purpose of the Guarantee (or any other security) to be granted by a Swiss Guarantor for the benefits of the holders of the Notes.

Insolvency

In the event of insolvency, insolvency proceedings relating to the Swiss Guarantor's Guarantee and any security interests provided by such Swiss Guarantor would likely be subject to Swiss insolvency law. Swiss insolvency law may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar. The following is a brief description of certain aspects of insolvency law in Switzerland. In the event that the Issuer or the Parent or any of its Swiss subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Pursuant to Swiss insolvency laws, your ability to receive payment under the Notes may be more limited that would be the case under U.S. or other non-Swiss insolvency laws. Under Swiss law, there are two primary insolvency regimes, the bankruptcy procedure (*Konkurs*) and the composition procedure (*Nachlassvertrag*) (altogether referred to as insolvency proceedings) that may be opened against an entity having it registered offices or assets in Switzerland.

In the event of a Swiss entity's insolvency, the respective insolvency proceedings would be governed by Swiss law as a result of such Swiss entity's offices being registered in the competent commercial register in Switzerland. In addition, Swiss debt enforcement and insolvency laws may be applicable in case of an enforcement of security interests over assets of a foreign entity located in Switzerland. The enforcement of claims and questions relating to insolvency and bankruptcy in general are dealt with by the Swiss Federal Act on Debt Enforcement and Bankruptcy, as amended from time to time. Under these rules, claims that are pursued against a Swiss entity can lead to the opening of bankruptcy

(*Konkurs*) and, hence, a general liquidation of all assets, even if located outside Switzerland, and liabilities of the debtor. However, with regard to assets located outside Switzerland, a Swiss bankruptcy decree is enforceable only if it is recognized at the place where such assets are located. Creditors secured by a pledge must generally initiate enforcement proceedings pursuant to the Swiss Federal Act on Debt Enforcement and Bankruptcy except in the event that (i) the parties have agreed on a private enforcement; or (ii) the security provider has been adjudicated bankrupt. A private enforcement is subject to certain requirements (including notification and pricing requirement) and is generally to be made in accordance with the principles of good faith, adequately taking into account the interests of the security provider. If the security provider has been adjudicated bankrupt, secured creditors participate in the bankruptcy proceedings with the other creditors and a private enforcement is no longer permitted. Certain particular rules apply to security interests created over intermediated securities pursuant to the Swiss Federal Intermediated Securities Act.

As a rule, the opening of bankruptcy by the competent court needs to be preceded by a prior debt enforcement procedure which involves, *inter alia*, the issuance of a payment summons by local debt enforcement authorities (*Betreibungsamt*). However, the competent court may also declare a debtor bankrupt without such prior proceedings if the following requirements are met: (i) at the request of the debtor, if the debtor's board of directors or the auditors of the company (in case of failure of the board of directors) declare that the debtor is overindebted (*überschuldet*) within the meaning of art. 725b of the Swiss Code of Obligations or if it declares to be insolvent (*zahlungsunfähig*), and (ii) at the request of a creditor, if the debtor commits certain acts to the detriment of its creditors or ceases to make payments (*Zahlungseinstellung*) or if certain events happen during composition proceedings. The bankruptcy proceedings are carried out and the bankrupt estate is managed by the receiver in bankruptcy (*Konkursverwaltung*) which will draw up an inventory of the assets and, further to a creditor's call for the filling of claims, establish a schedule of claims (*Kollakationsplan*).

All assets at the time of the declaration of bankruptcy and all assets acquired or received subsequently form the bankrupt estate which, after deduction of costs and certain other expenses, is used to satisfy the creditors. However, in respect of assets located abroad, the Swiss authorities do not have jurisdiction to collect such assets for the purpose of including them in the Swiss bankruptcy estate of the debtor. It is therefore the foreign law applicable at the place where the assets are located abroad, or treaties between Switzerland and the state in which such assets are located, that will determine whether and to what extent the foreign authorities can assist in the collection of these assets. Assets of the bankrupt estate over which a pledge was created in favor of a creditor before the declaration of bankruptcy are included in the bankrupt estate. The pledgee is under an obligation to remit the pledged assets to the bankrupt estate. The assets are liquidated by the receiver in bankruptcy in the same manner as the other assets of the bankrupt estate, but the creditor secured by the pledge retains its privilege to be satisfied from the proceeds of the liquidation of the assets pledged to it with priority over the unsecured creditors. Final distribution of non-secured claims is based on a ranking of creditors in three classes. The first and the second class, which are privileged, comprise claims under employment contracts, accident insurance, pension plans and family law. Certain privileges can also be claimed by the government and its subdivisions based on specific provisions of Swiss Federal law. All other creditors are treated equally in the third class. A secured party participates in the third class to the extent its claim is not covered by its collateral.

Any creditor wishing to contest the schedule of claims because his claim has been entirely or partially rejected by the receiver in bankruptcy or not allocated in the rank requested must bring an action against the estate before the competent court. If any creditor wishes to contest the admission of another creditor to the schedule of claims or the allocated rank, he must bring an action against such creditor. Such court proceedings could cause the holders of the Notes to recover less than the principal amount of their notes or less than they could recover in a United States liquidation. Such proceedings could also cause payment to the holders of the Notes to be delayed, as compared with holders of undisputed claims.

With the opening of bankruptcy proceedings, interest ceases to accrue against the debtor. However, interest on claims secured by pledges continues to accrue until the realization of the pledge, provided the proceeds exceed the amount of the claim and the interest which had accrued by the date of the opening of bankruptcy proceedings.

Swiss insolvency laws also provide for reorganization procedures by composition with the debtor's creditors. Reorganization is initiated by a request with the competent court for a stay (*Nachlassstundung*) pending negotiation of the composition agreement with the creditors and confirmation of such agreement by the competent court. A distinction is made between a composition agreement providing for the assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) which leads to a private enforcement and in many instances has analogous effects as a bankruptcy, and a dividend composition (*Dividenden-Vergleich*) providing for the payment of a certain percentage on the creditors' claims and the continuation of the debtor. Further, there is the possibility of a composition in the form of a mere payment term extension (*Stundungsvergleich*). During a moratorium, debt collection proceedings cannot be initiated and pending proceedings are stayed. Furthermore, the debtor's power to dispose of its assets and to manage its affairs is restricted. In case of a pledge, the secured party is not entitled to proceed with a private enforcement until the confirmation of the settlement by the competent court. A secured creditor participates in the settlement only for the amount of its claim not covered by the collateral. The moratorium does not affect the agreed due dates of debts (contrary to bankruptcy, in which

case all debts become immediately due upon adjudication). The moratorium aims at facilitating the conclusion of one of the above composition agreements. Any composition agreement needs to be approved by the creditors and confirmed by the competent court. With the judicial confirmation, the composition agreement becomes binding on all creditors, whereby secured claims are only subject to the composition agreement to the extent that the collateral proves to be insufficient to cover the secured claims.

Foreign bankruptcy decrees issued in the country of a debtor's domicile may be recognized in Switzerland only, *provided* that (i) the bankruptcy decree is enforceable in the country where it was issued, (ii) its recognition is, *inter alia*, not against Swiss public policy, and (iii) the bankruptcy decree was issued (a) in the state of the debtor's domicile or (b) in the state where the center of the debtor's main interests are located, provided that the debtor was not domiciled in Switzerland when the foreign bankruptcy proceedings were initiated.

Security in the form of pledge

Under Swiss law, a valid pledge only arises if the pledgor loses the exclusive possession over the pledged assets (which includes the delivery of the share certificates representing all shares in the Swiss Guarantor whose share are pledged duly endorsed in blank). Until a pledgor loses exclusive control over the assets purported to be pledged under a Swiss pledge agreement, a third party may acquire preferential property rights over such assets, including a right of pledge.

The undertaking to pledge assets which is granted by the Swiss Guarantor is a way that is being used in practice in Switzerland whereby an undertaking to pledge is entered into initially and the pledge is perfected at a later stage if certain events occur. One should also be aware that the pledge to be created under the undertaking to pledge upon the occurrence of certain events may be challenged under Swiss avoidance rules.

Under Swiss conflict of law rules, although Swiss law permits a choice of law with respect to a pledge of shares or an assignment of bank accounts, such choice of law may not be opposable to third parties.

A sale or transfer of shares in the Swiss Guarantor in the context of the realization of the share pledge agreement concerning such shares may be subject to Swiss transfer stamp duty if a Swiss securities dealer, as defined in the Swiss stamp tax act, is involved in the transaction as party or intermediary.

Under Swiss law, pledges are accessory to the obligations they secure and, therefore, pledges may only be constituted for the benefit of the creditors of the secured obligations. Any pledge governed by Swiss law to secure claims of the holders of the Notes under the Indenture should therefore be constituted for the benefit of the holders of the Notes acting as pledgees (being represented for the purposes thereof by the Security Agent acting in its capacity as security agent for itself and as direct representative (*direkter Stellvertreter*) in the name and for the account of each other pledgees). Because any such pledge is likely to be constituted for the benefit of the Security Agent acting as a fiduciary (*Treuhänder*) in its own name but for the benefit of the holders of the Notes (but not as a direct representative (*direkter Stellvertreter*) acting in its own name and in the name and for the account of each other Secured Party), there is a risk regarding the enforceability of such pledge granted in favor of the holders of the Notes. In order to mitigate these risks and in order to give the Security Agent as much flexibility as possible, the Intercreditor Agreement provides for the creation of a parallel debt structure, whereby the pledge would not directly secure the claims of the holders of the Notes but an independent claim of the Security Agent stated to be at all times equal to the outstanding claims of the holders of the Notes, under in particular, the Notes and the Indenture. Under this structure the holders of the Notes will bear some risks associated with a possible insolvency or bankruptcy of the Security Agent. There are no published court decisions confirming the validity of the parallel debt structure and hence it is uncertain whether such structure would be valid and enforceable under Swiss law as it could be viewed as a circumvention of the accessory nature of the pledge.

Avoidance

Certain arrangements or dispositions that are made during a certain period (the "suspect period") preceding the declaration of bankruptcy or the confirmation of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) may be challenged by the receiver in bankruptcy (*Konkursverwaltung*) and certain creditors under the applicable rules of avoidance. The avoidance may relate to (i) gifts, gratuitous transactions and transactions pursuant to which the debtor received consideration which was disproportionate to its own performance made in the suspect period of 12 months prior to being declared bankrupt or the confirmation of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*), (ii) certain acts of a debtor (e.g. repayment of a debt which has not yet fallen due, settlement of a debt by unusual means of payment, granting of a collateral for previously unsecured liabilities without previously being obliged to do so) in the suspect period of 12 months prior to being declared bankrupt or the confirmation of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) if the debtor at that time was overindebted, and (iii) dispositions made by the debtor within a suspect period of five years prior to being declared bankrupt or the confirmation of a composition agreement with

assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) with the intent, identifiable by the other party, to disadvantage its creditors or to prefer certain of its creditors to the detriment of other creditors. In case of avoidance action regarding a disposition in favor of an affiliated person, including a group company, the favored person bears the burden of proof that the intent of disadvantaging the creditors was not identifiable. The transactions potentially subject to avoidance also include those contemplated by a Swiss entity's guarantee of the Notes or the granting of security interests under the Security Documents by a Swiss entity. If they are challenged successfully, the rights granted by a Swiss entity under the guarantee of the Notes or in connection with security interests under the Security Documents may become unenforceable and any amounts received must be refunded to the bankrupt estate. The creditors (such as the holder of the Notes) who have restituted the avoided amount paid to them regain their original claims against the Swiss Guarantor and are entitled to list their claims in the schedule of claims in their respective rank and priority. The Swiss principles on avoidance may therefore limit the holders of the Notes' ability to recover payments due under the Guarantees or security interest.

United States

Fraudulent Transfer

Under the U.S. Bankruptcy Code or comparable provisions of state fraudulent transfer or fraudulent conveyance laws, the incurrence of the obligations under the Notes, the issuance of the guarantees and the grant of security, whether now or in the future, by the Issuer and the Guarantors (together, the "Obligors") could be avoided, if, among other things, at the time the Obligors incurred the obligations, issued the related guarantee or gave the security, the Obligors intended to hinder, delay or defraud any present or future creditor; or received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness or the grant of such security and either:

- were insolvent or rendered insolvent by reason of such incurrence or grant of security;
- were engaged in a business or transaction for which the Obligors' remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that they would incur, debts beyond their ability to pay such debts as they mature.

A U.S. court would likely find that an Obligor did not receive reasonably equivalent value or fair consideration for the Notes offered hereby or such guarantee if such Obligor did not benefit directly or indirectly from the issuance of the Notes or the applicable guarantee.

We cannot be certain as to the standards a court would use to determine whether or not an Obligor was solvent at the relevant time or, regardless of the standard that a court uses, that payments to holders of the Notes offered hereby constituted fraudulent transfers on other grounds. Generally, however, an entity would be considered insolvent by a U.S. court if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

If the Notes offered hereby or guarantees were avoided or limited under fraudulent transfer or other laws, any claim you may make against any Obligor for amounts payable on the Notes offered hereby would be unenforceable to the extent of such avoidance or limitation. Moreover, the court could order you to return any payments previously made by any Obligor.

Although any guarantee entered into in connection with the issuance of the Notes offered hereby will contain a provision intended to limit that guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer, this provision may not be effective to protect such guarantee from being voided under fraudulent transfer law, or may reduce that guarantor's obligation to an amount that effectively makes its guarantee worthless.

Federal Insolvency Proceedings

Certain Obligors may have operations that would be subject either to proceedings under title 11 of the U.S. Bankruptcy Code or any applicable state law insolvency proceedings. Proceedings under the U.S. Bankruptcy Code vary and provide a debtor with discretion in its pursuit of a liquidation or reorganization strategy, subject to the rights of creditors and other parties in interest to object and seek relief from the bankruptcy court. The U.S. Bankruptcy Code provides a detailed statutory framework that, among other things, contains terms or provisions relating to:

- the administration of a bankruptcy case, including (i) the imposition of the automatic stay, which immediately stays all litigation, as well as most enforcement and other actions against the debtors or property of the bankruptcy estate; (ii) provision of "adequate protection" to secured creditors to protect against diminution of value of their collateral; (iii) terms for the use, sale or lease of property; (iv) standards for obtaining post-petition credit; and (v) rules regarding the treatment of executory contracts and unexpired leases;

- creditors and claims, including deadlines and requirements for filing proofs of claim, the priority and allowance of claims, and subordination of claims; and

- creation of the bankruptcy estate, including the scope of property of the estate and ability to bring turnover and avoidance actions, provisions relating to liquidation under chapter 7 of the U.S. Bankruptcy Code, reorganization under chapter 11 of the U.S. Bankruptcy Code and the filing of ancillary and other cross-border insolvency cases under chapter 15 of the U.S. Bankruptcy Code.

As a general matter, chapter 7 of the U.S. Bankruptcy Code provides for the orderly liquidation of the debtor's assets by a trustee appointed by the bankruptcy court and typically results in the immediate shutdown of the debtor's business. Chapter 11 of the U.S. Bankruptcy Code is available to debtors who seek to continue to operate their business as a going concern while they reorganise their businesses and resolve their obligations to creditors (although a liquidation or sale under chapter 11 is also possible), in each case pursuant to a plan of reorganization or liquidation, as applicable. Unlike in a chapter 7 bankruptcy case, in a chapter 11 bankruptcy case the debtor typically remains in possession of its assets and continues to operate its business during the course of the bankruptcy case (subject to the supervision of the bankruptcy court), with substantially the rights that a trustee would otherwise have. In addition, "liquidating" chapter 11 cases may be used as an alternative to a liquidation under chapter 7, particularly in an instance when the debtor seeks to maintain the "going-concern value" of its business and/or expects to sell all or substantially all of its assets free and clear of liens during the course of the bankruptcy case.

Because bankruptcy proceedings are often fact specific and vary case-by-case, and because bankruptcy courts are courts of equity with broad discretionary powers, a detailed summary of all the provisions of the U.S. Bankruptcy Code that could affect the Notes and/or the guarantees and security is not contained herein. Furthermore, the common law applicable in bankruptcy proceedings may vary from jurisdiction to jurisdiction, and this summary is not intended to cover the common law that may apply in any particular jurisdiction.

Preference

Any future grant of security interest with regard to the Collateral in favor of the Notes, including pursuant to security documents delivered after the date of the Senior Secured Indenture, might be avoidable in a U.S. bankruptcy case by the grantor (as debtor-in-possession) or by its bankruptcy trustee as a preference if certain events or circumstances exist or occur, including, among others, if the grantor is insolvent at the time of the grant, the security interest permits the holders of the Notes to receive a greater recovery than if the bankruptcy case were a case under chapter 7 of the Bankruptcy Code and the security had not been given and a bankruptcy case in respect of the grantor is commenced within 90 days following the grant, or in certain circumstances, a longer period.

The Automatic Stay

The right of a holder of the Notes to enforce its security interests against the Obligors upon the occurrence of an event of default under the Indenture is likely to be significantly impaired by applicable U.S. bankruptcy law if one or more of the Obligors became a debtor in a case under the U.S. Bankruptcy Code before such security interest was enforced. Upon the commencement of a case under the U.S. Bankruptcy Code, a secured creditor such as a holder of Notes is prohibited by the automatic stay imposed by the U.S. Bankruptcy Code from taking any act to obtain possession of or exercise control over, property of the bankruptcy estate. The automatic stay in a bankruptcy case of one or more of the Obligors could therefore prevent the holders of the Notes from obtaining possession or exercising control over the Collateral or commencing any action in an attempt to obtain possession or exercise control over the Collateral. The

automatic stay could be lifted or modified with bankruptcy court approval in certain circumstances, but parties may object to any creditor request to lift or modify the automatic stay, and the bankruptcy court deny such a request.

Right of Debtor-In-Possession to Remain In Control of Collateral and the Bankruptcy Process

An entity that becomes a debtor under chapter 11 of the U.S. Bankruptcy Code remains in possession of its property and is authorized to operate and manage its business as a "debtor-in-possession," subject to certain limitations. This remains the case unless a chapter 11 trustee is appointed or the chapter 11 case is converted to a chapter 7 liquidation under the U.S. Bankruptcy Code.

Moreover, the U.S. Bankruptcy Code permits the debtor to continue to retain and use collateral even though the debtor is in default under the applicable debt instruments, *provided* that the secured creditor is given "adequate protection" of its interest in the debtor's property. The term "adequate protection" is not defined in the U.S. Bankruptcy Code, but it may include making periodic cash payments, providing an additional or replacement lien or granting other relief, in each case to the extent that the collateral decreases in value during the pendency of the bankruptcy case as a result of, among other things, the use, sale or lease of such collateral or the imposition of the automatic stay.

The type of adequate protection provided to a secured creditor may vary according to circumstances. A U.S. bankruptcy court may determine that a secured creditor is not entitled to additional adequate protection for a diminution in the value of its collateral if the value of the collateral exceeds the amount of the debt that it secures.

Only the debtor in a chapter 11 bankruptcy case may propose a chapter 11 plan unless the debtor fails to file a plan within the first 120 days of the case or fails to solicit sufficient acceptances of its plan within the first 180 days of the case. The bankruptcy court may reduce or enlarge these periods. The 120-day period could be extended for up to 18 months after a chapter 11 filing, while the 180-day period could be extended for up to 20 months after a chapter 11 filing. During these "exclusive periods," other parties such as secured creditors would be precluded from proposing or soliciting acceptances of their own chapter 11 plans.

In view of the automatic stay, the lack of a precise definition of the term "adequate protection," the exclusive periods, and the broad discretionary power of a U.S. bankruptcy court, it is impossible to predict:

- whether or when a holder of the Notes could enforce its security interests;
- the value of the collateral at the time of the bankruptcy petition or at the time a chapter 11 plan is proposed or confirmed; or
- whether or to what extent holders of the Notes would be compensated for any delay in payment or loss of value of the collateral through the requirement of "adequate protection".

A Debtor-In-Possession May Obtain New Credit Secured By a Lien That is Senior or Equal to Existing Liens

The U.S. Bankruptcy Code permits a debtor-in-possession or trustee in a chapter 11 case to obtain an extension of new credit from an existing lender or from a new lender. The bankruptcy court may, depending on the facts and circumstances, authorize the debtor-in-possession or trustee to obtain new credit or incur new debt that is secured by a lien that is senior or equal to existing liens. In other words, it is possible that in connection with a chapter 11 case of one or more of the Obligors, such Obligor or Obligors would be permitted to incur new debt that is secured by a lien that is senior or equal to the liens that exist at the time of the chapter 11 filing.

Ability to Confirm a Chapter 11 Plan Notwithstanding the Dissenting Votes of Creditors

Under the U.S. Bankruptcy Code, a chapter 11 plan can be imposed on a creditor or equityholder (or class of creditors or equityholders) that does not accept the plan. A chapter 11 plan provides for the comprehensive treatment of all claims asserted against the debtor and its property, and may provide for the readjustment or extinguishment of equity interests. Claims and interests may be classified by type. Only those classes of claims and interests impaired by the plan may vote to accept or reject such plan. Classes of claims and interests that are unimpaired are not entitled to vote on the plan, and are deemed to accept it. Classes of claims and interest that receive no distributions under the plan are not entitled to vote on the plan, and are deemed to reject it.

A class of claims is deemed to accept the plan if more than one-half in number of claims holders and two-thirds in claims amount in that class vote in favor of the plan. A plan can be confirmed by the bankruptcy court over the dissenting votes of members of a class that accepts the plan overall. Furthermore, even if one or more impaired classes reject the plan, it may still be confirmed, subject to specific statutory requirements, in accordance with the "cram-down" provisions of the U.S. Bankruptcy Code, so long as the plan does not discriminate unfairly, and is fair and equitable, with

respect to each class of claims or interests that is impaired under, and has not accepted, the plan. This could allow the debtor or other plan proponent to confirm its plan over the objection of one or more dissenting classes.

CERTAIN TAX CONSIDERATIONS

PROSPECTIVE PURCHASERS OF THE NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS IN THE JURISDICTION IN WHICH THEY ARE RESIDENT, IN WHICH THEY HAVE THEIR STATUTORY SEAT OR THE SEAT OF THEIR MANAGEMENT, AND EACH COUNTRY IN WHICH THEY ARE RESIDENTS OR WHOSE TAX LAWS APPLY TO THEM FOR OTHER REASONS.

U.S. Federal Income Tax Considerations

The following discussion is a summary based on present law of the material U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the Notes. This discussion addresses only U.S. Holders (as defined below) who purchase the Notes in the original issuance at the "issue price" (generally, the first price at which a substantial amount of the applicable series of Notes is sold to the public for cash), hold the Notes as capital assets and use the U.S. dollar as their functional currency. This summary does not address the tax consequences to subsequent purchasers of the Notes.

This discussion is not a complete description of all U.S. federal income tax considerations relating to the Notes. It does not address the tax treatment of prospective purchasers subject to special rules, such as banks, dealers, traders that elect to mark to market, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, investors liable for the alternative minimum tax, U.S. expatriates, accrual method taxpayers who are required to recognize income for U.S. federal income tax purposes no later than when such income is taken into account for financial accounting purposes, tax-exempt entities or persons holding the Notes as part of a hedge, straddle, conversion or other integrated financial transaction. This summary does not discuss any tax consequences arising under U.S. federal estate and gift tax laws or the laws of any state, local, non-U.S. or other taxing jurisdiction.

YOU ARE URGED TO CONSULT YOUR OWN TAX ADVISOR ABOUT THE U.S. FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES TO YOU OF PURCHASING, HOLDING AND DISPOSING OF THE NOTES, AS WELL AS THE CONSEQUENCES TO YOU ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION OR DUE TO CHANGES IN TAX LAW.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner that is, for purposes of U.S. federal income taxation, (i) a citizen or resident alien of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or its political subdivisions, (iii) a trust that (a) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person or (iv) an estate, the income of which is subject to U.S. federal income taxation regardless of its source.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes acquires or holds the Notes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner or partnership that acquires or holds the Notes should consult its own tax advisors. Additionally, a U.S. Holder who purchases Notes pursuant to this Offering and participates in the Tender Offers should consult its tax advisor as to whether the treatment of the purchase, ownership and disposition of the Notes would be different from that described below.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury Regulations promulgated thereunder, rulings and judicial decisions all as of the date hereof, which are subject to change (possibly with retroactive effect), so as to result in U.S. federal income tax consequences different from those summarized below. No rulings from the U.S. Internal Revenue Service ("IRS") have been or will be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes and that any such position would not be sustained.

Characterization of the Notes

In certain circumstances we may be obligated to make payments on the Notes in excess of stated principal and interest. These potential payments may implicate provisions of the U.S. Treasury Regulations relating to "contingent payment debt instruments". Although the issue is not free from doubt, we intend to take the position that the foregoing contingencies should not cause the Notes to be treated as contingent payment debt instruments. Assuming such position is respected, a U.S. Holder would be required to include in income the amount of any such additional payments at the time such payments are received or accrued in accordance with such U.S. Holder's method of accounting for U.S. federal

income tax purposes. Our determination that the possibility of such additional payments does not result in the notes being treated as contingent payment debt instruments is binding on a holder, unless such holder explicitly discloses to the IRS on its tax return for the year during which it acquires the Notes that it is taking a different position. If the IRS takes a contrary position to that described above, then the Notes may be treated as contingent payment debt instruments. In that case, regardless of a holder's regular method of accounting for U.S. federal income tax purposes, a holder subject to U.S. federal income taxation may be required to accrue ordinary interest income on the Notes at a rate in excess of their yield to maturity, and to treat any gain realized on the sale, redemption or other taxable disposition of the Notes as ordinary income rather than capital gain. You are urged to consult your own tax advisors regarding the tax consequences of the Notes being treated as contingent payment debt instruments. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes.

Stated Interest

Stated interest paid on the Notes generally will be taxable to you as ordinary income at the time the interest accrues or is received, in accordance with your regular method of accounting for U.S. federal income tax purposes. Interest generally will be income from sources outside the United States and, for purposes of the U.S. foreign tax credit, generally will be considered "passive category income".

If you use the cash basis method of accounting and you receive stated interest payments in euro, as you would as a holder of any Euro Notes, you will be required to include in income the U.S. dollar value of the amount received, determined by translating the euros received at the "spot rate" in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize exchange gain or loss with respect to the receipt of such payment of stated interest.

If you use the accrual method of accounting and you receive stated interest payments in euro, you may determine the amount of income recognized with respect to such interest in accordance with either of two methods. Under the first method, you will be required to include in income for each taxable year the U.S. dollar value of the stated interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period during which such interest accrued, or, in the case of an accrual period that spans two taxable years, at the average rate for the partial period within your taxable year. Under the second method, you may elect to translate stated interest income at the spot rate on (i) the last day of the accrual period, (ii) the last day of the taxable year if the accrual period straddles your taxable year or (iii) the date the stated interest payment is received if such date is within five days of the end of the accrual period. Such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. In addition, upon receipt of a stated interest payment in euros (including amounts received upon the sale, redemption or other taxable disposition of a Note attributable to accrued interest previously included in income), you will recognize exchange gain or loss, generally treated as U.S. source ordinary income or loss (and not as an adjustment to interest income or expense), in an amount equal to the difference, if any, between the U.S. dollar value of such payment (determined by translating the euros received at the spot rate in effect on the date of receipt) and the U.S. dollar value of the stated interest income that you previously included in income with respect to such payment, regardless of whether the payment is actually converted into U.S. dollars.

Disposition

You generally will recognize gain or loss on a sale, redemption or other taxable disposition of a Note in an amount equal to the difference between the amount realized (less any accrued but unpaid stated interest, which if not previously included in income is taxed as interest income) and your adjusted tax basis in the Note. Your adjusted tax basis in a Note generally will be the U.S. dollar cost for the Note, decreased by any payments on the Note other than stated interest previously received. If you purchased a Note with euros, your cost generally will be the U.S. dollar value of the euros paid for such Note determined at the spot rate on the date of such purchase (or on the settlement date of the purchase, in the case of an electing accrual basis taxpayer if the Note is traded on an established securities market or a cash basis taxpayer). If your Note is sold, redeemed or otherwise disposed of in a taxable transaction for euros, then your amount realized generally will be the U.S. dollar value of any euros received based on the spot rate in effect on the date of such sale, redemption or other taxable disposition (or on the settlement date of the sale or other disposition, in the case of an electing accrual basis taxpayer if the Note is traded on an established securities market or a cash basis taxpayer). If you use the accrual method of accounting and have not elected to translate euro amounts at the spot rate of exchange on the settlement date, upon receipt of a payment in euros, you may recognize exchange gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the spot rate in effect on the date of sale, redemption or other taxable disposition and spot rate in effect on the settlement date.

Subject to the foreign currency rules discussed below, your gain or loss on disposition of a Note generally will be U.S. source capital gain or loss and will be long-term capital gain or loss if you have held the Note for more than one year at the time of disposition. A non-corporate U.S. Holder generally will be eligible for reduced rates of taxation on any long-term capital gain recognized. Deductions for capital losses are subject to limitations.

If you hold a Euro Note, a portion of your gain or loss may be treated as exchange gain or loss. Such exchange gain or loss will be treated as ordinary income or loss and generally will be U.S. source gain or loss. For these purposes, the principal amount of the Notes is your purchase price for the Note in euros on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference between the (i) U.S. dollar value of the principal amount determined on the date of the sale, redemption or other taxable disposition of the Note (or on the settlement date, if you are an electing accrual basis taxpayer and the Note is traded on an established securities market or if you are a cash basis taxpayer) and (ii) U.S. dollar value of the principal amount determined on the date you purchased the Note. The amount of exchange gain or loss with respect to the principal and with respect to accrued and unpaid stated interest, will be limited to the amount of overall gain or loss realized on the disposition of the Note. In certain circumstances, U.S. Treasury Regulations require foreign exchange losses in excess of a threshold amount to be reported to the IRS. If you hold a Euro Note, you should consult your tax advisors to determine the tax return obligations, if any, with respect to an investment in the Note, including any requirement to file IRS Form 8886.

Exchange of Foreign Currency

On a sale, redemption or other taxable disposition of foreign currency, you generally will recognize gain or loss in an amount equal to the difference between (i) the amount of U.S. dollars, or the fair market value in U.S. dollars of other property, received by you in the disposition and (ii) your tax basis in the foreign currency. Any such gain or loss will be U.S. source ordinary income or loss and will not be treated as interest income or expense, except to the extent provided by administrative pronouncements of the IRS. Foreign currency received as interest on a Note or on the sale, redemption or other taxable disposition of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase.

Information Reporting and Backup Withholding

Payments of interest and proceeds from the sale, redemption or other taxable disposition of a Note may be subject to U.S. information reporting to the IRS unless you establish a basis for exemption. Backup withholding may apply to amounts subject to reporting if you fail to provide an accurate taxpayer identification number and otherwise comply with applicable backup withholding rules. Backup withholding is not an additional tax. You generally can claim a credit against your U.S. federal income tax liability for the amount of any backup withholding and a refund of any excess, provided that the required information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Individuals that own "specified foreign financial assets" with an aggregate value in excess of $50,000 on the last day of the tax year or $75,000 at any time during the tax year are generally required to file information reports with respect to such assets with their U.S. federal income tax returns. Depending on the individual's circumstances, higher threshold amounts may apply. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in non-U.S. entities. The Notes may be treated as specified foreign financial assets. You may be subject to this information reporting regime and required to file IRS Form 8938 listing these assets with your U.S. federal income tax return. Failure to file information reports may subject you to penalties. You are urged to consult your own tax advisor regarding your obligations to file information reports with respect to the Notes.

Additional Tax on Net Investment Income

The "net investment income" (or undistributed "net investment income," in the case of a trust or estate) of certain U.S. Holders that are individuals, trusts or estates and that have modified adjusted gross income (or adjusted gross income, in the case of a trust or estate) above a certain threshold (which in the case of an individual is between $125,000 and $250,000, depending on the individual's circumstances) is subject to a 3.8% tax, in addition to otherwise applicable U.S. federal income tax. A U.S. Holder's "net investment income" generally includes, among other things, interest income on and capital gain from the disposition of securities like the Notes, subject to certain exceptions. If you are a U.S. Holder that is an individual, estate or trust, you are urged to consult your own tax advisor regarding the applicability of this tax to your investment in the Notes.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the Notes. Prospective purchasers of the Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

United Kingdom Tax Considerations

The following is a general description of certain U.K. tax consequences of acquiring, holding and disposing of the Notes and is based on the Issuer's understanding of current U.K. law and HM Revenue & Customs ("HMRC") published practice as at the date hereof (which may not be binding on HMRC), both of which are subject to change, possibly with retrospective effect. This description is not exhaustive and relates only to the position of persons who are the absolute beneficial owners of the Notes and may not apply to certain classes of persons, such as brokers, dealers in securities, individuals holding the Notes through an ISA, persons connected with the Issuer or certain professional investors, to whom special rules may apply. Further, these comments do not deal with holders of the Notes who are individuals treated as non-domiciled in the United Kingdom for U.K. tax purposes. This description does not purport to constitute legal or tax advice and any holders who are in any doubt as to their tax position should consult their independent professional advisors. Any holders (or prospective holders) of the Notes who are subject to tax in a jurisdiction other than the United Kingdom should consult their independent professional advisors.

Interest on the Notes

The Notes will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 ("ITA") while they carry a right to interest and are and remain listed on a "recognised stock exchange" within the meaning of section 1005 ITA for the purposes of section 987 ITA, or are admitted to trading on a "multilateral trading facility" operated by a "regulated recognised stock exchange" within the meaning of section 987 of the ITA. While the Notes are, and continue to be, quoted Eurobonds, payments of interest on the Notes may be made without deduction or withholding for or on account of U.K. income tax. Securities that have been admitted to the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market will meet the requirement to be listed on a recognised stock exchange. So long as this remains the case with respect to the Notes and the Notes carry a right to interest, they will therefore constitute quoted Eurobonds.

If the Notes are not, or cease to constitute, "quoted Eurobonds," an amount may, subject to any relief available under any applicable double taxation treaty and to the availability of any other relief or exemption, have to be withheld on account of U.K. income tax from payments of interest on the Notes at the "basic rate" of U.K. income tax (currently 20%).

If interest were to be paid under deduction of U.K. income tax, holders of the Notes who are not resident in the United Kingdom for tax purposes may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Where Notes are issued on terms that a premium is or may be payable on redemption then any such element of premium may constitute a payment of interest for tax purposes and, if so, the provisions described above relevant to interest will apply.

Payments by a Guarantor

If a Guarantor which is resident for tax purposes in the United Kingdom or which otherwise makes a payment which is considered to arise in the United Kingdom for the purposes of Part 15 ITA makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes), it is possible that such payments may be subject to U.K. withholding tax, subject to any claim which could be made under an applicable double taxation treaty or any other relief or exemption which may apply. Such payments by a Guarantor may not be eligible for the quoted Eurobond exemption described above.

The references to "interest" and "premium" in the "Interest on the Notes" and "Payments by a Guarantor" sections above are to "interest" and "premium" as understood for the purposes of U.K. tax law. They do not take into account any different definitions of "interest" and "premium" that may prevail under any other tax law or that may apply under the terms and conditions of the Notes or any related document.

Deeply Discounted Securities

The Notes may constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the UK Income Tax (Trading and Other Income) Act 2005. Any gain realized on redemption or transfer of Notes which are "deeply discounted securities" by a holder who is within the charge to UK income tax in respect of such Notes will generally be taxable as income rather than capital, and such holder will not be able to claim relief from income tax in respect of any costs incurred on the acquisition, transfer or redemption of such Notes or on any loss incurred on the transfer or redemption of such Notes.

Tax by Direct Assessment

Interest on the Notes may constitute U.K. source income for U.K. tax purposes and accordingly may be chargeable to U.K. income or corporation tax by direct assessment even where paid without deduction or withholding. However, the interest will not generally be assessed to U.K. tax in the hands of holders of the Notes who are not resident for tax purposes in the United Kingdom, except where the holder carries on a trade, profession or vocation through a branch or agency (or, in the case of a corporate holder, a permanent establishment) in the United Kingdom in connection with which the interest is received or to which the Notes are attributable, in which case (subject to exemptions for interest received by certain categories of agent) U.K. corporation or income tax may be levied on the U.K. branch, agency or permanent establishment.

Holders of the Notes may wish to note that the provision referred to in "Description of the Notes—Payments of Additional Amounts" would not apply if HMRC sought to assess directly the person entitled to the relevant interest to U.K. tax. However, exemption from, or reduction of, such U.K. tax liability might be available under an applicable double taxation treaty.

United Kingdom Holders Subject to Corporation Tax

In general, holders of the Notes who are within the charge to U.K. corporation tax will be charged to tax on income in respect of all profits, gains and losses on, and fluctuations in value of, the Notes (whether attributable to currency fluctuations or otherwise) measured and recognized in each accounting period broadly in accordance with their statutory accounting treatment, calculated in accordance with generally accepted accounting practice, under the "loan relationships" rules in Part 5 of the Corporation Tax Act 2009.

United Kingdom Holders not Subject to Corporation Tax

If the Notes do not constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 as described above, the disposal of the Notes by an individual holder who is resident for tax purposes in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable may give rise to a chargeable gain or allowable loss for the purposes of U.K. tax on chargeable gains, depending on individual circumstances. In calculating any gain or allowable loss on the disposal of the Notes, sterling values are compared at acquisition and disposal. Accordingly, a taxable gain can arise even where the euro or dollar amount received on a disposal is less than or the same as the euro or dollar amount paid for the Notes.

Special rules may apply to individuals who have ceased to be resident for tax purposes in the United Kingdom and who dispose of their Notes before becoming once again resident in the U.K. Noteholders are advised to consult their own professional advisors if they require any advice or further information relating to residency.

On the disposal of Notes by a holder (assuming the Notes do not constitute deeply discounted securities as described above), any interest which has accrued since the last interest payment date may be chargeable to tax on income under the rule relating to accrued income profits as set out in Chapter 2 of Part 12 of the ITA if that holder is resident for tax purposes in the United Kingdom or if that holder carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable.

Stamp Duty and Stamp Duty Reserve Tax

No U.K. stamp duty or stamp duty reserve tax should be payable on the issue of the Notes. No U.K. stamp duty or stamp duty reserve tax should be payable on a transfer of, or an agreement to transfer, the Notes provided that the Notes do not carry and will not at any time carry (i) a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the capital nor (ii) a right to interest the amount of which falls to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property, nor (iii) a right on repayment to an amount which exceeds the nominal amount of the capital and is not reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital (as that term is understood for the purposes of section 79 of the Finance Act 1986) listed in the Official List of the London Stock Exchange.

Certain Additional Swiss Tax Considerations

The Swiss federal withholding taxation laws impose a 35%. Swiss federal withholding tax (*Verrechnungssteuer*) on interest payments on notes issued (i) by an issuer resident in Switzerland for Swiss federal withholding taxation purposes, or (ii) by a non-Swiss member of a group with the parental guarantee or security of a Swiss member of the group if the aggregate amount of proceeds from the issuance of all outstanding debt instruments issued by a non-Swiss member of the group with the parental guarantee or a security of a Swiss member of the group that is being used in

Switzerland exceeds the amount that is permissible under the Swiss Federal Act on Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer*), as amended from time to time together with the related ordinances, regulations and guidelines.

Under the current practice of the Swiss Federal Tax Administration, no Swiss federal withholding tax on interest payments on notes is imposed if a guarantee or a security by a Guarantor or security provider (as applicable) organized under the laws of Switzerland and/or tax resident in Switzerland (a "Swiss Guarantor") is given in respect of obligations of their direct or indirect parent companies ("upstream") or of their direct or indirect sister companies ("cross-stream") and the payment obligations of such Swiss Guarantor, and the use of proceeds from an enforcement of such security interest, are at all times limited to a sum equal to the maximum amount of such Swiss Guarantor's freely disposable equity. See "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations —Switzerland—Limitations on Guarantees and Securities provided by the Swiss Guarantors*".

The guarantees and securities by the Swiss Guarantor will only be given in respect of obligations of its direct or indirect parent companies or of its sister companies in the amount of the freely distributable equity of the Swiss Guarantor. See "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations —Switzerland—Limitations on Guarantees and Securities provided by the Swiss Guarantors*".

The net proceeds from this Offering of the Notes may not be used in Switzerland unless such use in Switzerland (as interpreted by the Swiss tax authorities) is permitted under Swiss tax laws and practice by the Swiss Federal Tax Administration in force from time to time without interest payments in respect of the notes becoming subject to withholding or deduction for Swiss federal withholding tax (*Verrechnungssteuer*) as a consequence of such use of proceeds in Switzerland (as interpreted by the Swiss tax authorities).

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes and Guarantees have not been and will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws in any other jurisdiction. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (and only to investors who: (a) if resident in a Member State of the EEA, are not retail investors, defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II); or not a "qualified investor" as defined in the EU Prospectus Regulation; or (b) if resident in the United Kingdom, a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

We have not registered and will not register the Notes or the Guarantees under the Securities Act and, therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Issuer is offering and selling the Notes to the Initial Purchasers for re-offer and resale only:

- in the United States to "qualified institutional buyers," commonly referred to as "QIBs," as defined in Rule 144A in compliance with Rule 144A; and
- outside the United States to non-U.S. persons in accordance with Regulation S.

We use the terms "offshore transaction," "U.S. person" and "United States" with the meanings given to them in Regulation S.

Each purchaser of the Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the Initial Purchasers and their affiliates as follows:

1. It understands and acknowledges that the Notes and Guarantees have not been registered under the Securities Act or any other applicable securities laws, and that the Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs 5 and 6 below.

2. It is not an "affiliate" (as defined in Rule 144 under the Securities Act) of the Issuer or acting on the Issuer's behalf and it is either:

   (i) a QIB, within the meaning of Rule 144A under the Securities Act, and is aware that any sale of the Notes to it will be made in reliance on Rule 144A under the Securities Act, and such acquisition will be for its own account or for the account of another QIB; or

   (ii) a non-U.S. person and it is purchasing the Notes in an offshore transaction in accordance with Regulation S under the Securities Act and if it is an investor resident in a Member State of the European Economic Area or the United Kingdom, it is a qualified investor (within the meaning of Article 2(e) of the EU Prospectus Regulation and any relevant implementing measure in each Member State of the European Economic Area and, in the United Kingdom, the UK Prospectus Regulation).

3. It acknowledges that none of the Issuer, the Guarantors or the Initial Purchasers or their affiliates, nor any person representing the Issuer, the Guarantors or the Initial Purchasers or their affiliates, has made

any representation to it with respect to us or the offering or sale of any Notes, other than the information contained in this offering memorandum, which offering memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It acknowledges that neither the Initial Purchasers or their affiliates nor any person representing the Initial Purchasers or their affiliates make any representation or warranty as to the accuracy and completeness of this offering memorandum. It has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

4. It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, any state securities laws or the securities laws of any other jurisdiction, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

5. Each holder of the Notes issued in reliance on Rule 144A ("Rule 144A Notes") or Regulation S ("Regulation S Notes") agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "Resale Restriction Termination Date") that is one year (in the case of Rule 144A Notes) or 40 days (in the case of Regulation S Notes) after the later of the date of the original issue and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only (i) to the Issuer, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act, (iv) to non-U.S. persons pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act, or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clauses (iv) and (v) to require the delivery of an opinion of counsel, certification or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, [IN THE CASE OF REGULATION S NOTES: PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] [IN THE CASE OF 144A NOTES: PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS ONE YEAR AFTER THE LATER

OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY

PREDECESSOR OF THIS SECURITY)] ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) TO NON-U.S. PERSONS PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Each purchaser of Notes will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

6. It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on the transfer of such Notes.

7. It acknowledges that until 40 days after the commencement of the Offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

8. It acknowledges that the Trustee will not be required to accept for registration or transfer any Notes acquired by it except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth therein have been complied with.

9. It acknowledges that we, the Initial Purchasers and others will rely upon the truth and accuracy of its acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes is no longer accurate, it shall promptly notify the Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

10. (a) If resident in a Member State of the EEA, it represents that it is not a "retail investor". For the purposes of this paragraph, the expression "retail investor" means a person who is one (or more) of the following:

    (i) a "retail client" as defined in point (11) of Article 4(1) of MiFID II;

    (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

    (iii) not a "qualified investor" as defined in the EU Prospectus Regulation.

(b) If resident in the United Kingdom, it represents that it is not a retail investor. For the purposes of this paragraph, a "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA, or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA) or (iii) not a "qualified investor" as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

11. It acknowledges that:

(a) the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any "retail investor" (as defined in paragraph 10 above) in the EEA or in the United Kingdom; and

(b) no key information document required by the EU PRIIPs Regulation or the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the EU PRIIPs Regulation or the UK PRIIPs Regulation.

12. It understands that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers or their affiliates that would result in a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "*Plan of Distribution*".

ERISA CONSIDERATIONS

Any purchaser, including, without limitation, any fiduciary purchasing on behalf of (i) an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) subject to the provisions of Part 4 of Subtitle B of Title I of ERISA or a plan, individual retirement account or other arrangement to which Section 4975 of the Code applies (each, a "Plan"), (ii) an entity whose underlying assets include "plan assets" with respect to a Plan by reason of a Plan's investment in such entity or otherwise (each, a "Benefit Plan Investor") or (iii) a "governmental plan" (as defined in Section 3(32) of ERISA), "church plan" (as defined in Section 3(33) of ERISA or Section 4975(g)(3) of the Code) or non-U.S. plan (as described in Section 4(b)(4) of ERISA) or other arrangement that is subject to any Federal, state, local, non-U.S. or other laws or regulations that are substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code ("Similar Laws"), transferee or holder of the Notes will be deemed to have represented, agreed and acknowledged (as applicable) in its corporate and fiduciary capacity, that:

(a) With respect to the acquisition, holding and disposition of the Notes, or any interest therein, (1) either (A) it is not, and it is not acting directly or indirectly on behalf of (and for so long as it holds such Notes or any interest therein will not be, and will not be acting directly or indirectly on behalf of), a Plan, a Benefit Plan Investor, or a governmental, church or non-U.S. plan or other arrangement that is subject to Similar Laws, and no part of the assets used or to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any such Plan, Benefit Plan Investor or governmental, church or non-U.S. plan or other arrangement that is subject to Similar Laws, or (B) (i) its acquisition, holding and disposition of such Notes or any interest therein does not and will not constitute or otherwise result in a non-exempt prohibited transaction under Part 4 of Subtitle B of Title I of ERISA or Section 4975 of the Code, as applicable (or, in the case of a governmental, church or non-U.S. plan or other arrangement, a violation of any applicable Similar Laws); and (ii) none of the Issuer, the Guarantors, the Initial Purchasers, the Trustee or any of their respective affiliates, is a sponsor of, or a fiduciary (within the meaning of Section 3(21) of ERISA or, with respect to a governmental, church or non-U.S. plan or other arrangement, any definition of "fiduciary," or any substantially similar concept, under any applicable Similar Laws) with respect to the purchaser, transferee or holder in connection with any acquisition, holding or disposition of such Notes, or as a result of any exercise by the Issuer or any of its affiliates of any rights in connection with such Notes, and no advice provided by the Issuer or any of its affiliates has formed a primary basis for any investment or other decision by or on behalf of the purchaser, transferee or holder in connection with such Notes and the transactions contemplated with respect to such Notes; and (2) it will not sell or otherwise transfer such Notes or any interest therein other than to a purchaser or transferee that is deemed (or if required by the indenture, certified) to make these same representations, warranties and agreements with respect to its acquisition, holding and disposition of such Notes or any interest therein.

(b) The acquirer and any fiduciary causing it to acquire an interest in any Notes agrees to indemnify and hold harmless the Issuer, the Guarantors, the Initial Purchasers, the Trustee and their respective affiliates, from and against any cost, damage or loss incurred by any of them as a result of any of the foregoing representations and agreements being or becoming false.

(c) Any purported acquisition or transfer of any Note or beneficial interest therein to a purchaser or transferee that does not comply with the requirements of the above provisions shall be void *ab initio*.

Section 406 of ERISA and Section 4975 of the Code, prohibit certain transactions involving the assets of an ERISA Plan or Benefit Plan Investor (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts) and certain persons who are "parties in interest," within the meaning of Section 3(14) of ERISA, or "disqualified persons," within the meaning of Section 4975, having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code. In addition, the fiduciary of a Plan who engages in a prohibited transaction may be subject to penalties and liabilities under ERISA and/or the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless a statutory or administrative exemption is available.

A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the

Code. The acquisition, holding and/or disposition of Notes by an ERISA Plan with respect to which a Transaction Party is considered a party in interest or disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, certain exemptions from the prohibited transaction rules could be applicable to the purchase and holding of notes by a Plan, depending on the type and circumstances of the fiduciary making the decision to acquire such notes and the relationship of the party in interest or disqualified person to the Plan. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between a Plan and non-fiduciary service providers to the Plan. In addition, the United States Department of Labor has issued prohibited transaction class exemptions ("PTCEs") that may apply to the acquisition and holding of the notes. These class exemptions (as may be amended from time to time) include, without limitation, PTCE 84-14 (respecting transactions effected by independent "qualified professional asset managers"), PTCE 90-1 (respecting insurance company pooled separate accounts), PTCE 91-38 (respecting bank collective investment funds), PTCE 95-60 (respecting insurance company general accounts) and PTCE 96-23 (respecting transactions directed by in-house asset managers).

Each of these PTCEs contains conditions and limitations on its application. Thus, the fiduciaries of a Plan that is considering acquiring and/or holding the Notes in reliance of any of these, or any other, PTCEs should carefully review the conditions and limitations of the PTCE and consult with their counsel to confirm that it is applicable. There can be no, and we do not provide any, assurance that any PTCE or any other exemption will be available with respect to any particular transaction involving the Notes.

Because of the foregoing, the Notes should not be purchased or held by any person investing "plan assets" of any Plan, unless such acquisition, holding and subsequent disposition will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

The foregoing discussion is necessarily general in nature, is not intended to be all-inclusive, and should not be construed as legal advice or a legal opinion. Further, no assurance can be given that future legislation, administrative rulings, court decisions or regulatory action will not modify the conclusions set forth in this discussion. Any such changes may be retroactive and thereby apply to transactions entered into prior to the date of their enactment or release. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Notes (and holding the Notes) on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such transactions and whether an exemption would be applicable to the purchase and holding of the Notes. The sale of a Note to a Plan is in no respect a representation by any Transaction Party or any of their respective representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plan or that such investment is appropriate for any such Plan.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement dated November 9, 2023 among the Issuer, the Initial Guarantors and the Dollar Initial Purchasers (the "Dollar Purchase Agreement") and the purchase agreement dated November 9, 2023 among the Issuer, the Initial Guarantors and the Euro Initial Purchasers (the "Euro Purchase Agreement" and, together with the Dollar Purchase Agreement, the "Purchase Agreements"), the Issuer sold the Notes to the Initial Purchasers, and the Initial Purchasers purchased the Notes from the Issuer.

The Initial Purchasers may make offers and sales into the United States through U.S. broker-dealers.

We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Initial Purchasers may be required to make in respect of those liabilities.

The Initial Purchasers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the Purchase Agreements, such as the receipt by the Initial Purchasers of officer's certificates and legal opinions. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

ICBC Standard Bank Plc is restricted in its U.S. securities dealings under the United States Bank Holding Company Act and may not underwrite, subscribe, agree to purchase or procure purchasers to purchase notes that are offered or sold in the United States. Accordingly, ICBC Standard Bank Plc shall not be obligated to, and shall not, underwrite, subscribe, agree to purchase or procure purchasers to purchase notes that may be offered or sold by other underwriters in the United States. ICBC Standard Bank Plc shall offer and sell the Notes constituting part of its allotment solely outside the United States.

Offer Price

The Initial Purchasers propose initially to offer the Notes at the respective offering prices set forth on the cover page of this offering memorandum. After the initial offering of the Notes, the offering prices and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. The Initial Purchasers may offer and sell the Notes through certain of their affiliates. Certain Initial Purchasers are not broker-dealers registered with the SEC and, therefore, may not make sales of any Notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that any Initial Purchasers that are not U.S. registered broker-dealers intend to effect any sales of the Notes in the United States, they will only do so through one or more U.S. registered broker-dealers affiliates as permitted by Financial Industry Regulatory Authority guidelines.

Notes Are Not Being Registered

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to persons who are not U.S. persons (as defined in Regulation S under the Securities Act) in offshore transactions in reliance on Regulation S under the Securities Act. In addition, until 40 days following the later of (i) the commencement of this Offering and (ii) the issue date of the Notes, an offer or sale of the Notes initially sold in reliance on Regulation S within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under "Notice to Investors".

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the Initial Purchasers or their affiliates that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This offering memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this offering memorandum and resale of the Notes. See "Notice to Investors".

The Issuer and the Guarantors have agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(a)(2) of the Securities Act or the safe harbor of Rule 144A and Regulation S under the Securities Act to cease to be applicable to the offer and sale of the Notes.

EEA

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

- the expression "retail investor" means a person who is one (or more) of the following: (i) a "retail client" as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a "qualified investor" as defined in Regulation (EU) 2017/1129 (the "EU Prospectus Regulation"); and

- the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or

  (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Each Initial Purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- has complied and will comply with all applicable provisions of the FSMA in respect of anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Initial Purchaser has represented and agreed that:

- it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the CWUMPO or which do not constitute an offer to the public within the meaning of the CWUMPO; and

- it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

New Issue of Securities

The Euro Notes and the Dollar Notes are new issues of securities with no established trading market. We do not intend to apply for listing of the Euro Notes or the Dollar Notes on any U.S. securities exchange or for inclusion of such Notes on any automated dealer quotation system. We have been advised by certain of the Initial Purchasers that they presently intend to make a market in the Notes after completion of the Offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors. There may not be an active trading market for the Notes, in which case your ability to sell your Notes may be limited. See "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Lack of public market—There may not be an active trading market for the Notes, in which case your ability to sell your Notes may be limited*".

We have applied to list the Notes on the Official List of the Luxembourg Stock Exchange and trade the Notes on the Euro MTF Market, however, we cannot assure you that such listing will be maintained.

No Sales of Similar Securities

We have agreed that we will not, for a period of 60 days after November 9, 2023, without the prior written consent of the Initial Purchasers, directly or indirectly, pledge, issue, sell, offer to sell, grant any option for the sale of, or otherwise dispose of any of our other debt securities having a maturity of more than one year from the date of issue, except for debt securities (A) issued or guaranteed in accordance with, or as permitted under, the Existing Term Loan B Facilities Agreements, (B) issued or guaranteed in connection with the sales of receivables pursuant to securitization or factoring arrangements or issuances of debt securities pursuant to sales of such receivables, or the implementation of any receivables securitization or factoring facility or (C) issued or guaranteed in immaterial amounts in the ordinary course of business or (D) except as otherwise permitted pursuant to the Purchase Agreements.

Price Stabilization and Short Positions

In connection with the Offering, the Initial Purchasers (or persons acting on their behalf) may engage in transactions that stabilize the market price of the Notes. Such transactions consist of bids or purchases to peg, fix or maintain the price of the Notes. Purchases of a security to stabilize the price or to reduce a short position may cause the price of the security to be higher than it might be in the absence of such purchases.

In connection with the Offering, the Initial Purchasers may purchase and sell the Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the Initial Purchasers of a greater principal amount of Notes than they are required to purchase in the Offering. The Initial Purchasers must close out any short position by purchasing the Notes in the open market. A short position is more likely to be created if the Initial Purchasers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the Offering. Similar to other purchase transactions, the Initial Purchasers' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the Initial Purchasers or their affiliates make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor any of the Initial Purchasers or their affiliates make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Any stabilizing action, if commenced, must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes. See "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Lack of public market—There may not be an active trading market for the Notes, in which case your ability to sell your Notes may be limited*".

Other Relationships

The Initial Purchasers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial investment banking, financial advising, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchasers or their respective affiliates have engaged in, and may in the future engage in, investment banking, financial advisory, consulting, commercial banking and other commercial dealings (including the provision of financing in various forms, cash management, trade finance, hedging and other banking services) in the ordinary course of business with us, our principal shareholders or our affiliates. Some of the Initial Purchasers have also assisted with ESG ratings advisory and/or facilitated the Group in seeking ESG ratings. They have received, and expect to receive, customary fees, commissions and expense reimbursements for these transactions. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and trading activities may involve securities and/or instruments of the Group, the Group's affiliates or third parties with which the Group has commercial dealings in the ordinary course of business. The Initial Purchasers or their respective affiliates may receive allocations of the Notes and may be lenders under the New Term Loan B Facilities. Certain of the Initial Purchasers or their affiliates have a lending relationship with the Group, including under the Existing Term Loan B Facilities Agreements, and routinely hedge their credit exposure to the Group consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Initial Purchasers and their affiliates may also publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. We may enter into hedging or other derivative transactions as part of our risk management strategy with one or more of the Initial Purchasers, which may include transactions relating to our obligations under the Notes. Certain of the Initial Purchasers or their affiliates are arrangers, lenders, administrative agent and/or security agent under the Existing Term Loan B Facilities Agreements, a portion of which will be repaid with the net proceeds of this Offering. An affiliate of an Initial Purchaser is also acting as the trustee under the Indenture. In connection with their services in such capacities, the Initial Purchasers have also received, or will receive, customary fees.

Certain of our ultimate shareholders and/or entities controlled by one or more of them purchased a portion of the Notes in the initial offering.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for us by Cravath, Swaine & Moore LLP, as to matters of U.S. federal and New York law, and by Slaughter and May, as to matters of English law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Latham & Watkins (London) LLP, as to matters of U.S. federal and New York law and English law.

INDEPENDENT AUDITORS

The Audited Consolidated Financial Statements as of and for the years ended December 31, 2021 and 2022 included elsewhere in this offering memorandum, have been audited by Deloitte LLP, independent auditors, as stated in their reports appearing herein. Deloitte LLP is registered to carry out work in the United Kingdom and Ireland by the Institute of Chartered Accountants in England and Wales. Its business address is 1 New Street Square, EC4A 3HQ, United Kingdom.

WHERE YOU CAN FIND MORE INFORMATION

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act.

Each purchaser of Notes from the Initial Purchasers will be furnished with a copy of this offering memorandum and any amendments or supplements to this offering memorandum. Each person receiving this offering memorandum and any amendments or supplements to this offering memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from the Issuer, and to review and has received all additional information considered by it to be necessary to verify the accuracy and completeness of the information contained herein;

(2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy, adequacy or completeness of such information or its decision to invest in the Notes; and

(3) except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Notes or the Guarantees offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

A copy of the form of the Indenture will be made available to prospective purchasers of the Notes upon request to the Issuer during normal business hours on any business day. We will agree in the Indenture that, for so long as the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) of the Exchange Act, upon written request of a holder or beneficial owner of the Notes, furnish to such holder or beneficial owner or to the Trustee or any paying agent for delivery to such holder or beneficial owner or prospective purchaser of the Notes, as the case may be, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, to permit compliance with Rule 144A thereunder in connection with resales of the Notes. Any such request should be directed to Mainzer Landstraße 50, 60325 Frankfurt am Main, Germany, Attention: Head of Group Treasury & Investor Relations.

SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

The Issuer and some of the Guarantors and security providers are companies incorporated in England and Wales. Other Guarantors are organized under the laws of Belgium, Canada, France, Germany, Hong Kong, Mexico, Norway, Singapore, Sweden, Switzerland, South Korea, and future guarantors and security providers may also be organized under the laws of non-U.S. jurisdictions. The majority of our directors and executive officers and the majority of the directors and officers of many of the Guarantors and security providers are non-residents of the United States. Although we and each of the Guarantors have submitted to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on our directors and executive officers and the directors and executive officers of the Guarantors or security providers. In addition, as many of our and the Guarantors' and security providers' assets and the assets of our and their directors and executive officers are located outside of the United States, you may be unable to enforce against them or us judgments obtained in U.S. courts predicated on civil liability provisions of the federal securities laws of the United States.

If a judgment is obtained in a U.S. court against us, a Guarantor or a security provider, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for the countries in which our Guarantors are located, you should consult with your own advisors in any pertinent jurisdictions, as needed, to enforce a judgment in those countries or elsewhere outside the United States.

Belgium

The U.S. and Belgium do not have a treaty providing for the reciprocal recognition and enforcement of court judgments in civil and commercial matters. Therefore, the enforcement in Belgium of a judgment obtained in any U.S. Federal or State court will be subject to Belgian rules of civil procedure and will only be granted following formal 'exequatur' proceedings before a Belgian court in accordance with Articles 23 and 24 of the Belgian Code of Private International Law (*Wetboek van Internationaal Privaatrecht/Code de droit international privé*).

Pursuant to Article 24 of the Belgian Code of Private International Law, the following documents must be produced in court by the claimant seeking enforcement:

- an official copy of the judgment (*uitgifte van de beslissing/expédition de la décision*) fulfilling all conditions required for its authentication under the applicable foreign law;
- if obtained by default, an original or legalized copy of the document demonstrating that the originating process has been served on the defendant in accordance with the applicable foreign law; and
- any document demonstrating that, under the applicable foreign law, the judgment is enforceable and has been notified to the defendant.

However, the court will refuse enforcement in the circumstances described in Article 25 of the Belgian Code of Private International Law and notably, if, among other things:

- the consequences of the enforcement of the judgment would be manifestly contrary to Belgian public policy;
- the rights of defense were not respected;
- the jurisdiction of the foreign judge was based solely on the presence of the defendant or assets in such state without any further connection with the litigation in such state;
- without prejudice to Article 23.4 of the Belgian Code of Private International Law, the judgment is not final or does not meet the requirements of authenticity pursuant to the laws of the State where the judgment was rendered or the applicable federal rules;
- if in relation to matters for which parties cannot freely dispose of their rights, the decision has been sought with the sole purpose of escaping from the application of the laws applicable in accordance with Belgian conflict of law rules;
- the decision is in conflict with either a decision rendered in Belgium or a decision previously rendered in another state that can be recognized in Belgium;

- the claim was introduced before the courts of such state after a claim, which is still pending and relating to the same matter and between the same parties, was introduced in a Belgian court;

- the Belgian courts have exclusive jurisdiction in relation to the claim; or

- the decision is in conflict with the rules on the recognition and enforcement of court decisions in relation to insolvency proceedings.

With regard to the enforcement by legal proceedings of any claim (including the exequatur of foreign court decisions in Belgium), a registration tax of 3% (to be calculated on the total amount, which a debtor is ordered to pay) is due, if the sum of money which the debtor is ordered to pay by a Belgian court judgment, or by a foreign court judgment that is either (i) automatically enforceable and registered in Belgium or (ii) rendered enforceable by a Belgian court, exceeds EUR 12,500. The debtors are liable for the payment of the registration tax, in the proportion determined by the decision ordering payment or liquidation or determining priority for creditors made or established against them. The debtors are jointly and severally liable in the event that they are ordered to pay jointly and severally.

Canada

The following discussion with respect to the enforceability of certain United States court judgments in the Canadian province of Ontario is based upon advice provided to us by our Canadian counsel.

The United States and Canada currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment rendered by any federal or state court in the United States, whether predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in the Province of Ontario. However, under the laws of the Province of Ontario and the federal laws of Canada applicable therein, a court of competent jurisdiction in Ontario (an "Ontario Court") would permit an action to be brought in such Ontario Court on a final, conclusive and subsisting *in personam* judgment of a court exercising competent jurisdiction in the U.S. (a "U.S. Court") for a sum certain, obtained against the Issuer or the Guarantors (a "U.S. Judgment"), without reconsideration of the merits, *provided* that:

- the U.S. Court rendering such judgment had jurisdiction over the Issuer or the Canadian Guarantor, as recognized by the Ontario Court (and submission by the Issuer and the Canadian Guarantor to the non-exclusive jurisdiction of the U.S. Court would be sufficient for that purpose);

- an action to enforce the U.S. Judgment must be commenced in the Ontario Court within any applicable limitation period;

- the Ontario Court has discretion to stay or decline to hear an action on the U.S. Judgment if the U.S. Judgment is under appeal or there is another subsisting judgment in any jurisdiction relating to the same cause of action as the U.S. Judgment;

- under the Currency Act (Canada), an Ontario Court may only render judgment for a sum of money in Canadian currency, and in enforcing a foreign judgment for a sum of money in a foreign currency, an Ontario Court will render its decision in the Canadian currency equivalent of such foreign currency;

- an action in the Ontario Court on the U.S. Judgment may be affected by bankruptcy, insolvency or laws affecting the enforcement of creditors' rights generally; and

such enforcement would be subject to the following defenses:

- the U.S. Judgment was obtained by fraud or in a manner contrary to the principles of natural justice, provided that the U.S. Judgment would not be contrary to natural justice by reason only that service of process was effected on the agent for service of process appointed by the Issuer or the Guarantors;

- the U.S. Judgment is for a claim which under applicable Canadian law would be characterized as based on a foreign revenue, expropriatory, penal or other public law;

- the U.S. Judgment is contrary to Ontario public policy, as applicable, or to an order made by the Attorney General of Canada under the Foreign Extraterritorial Measures Act (Canada) or by the Competition Tribunal under the Competition Act (Canada) in respect of certain judgments referred to in these statutes; and

- the U.S. Judgment has been satisfied or is void or voidable under applicable foreign laws.

England and Wales

The following summary with respect to the enforceability of certain U.S. court judgments in England and Wales is based upon advice provided to us by U.S. and English legal advisors. The United States and England currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in England and Wales. In order to enforce any such U.S. judgment in England and Wales, proceedings must first be initiated before a court of competent jurisdiction in England and Wales. In such an action, an English court would not generally reinvestigate the merits of the original matter decided by the U.S. court (subject to the following) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defense to it). Recognition and enforcement of a U.S. judgment by an English court in such an action is conditional upon (among other things) the following:

- the U.S. court having had jurisdiction over the original proceedings according to English conflicts of laws principles and rules of English private international law;
- the U.S. judgment having not been given contrary to an applicable jurisdiction or arbitration clause or other agreement for the settlement of disputes under which the dispute in question was to be settled otherwise than by proceedings in a U.S. court (to whose jurisdiction the judgment debtor did not submit);
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a definite sum of money;
- the U.S. judgment not contravening English public policy or statute (including the Human Rights Act 1998);
- the U.S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature, or in respect of a penalty or fine;
- the U.S. judgment not having been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained and not being otherwise in breach of Section 5 of the Protection of Trading Interests Act 1980;
- the U.S. judgment not having been obtained by fraud or in breach of English principles of natural or substantial justice;
- there not having been a prior inconsistent decision of an English court, or another court whose judgment is entitled to recognition in England and Wales, in respect of the same matter; and
- the English enforcement proceedings being commenced within six years from the date of the U.S. judgment.

Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters that have been obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be recognized or enforceable in England and Wales. In addition, it is questionable whether an English court would accept jurisdiction and impose civil liability if the original action was commenced in England and Wales, instead of the United States, and predicated solely upon U.S. federal securities laws.

France

The United States and France are not parties to a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. Federal or state court based on civil liability, whether or not predicated solely upon U.S. Federal or state securities laws, enforceable in the United States, would not directly be recognized or enforceable in France. A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal Judiciaire*). Enforcement in France of such U.S. judgment could be obtained following proper (*i.e.*, *non-ex parte*) proceedings if the civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having jurisdiction over the matter in accordance with French rules of international conflicts of jurisdiction (*i.e.*, the dispute is clearly connected to the United States and the French courts did not have exclusive jurisdiction over the matter);

- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case;
- such U.S. judgment is not tainted with fraud; and
- such U.S. judgment does not conflict with a French judgment or a foreign judgment which has become effective in France and there are no proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such U.S. judgment.

If the French court is satisfied that such conditions are met, the U.S. judgment would have res judicata and be enforceable in France, even during the period to lodge an appeal against the civil first instance Court decision and during potential appeal proceedings, unless its enforceability is suspended by Court decision until the end of such appeal proceedings.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French criminal law No. 68-678 of July 26, 1968, as modified by French law No. 80-538 of July 16, 1980 and French Ordinance No. 2000-916 of September 19, 2000 (relating to communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons. Similarly, European and French data protection rules (including Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and French law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties, as amended from time to time) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

If an original action is brought in France, French courts may refuse to apply the designated law (or part of it) if its application contravenes French public policy. In an action brought in France on the basis of U.S. Federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to articles 14 and 15 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts (article 14) and can be sued by a foreign claimant before French courts (article 15). For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts and that the foreign decision issued in such circumstances would not be recognized and enforced in France. However, according to currently established case law, the French courts' jurisdiction towards French nationals is no longer mandatory to the extent an action has been commenced before a court in a jurisdiction which has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent, and does not prevent the recognition and enforcement of the decision of such foreign court. In addition, the French and foreign nationals may respectively waive their rights to benefit from the provisions of articles 14 and 15 of the French Civil Code, including implicitly, by way of conduct by voluntarily appearing before the foreign court.

It must be noted that under Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of December 12, 2012, as regards legal actions falling within the scope of said Regulation, the privileges granted to French nationals pursuant to Articles 14 and 15 of the French Civil Code may not be invoked against a person domiciled in an EU Member State. Conversely, pursuant to Article 6.2 of Regulation (EU) No. 1215/2012, the privilege granted by Article 14 of the French Civil Code may be invoked by a claimant domiciled in France, regardless of the claimant's nationality, to sue before French courts a defendant domiciled outside the EU.

The French Supreme Court (*Cour de cassation*) has recently held that a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any competent jurisdiction was invalid. Accordingly, any provisions to the same effect in any relevant documents would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action before the French courts.

Germany

The United States and Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Consequently, a final judgment for a payment rendered by any court in the United States would not automatically be enforceable in Germany.

Notwithstanding the preceding, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would generally be recognized and enforced in Germany in an action before a German court, and such German court generally will not investigate the merits of the original matter decided by a U.S. court. The recognition and enforcement of the U.S. judgment by a German court would be conditional upon a number of factors, including all of the following:

- the ability of the U.S. court to take jurisdiction of the case in accordance with the principles of jurisdictional competence under German law;
- the document introducing the proceedings having been duly made known to the defendant in a timely manner that allowed for adequate defense;
- the judgment not being contrary to (i) any prior judgment which became res judicata rendered by a German court or (ii) any prior judgment which became res judicata rendered by a foreign court which is recognized in Germany, and the procedure leading to the U.S. judgment is not in contradiction to any such prior judgment;
- the effects of its recognition not being in conflict with material principles of German law, including, without limitation, fundamental rights under the constitution of Germany (*Grundrechte*). In this context, it should be noted that any component of a U.S. federal or state court civil judgment awarding punitive damages or any other damages which do not serve a compensatory purpose, such as treble damages, will not be enforced in Germany, as they are regarded to be in conflict with material principles of German law;
- the reciprocity of enforcement of judgments being guaranteed; and
- the judgment having become res judicata in accordance with the law of the place where it was pronounced.

Enforcement and foreclosure based on U.S. judgments may be sought against German defendants after having received an enforcement decision from a competent German court in accordance with the above principles. Subject to the foregoing, investors may be able to enforce judgments in Germany in civil and commercial matters obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be enforceable. In addition, it is doubtful whether a German court would accept jurisdiction and impose civil liability in an original action predicated solely upon U.S. federal securities laws.

Furthermore, in the past the recognition and enforcement of punitive damages has been denied by German courts as incompatible with the substantial foundations of German law. Moreover, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pretrial discovery process exists under German law.

If the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against the Issuer or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates. A German court may choose to re-hear the dispute and may render a judgment not in line with the judgment rendered by a federal or state court of the United States.

In addition, it may under certain circumstances also not be possible for investors to effect service of process within Germany upon the Issuer or the Guarantors or those persons under the Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 and the German law implementing such convention if such service were deemed to infringe German sovereignty or security, which may be the case if such service violated the fundamental principles of German law, in particular the civil rights (*Grundrechte*) guaranteed by virtue of the German Constitution (*Grundgesetz*). However, the German Constitutional Court (*Bundesverfassungsgericht*) held in 2013 that service may not be denied solely because the action before the U.S. court contains claims for punitive damages.

Hong Kong

Hong Kong has no statutory arrangement for the reciprocal enforcement of judgments with the United States. However, under common law, a foreign judgment (including one from a court in the United States predicated upon U.S. federal or state securities laws) may be enforced in Hong Kong by bringing an action in a Hong Kong court, and then seeking summary or default judgment on the strength of the foreign judgment, provided that the foreign judgment is an in *personam* judgment between the same parties (or their privies) as those before the Hong Kong court for a debt or definite sum of money and is final and conclusive on the merits. In addition, the Hong Kong courts may refuse to recognize or enforce a foreign judgment if:

(a) such judgment was obtained by fraud;

(b) such judgment was rendered by a foreign court that lacked the appropriate jurisdiction at the time;

(c) such judgment is contrary to public policy or natural justice or any Hong Kong notions of substantial justice;

(d) such judgment is for penal damages;

(e) such judgment is based on foreign penal, revenue or other public law;

(f) such judgment is inconsistent with a prior Hong Kong judgment or foreign judgment which is entitled to recognition in Hong Kong;

(g) the recognition or enforcement of such judgment is inconsistent with the Foreign Judgments (Restriction on Recognition and Enforcement) Ordinance (Cap. 46) of Hong Kong or the Protection of Trading Interests Ordinance (Cap. 471) of Hong Kong; or

(h) the claim by the judgment creditor for the amount due under such judgment is not instituted within 6 years after the date of such judgment (or any other appliable limitation period).

Korea

Any judgment for a monetary claim rendered against a Korean company by a foreign court would be recognized and enforced by the courts in Korea without reexamination of the merits, provided that:

(a) such judgment was finally and conclusively given by a court having valid jurisdiction in accordance with the international jurisdiction principles under Korean law and applicable treaties;

(b) in light of the substance of such judgment and the procedures of litigation, recognition of such judgment is not contrary to the public policy of Korea;

(c) such Korean company was duly served with a service of process (otherwise than by publication or similar means) in sufficient time to enable the Korean company to prepare its defense in conformity with applicable laws or responded to the action without being served with process; and

(d) judgments of the courts of Korea are accorded reciprocal treatment in the jurisdiction of such foreign court which had issued such judgment or the requirements for the recognition of such foreign judgment in the jurisdiction of the court which had issued such judgment are not considerably prejudicial and substantially different in material aspects from those in Korea.

Mexico

No treaty exists between the United States and Mexico for the reciprocal enforcement of judgments issued in the other country in civil and commercial matters and Mexico is not a party to the Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters with effect from September 1, 2023. The recognition by Mexican courts of a judgment rendered in the United States is usually done under the principle of reciprocity, which means that Mexican courts would reexamine judgments rendered in the United States if such foreign country would reexamine Mexican judgments. Generally, Mexican courts would enforce final judgments rendered in the United States if certain requirements were met, including that (i) such judgment is obtained in compliance with legal requirements of the jurisdiction of the court rendering such judgment and in compliance with all legal requirements of the relevant document, and such judgment is considered final in the rendering state; (ii) such judgment is strictly for the payment of a certain sum of money and has been rendered in an *in personam* action, as opposed to an *in rem* action; (iii) process in the action has been served personally to the defendant, its attorney-in-fact or its duly appointed process agent, it being noted that

service of process by mail is ineffective under Mexican due process rules; (iv) such judgment does not contravene Mexican law, the public policy of Mexico, international treaties or agreements binding upon Mexico; (v) such judgment is rendered under a system that provides procedures compatible with Mexican due process requirements; (vi) the action in respect of which such judgment is rendered is the subject matter of a lawsuit among the same parties, pending before a Mexican court; and (vii) such judgment does not conflict with another final judgment.

In order to enforce a security interest in Mexico, the creditor must initiate a lawsuit. When the collateral is located within the Mexican territory, filing the lawsuit before a Mexican court would be more effective than trying to enforce the judgment of a foreign court in Mexico. Nevertheless, judgments of non-Mexican courts are enforceable in Mexico.

Notwithstanding the foregoing, in the event that proceedings are brought in Mexico to enforce a Guarantor's obligations under the Notes, the obligations would not be discharged in a currency other than the Mexican peso. Pursuant to Mexican law, an obligation in a currency other than the Mexican peso, which is payable in Mexico, may be satisfied in the Mexican currency at the rate of exchange in effect on the date on which payment is made. Such rate of exchange is currently determined by the Mexican Central Bank (*Banco de México*) each business day in Mexico and published the following business banking day in the Official Gazette of Mexico (*Diario Oficial de la Federación*).

There are no limitations on the election of remedies in Mexico, and creditors can pursue multiple remedies at the same time until the total amount of the indebtedness is fully paid. Once the secured obligations have been paid in full to the creditors, a debtor is entitled to receive any outstanding amount incurred in the enforcement and foreclosure of all security interests.

Norway

Norwegian courts will, as a general rule, not recognize or enforce judgments rendered by a foreign court unless Norway has entered into a bilateral or multilateral treaty with the relevant country or countries regarding the recognition and enforcement of judgments and subject to the provisions of section 19-16 of the Norwegian Dispute Act of June 17, 2005. No. 90 (the "Dispute Act"). Due to Norway's accession to the Lugano Convention on the Recognition of Judgments in Civil and Commercial Matters (the "Lugano Convention"), Norwegian courts will recognize and enforce any final civil judgment obtained in a foreign court of any state which is a party to the Lugano Convention, without a further reexamination of the merits of the case. The exceptions stated in the Lugano Convention itself will apply.

Therefore, a judgment against the Issuer or any Guarantor in the courts of a state which is not, under the terms of the Lugano Convention, a Contracting State (as defined in the Lugano Convention) or a state with which Norway has entered into a convention on the mutual recognition and enforcement of judgments, would not, as a general rule, be recognized or enforceable in Norway as a matter of right.

There is currently no treaty or bilateral agreement in place between the United States and Norway that provides for reciprocal recognition and enforcement of judgment by a U.S federal or state court in civil and commercial matters. Thus, a judgment from a U.S federal or state court would as a main rule not be enforceable in Norway without an independent review of the merits of the case.

However, a judgment rendered by a foreign court (e.g., the courts of the United States) may nevertheless be recognized and enforced in Norway without reexamination of the merits of the case if the foreign proceedings and the judgment itself fulfill the conditions stated in the Norwegian Enforcement Act of June 26, 1992 No. 86 and he Dispute Act. Such conditions can include, without limitation:

- the disputing parties having submitted the matter in dispute in writing to a court or tribunal in the agreed jurisdiction,
- there being no other mandatory venue for such dispute,
- the judgment obtained being final and enforceable in and pursuant to the laws of the country where it was rendered, and
- the recognition and enforcement of the judgment not conflicting with Norwegian mandatory laws or public policy.

However, a non-enforceable judgment by a foreign court may be admissible as evidence in the courts of law, executive or other public authorities of Norway and may in such capacity carry persuasive authority depending on the merits of the judgment without a retrial on its merits.

Singapore

Judgments by courts in the United States of America are not directly enforceable in Singapore as if they were judgments of the Singapore courts. However, a final and conclusive judgment on the merits properly obtained against (as the case may be) us or a Guarantor in any competent court of the United States of America for a fixed sum of money payable by (as the case may be) us or such Guarantor in respect of any legal suit or proceeding and which could be enforced by execution against (as the case may be) us or such Guarantor in the jurisdiction of the relevant court and has not been stayed or satisfied in whole may be sued on in Singapore as a debt due from (as the case may be) us or such Guarantor if:

- the relevant court had jurisdiction over (as the case may be) us or such Guarantor in that (as the case may be) we were or such Guarantor was, at the time such proceeding was instituted, resident in the jurisdiction in which such proceeding had been commenced or had submitted to the jurisdiction of the relevant court;
- that judgment was not obtained by fraud;
- that judgment does not amount to judgment on a matter previously determined by a Singapore court and does not conflict with a judgment on the same matter given by any other court that is enforceable in Singapore;
- the enforcement of that judgment will not be contrary to public policy of Singapore;
- that judgment had not been obtained in contravention of the principles of natural justice; and

- that judgment of the relevant court did not include the payment of taxes, a fine or penalty.

Sweden

The main rule under Swedish law is that judgments issued by courts in foreign countries are not recognized or enforced in Sweden unless there is Swedish statutory support for recognition or enforcement. As regards judgements rendered in the EU, the Regulation (EU) 1215/2012 (the "**Brussels Regulation**") governs the jurisdiction and enforcement of judgments in civil matters in the EU. The Brussels Regulation provides that a civil judgment issued by a court in an EU member state shall be recognized and enforced in all other EU member states assuming there are no grounds for refusal, *e.g.* due to it being contrary to ordre public. Because EU regulations are directly applicable as law in the EU member states, the Brussels Regulation constitutes the legal basis for recognition and enforcement in Sweden of judicial decisions in civil matters issued in other EU member states.

As regards countries with which Sweden do not have a treaty providing for the reciprocal recognition and enforcement of court judgments in civil and commercial matters, a foreign civil final judgment for payment would not automatically be recognized or enforceable in Sweden. In order to enforce a foreign judgment in Sweden, proceedings must first be initiated before a court of competent jurisdiction in Sweden. Assuming that the foreign judgement has been rendered by a foreign court due to the foreign court having been given jurisdiction through a prorogation clause, the foreign judgement may form the basis for a Swedish judgement in the same matter without any reassessment of the merits. However, the competent Swedish court may refuse rendering a judgment based on the foreign judgement should the judgement be contrary to public policy. In case the foreign judgement has not been rendered by a foreign court by reason of a prorogation clause, the competent Swedish court will view the judgment only as evidence of the outcome of the dispute to which the judgment relates, and the court will have to reassess the merits of the dispute.

Any legal proceedings in the courts of Sweden will be conducted in Swedish and a court or enforcement authority in Sweden may require, as a further condition for admissibility and/or enforceability the translation into Swedish of any relevant document, and assistance from Swedish authorities in the service of process in connection with foreign proceedings might require the observance of certain procedural and other regulations.

Swedish courts may award judgments or give awards in currencies other than the local currency, but the judgment debtor has the right under the laws of Sweden to pay the judgment debt (even though denominated in a foreign currency) in the local currency at the rate of exchange prevailing at the date of payment (however, the judgment creditor may, subject to availability of the foreign currency, convert such local currency into the foreign currency after payment and remove such foreign currency from Sweden), and a choice of currency provisions by the parties to an agreement may not be upheld by Swedish courts to constitute a right to refuse payment in Swedish kronor.

Any powers of attorney or mandates of agency for service of process cannot be made irrevocable under Swedish law and can therefore be revoked and will in addition terminate by operation of law and without notice at the bankruptcy or temporal demise of the party giving such powers.

Switzerland

Judgments in civil or commercial matters of a non-Swiss court or authority will be recognized and enforced against an individual or a legal entity with legal domicile or seat in Switzerland pursuant to a bilateral or multilateral treaty or convention between the foreign country and Switzerland, *e.g.*, the Lugano Convention on Jurisdiction and Enforcement of Judgments of October 30, 2007. In case no applicable treaty or convention exists, the rules of the Swiss Federal Act on Private International Law ("PILA"; *Bundesgesetz vom 18. Dezember 1987 über das Internationale Privatrecht (IPRG)*) apply.

Except for arbitral awards, there is currently no treaty or convention in effect pertaining to the recognition and enforcement of judgments in civil and commercial matters between the United States of America and Switzerland. Thus, Art. 25-32 PILA applies for the recognition and enforcement of a U.S. federal or state court judgment in Switzerland. In cases where a U.S. money judgment shall be enforced, the Swiss Federal Act on Debt Enforcement and Bankruptcy and the Swiss Code of Civil Procedure (*Schweizerische Zivilprozessordnung vom 19. Dezember 2008 (ZPO)*) applies in addition to the PILA. Please see "*Limitations on the Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Considerations—Switzerland*".

A United States judgment may be recognized and enforced upon request by the courts of Switzerland if certain requirements of the Swiss Federal Act on Private International Law are met, in particular, that (i) the Swiss court determines that the foreign court had jurisdiction, (ii) the judgment of such court has become final and non-appealable, (iii) the recognition of the foreign judgment is not manifestly contrary to the public policy or the law in Switzerland, (iv) the counterparty has been properly served with process according to the law of the state of his/her/its domicile or ordinary residence (if in Switzerland, through judicial aid granted by the Swiss authorities) or the counterparty has

unconditionally joined the proceedings, (v) the proceedings leading to the judgment have respected the principles of a fair trial (as understood in Switzerland) and, in particular, that the counterparty has been granted the right to be heard and the possibility to properly defend his/her/its case and (vi) no action between the same parties and on the same subject matter has been commenced or decided first in a Swiss court and no judgment between the same parties and on the same subject matter has been first rendered by a foreign court, which judgment may be recognized in Switzerland.

Further, valid submission to the jurisdiction of a foreign court, in particular of a U.S. court or authority, is established (i) if a provision of the PILA so provides or, in the absence of such provision, the defendant had his legal domicile in the country in which the decision was rendered; or (ii) if parties who, in a pecuniary dispute, entered into an agreement valid under PILA, submitted their dispute to the jurisdiction of the court or authority which rendered the judgment; or (iii) if the defendant, in a pecuniary dispute, proceeded on the merits without objecting to jurisdiction; or (iv) if, in the event of a counterclaim, the court or authority which rendered the decision had jurisdiction over the principal claim and there is a factual connection between the principal claim and the counterclaim. It is uncertain whether this practice extends to default judgments as well.

Moreover, a Swiss court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. Enforcement and recognition of judgments of U.S. courts in Switzerland are governed by the provisions of the Swiss Civil Procedure Code. The judgment of a Swiss court or authority of first instance concerning recognition and enforcement of a foreign judgment, including a U.S. judgment, is generally subject to appeal (on the cantonal level as well as on the federal level).

Subject to the foregoing, holders of the Notes may be able to enforce in Switzerland judgments in civil and commercial matters obtained from U.S. federal or state courts; however, we cannot assure you that those judgments will be enforceable. Awards of punitive damages or other types of penalty in original actions outside Switzerland may also not be enforceable in Switzerland. It is doubtful whether a Swiss court would accept jurisdiction and impose civil liability if proceedings were commenced in Switzerland predicated solely upon U.S. federal or state securities law. In addition, in an action brought in a Swiss court on the basis of U.S. federal or state securities laws, the Swiss courts may not have the requisite power to grant the remedies sought. Swiss civil procedure differs substantially from U.S. civil procedure in a number of respects. Insofar as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may prior to trial compel the production of documents by adverse or third-parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under Swiss law. No statement can be made as to the time and efficiency of the recognition and enforcement in Switzerland of a foreign judgment considering that recognition and enforcement proceedings tend to be time consuming in Switzerland.

Under Swiss law, any amount denominated in a foreign currency which has to be enforced through Swiss debt collection authorities (*schweizerische Zwangsvollstreckungsbehörden*) has to be converted into Swiss francs.

Swiss law documents may be executed in English. However, in case of enforcement the Swiss courts or any other official Swiss authority may require that the transaction documents and any judgment obtained in a foreign court be translated into one of the official languages of Switzerland.

The instruction and appointment of an agent and any power of attorney may be revoked at any time under Swiss law notwithstanding the appointment, instruction or power of attorney being said to be irrevocable and any mandate may, as a matter of statutory Swiss law, be terminated at any time by each party to the mandate.

Judicial documents may not be served directly from abroad, including from the United States of America, to a person in Switzerland (see Switzerland's reservations to the Hague Convention on Service Abroad of Judicial or Extra-Judicial Documents in Civil and Commercial Matter concluded on November 15, 1965). Instead, service needs to be effected by way of judicial assistance.

LISTING AND GENERAL INFORMATION

1. The Issuer is a public limited company incorporated under the laws of England and Wales on December 18, 2020. It is presently registered with Companies House under the number 13091130. The address of the Issuer's registered office and of the directors of the Issuer is Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG. The LEI of the Issuer is 213800V48W4Y5MT5Q131.

2. Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market thereof.

3. For the time that the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted for trading on the Euro MTF Market, copies of the following documents will be available in electronic form free of charge at the registered office of the relevant Paying Agent referred to below during normal business hours on any business day:

   - the organizational documents of the Issuer and each of the Guarantors;
   - the Consolidated Financial Statements included elsewhere in this offering memorandum;
   - the most recent audited historical consolidated financial statements and any interim financial statements published by the Parent;
   - the Indenture (which include the Guarantees and the forms of the Notes);
   - copies of the relevant security documents; and
   - the Intercreditor Agreement.

4. Except as disclosed herein, there has been no material adverse change in the Issuer's or the Group's consolidated financial position or prospects since June 30, 2023.

5. Except as disclosed herein, neither we nor any of our subsidiaries is a party to any material governmental, legal or arbitration proceedings relating to claims or amounts and, so far as the Issuer is aware, no such governmental, legal or arbitration proceeding is pending or threatened.

6. The Trustee for the Notes is HSBC Corporate Trustee Company (UK) Limited and its address is Issuer Services, Level 14, 8 Canada Square, London E14 5HQ. The Trustee will be acting in its capacity as trustee for the holders of the Notes and will provide such services to the holders of the Notes as described in the Indenture.

7. The Issuer has appointed HSBC Bank PLC as its Paying Agent, Registrar and Transfer Agent for the Euro Notes and HSBC Bank USA, National Association as its Paying Agent, Registrar and Transfer Agent for the Dollar Notes. We reserve the right to vary such appointment and we will provide notice of such change of appointment to holders of the Notes and the Luxembourg Stock Exchange. The relevant Paying Agent will act as intermediary between the holders of the relevant Notes and us, and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market thereof, we will maintain paying and transfer agents.

8. There are no conflicts of interest between the duties of the Directors of the Parent and their private interests.

9. The issuance of the Notes was authorized on October 26, 2023.

10. The Dollar Global Notes have been accepted for clearance under DTC and the Euro Global Notes have been accepted for clearance through the facilities of Clearstream Banking and Euroclear, as applicable. Certain trading information with respect to the Notes is set forth below.

Global Note	Common Code/CUSIP	ISIN
Rule 144A Dollar Global Note	272012750	US45674GAB05
Rule 144A Euro Global Note	271909071	XS2719090719
Regulation S Dollar Global Note	272012768	USG4772GAC99
Regulation S Euro Global Note	271909063	XS2719090636

11. Set forth below is certain information with respect to the Issuer and the Guarantors. For more information, see "*Description of the Notes—Brief Description of the Notes, the Guarantees and the Security—The Guarantees*".

INEOS Aromatics Belgium Holdings LLC (formerly, BP America Chembel Holding LLC) is a limited liability company formed under the laws of Delaware whose registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, United States.

INEOS US Chemicals Company (formerly, BP Amoco Chemical Company) is a corporation incorporated under the laws of Delaware whose registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, United States.

INEOS Aromatics Holding Company (formerly, BP Amoco Chemical Holding Company) is a corporation incorporated under the laws of Delaware whose registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, United States.

INEOS Aromatics Indonesia Holdings Limited (formerly, BP Amoco Chemical Indonesia Limited) is a corporation incorporated under the laws of Delaware whose registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, United States.

INEOS Aromatics Holdings Limited (formerly, BP Aromatics Holdings Limited) is a limited liability company incorporated under the laws of England and Wales with registered number 06226615 and whose registered office is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

INEOS Aromatics Limited (formerly, BP Aromatics Limited) is a limited liability company incorporated under the laws of England and Wales with registered number 06226624 and whose registered office is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

INEOS Aromatics Asia Limited (formerly, BP Asia Limited) is a private company limited by shares incorporated under the laws of Hong Kong with registered number 0024836 and whose registered office is at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong.

INEOS Aromatics Belgium NV (formerly, BP Chembel NV) is a limited liability company organized under the laws of Belgium. It is registered with the RLE Antwerp, division Turnhout under company number 0404.137.533 and the address of its statutory seat is Amocolaan 2, 2440 Geel, Belgium.

INEOS Acetyls (Korea) Limited (formerly, BP Chemicals (Korea) Limited) is a limited liability company incorporated under the laws of England and Wales with registered number 02316280 and whose registered office is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

INEOS Acetyls Investments Limited (formerly, BP Chemicals Investments Limited) is a limited liability company incorporated under the laws of England and Wales with registered number 00304682 and whose registered office is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

INEOS World-Wide Technical Services Limited (formerly, BP World-Wide Technical Services Limited) is a limited liability company incorporated under the laws of England and Wales with registered number 00510676 and whose registered office is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

INEOS Acetyls Americas Limited (formerly, Exploration Service Company Limited) is a limited liability company incorporated under the laws of England and Wales with registered number 03947697 and whose registered office is at Chertsey Road, Sunbury-On-Thames, Middlesex TW16 7BP.

INEOS Acetyls UK Limited is a limited liability company incorporated under the laws of England and Wales with registered number 09925357 and whose registered office is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, United Kingdom SO43 7FG.

INEOS Quattro Financing Limited, formerly INEOS Styrolution Financing Limited, is a limited liability company incorporated under the laws of England and Wales with registered number 09922303 and whose registered office is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, United Kingdom SO43 7FG.

INEOS Quattro Holdings Limited, formerly INEOS Styrolution Holding Limited, is a limited liability company incorporated under the laws of England and Wales with registered number 09922632 and whose registered office is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, United Kingdom SO43 7FG.

INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited), is a limited liability company incorporated under the laws of England and Wales with registered number 12698648 and whose registered office is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, United Kingdom SO43 7FG.

INEOS Styrolution Belgium NV is a limited liability company organized under the laws of Belgium. It is registered with the RLE Antwerp, division Antwerp under company number 0806.439.291 and the address of its statutory seat is Haven 725, Scheldelaan 600, 2040 Antwerp, Belgium.

INEOS Styrolution Canada Ltd. is a corporation organized under the laws of Canada. It is registered under the Canada Business Corporation Act under Corporation Number 683170-2 and the address of its registered office is 872 Tashmoo Avenue, Sarnia ON N7T 8A3 Ontario, Canada.

INEOS Styrolution Group GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It is presently registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under the number HRB 91762 and the address of its registered office is Mainzer Landstraße 50, 60325 Frankfurt, Germany.

INEOS Styrolution Investment GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It is presently registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under the number HRB 98997 and the address of its registered office is Mainzer Landstraße 50, 60325 Frankfurt, Germany.

INEOS Styrolution Europe GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It is presently registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under the number HRB 97351 and the address of its registered office is Mainzer Landstraße 50, 60325 Frankfurt, Germany.

INEOS Styrolution Ludwigshafen GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It is presently registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under the number HRB 93185 and the address of its registered office is Mainzer Landstraße 50, 60325 Frankfurt, Germany.

INEOS Styrolution Köln GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It is presently registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Cologne under the number HRB 61332 and the address of its registered office is Alte Straße 201, 50769 Cologne, Germany.

INEOS Styrolution Korea Ltd. is a limited company organized under the laws of Korea. It is registered under the number 610-81-94885 and the address of its registered office is Sanggae-ro 143 (Sanggae-dong), Nam-gu, Ulsan, Korea.

INEOS Styrolution Mexicana, S.A. de C.V. is a variable capital stock corporation (*sociedad anonima de capital variable*) incorporated under the laws of Mexico. It is registered in the Mexican Public Registry of Commerce under the number 431374-11 and the address of its registered office is Avenida Insurgentes Sur No. 859, Piso 11, Oficina 1102, Colonia Nápoles, 03810, Mexico City, Mexico.

INEOS Styrolution APAC Pte. Ltd. is a private company limited by shares incorporated under the laws of Singapore on September 12, 2008 with registration number 200818085M and the address of its registered office is 111 Somerset Road, #14-16-21, 111 Somerset, Singapore 238164.

INEOS Quattro Finance 2 Plc is a public limited company incorporated under the laws of England and Wales with registered number 13091130 and whose registered office is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, United Kingdom, SO43 7FG.

INEOS Quattro Finance 1 Plc is a public limited company incorporated under the laws of England and Wales with registered number 13091138 and whose registered office is at Hawkslease, Chapel Lane, Lydhurst, Hampshire, United Kingdom, SO43 7FG.

INEOS Styrolution Finance GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It is presently registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under the number HRB 125716 and the address of its registered office is Mainzer Landstraße 50, 60325 Frankfurt, Germany.

INEOS Styrolution Switzerland SA is a corporation (*société anonyme*) incorporated and existing under the laws of Switzerland. It is registered under the number CHE-409.178.505 and its registered office is Avenue des Uttins 3, CH-1180 Rolle, Switzerland.

INEOS Styrolution US Holding LLC is a limited liability company formed under the laws of Delaware. Its registered office is at 1209 Orange Street, Wilmington DE 19801, Delaware, United States.

INEOS Styrolution America LLC is a limited liability company formed under the laws of Delaware. Its registered office is at 1209 Orange Street, Wilmington DE 19801, Delaware, United States.

INEOS US Petrochem LLC is a limited liability company formed under the laws of Delaware. Its registered office is at 1209 Orange Street, Wilmington DE 19801, Delaware, United States.

INEOS Acetyls International Limited is a private limited company incorporated under the laws of England and Wales with registered number 12777775 and whose registered office is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG.

INOVYN Belgium SA is a limited liability company organized under the laws of Belgium. It is registered with the RLE Liège – division Namur under company number 0466.279.394 and the address of its statutory seat is Rue Solvay 39, 5190 Jemeppe -sur- Sambre, Belgium.

INEOS Chlor Atlantik GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It is presently registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Kleve under the number HRB 13943 and the address of its registered office is Ludwigstraße 12, 47495 Rheinberg, Germany.

INOVYN ChlorVinyls Holdings Limited is a private limited company incorporated under the laws of England and Wales with registered number 07085121 and whose registered office is at Bankes Lane Office, Bankes Lane, PO BOX 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

INOVYN ChlorVinyls Limited is a private limited company incorporated under the laws of England and Wales with registered number 04068812 and whose registered office is at Bankes Lane Office, Bankes Lane, PO BOX 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

INOVYN Deutschland GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It is presently registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Kleve under the number HRB 14538 and the address of its registered office is Ludwigstraße 12, 47495 Rheinberg, Germany.

INOVYN Enterprises Limited is a private limited company incorporated under the laws of England and Wales with registered number 04651437 and whose registered office is at Bankes Lane Office, Bankes Lane, PO BOX 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

INOVYN Europe Limited is a private limited company incorporated under the laws of England and Wales with registered number 10398354 and whose registered office is at Bankes Lane Office, Bankes Lane, PO BOX 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

INOVYN Finance Limited is a public limited company incorporated under the laws of England and Wales with registered number 07027513 and whose registered office is at Bankes Lane Office, Bankes Lane, PO BOX 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

INOVYN FRANCE SAS is a company incorporated under the laws of France as a société par actions simplifiée, whose registered office is at 2 Avenue de la République, 39500 Tavaux, France and registered with the commercial and companies registry (Registre du Commerce et des Sociétés) of Lons-le-Saunier under number 625 780 135.

INOVYN Group Treasury Limited is a private limited company incorporated under the laws of England and Wales with registered number 06179953 and whose registered office is at Bankes Lane Office, Bankes Lane, PO BOX 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

INEOS INOVYN Limited is a private limited company incorporated under the laws of England and Wales with registered number 08696245 and whose registered office is at Bankes Lane Office, Bankes Lane, PO BOX 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

INOVYN Manufacturing Belgium SA is a limited liability company organized under the laws of Belgium. It is registered with the RLE Liège – division Namur under company number 0403.147.638 and the address of its statutory seat is Rue Solvay 39, 5190 Jemeppe -sur- Sambre, Belgium.

INOVYN Newco 2 Limited is a private limited company incorporated under the laws of England and Wales with registered number 04772918 and whose registered office is at Bankes Lane Office, Bankes Lane, PO BOX 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

INOVYN Norge AS is a company incorporated under the laws of Norway with Business enterprise number 981 701 046.

INOVYN Olefines France SAS is a company incorporated under the laws of France *as a société par actions simplifiée* whose registered office is at 2 Avenue de la République, 39500 Tavaux, France and registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Lons-le-Saunier under number 414 573 964.

INOVYN Sverige AB is a limited liability company incorporated and organised under the laws of Sweden with registered number 556027-6635, having its registered address at Hjälmarevägen 30, SE-444 31 Stenungsund, Sweden.

INOVYN Trade Services SA is a limited liability company organized under the laws of Belgium. It is registered with the RLE Liège – division Namur under company number 0548.858.563 and the address of its statutory seat is Rue Solvay 39, 5190 Jemeppe -sur- Sambre, Belgium.

Kerling Newco 1 Limited is a private limited company incorporated under the laws of England and Wales with registered number 09613152 and whose registered office is at Bankes Lane Office, Bankes Lane, PO BOX 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

Kerling Newco 2 Limited is a private limited company incorporated under the laws of England and Wales with registered number 09613220 and whose registered office is at Bankes Lane Office, Bankes Lane, PO BOX 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

12. As of the date of this offering memorandum, the Issuer and the Guarantors represented 93.3% of our Adjusted EBITDA in the six months ended June 30, 2023 and held 95.0% of our combined consolidated total assets as of June 30, 2023 (in each case, prior to giving effect to pro forma adjustments and calculated in a consistent manner as the covenants in the 2020 Term Loan B Facilities Agreement, i.e., excluding the receivables sold to the securitization special purpose vehicles under the Securitization Programs and the Adjusted EBITDA and assets of our subsidiaries in the Excluded Jurisdictions). Our subsidiaries in the Excluded Jurisdictions represented 13.3% of our total assets and 2.6% of our Adjusted EBITDA as of and for the six months ended June 30, 2023 (in each case, excluding the Adjusted EBITDA and assets of the securitization special purpose vehicles under the Securitization Programs).

13. The proceeds of the Notes will be used outside Switzerland at all times while any Notes are outstanding unless (i) use in Switzerland is permitted under the Swiss taxation laws in force from time to time or (ii) it is confirmed in a tax ruling by the Swiss Federal Tax Administration that such use of proceeds is permitted without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

14. The Issuer has obtained all necessary consents, approvals, authorizations or other orders for the issue of the Notes and other documents to be entered into by the Issuer in connection with the Offering.

15. The Issuer accepts responsibility for the information contained in this offering memorandum. To the best of its knowledge, the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the import of this offering memorandum.

GLOSSARY OF SELECTED TERMS

Term	Definition
Acetic Acid ("AA")	Acetic acid is an organic compound primarily used in the production of vinyl acetate monomer, PTA, ethyl acetate and other esters, acetic anhydride and monochloroacetic acid.
Acetic Anhydride ("ANH")	Acetic anhydride is an organic compound primarily used in the production of cellulose acetate and pharmaceuticals.
Acetylene	Acetylene is a chemical compound with the formula HC_2H. It is a hydrocarbon and the simplest alkyne. This colorless gas is widely used as a fuel and a chemical building block. It is unstable in pure form and thus is usually handled as a solution.
Acrylonitrile	Acrylonitrile is a petrochemical intermediate used in the production of SAN, ABS, ASA and alpha-methylstyrene acrylonitrile (AMSAN), as well as acrylic fiber, acrylonitrile butadiene rubber, acrylamide and adiponitrile (a nylon intermediate).
Acrylonitrile butadiene styrene ("ABS")	ABS is a tough, scratch-resistant material with high impact resistance, which can be readily processed by most thermoplastic fabrication techniques, including injection molding (used to produce a variety of consumable and industrial goods) and extrusion (used to produce, among other things, sheet, pipe and electrical conduit). ABS properties include rigidity, toughness, impact strength, heat resistance, chemical resistance, surface hardness, luster and the ability to be processed. ABS is often colored before use and customers typically choose to buy natural (uncolored) ABS if they have suitable self-coloring facilities or pre-colored ABS if they do not.
Acrylonitrile styrene acrylate ("ASA")	ASA is a styrene derivative produced by introducing a grafted acrylic ester elastomer (elastic polymer) during the copolymerization reaction between styrene and acrylonitrile. ASA has good toughness and rigidity, chemical resistance and thermal stability, outstanding resistance to weather, ageing and yellowing, and high gloss.
Advantaged feedstock	Feedstock that generates more product for the same cost as compared to another feedstock.
Alkane	A fully saturated (contains no double bonds) hydrocarbon.
Alkene	An unsaturated (contains a reactive carbon-to-carbon double bond) hydrocarbon.
Alkyne	An unsaturated (contains a very reactive carbon-to-carbon triple bond) hydrocarbon.
Benzene	Benzene is the main raw material for styrene (through its use in ethylbenzene) and is mainly produced from refinery processes or as a co-product of steam cracker operations.
Biodiesel	Biodiesel refers to a vegetable oil- or animal fat-based diesel fuel consisting of long-chain alkyl (methyl, propylorethyl) esters.
Biofuels	Biofuels are liquid fuels derived from plant materials.
Bitumen	Bitumen is a mixture of organic liquids that are highly viscous, black, sticky, entirely soluble in carbon disulfide, and composed primarily of highly condensed polycyclic aromatic hydrocarbons primarily used to produce paving materials, waterproofing products, including roofing felt, and for sealing flat roofs.
Benzene	Benzene is the main raw material for styrene (through its use in ethylbenzene) and is mainly produced from refinery processes or as a co-product of steam cracker operations.
Brine	Brine is a high concentration solution of salt in water. Brine is used as an essential raw material in a wide range of applications by the chemical industry, including the production of chlor alkali products, white salt for the food industry and for water softening, and soda ash.
Butadiene	Butadiene is a flammable, colorless gas used extensively in the rubber industry for various polymerizations for plastics manufacturing. It is the key input to polybutadiene (PB), which is used in the production of HIPS and is one of the three key inputs to ABS.
Butyl acrylate	Butyl acrylate is a petrochemical intermediate used in the production of polymers and other acrylic resins.

Carbon monoxide	Carbon monoxide is a key raw material in the production of acetic acid and is produced either by the reforming of simple hydrocarbons (e.g., natural Gas, fuel oil or coal) or via partial oxidation (POx) of hydrocarbons with oxygen.
Carbon tetrachloride	Carbon tetrachloride is an organic compound with the formula CCI_4. It is a reagent in synthetic chemistry and was formerly widely used in fire extinguishers, as a precursor to refrigerants, and as a cleaning agent. It is a colorless liquid with a "sweet" smell that can be detected at low levels.
Caustic Soda	Caustic Soda is known as sodium hydroxide, an inorganic compound which is produced, in water solution, in cellrooms by passing a powerful electric current through a NaCl brine solution. Caustic soda is a widely used industrial chemical, including in pulp and paper, detergents, packaging, agriculture, environmental protection, water treatment, foodstuffs, health, textiles and in the chemical, construction and car industries. Caustic soda comes in liquid and solid forms. Liquid caustic soda is a strong base used as a chemical reagent, a pH-regulator, an ion exchange resin regenerating agent, catalyst and etching and cleaning agent. Solid caustic soda has similar properties but is manufactured by evaporation of water from liquid caustic soda, followed by solidification into micro pearls.
Caustic Potash	Caustic Potash, also known as potassium hydroxide, is an inorganic compound which is produced in cellrooms by passing a powerful electric current through a KCl brine solution. Caustic potash is mainly used in the manufacture of other potassium salts for use in soaps and detergents, fertilizers, airport and aircraft de-icing fluids and batteries.
Chlorinated paraffin	Chlorinated paraffin is a chlorine derivative that can be used as a PVC plasticizer, an extreme pressure additive for metal working fluids, a fire retardant/plasticizer in paints, a fire retardant in other components, in polyurethane foams and in a range of rubbers and carbonless copying papers.
Chloroform	Chloroform is an organic compound with the formula $CHCl_3$. It is produced as a precursor to PTFE, as well as refrigerants.
Chlorine	Chlorine (Cl) is a chemical element. Elemental chlorine (Cl_2) is commercially produced by passing a powerful electric current through a brine solution, co-produced during caustic soda or caustic potash production. Chlorine is used in the manufacture of a wide range of consumer products, the main outlet is PVC.
Chloromethane	Chloromethane, also known as methyl chloride, is a chlorine derivative used as a vital intermediate in the manufacture of silicones and PTFE polymers, as well as refrigerants. The term chloromethanes is also sometimes used generically to describe the collection of all of the chlorinated methanes, such as: methyl chloride, methylene chloride, chloroform and carbon tetrachloride.
Copolymer	A copolymer is a material created by polymerizing two or more starting compounds (monomers).
Cracker	See "Olefins cracker".
Crude glycerin	Crude glycerin is a by-product of the biodiesel production process.
Electro-chemical unit ("ECU")	A caustic soda ECU is a measure for chlor-alkali production corresponding to one ton of chlorine and 1.1 tons of caustic soda.
Electrolysis	Electrolysis is a method of using an electric current to drive an otherwise non-spontaneous chemical reaction.
Epichlorohydrin ("ECH")	ECH is an organochlorine compound and an epoxide. It is a colorless liquid with a pungent odor. It is a chemical intermediate, mainly dedicated to the manufacturing of epoxy resins used in paints and coatings, composites, adhesives and electronics. It is also used in non-epoxy applications, such as pulp and paper chemicals, water treatment and healthcare products.
Esters	Esters are chemical compounds derived by reacting an oxoacid with a hydroxyl compound such as an alcohol or phenol.
Ethylbenzene	Ethylbenzene is an intermediate made from benzene and ethylene and used to make styrene. Virtually all worldwide ethylbenzene production is consumed in the production of styrene.

Ethylbenzene dehydrogenation ("EB" and "EBSM")	EBSM is the more traditional method for producing styrene, where ethylene is alkylated with benzene to produce ethylbenzene, which is dehydrogenated to produce styrene. This basic method has been used commercially for about 50 years, during which time it has been adapted and refined to improve the quality of the end product and to minimize the amount of energy and other resources, such as electricity, fuel, steam and cooling water, used in its production. Both the EBSM and POSM processes are large scale and capital intensive. We use the EBSM method to produce our styrene because the alternative, the POSM process, is used only when the aim is to produce propylene oxide.
Ethylene	Ethylene is a flammable gas obtained in a process called cracking, in which hydrocarbons are briefly heated, causing chemical reactions that split the carbon-hydrogen or carbon-carbon bonds of the feedstock. Ethylene is a key building block of the petrochemical industry and is used to produce a large number of higher value added chemicals, including styrene.
Ethylene dichloride ("EDC")	Ethylene dichloride, also known as dichloroethane (DCE), is a liquid used as an intermediate to make PVC. It is made from ethylene and chlorine.
Ethylene glycol ("EG")	EG is an industrial chemical, primarily used in the manufacture of polyesters and antifreeze/coolants. It is produced from ethylene oxide.
Ethylene oxide ("EO")	Ethylene oxide is a commodity monomer used as a building block for the manufacture of a wide range of products and intermediates in the chemical industry. EO is mainly used to produce EG and industrial detergents. The products derived from ethylene oxide have many familiar applications: coolants for auto engines, polyester fibers and film. It is manufactured from ethylene and oxygen.
Expandable polystyrene ("EPS")	EPS is a polystyrene that, when heated, forms a lightweight foam used for packaging and insulation purposes. Styrene is the main feedstock to produce EPS.
Feedstock	Raw materials required for an industrial process. Common feedstocks include natural gas liquids (such as naphtha), ethylene, propylene and other olefins.
Fluoroelastomer	Fluoroelastomer is a special purpose fluorocarbon-based synthetic rubber. It has wide chemical resistance and superior performance, especially in high temperature applications in different media.
Fluoropolymer	Fluoropolymer is a fluorocarbon-based polymer with multiple strong carbon-fluorine bonds. It is characterized by a high resistance to solvents, acids and bases.
General purpose polystyrene ("GPPS")	GPPS is a clear, hard, usually colorless thermoplastic resin. GPPS products are crystal-clear amorphous polystyrenes utilized in packaging, foamed containers, foam insulation, cutlery, medical lab-ware, clear cups and containers, CD jewel cases and cassette boxes.
General purpose PVC	General PVC is polyvinyl chloride produced using suspension polymerization. See "Polyvinyl chloride".
Glycerin	See "Crude glycerin".
High density polyethylene ("HDPE")	HDPE is a type of polyethylene and is a relatively tough thermoplastic. Its most common household use is container plastics. HDPE is also commonly used for molding, pipe and thin film applications.
High impact polystyrene ("HIPS")	HIPS is one of the most widely used thermoplastics, with great dimensional strength, balanced properties of impact strength and heat resistance, is easily machined, and is relatively low in cost. HIPS is essentially GPPS with around 5-10% rubber incorporated through a grafting process prior to polymerization.
Hydrocarbons	Hydrocarbons is a term used to describe all compounds that consist of hydrogen and carbon. These include crude oil, natural gas, olefins and their derivatives.
Hydrochloric acid ("HCl")	HCl is used in a wide variety of industrial and chemical applications, including as a manufacturing aid in the pharmaceuticals industry, metallurgy, electronics and the food industry.
Hydrochlorofluorocarbons ("HCFCs")	HCFCs are compounds consisting of hydrogen, chlorine, fluorine and carbon. These compounds have a small ozone depletion potential and as such are regulated under the Montreal Protocol. The products are widely used in refrigeration, air conditioning and foam blowing and as a raw material feedstock.

Methanol	Methanol is a chemical with the formula CH_3OH. It is the simplest alcohol, and at room temperature it is a polar liquid and is used as an antifreeze, solvent, fuel and as a denaturant for ethanol. It is also used for producing biodiesel via transesterification reaction.
Methyl chloride	See "Chloromethane".
Methylene chloride	Methylene chloride is an organic compound with the formula CH_2Cl_2. This colorless, volatile liquid is widely used as a solvent.
Methylene diphenyl diisocyanate	Methylene diphenyl diisocyanate, most often abbreviated as MDI, is an aromatic diisocyanate. It can be reacted with polyols to make polyurethane.
Methyl methacrylate-ABS ("MABS")	MABS is a copolymer of methyl methacrylate and ABS, producing a high-luster thermoplastic resin. MABS is a tough, transparent plastic, with high surface brilliancy and finish.
Metaxylene ("MX")	Metaxylene is a colourless, flammable liquid that is separated from mixed xylenes created during the reforming of petroleum naphtha. MX is the preferred feedstock for purified isophthalic acid (PIA) which is used in the manufacture of polyethylene terephthalate (PET) bottles and unsaturated polyester resins (UPR).
Mixed xylene	Mixed xylene is primarily a mixture of three different xylene monomers
Monomer	A monomer is a simple molecule capable of reacting to form a polymer.
Naphtha	Naphtha is a refinery product that is used as a gasoline component, but also serves as feedstock for petrochemical plants.
Natural gas liquids ("NGLs")	NGLs generally comprise a mixture of ethane, propane, butanes and smaller amounts of other lighter hydrocarbons.
Olefins	Olefins, including ethylene and propylene, are the key building blocks of the petrochemical industry and produce a large range of derivative products as well as butadiene and benzene.
Olefins cracker	An olefins cracker breaks down naphtha or gas feedstocks into olefins, principally ethylene and propylene.
Paraxylene ("PX")	Paraxylene is an aromatic hydrocarbon primarily used in the manufacture of PTA. It is a colourless, flammable liquid that is separated from mixed xylenes created during the reforming of petroleum naphtha.
Polyamide ("PA")	A polyamide is a polymer containing monomers of amides joined by peptide bonds, examples being nylons, aramids and polyaspartate. Polyamides are commonly used in textiles, automotives, carpet and sportswear due to their extreme durability and strength.
Polyamide/ABS ("PA+ABS")	PA+ABS is a blend based on polyamide and ABS, combining excellent impact strength at high and low temperatures, high surface quality, easy processing, chemical resistance, heat resistance and a pleasant feel.
Polybutadiene ("PB")	PB is a homopolymer (only one monomer) of 1,3 butadiene. PB is noted for its high resistance to abrasion, low heat buildup and resistance to cracking.
Polybutylene terephthalate ("PBT")	PBT is a thermoplastic engineering polymer made by polycondensation of terephthalic acid and butanediol. PBT is used as an insulator in the electrical and electronics industries. It is a thermoplastic (semi-)crystalline polymer, and a type of polyester.
Polycarbonate ("PC")	Polycarbonate is an engineering thermoplastic material which, due to its optical qualities, structural strength and weight, has a wide range of uses, including CDs and DVDs, optic fibers, optical lenses, structural parts in cars and trucks and housings for electrical household appliances and office equipment.
Polyethylene ("PE")	Polyethylene is a thermoplastic produced by aggregating many ethylene and co-monomer molecules in a process called polymerization.
Polyethylene terephthalate ("PET")	PET is a thermoplastic polymer resin used in synthetic fibers. PET is commonly known as Polyester.
Polylactic acid ("PLA")	Poly(lactic acid) or polylactide is a thermoplastic aliphatic polyester derived from renewable resources, such as corn starch (in the United States), tapioca products (roots, chips or starch mostly in Asia) or sugarcanes (in the rest of the world).
Polymer	A polymer is a chemical compound usually made up of a large number of identical components linked together into long molecular chains.
Polymethyl methacrylate ("PMMA")	PMMA is a transparent thermoplastic produced by polymerization of methylmethacrylate. PMMA is often used as a light or shatter-resistant alternative to glass.

Polypropylene (“PP”)	PP is the world’s second most widely used thermoplastic after polyethylene. It is produced by the polymerization of propylene. It is used mainly for molding, filaments, fibers and films. Polypropylene is the most significant thermoplastic material used in molded containers and automotive applications.
Polystyrene (“PS”)	PS is a thermoplastic resin produced by the polymerization of styrene. It exists in solid state at room temperature, but melts if heated and becomes solid again once cooled. It is converted through extrusion, thermoforming, stamping or injection molding into end products for a wide range of end applications. PS may either be general purpose (GPPS) or high-impact (HIPS).
Polytetrafluoroethylene (“PTFE”)	PTFE is a synthetic fluoropolymer of tetrafluoroethylene with numerous applications. PTFE is most well known under its brand name Teflon, marketed by DuPont.
Potash	Potash incudes various mined and manufactured salts that contain potassium in water-soluble form. Potash is one of the basic raw materials for the production of chlorine and caustic potash, through the electrolysis of KCl.
Propylene	Propylene is a flammable gas which is largely derived either as a co-product of the refinery process used to make gasoline, or as a co-product of the steam cracking process used to make ethylene. Propylene has virtually no independent end use, but is an important input for a significant number of industrial products and is the main feedstock used to make polypropylene and acrylonitrile.
Propylene oxide (“PO” and “POSM”)	POSM is an alternative process to produce SM whereby propylene oxide is produced and styrene is generated as a co-product. Both the EBSM and POSM processes are large scale and capital intensive. We use the EBSM method to produce our styrene because the alternative, the POSM process, is used only when the aim is to produce propylene oxide.
Polyvinyl chloride (“PVC”)	PVC is the second most common type of plastic in the world after polyethylene.
PS_3	PS_3 is a unique blend of oleum and sulphuric acid, 98% of which is produced to meet specific customer requirements.
Purified Terephthalic Acid (“PTA”)	Purified terephthalic acid is an aromatic hydrocarbon, which is primarily used in the manufacture of polyesters used in fibres, textiles, film, and polyethylene terephthalate (PET) bottles.
Smelter acid	Smelter acid is a by-product, lower grade sulphuric acid produced in the manufacture of specific metals (*e.g.*, nickel, copper and zinc from metal sulphide ores).
SO_2	SO_2 is the chemical formula for sulphur dioxide. It is manufactured as a chemical intermediate in the manufacture of SO_3 and sulphuric acid. It is used in water treatment, in the food industry as a preservative and as a chemical intermediate.
SO_3 derivatives	SO_3 derivatives include Oleum, SO_2, ultrapure acids and PS_3. It is sold to the cosmetics, lubricant and high tech polymer industries.
Sodium hypochlorite	Sodium hypochlorite is a chemical compound with the formula NaClO. Sodium hypochlorite solution, commonly known as bleach, is frequently used as a disinfectant.
Specialty PVC	Specialty PVC is polyvinyl chloride produced using mostly emulsion polymerization with some suspension polymerization. See “Polyvinyl chloride”.
Styrene	See “Styrene monomer”.
Styrene acrylonitrile (“SAN”)	SAN is a rigid and transparent polymer made from styrene, used principally in the production of ABS.
Styrene-butadiene block copolymers (“SBCs”)	SBCs is a class of block copolymers of styrene and butadiene which is produced either as an elastomer or as a “rigid product”. Rigid products have a high transparency and are often used to “toughen” GPPS. Elastomers have high performance abrasion resistance and are frequently used for injection-molded parts.
Styrene butadiene styrene (“SBS”)	SBS is a thermoplastic rubber made from styrene and butadiene. SBS is a hard rubber with applications in areas such as the soles of shoes or tire treads.
Styrene methylmethacrylate (“SMMA”)	SMMA is a clear, impact-resistant resin, which can be used in homeware, packaging, office, medical and electronic applications.

Styrene monomer ("SM")	Styrene is a liquid hydrocarbon produced from ethylene and benzene. Styrene is an intermediate used in the production of plastics, resins, rubbers and latexes, with key end applications in areas such as packaging, electronics & appliances, construction (primarily insulation) and automotive components.
Sulphur.....	Sulphur is a key raw material for producing sulphuric acid and SO_3 derivatives. It is a by-product from the oil and gas refining industry, the removal of which is necessary to meet fuel emissions standards.
Sulphuric acid.....	Sulphuric acid is a strong mineral acid. It is soluble in water at all concentrations. Sulphuric acid has many applications and is one of the largest volume products of the chemical industry.
Sulphur burnt sulphuric acid	Sulphur burnt sulphuric acid is a higher-priced, higher quality grade of sulphuric acid.
Thermoplastic.....	A thermoplastic is a plastic which softens when heated and hardens again when cooled. Thermoplastics include polyethylene, polypropylene and polystyrene.
Turnaround.....	Temporary shutdown of a refinery or petrochemical production facility for required maintenance. Turnarounds can be scheduled (planned, routine maintenance, inspections and tests to comply with industry regulations) or unscheduled (in response to an unexpected outage or plant failure).
Ultrapure acids	Ultrapure acids are very pure forms of sulphuric acid, which are used in the electronics industry.
Vinyl chloride monomer ("VCM").....	VCM is the primary raw material used in the manufacture of PVC resins and is produced by the reaction of ethylene and chlorine, which produces EDC that is transformed into VCM by thermal cracking.

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INEOS Quattro Holdings Limited

Unaudited condensed consolidated interim financial statements for the three and six month periods ended June 30, 2023 and 2022

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT

	Three-Month Period Ended June 30,	
	2023	2022
	(€ in millions)	
Revenue	**3,148.3**	**5,044.5**
Cost of sales	(2,844.8)	(3,962.7)
Gross profit	**303.5**	**1,081.8**
Distribution costs	(128.5)	(252.6)
Administrative expenses	(154.7)	(156.3)
Operating profit	**20.3**	**672.9**
Share of profit of joint ventures and associated undertakings	8.3	80.3
Loss on disposal of investments	—	(0.1)
Profit on disposal of property, plant and equipment	1.7	3.3
Profit before net finance costs	**30.3**	**756.4**
Finance income	34.2	49.9
Finance costs before exceptional items	(112.0)	(78.6)
Exceptional finance costs	—	(4.3)
Total finance costs	(112.0)	(82.9)
(Loss)/profit before tax	**(47.5)**	**723.4**
Tax credit/(charge)	14.5	(142.2)
(Loss)/profit for the period	**(33.0)**	**581.2**
(Loss)/profit attributable to:		
—Owners of the parent	(29.8)	567.2
—Non-controlling interest	(3.2)	14.0
	(33.0)	**581.2**

The condensed notes on pages F-9 to F-22 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT

	Six-Month Period Ended June 30,	
	2023	2022
	(€ in millions)	
Revenue	**6,649.1**	**9,675.5**
Cost of sales	(5,820.8)	(7,640.6)
Gross profit	**828.3**	**2,034.9**
Distribution costs	(331.2)	(475.2)
Administrative expenses	(288.7)	(252.5)
Operating profit	**208.4**	**1,307.2**
Share of profit of joint ventures and associated undertakings	17.3	169.4
Loss on disposal of investments	—	(0.1)
Profit on disposal of property, plant and equipment	1.6	3.4
Profit before net finance costs	**227.3**	**1,479.9**
Finance income	74.3	70.5
Finance costs before exceptional items	(218.6)	(151.0)
Exceptional finance costs	—	(4.3)
Total finance costs	(218.6)	(155.3)
Profit before tax	**83.0**	**1,395.1**
Tax charge	(9.1)	(270.4)
Profit for the period	**73.9**	**1,124.7**
Profit attributable to:		
—Owners of the parent	69.0	1,096.8
—Non-controlling interest	4.9	27.9
	73.9	**1,124.7**

The condensed notes on pages F-9 to F-22 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three-Month Period Ended June 30,	
	2023	2022
	(€ in millions)	
(Loss)/profit for the period	**(33.0)**	**581.2**
Other comprehensive (expense)/income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit obligations, net of tax	(0.3)	74.8
Fair value gain on investments in equity instruments designated as FVTOCI	1.7	—
Items that may subsequently be recycled to profit and loss:		
Foreign exchange translation differences of subsidiaries	(68.8)	33.3
Other comprehensive (expense)/income for the period net of tax	**(67.4)**	**108.1**
Total comprehensive (expense)/income for the period	**(100.4)**	**689.3**
Total comprehensive (expense)/income attributable to:		
—Owners of the parent	(95.3)	671.0
—Non-controlling interest	(5.1)	18.3
Total comprehensive (expense)/income for the period	**(100.4)**	**689.3**

	Six-Month Period Ended June 30,	
	2023	2022
	(€ in millions)	
Profit for the period	**73.9**	**1,124.7**
Other comprehensive (expense)/income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit obligations, net of tax	25.4	118.8
Fair value gain on investments in equity instruments designated as FVTOCI	2.0	—
Items that may subsequently be recycled to profit and loss:		
Foreign exchange translation differences of subsidiaries	(133.0)	53.7
Other comprehensive (expense)/income for the period net of tax	**(105.6)**	**172.5**
Total comprehensive (expense)/income for the period	**(31.7)**	**1,297.2**
Total comprehensive (expense)/income attributable to:		
—Owners of the parent	(35.2)	1,264.2
—Non-controlling interest	3.5	33.0
Total comprehensive (expense)/income for the period	**(31.7)**	**1,297.2**

The condensed notes on pages F-9 to F-22 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

	June 30, 2023	December 31, 2022
	(€ in millions)	
Non-current assets		
Property, plant and equipment	4,597.2	4,722.8
Intangible assets	2,054.3	2,187.1
Investments in equity-accounted investees	1,660.7	1,800.6
Other investments	9.6	9.8
Other financial assets	2.2	2.2
Other receivables	150.7	152.7
Employee benefits	30.4	27.7
Deferred tax assets	132.8	150.2
Total non-current assets	**8,637.9**	**9,053.1**
Current assets		
Inventories	1,289.4	1,473.6
Trade and other receivables	1,646.0	2,360.9
Tax receivables for current tax	121.0	79.2
Other financial assets	258.3	244.5
Cash and cash equivalents	2,139.1	1,530.1
Total current assets	**5,453.8**	**5,688.3**
Total assets	**14,091.7**	**14,741.4**
Equity		
Share capital	0.3	0.3
Merger reserve	(4,526.9)	(4,526.9)
Retained earnings	8,029.1	8,961.0
Other reserves	43.9	148.1
Equity attributable to owners of the parent	**3,546.4**	**4,582.5**
Non-controlling interest	69.6	66.1
Total equity	**3,616.0**	**4,648.6**
Non-current liabilities		
Interest-bearing loans and borrowings	7,101.7	6,336.5
Lease liabilities	225.0	224.3
Trade and other payables	150.4	142.5
Employee benefits	144.4	189.5
Provisions	151.8	154.6
Deferred tax liabilities	310.6	400.3
Total non-current liabilities	**8,083.9**	**7,447.7**
Current liabilities		
Interest-bearing loans and borrowings	6.2	4.5
Lease liabilities	65.2	65.0
Trade and other payables	2,034.7	2,301.0
Tax liabilities for current tax	239.1	194.7
Other financial liabilities	16.9	46.2
Provisions	29.7	33.7
Total current liabilities	**2,391.8**	**2,645.1**
Total liabilities	**10,475.7**	**10,092.8**
Total equity and liabilities	**14,091.7**	**14,741.4**

The condensed notes on pages F-9 to F-22 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium reserve	Merger reserve	Retained earnings	Other reserves	Equity attributable to owners of the Company	Non-controlling interest	Total equity
					(€ in millions)			
Balance at December 31, 2022	**0.3**	**—**	**(4,526.9)**	**8,961.0**	**148.1**	**4,582.5**	**66.1**	**4,648.6**
Profit for the period	—	—	—	69.0	—	69.0	4.9	73.9
Other comprehensive (expense)/ income:								
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	24.1	24.1	1.3	25.4
Fair value gain on investments in equity instruments designated as FVTOCI	—	—	—	—	2.0	2.0	—	2.0
Foreign exchange translation differences of subsidiaries	—	—	—	—	(130.3)	(130.3)	(2.7)	(133.0)
Total other comprehensive expense	**—**	**—**	**—**	**—**	**(104.2)**	**(104.2)**	**(1.4)**	**(105.6)**
Transactions with owners, recorded directly in equity:								
Dividends	—	—	—	(1,000.9)	—	(1,000.9)	—	(1,000.9)
Transactions with owners, recorded directly in equity	**—**	**—**	**—**	**(1,000.9)**	**—**	**(1,000.9)**	**—**	**(1,000.9)**
Balance at June 30, 2023	**0.3**	**—**	**(4,526.9)**	**8,029.1**	**43.9**	**3,546.4**	**69.6**	**3,616.0**

	Share capital	Share premium reserve	Merger reserve	Retained earnings	Other reserves	Equity attributable to owners of the Company	Non-controlling interest	Total equity
					(€in millions)			
Balance at December 31, 2021	0.3	—	(4,526.9)	7,551.5	213.5	3,238.4	74.2	3,312.6
Profit for the period	—	—	—	1,096.8	—	1,096.8	27.9	1,124.7
Other comprehensive income:								
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	113.9	113.9	4.9	118.8
Foreign exchange translation differences of subsidiaries	—	—	—	—	53.5	53.5	0.2	53.7
Total other comprehensive income	**—**	**—**	**—**	**—**	**167.4**	**167.4**	**5.1**	**172.5**
Transactions with owners, recorded directly in equity:								
Adjustment arising from change in non-controlling interest[(1)]	—	—	—	10.3	—	10.3	12.2	22.5
Dividends	—	—	—	(521.0)	—	(521.0)	(27.4)	(548.4)
Transactions with owners, recorded directly in equity	**—**	**—**	**—**	**(510.7)**	**—**	**(510.7)**	**(15.2)**	**(525.9)**
Balance at June 30, 2022	**0.3**	**—**	**(4,526.9)**	**8,137.6**	**380.9**	**3,991.9**	**92.0**	**4,083.9**

(1) On April 22, 2022, the Group sold 13.8% of its shareholding in INEOS Styrolution India Limited to the non-controlling interest for consideration of €22.5 million ($25.1 million). The Group's shareholding reduced from 75.0% to 61.2% as a result with control being retained.

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

	Six-Month Period Ended June 30,	
	2023	2022
	(€ in millions)	
Cash flows from operating activities		
Profit for the period	73.9	1,124.7
Adjustments for:		
Depreciation and impairment	305.7	263.4
Amortization	62.3	64.1
Net finance costs	144.3	84.8
Share of profit of joint ventures and associated undertakings	(17.3)	(169.4)
Loss on disposal of investments	—	0.1
Profit on disposal of property, plant and equipment	(1.6)	(3.4)
Tax charge	9.1	270.4
Decrease/(increase) in trade and other receivables	193.7	(212.6)
Decrease/(increase) in inventories	163.2	(219.1)
Decrease in trade and other payables	(192.1)	(73.5)
Decrease in provisions and employee benefits	(22.6)	(32.1)
Tax paid	(75.8)	(162.3)
Net cash from operating activities	**642.8**	**935.1**
Cash flows from investing activities		
Interest and other finance income received	14.2	2.6
Repayment of loans made to related parties	4.6	2.7
Dividends received from joint ventures	91.7	282.6
Dividends received from other investments	—	0.8
Proceeds from disposal of property, plant and equipment	1.8	7.1
Acquisition of intangible assets	(8.5)	(25.3)
Acquisition of property, plant and equipment	(209.0)	(332.4)
Net cash from investing activities	**(105.2)**	**(61.9)**
Cash flows from financing activities		
Proceeds from external borrowings	846.6	212.9
Repayment of external borrowings	(10.4)	(403.2)
Debt issue costs	(16.5)	(0.1)
Interest paid and other finance items	(194.6)	(113.9)
Capital element of lease payments	(38.7)	(43.1)
Dividends paid attributable to the owners of the Company	(500.0)	(521.0)
Dividends paid to non-controlling interest	—	(34.9)
Proceeds from partial sale of subsidiary to non-controlling interest	—	22.5
Net cash from/(used) in financing activities	**86.4**	**(880.8)**
Net increase/(decrease) in cash and cash equivalents	624.0	(7.6)
Cash and cash equivalents at January 1	1,530.1	1,291.3
Effect of exchange rate fluctuations on cash held	(15.0)	30.7
Cash and cash equivalents at June 30	**2,139.1**	**1,314.4**

The condensed notes on pages F-9 to F-22 are an integral part of these unaudited condensed consolidated interim financial statements.

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements include INEOS Quattro Holdings Limited and all its subsidiaries (together referred to as the "Group"). Intra-group transactions and balances have been eliminated on consolidation. The financial and operating results for any period less than a year are not necessarily indicative of the results that may be expected for a full year. The Group does not experience any significant seasonality in its operating results.

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain assets and liabilities that have been measured at fair value, principally derivative financial instruments and the assets and liabilities of the Group's defined benefit pension schemes measured at fair value and using the projected unit credit method, respectively.

These condensed consolidated interim financial statements are presented in euro, which is the functional currency of the majority of operations of the Group and is consistent with the audited financial statements for the year ended December 31, 2022.

The significant judgements and key sources of estimation uncertainty applicable to the preparation of the condensed consolidated interim financial statements are the same as those described within the Group's audited financial statements for the year ended December 31, 2022. In each case, judgements have been applied consistently and estimates made using a consistent methodology, with inputs and assumptions updated to reflect the Group's latest forecasts and prevailing market conditions at the balance sheet date as appropriate.

The accompanying condensed consolidated interim financial statements of the Group are unaudited.

Whilst there is still uncertainty due to the disruption on the energy market resulting from the conflict in Ukraine, the Directors have undertaken a rigorous assessment of the potential impact on demand for the Group's products and services and the impact on margins for the next 12 months and the Directors do not expect a material impact on the Group's ability to operate as a going concern.

The Group meets its day to day working capital requirements through its cash generation from Group operations. The Group held cash balances of €2,139.1 million at June 30, 2023 and interest-bearing loans and borrowings (net of debt issue costs) of €7,107.9 million at June 30, 2023. The Directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Company has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of this report. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA, cash flow and debt. The stress tests show that the Group will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of this report.

On the basis of this assessment together with net assets of €3,616.0 million as at June 30, 2023 and the Group's ability to meet working capital requirements through its external financing facilities, along with access to cash generated by its subsidiaries, the Directors have concluded that the Group can operate within its current facilities without the need to obtain new ones for a period of at least 12 months from the date of this report and have therefore prepared these financial statements on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The financial information has been prepared and approved by the directors in accordance with IAS 34 "Interim financial reporting" as adopted by the European Union in response to the IAS regulation (EC 1606/2002) effective from January 1, 2023. In compliance with IAS 34, the Company has opted for a condensed scope of reporting in the condensed interim financial statements compared with the consolidated annual financial statements.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's audited consolidated annual report and accounts for the year ended December 31, 2022, except for the adoption of new standards, interpretations and amendments effective as of January 1, 2023. The adoption of new standards, interpretations and amendments in the current year has not had a material impact. The Group has not

2. PRINCIPAL ACCOUNTING POLICIES (continued)

early adopted any other standard, interpretation or amendment that has been issued but is not yet effective at June 30, 2023.

3. SEGMENTAL INFORMATION

Revenue and EBITDA before exceptionals are key measures used by the chief operating decision makers of the Group to assess the performance of the Business segments.

The Group divides its operations into four segments:

- *Styrolution*, consisting of a portfolio of styrene monomer, polystyrene and acrylonitrile butadiene styrene ("ABS") and a number of other styrene derivatives under the category of "Specialties" such as ABS specialty and copolymers.
- *INOVYN*, consisting of general purpose and specialty suspension PVC, emulsion PVC, caustic soda, caustic potash, chlorine and chlorine by-products, brine and water, salt, hydrochloric acid, chlorinated paraffins, chlorinated solvents, allylics and epichlorohydrin.
- *Acetyls*, consisting of a variety of organic compounds, including acetic acid, acetic anhydride, methanol, ethyl acetate and vinyl acetate.
- *Aromatics*, consisting of a variety of aromatic chemical compounds, including paraxylene, purified terephthalic acid, benzene and metaxylene.

The revenue and EBITDA before exceptionals attributable to each business segment is as follows:

	Three-Month Period Ended June 30,		Six-Month Period Ended June 30,	
	2023	2022	2023	2022
	(€ in millions)			
Revenue				
Styrolution	1,168.6	1,830.9	2,387.9	3,512.8
INOVYN	905.5	1,328.5	2,015.4	2,699.5
Acetyls	207.7	380.2	459.3	770.9
Aromatics	870.4	1,535.2	1,797.6	2,744.4
Eliminations	(3.9)	(30.3)	(11.1)	(52.1)
	3,148.3	**5,044.5**	**6,649.1**	**9,675.5**
EBITDA before exceptionals				
Styrolution	32.7	286.7	98.0	540.3
INOVYN	163.8	343.9	426.8	665.4
Acetyls	23.0	137.7	50.3	272.2
Aromatics	(7.3)	148.8	18.6	326.2
	212.2	**917.1**	**593.7**	**1,804.1**

Reconciliation of earnings before operating exceptional items, interest, taxation, impairment, depreciation and amortisation and after the share of profit/loss of associated undertakings and joint ventures using the equity accounting method ("EBITDA before exceptionals") to operating profit:

	Three-Month Period Ended June 30,		Six-Month Period Ended June 30,	
	2023	2022	2023	2022
	(€ in millions)			
EBITDA before exceptionals	212.2	917.1	593.7	1,804.1
Depreciation and amortisation	(183.6)	(163.9)	(368.0)	(327.5)
Share of profit of joint ventures and associated undertakings	(8.3)	(80.3)	(17.3)	(169.4)
Operating profit	**20.3**	**672.9**	**208.4**	**1,307.2**

3. SEGMENTAL INFORMATION (continued)

EBITDA before exceptionals is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

4. NET FINANCE COSTS

	Three-Month Period Ended June 30,		Six-Month Period Ended June 30,	
	2023	2022	2023	2022
	(€ in millions)			
Finance income				
Interest on bank and other short-term deposit	16.1	0.7	26.3	1.1
Interest receivable from associated undertakings	1.6	0.4	3.5	0.8
Exchange movements	0.2	49.1	—	66.1
Other finance income	4.0	(0.3)	8.0	2.5
Net fair value gain on derivatives	12.3	—	36.5	—
Total finance income	**34.2**	**49.9**	**74.3**	**70.5**
Finance costs before exceptional items				
Interest payable on Term Loans	(83.6)	(32.6)	(146.8)	(63.2)
Interest payable on Senior Secured Notes and Senior Notes	(16.9)	(17.0)	(33.9)	(33.8)
Interest payable on securitization facility	(1.0)	(0.9)	(2.1)	(1.8)
Interest payable on the ABS Plant Facility	—	(1.4)	—	(1.4)
Borrowing costs capitalized in property, plant and equipment	—	1.4	—	1.4
Interest payable to related parties	(0.4)	(0.5)	(0.9)	(0.9)
Amortization of debt issue costs	(4.7)	(4.2)	(8.9)	(8.7)
Interest payable on leases	(3.4)	(2.7)	(6.8)	(5.3)
Net fair value loss on derivatives	—	(18.5)	—	(33.2)
Exchange movements	—	—	(15.1)	—
Other finance charges	(0.7)	(1.7)	(1.4)	(3.2)
Interest on employee benefits	(1.3)	(0.5)	(2.7)	(0.9)
Total finance costs before exceptional items	**(112.0)**	**(78.6)**	**(218.6)**	**(151.0)**
Exceptional finance costs				
Debt issue costs	—	(4.3)	—	(4.3)
Total exceptional finance costs	**—**	**(4.3)**	**—**	**(4.3)**
Net finance costs	**(77.8)**	**(33.0)**	**(144.3)**	**(84.8)**

The exchange movements reflect net foreign exchange gains or losses associated with short term intra-group funding.

Exceptional finance costs

No exceptional finance cost was incurred during the three-month period ended June 30, 2023. During the three-month period ended June 30, 2022, exceptional finance costs of €4.3 million were incurred in relation to the write off of unamortized debt issue costs associated with the Term Loan A Facilities due 2023 and the Term Loan A Facilities due 2025 which were repaid in full on May 31, 2022.

5. TAXATION

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss. The effective tax rate of approximately 11.0% for the six-months of 2023 (2022: 19.4%) reflects the anticipated tax rate for the Group for the full year. The effective tax rate for the group was lower than the standard rate in the United Kingdom as profits were mainly made in regions with lower rates and losses were mainly made in regions with higher rates.

6. PROPERTY, PLANT AND EQUIPMENT

In the six-month period ended June 30, 2023, the Group spent €209.0 million (six-month period ended June 30, 2022: €332.4 million) on property, plant and equipment. In the Styrolution business, the most significant expenditures were in relation to a new 100 kiloton ASA plant at Bayport, Texas and the development of a new technology to recycle styrene monomer. In the INOVYN business, the most significant expenditures consisted of a new mechanical vapor recompression salt plant at Tavaux, France, a brine borehole drilling program at Northwich, UK and general SHE/sustenance expenditure. There were also planned turnaround events of the chlor-alkali and VCM assets at Martorell in Spain. In the Acetyls business, the most significant expenditures were mainly on sustenance and safety compliance work. In the Aromatics business, the most significant expenditures consisted of planned turnarounds at Zhuhai in China and at Cooper River in the USA.

Investments in property, plant and equipment in the first half of 2022 by the Styrolution business mainly included a new 100 kilo ton ASA plant at Bayport, Texas, and a new 600 kilo ton ABS facility at Ningbo, China, which has been transferred to the joint venture created with Sinopec on December 28, 2022. In INOVYN, the largest investments in the comparative period were in relation to the expansion of the SPVC plant in Jemeppe, Belgium and a new mechanical vapor recompression salt plant at Tavaux, France. Capital expenditures in the Aromatics and Acetyls businesses were mainly on sustenance and safety compliance work.

7. INVENTORIES

	June 30, 2023	December 31, 2022
	(€ in millions)	
Raw materials and consumables	560.2	601.8
Work in progress	145.8	165.6
Finished products	583.4	706.2
	1,289.4	**1,473.6**

8. INTEREST BEARING LOANS AND BORROWINGS

Borrowing obligations as of June 30, 2023 and December 31, 2022 are as follows:

	June 30, 2023	December 31, 2022
	(€ in millions)	
Non-current liabilities		
Senior Secured Notes due 2026	1,259.2	1,268.7
Senior Notes due 2026	500.0	500.0
Term Loan B Facilities due 2026	3,281.6	3,328.1
Term Loan B Facilities due 2030	830.7	—
Term Loan B Facilities due 2027	627.9	632.5
Senior Secured Notes due 2027	600.0	600.0
Loan from related party	42.5	41.7
Other loans	0.1	0.1
Gross borrowings	**7,142.0**	**6,371.1**
Less: unamortized finance costs	(40.3)	(34.6)
Net borrowings	**7,101.7**	**6,336.5**
Current liabilities		
Term Loan B Facilities due 2026	18.4	18.7
Term Loan B Facilities due 2030	3.4	—
Term Loan B Facilities due 2027	1.9	1.9
Gross borrowings	**23.7**	**20.6**
Less: unamortized finance costs	(17.5)	(16.1)
Net borrowings	**6.2**	**4.5**

8. INTEREST BEARING LOANS AND BORROWINGS (continued)

	June 30, 2023		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		(€ in millions)	
Gross debt and issue costs			
Senior Secured Notes due 2026	1,259.2	(11.0)	1,248.2
Senior Notes due 2026	500.0	—	500.0
Term Loan B Facilities due 2026	3,300.0	(25.8)	3,274.2
Term Loan B Facilities due 2030	834.1	(15.6)	818.5
Term Loan B Facilities due 2027	629.8	(2.7)	627.1
Senior Secured Notes due 2027	600.0	(2.6)	597.4
Securitization facilities	—	(0.1)	(0.1)
Loan from related party	42.5	—	42.5
Other loans	0.1	—	0.1
	7,165.7	**(57.8)**	**7,107.9**

	December 31, 2022		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		(€ in millions)	
Gross debt and issue costs			
Senior Secured Notes due 2026	1,268.7	(13.2)	1,255.5
Senior Notes due 2026	500.0	—	500.0
Term Loan B Facilities due 2026	3,346.8	(31.2)	3,315.6
Term Loan B Facilities due 2027	634.4	(3.1)	631.3
Senior Secured Notes due 2027	600.0	(3.0)	597.0
Securitization facilities	—	(0.2)	(0.2)
Loan from related party	41.7	—	41.7
Other loans	0.1	—	0.1
	6,391.7	**(50.7)**	**6,341.0**

Terms and debt repayment schedule as at June 30, 2023

	Currency	Nominal interest rate	Year of maturity
Euro Senior Secured Notes due 2026	€	2.50%	2026
Dollar Senior Secured Notes due 2026	$	3.375%	2026
Senior Notes due 2026	€	3.75%	2026
Senior Secured Notes due 2027	€	2.25%	2027
Dollar Term Loan B Facility due 2026	$	SOFR (floor of 0.5%) + 2.75%	2026
Euro Term Loan B Facility due 2026	€	EURIBOR (floor of 0.0%) + 2.75%	2026
Euro Term Loan B Facility due 2027	€	EURIBOR (floor of 0.5%) + 2.00%	2027
Dollar Term Loan B Facility due 2027	$	SOFR (floor 0.0%) + 2.00%	2027
Euro Term Loan B Facility due 2030	€	EURIBOR (floor of 0.0%) + 4.00%	2030
Dollar Term Loan B Facility due 2030	$	SOFR (floor 0.0%) + 3.75%	2030
Securitization facilities	$/€/£	Variable	2024

Senior Secured Notes due 2026

In January 2021 the Group raised €1,206.5 million of Senior Secured Notes maturing on January 15, 2026 and consisting of €800.0 million of Euro Senior Secured Notes and $500 million of Dollar Senior Secured Notes.

8. INTEREST BEARING LOANS AND BORROWINGS (continued)

The Senior Secured Notes outstanding at June 30, 2023 before issue costs were €1,259.2 million (December 31, 2022: €1,268.7 million). The total amounts outstanding on the Euro denominated Secured Notes were €800.0 million (December 31, 2022: €800.0 million) and the US dollar denominated Secured Notes were $500.0 million (€459.2 million equivalent) (December 31, 2022: €468.7 million).

The Senior Secured Notes are listed on the Euro MTF—Luxembourg stock exchange. The Euro Senior Secured Notes bear interest at a rate of 2½% per annum. The Dollar Senior Secured Notes bear interest at a rate of 3⅜% per annum. Interest on the Euro Senior Secured Notes and the Dollar Senior Secured Notes is payable semi-annually in arrears. The Senior Secured Notes have no repayment until maturity.

The Euro Senior Secured Notes and the Dollar Senior Secured Notes are jointly and severally guaranteed on a senior secured basis by certain of the Group's subsidiaries. The Euro Senior Secured Notes and the Dollar Senior Secured Notes and the related guarantees are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the Credit Facility Agreements, the Senior Secured Notes due 2027, and certain hedging obligations and cash management arrangements.

The Euro Senior Secured Notes are subject to redemption at any time on or after January 15, 2023, at the option of the Issuer, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January 15 of the year indicated below:

Year	Euro Senior Secured Notes Redemption Price
2023	101.250%
2024	100.625%
2025 and thereafter	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Dollar Senior Secured Notes are subject to redemption at any time on or after January 15, 2023, at the option of the Issuer, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January 15 of the year indicated below:

Year	Dollar Senior Secured Notes Redemption Price
2023	101.6875%
2024	100.84375%
2025 and thereafter	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Euro Senior Secured Notes and the Dollar Senior Secured Notes contain a number of restrictions including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2026 are stated net of debt issue costs of €11.0 million (December 31, 2022: €13.2 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2026.

8. INTEREST BEARING LOANS AND BORROWINGS (continued)

Senior Notes due 2026

In January 2021 the Group raised €500.0 million of Senior Notes maturing on July 15, 2026. The Senior Notes outstanding at June 30, 2023 were €500.0 million (December 31, 2022: €500.0 million).

The Senior Notes are listed on the Euro MTF—Luxembourg stock exchange. The Senior Notes bear interest at a rate of 3¾% per annum. Interest on the Senior Notes is payable semi-annually in arrears. The Senior Notes have no repayment until maturity.

The Senior Notes are jointly and severally guaranteed on a senior subordinated basis by the guarantors (other than the parent, which guarantees the Senior Notes on a senior basis). The Senior Notes and the related guarantees are secured by second-ranking security interests (subject to certain exemptions) over the shares of the capital stock of the Issuer and the loan made by INEOS Quattro Finance 2 Plc to the Issuer of the proceeds of the Senior Notes. These security interests rank behind the security interests granted over those assets in favor of the creditors of certain other indebtedness, including under the Senior Secured Notes due 2027, the Senior Secured Notes due 2026 and the Credit Facility Agreements.

The Senior Notes are subject to redemption at any time on or after January 15, 2023, at the option of the Issuer, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January 15 of the year indicated below:

Year	Senior Notes Redemption Price
2023	101.875%
2024	100.9375%
2025 and thereafter	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Notes contain a number of restrictions including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

Term Loan B Facilities due 2026 and 2030

On July 31, 2020, the Group has entered into a Term Loan Agreement (as amended and restated) which consists of:

(i) Term loans maturing in 2023 denominated in US dollar and denominated in euro, in aggregate principal amount of $140.0 million (the "Three-Year Dollar Term Loan A Facility") and €120.0 million (the "Three-Year Euro Term Loan A Facility"), respectively, (together, the "Term Loan A Facilities due 2023").

(ii) Term loans maturing in 2025 denominated in US dollar in an aggregate principal amount of $210.0 million (the "Five Year Dollar Term Loan A Facility"); and

(iii) Term loans maturing in 2026 denominated in US dollar (the "Dollar Term Loan B Facility due 2026") and in euro (the "Euro Term Loan B Facility due 2026"), in an aggregate principal amount of $2,000.0 million and €1,500.0 million, respectively, (together, the "Term Loan B Facilities due 2026").

The Five-Year Euro Term Loan A Facility was fully repaid in January 2021. The Three-Year Euro Term Loan A Facility and the Five-Year Dollar Term Loan A Facility were fully repaid in May 2022.

On March 14, 2023, the Group successfully raised incremental debt under the existing 2026 term loans increasing the principal amount of the Euro Term Loan B borrowings by €375 million (the "Euro

8. INTEREST BEARING LOANS AND BORROWINGS (continued)

Term Loan B due 2030") and the Dollar Term Loan B borrowings by $500.0 million (the Dollar Term Loan B due 2030"). The 2030 Term Loans were made in a single drawing on March 14, 2023.

As at June 30, 2023, $1,960.0 million was drawn under the Dollar Term Loan B Facility due 2026 (€1,800.0 million equivalent); €1,500.0 million was drawn under the Euro Term Loan B Facility due 2026; $500.0 million was drawn under the Dollar Term Loan B Facility due 2030 (€459.1 million equivalent); and €375.0 million was drawn under the Euro Term Loan B Facility due 2030.

Since May 2023, the Dollar Term Loan B Facility due 2026 bears interest at a rate per annum equal to the applicable Term SOFR plus 0.11448% CSA (subject to a floor of 0.5%) plus 2.75%.

The Dollar Term Loan B Facility due 2030 bears interest at a rate per annum equal to the applicable Term SOFR plus 0.10% CSA (subject to a floor of 0% per annum) plus a margin of 3.75%.

The Term Loan B Facilities denominated in euros bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus 2.75% for the Euro Term Loan B Facility due 2026 and 4.0% for the Euro Term Loan B Facility due 2030.

The obligations under the Term Loans are jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries.

The Term Loan Agreement contains a number of restrictions including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Dollar Term Loan B Facility due 2026 and the Dollar Term Loan B Facility due 2030 are to be repaid in quarterly instalments beginning on September 30, 2021 and September 30, 2023, respectively, equal to 0.25% of the original aggregate principal amount of the Dollar Term Loan B Facility due 2026 and the Dollar Term Loan B Facility due 2030. The Euro Term Loan B Facility due 2026 and the balance of the Dollar Term Loan B Facility due 2026 are payable, subject to certain exemptions, on January 15, 2026. The Euro Term Loan B Facility due 2030 and the balance of the Dollar Term Loan B Facility due 2030 are payable, subject to certain exemptions, on March 14, 2030.

The Term Loans B facilities due 2026 are stated net of debt issue costs of €25.8 million (December 31, 2022: €31.2 million). The Term Loans B facilities due 2030 are stated net of debt issue costs of €15.6 million (December 31, 2022: €nil). These costs are allocated to the profit and loss account over the term of the Term Loans.

Term Loan B facilities due 2027

The Group has outstanding borrowings under a credit facilities agreement dated November 7, 2014 (as amended and restated) which consist of euro and US dollar denominated Term loans (referred to as the "Term Loan B Facilities agreement").

On January 31, 2020, the Group successfully completed a refinancing transaction of the existing term loans increasing the principal amount of the Euro Term Loan B borrowings to €450.0 million (the "Euro Term Loan B due 2027") and the Dollar Term Loan B borrowings remained at $202.3 million (the Dollar Term Loan B due 2027").

As at June 30, 2023, €450.0 million under the Euro Term Loan B due 2027 and $195.7 million (€179.8 million equivalent) under the Dollar Term Loan B Facility due 2027 remained outstanding.

Since May 2023, the Dollar Term Loan B Facility due 2027 bears interest at a rate per annum equal to the applicable Term SOFR plus 0.10% CSA (subject to a floor of 0% per annum) plus a margin of 2.00%.

From January 2020, the new Euro Term Loan B Facility due 2027 bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0.50% per annum) plus 2.00%.

The obligations under the Term Loan B Facilities due 2027 is jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries.

8. INTEREST BEARING LOANS AND BORROWINGS (continued)

The Term Loan B Facilities due 2027 contains a number of restrictions including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Term Loan B Facilities due 2027 do not contain any financial maintenance covenants.

The new Dollar Term Loan B Facility due 2027 is to be repaid in quarterly instalments equal to 0.25% of the original principal amount of the new Dollar Term Loan B Facility due 2027. The new Euro Term Loan Facility due 2027 and the balance of the new Dollar Term Loan B Facility due 2027 are payable on January 31, 2027.

The Term Loans B facilities due 2027 are stated net of debt issue costs of €2.7 million (December 31, 2022: €3.1 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

Senior Secured Notes due 2027

On January 31, 2020, the Group issued €600.0 million aggregate principal amount 2¼% Senior Secured Notes due 2027 (the "Senior Secured Notes due 2027"). The Senior Secured Notes due 2027 are listed on the Euro MTF—Luxembourg stock exchange and bear interest at 2¼% per annum, payable semi-annually in arrears on January 15 and July 15 of each year, beginning July 15, 2020. Unless previously redeemed as noted below, the Senior Secured Notes due 2027 will be repaid by the Group at their principal amount on January 16, 2027.

The Senior Secured Notes due 2027 outstanding at June 30, 2023 were €600.0 million (December 31, 2022: €600.0 million).

The Senior Secured Notes due 2027 are subject to redemption at any time on or after January 15, 2023 in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January15 of the year indicated below:

Year	Senior Secured Notes due 2027 Redemption Price
2023	100.5625%
2024 and thereafter	100.0000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2027 are jointly and severally guaranteed on a senior secured basis by certain of the Group's subsidiaries. They are secured by first priority liens (subject to certain exceptions) on the same assets that secured the obligations under the Term Loan B Facilities due 2027, the Term Loan Agreement and certain hedging obligations and cash management arrangements.

The Senior Secured Notes due 2027 contain a number of restrictions including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2027 are stated net of debt issue costs of €2.6 million (December 31, 2022: €3.0 million). These costs are allocated to the profit and loss account over the term of the Notes.

Securitization facilities

INEOS Styrolution Group GmbH and certain other Group companies are party to a €600.0 million trade receivables securitization program (the "Styrolution Securitization Program") that matures on June 30, 2024. The facility is secured by pledges over the trade receivables sold into the program. For drawn

8. INTEREST BEARING LOANS AND BORROWINGS (continued)

amounts, interest is charged on the facility at a rate of either EURIBOR or SOFR or short-term commercial paper rates plus a margin of 0.95%. For undrawn amounts, the facility bears interest of 0.5%.

INOVYN Group Treasury Limited and certain other INOVYN business' companies are party to a €240.0 million trade receivables securitization program (the "INOVYN Securitization Program") that matures on June 30, 2024. The facility is secured by pledges over the trade receivables sold into the program. For drawn amounts, interest is charged on the facility at a rate of either EURIBOR, SOFR or SONIA or short-term commercial paper rates plus a margin of 0.95%. For undrawn amounts, the facility bears interest of 0.5%.

Other facilities

The Group has several short-term credit facilities with different local banks to fund working capital requirements up to a total aggregate amount of €238.4 million equivalent as of June 30, 2023 (December 31, 2022: €224.2 million equivalent) in China, Malaysia, Singapore, South Korea, Thailand, and United Kingdom. The available amount under the working capital facilities at June 30, 2023 amounted to €190.9 million equivalent (December 31, 2022: €197.8 million equivalent), with €47.5 million (December 31, 2022: €26.4 million) of certain trade finance facilities being utilized in China.

The Group also has letter of credit facilities in China, Malaysia, Indonesia, Mexico, Singapore, South Korea, Thailand, and United Kingdom. As of June 30, 2023, the drawn amount under all letter of credit facilities was €35.0 million equivalent (December 31, 2022: €16.0 million equivalent). The letters of credit are generally secured by current assets. The facilities also provide for a limited number of other financial services, such as bank guarantees and foreign exchange hedging lines.

9. FINANCIAL INSTRUMENTS

The carrying amount is a reasonable approximation of fair value of trade receivables and payables.

The financial assets/liabilities categorised as Fair Value through Profit and Loss (FVTPL) presented in Level 2 contains commodity derivatives and those presented in Level 1 contains interest rate swaps.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels, determined in accordance with IFRS 13 "Fair Value Measurement", have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
	June 30, 2023				December 31, 2022			
	(€ in millions)							
Financial assets/(liabilities) held for trading at fair value through profit and loss:								
Interest rates swaps	10.3	10.3	—	—	—	—	—	—
Derivative commodity contracts	(16.9)	—	(16.9)	—	(46.2)	—	(46.2)	—
Total financial assets/(liabilities) held for trading at fair value through profit and loss	**(6.6)**	**10.3**	**(16.9)**	**—**	**(46.2)**	**—**	**(46.2)**	**—**

The commodity derivatives are fair valued using rates in a quoted market. The interest rate swaps are fair valued using quoted prices in active markets. There have been no transfers between levels during the six-month period ended June 30, 2023 (2022: no transfers between levels).

9. FINANCIAL INSTRUMENTS (continued)

	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
	June 30, 2023				December 31, 2022			
	(€ in millions)							
Financial assets designated as fair value through other comprehensive income:								
Equity instruments	7.5	7.5	—	—	5.5	5.5	—	—
Total financial assets designated as fair value through other comprehensive income	**7.5**	**7.5**	**—**	**—**	**5.5**	**5.5**	**—**	**—**

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, deposits with financial institutions and derivatives.

Group Treasury policy and objectives in relation to credit risk is to minimize the likelihood that the Group will experience financial loss due to counterparty failure. The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group. The Group's exposure to liquidity risk is limited by the fact that it operates with significant cash resources, and it maintains the most appropriate mix of short and long-term borrowings from the Group's lenders.

The Group is reliant on committed funding from a variety of sources at Group and subsidiary company level to meet the anticipated needs of the Group for the period covered by the Group's budget.

The Group forecasts on a regular basis the expected cash flows that will occur on a weekly and monthly basis. This information is used in conjunction with the weekly reporting of actual cash balances at bank in order to calculate the level of funding that will be required in the short and medium term. On a monthly basis the level of headroom on existing facilities is reported and forecast forward until the end of the financial period.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Sterling, Norwegian krone and Swedish krona as well as other currencies including the Chinese renminbi, the Korean won and Thai baht. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

A substantial portion of the Group's revenue is generated in, or linked to, Sterling, US dollars and the Euro. Product prices, certain feedstock costs and most other operating costs are denominated in US dollar, Sterling, Euro, Norwegian krone, Swedish krona, the Chinese renminbi, the Korean won and Thai baht. In the US petrochemical and specialty chemical businesses, product prices, raw materials costs and most other costs are primarily denominated in US dollars.

The Group has established a currency risk policy under which material currency flows are analysed and if management considers it needed the risks are mitigated. The Group looks at transactional and translation currency risks.

9. FINANCIAL INSTRUMENTS (continued)

Commodity price risk

This section discusses the Group's exposure to the commodity contracts which are not covered under the own use exemption and are recognised as derivative instruments.

The Group is exposed to commodity price risk through fluctuations in raw material prices and sales of products. The raw material exposures result primarily from the price of feedstocks, electricity and base chemicals linked to the price of crude. The sales price exposures are primarily related to petrochemicals where prices are in general linked to the market price of crude oil.

The Group enters into contracts to supply or acquire physical volumes of commodities at future dates during the normal course of business that may be considered derivative contracts. Where such contracts exist and are in respect of the normal purchase or sale of products to fulfil the Group's requirements, the own use exemption from derivative accounting is applied. The Group in some circumstances enters into swap contracts to acquire physical volumes of commodities at future dates which are not covered under the own use exemption and are recognised as derivative instruments. The Group operates within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

10. CONTINGENCIES

The Group is subject to various proceedings instituted by governmental authorities arising under the provisions of applicable laws or regulations relating to the discharge of materials into the environment or otherwise relating to the protection of the environment. In management's opinion, none of the proceedings is material to the financial condition or results of operation of the Group.

11. RELATED PARTIES

Related parties comprise:

- Parent entities and their subsidiaries not included within the INEOS Quattro Holdings Limited group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Quattro Holdings Limited;
- Key management personnel;
- Jointly controlled entities and associated undertakings held by INEOS Limited (and their subsidiaries); and
- Jointly controlled entities and associated undertakings held within the INEOS Quattro Holdings Limited group.

Mr JA Ratcliffe, Mr AC Currie and Mr J Reece are shareholders in INEOS Limited.

Parent entities and their subsidiaries not included within the INEOS Quattro Holdings Limited group

Material trading and non-trading transactions by the Group with the entities controlled by INEOS Limited are as follows:

	Transaction value		Balance outstanding	
	Six-Months Period Ended		Period Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	December 31, 2022
	(€ in millions)			
Sale of products	126.5	173.2	—	—
Purchase of raw materials	(548.5)	(718.7)	—	—
Cost recoveries	51.4	41.2	—	—
Services received	(106.2)	(98.7)	—	—

11. RELATED PARTIES (continued)

	Transaction value		Balance outstanding	
	Six-Months Period Ended		Period Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	December 31, 2022
	(€ in millions)			
Net interest	(0.4)	(0.9)	—	—
Trade and other receivables	—	—	84.7	97.0
Loan receivables	—	—	—	500.8
Trade and other payables	—	—	(150.4)	(172.4)
Interest-bearing loans and borrowings	—	—	(42.5)	(41.7)

Included within services above is a management fee paid to INEOS Limited of €33.8 million (June 30, 2022: €29.8 million). No amounts remained outstanding at the period-end (December 31, 2022: €nil).

In general, all outstanding balances with INEOS companies are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date, with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to INEOS companies as at June 30, 2023 (December 31, 2022: €nil).

The interest-bearing loan is an unsecured loan due to INEOS Enterprises Holdings Limited. The loan bears interest at a rate of 4.5%. There is no formal repayment date under the loan agreement.

The loan receivable of €500.8 million as at December 31, 2022 was an unsecured loan owed by INEOS Industries Holdings Limited. This loan was fully settled through a dividend distribution on January 23, 2023.

Entities controlled by the shareholders of INEOS Limited

The shareholders of INEOS Limited own a controlling interest in the share capital of INEOS Limited and Screencondor Limited. During the six-month period ended June 30, 2023, the Group made no sales or purchases with these companies (June 30, 2022: €nil). As at June 30, 2023, amounts owed by Screencondor Limited were €1.5 million (December 31, 2022: €1.4 million).

Jointly controlled entities and associated undertakings held within the INEOS Limited group and jointly controlled entities and associated undertakings held within the INEOS Quattro Holdings Limited group.

Material trading and non-trading transactions with these entities during the period were as follows:

	Transaction value		Balance outstanding	
	Six-Months Period Ended		Period Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	December 31, 2022
	(€ in millions)			
Sale of products	22.7	7.0	—	—
Purchase of raw materials	(173.9)	(314.5)	—	—
Cost recoveries	57.7	150.1	—	—
Net interest	1.6	0.8	—	—
Trade and other receivables	—	—	32.2	77.8
Trade and other payables	—	—	(67.1)	(67.1)
Deferred consideration	—	—	240.5	239.0
Loans receivable	—	—	67.3	75.1

In general, all outstanding balances with these related parties are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on

11. RELATED PARTIES (continued)

terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to INEOS companies as at June 30, 2023 (December 31, 2022: €nil).

The deferred considerations are related to future instalments to be received from Sinopec on the achievement of certain milestones, which are expected to be fulfilled by December 2023.

INEOS Quattro Holdings Limited

Audited consolidated financial statements for the year ended December 31, 2022

INEOS QUATTRO HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS QUATTRO HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of INEOS Quattro Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- The parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 32 and parent company related notes 1-14.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation, IFRS and FRS 101, as well as laws and regulations prevailing in each country in which we identified a full-scope component and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's operating licences and environmental regulations.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- Occurence of non-routine revenue transactions given these are more susceptible to manipulation compared to automatic routine transactions.

Our specific procedures performed to address the occurence of non-routine revenue transactions include the following procedures:

- assessed the design and implementation of the key controls in place around the revenue recognition process;
- substantive testing of manual adjustments to revenue through agreement to supporting evidence that verifies the occurrence of the revenue.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and tax authorities.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

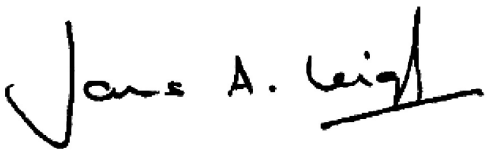
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Leigh FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
14 April 2023

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		€m	
Revenue	2	**18,172.3**	**14,932.2**
Cost of sales before exceptional items		(15,171.7)	(11,821.5)
Exceptional cost of sales	4	—	(140.6)
Total cost of sales		(15,171.7)	(11,962.1)
Gross profit		**3,000.6**	**2,970.1**
Distribution costs		(901.9)	(814.5)
Administrative expenses before exceptional items		(474.8)	(440.0)
Exceptional administrative expenses	4	(5.1)	(41.1)
Total administrative expenses		(479.9)	(481.1)
Operating profit	5	**1,618.8**	**1,674.5**
Share of profit of associates and joint ventures using the equity method	12	233.6	462.0
Dividends received from other investments		2.6	2.5
Impairment of investments	12	—	(1.0)
Loss on disposal of equity accounted investments	12	(26.6)	—
Profit on disposal of controlling stake in businesses	3	710.3	—
Profit on disposal of property, plant and equipment		5.6	4.3
Profit before net finance costs		**2,544.3**	**2,142.3**
Finance income	8	89.6	101.8
Finance costs before exceptional items	8	(287.0)	(273.1)
Exceptional finance costs	4, 8	(4.3)	(68.9)
Total finance costs		(291.3)	(342.0)
Net finance costs		(201.7)	(240.2)
Profit before tax		**2,342.6**	**1,902.1**
Tax charge	9	(377.7)	(326.0)
Profit for the year		**1,964.9**	**1,576.1**
Profit attributable to:			
—Owners of the parent		1,920.3	1,545.8
—Non-controlling interest		44.6	30.3
		1,964.9	**1,576.1**

All activities of the Group relate to continuing operations.

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		€m	
Profit for the year		**1,964.9**	**1,576.1**
Other comprehensive (expense)/income:			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	20	(35.6)	54.8
Deferred taxes on remeasurement of post-employment benefit obligations	14	6.8	(9.6)
Fair value gain on investments in equity instruments designated as FVTOCI	25	(0.4)	—
Reclassification of foreign exchange translation difference on disposal of subsidiaries to profit or loss	3	9.8	—
Items that may be subsequently reclassified to profit or loss			
Foreign exchange translation differences of subsidiaries		(51.0)	202.9
Total other comprehensive (expense)/income for the year, net of tax		**(70.4)**	**248.1**
Total comprehensive income for the year		**1,894.5**	**1,824.2**
Total comprehensive income attributable to:			
—Owners of the parent		1,854.9	1,784.7
—Non-controlling interest		39.6	39.5
Total comprehensive income for the year		**1,894.5**	**1,824.2**

The notes on pages F-34 to F-105 are an integral part of these consolidated financial statements.

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2021
		€m	
Non-current assets			
Property, plant and equipment	10	4,722.8	4,972.2
Intangible assets	11	2,187.1	2,265.2
Investments in equity-accounted investees	12	1,800.6	1,530.9
Other investments	12	9.8	18.1
Other financial assets	13	2.2	2.1
Other receivables	16	152.7	52.5
Employee benefits	20	27.7	69.0
Deferred tax assets	14	150.2	202.9
Total non-current assets		**9,053.1**	**9,112.9**
Current assets			
Inventories	15	1,473.6	1,548.9
Trade and other receivables	16	2,360.9	2,377.9
Tax receivables for current tax		79.2	54.7
Other financial assets	13	244.5	—
Cash and cash equivalents	26	1,530.1	1,291.3
Total current assets		**5,688.3**	**5,272.8**
Total assets		**14,741.4**	**14,385.7**
Equity attributable to owners of the parent			
Share capital	23	0.3	0.3
Merger reserve	24	(4,526.9)	(4,526.9)
Retained earnings		8,961.0	7,551.5
Other reserves		148.1	213.5
Total shareholders' funds		**4,582.5**	**3,238.4**
Non-controlling interest		66.1	74.2
Total equity		**4,648.6**	**3,312.6**
Non-current liabilities			
Interest-bearing loans and borrowings	17	6,336.5	6,436.4
Lease liabilities	18	224.3	226.6
Trade and other payables	19	142.5	146.9
Employee benefits	20	189.5	233.3
Provisions	21	154.6	185.3
Deferred tax liabilities	14	400.3	404.9
Total non-current liabilities		**7,447.7**	**7,633.4**
Current liabilities			
Interest-bearing loans and borrowings	17	4.5	133.9
Lease liabilities	18	65.0	72.6
Trade and other payables	19	2,301.0	2,978.5
Tax liabilities for current tax		194.7	146.0
Other financial liabilities	22	46.2	53.4
Provisions	21	33.7	55.3
Total current liabilities		**2,645.1**	**3,439.7**
Total liabilities		**10,092.8**	**11,073.1**
Total equity and liabilities		**14,741.4**	**14,385.7**

These financial statements were approved by the Board of Directors on 14 April 2023 and were signed on its behalf by:

G W Leask
Director

INEOS Quattro Holdings Limited
Registered number: 09922632

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Share capital	Share premium reserve	Merger reserve	Retained earnings	Other reserves	Total shareholders' funds	Non-controlling interest	Total equity
						€m			
Balance at 1 January 2021		**0.3**	**6,620.4**	**(4,526.9)**	**603.5**	**(25.4)**	**2,671.9**	**71.3**	**2,743.2**
Profit for the year		—	—	—	1,545.8	—	1,545.8	30.3	1,576.1
Other comprehensive income/(expense):									
Remeasurement of post-employment benefit obligations	20	—	—	—	—	53.7	53.7	1.1	54.8
Deferred taxes on remeasurement of post-employment benefit obligations	14	—	—	—	—	(9.4)	(9.4)	(0.2)	(9.6)
Foreign exchange translation differences of subsidiaries		—	—	—	—	194.6	194.6	8.3	202.9
Total other comprehensive income						**238.9**	**238.9**	**9.2**	**248.1**
Transactions with owners, recorded directly in equity:									
Reduction of share premium	23	—	(6,620.4)	—	6,620.4	—	—	—	—
Repayment of Equity Bridge Contribution	23	—	—	—	(824.9)	—	(824.9)	—	(824.9)
Dividends	23	—	—	—	(393.3)	—	(393.3)	(36.6)	(429.9)
Transactions with owners, recorded directly in equity		**—**	**(6,620.4)**	**—**	**5,402.2**	**—**	**(1,218.2)**	**(36.6)**	**(1,254.8)**
Balance at 31 December 2021		**0.3**	**—**	**(4,526.9)**	**7,551.5**	**213.5**	**3,238.4**	**74.2**	**3,312.6**
Profit for the year		—	—	—	1,920.3	—	1,920.3	44.6	1,964.9
Other comprehensive (expense)/income:									
Remeasurement of post-employment benefit obligations	20	—	—	—	—	(32.6)	(32.6)	(3.0)	(35.6)
Deferred taxes on remeasurement of post-employment benefit obligations	14	—	—	—	—	6.1	6.1	0.7	6.8
Foreign exchange translation differences of subsidiaries		—	—	—	—	(48.3)	(48.3)	(2.7)	(51.0)
Reclassification to profit or loss on disposal of subsidiaries	3	—	—	—	—	9.8	9.8	—	9.8
Fair value loss on investments in equity instruments designated as FVTOCI	14	—	—	—	—	(0.4)	(0.4)	—	(0.4)
Total other comprehensive expense		**—**	**—**	**—**	**—**	**(65.4)**	**(65.4)**	**(5.0)**	**(70.4)**
Transactions with owners, recorded directly in equity:									
Adjustment arising from change in non-controlling interest		**—**	**—**	**—**	10.2	—	10.2	12.2	22.4
Adjustment arising from disposal of non-controlling interest		**—**	**—**	**—**	—	—	—	(32.5)	(32.5)
Dividends	23	—	—	—	(521.0)	—	(521.0)	(27.4)	(548.4)
Transactions with owners, recorded directly in equity		**—**	**—**	**—**	**(510.8)**	**—**	**(510.8)**	**(47.7)**	**(558.5)**
Balance at 31 December 2022		**0.3**	**—**	**(4,526.9)**	**8,961.0**	**148.1**	**4,582.5**	**66.1**	**4,648.6**

The notes on pages F-34 to F-105 are an integral part of these consolidated financial statements.

Analysis of other reserves:

	Note	Translation reserve	Fair value reserve	Actuarial reserve	Total other reserves
			€m		
Balance at 1 January 2021		**(10.7)**	**—**	**(14.7)**	**(25.4)**
Remeasurement of post-employment benefit obligations	20	—	—	53.7	53.7
Deferred taxes on remeasurement of post-employment benefit obligations	14	—	—	(9.4)	(9.4)
Foreign exchange translation differences of subsidiaries		194.6	—	—	194.6
Balance at 31 December 2021		**183.9**	**—**	**29.6**	**213.5**
Remeasurement of post-employment benefit obligations	20	—	—	(32.6)	(32.6)
Deferred taxes on remeasurement of post-employment benefit obligations	14	—	—	6.1	6.1
Fair value gain on investments in equity instruments designated as FVTOCI	14	—	(0.4)	—	(0.4)
Reclassification of foreign exchange translation difference on disposal of subsidiaries		9.8	—	—	9.8
Foreign exchange translation differences of subsidiaries		(48.3)	—	—	(48.3)
Balance at 31 December 2022		**145.4**	**(0.4)**	**3.1**	**148.1**

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		€m	
Cash flows from operating activities			
Profit for the year		1,964.9	1,576.1
Adjustments for:			
Depreciation and impairment	10	582.9	595.5
Amortisation and impairment	11	129.4	122.9
Net finance costs	8	201.7	240.2
Share of profit of joint ventures and associated undertakings	12	(233.6)	(462.0)
Dividends received from other investments		(2.6)	(2.5)
Profit on disposal of property, plant and equipment		(5.6)	(4.3)
Impairment of investments	12	26.6	1.0
Profit on disposal of subsidiaries		(710.3)	—
Tax charge	9	377.7	326.0
Decrease/(increase) in trade and other receivables		406.6	(789.4)
Decrease/(increase) in inventories		73.3	(589.2)
(Decrease)/increase in trade and other payables		(542.5)	1,032.0
(Decrease)/increase in provisions and employee benefits		(74.6)	70.0
Tax paid		(321.8)	(291.1)
Net cash from operating activities		**1,872.1**	**1,825.2**
Cash flows from investing activities			
Interest and other finance income received		13.6	5.0
Net repayment of loans made to related parties		4.2	6.7
Dividends received from joint ventures	12	401.4	188.7
Dividends received from other investments		2.6	2.5
Disposal of businesses, net of cash disposed of and withholding tax	3	238.1	—
Proceeds from sales of property, plant and equipment		16.1	6.8
Acquisition of businesses, net of cash acquired	3	—	85.8
Acquisition of other investments		(0.2)	(0.7)
Acquisition of intangible assets		(75.7)	(3.5)
Acquisition of property, plant and equipment		(869.4)	(750.2)
Net cash used in investing activities		**(269.3)**	**(458.9)**
Cash flows from financing activities			
Proceeds from external borrowings	17	431.1	4,832.5
Repayment of external borrowings		(418.9)	(4,185.4)
Debt issue costs		(1.2)	(63.0)
Interest paid		(270.2)	(187.7)
Capital element of lease payments	18	(82.8)	(95.8)
Non-controlling interest buy-out	23	22.5	—
Drawdown of loans made to the owners of the Company		(500.5)	—
Repayment of Equity Bridge Contribution to the owners of the Company	23	—	(824.9)
Dividend paid attributable to the owners of the Company	23	(521.0)	(393.3)
Dividend paid attributable to non-controlling interest		(34.9)	(10.3)
Net cash used in financing activities		**(1,375.9)**	**(927.9)**
Net increase in cash and cash equivalents	26	226.9	438.4
Cash and cash equivalents at 1 January	26	1,291.3	805.6
Effect of exchange rate fluctuations on cash held		11.9	47.3
Cash and cash equivalents at 31 December	26	**1,530.1**	**1,291.3**

The notes on pages F-34 to F-105 are an integral part of these consolidated financial statements.

1 ACCOUNTING POLICIES

1.1 Overview

INEOS Quattro Holdings Limited ("the Company") is a private company, limited by shares, incorporated in the United Kingdom, registered in England and Wales, and has its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom.

The Company was incorporated on 18 December 2015, as a subsidiary of INEOS Industries Holdings Limited.

1.2 Basis of accounting

These financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associated undertakings and recognise its joint arrangements as joint operations or joint ventures. The parent company financial statements present information about the Company as a separate entity and not about its Group.

The Group financial statements have been prepared on a going concern basis and approved by the Board of Directors in accordance with United Kingdom adopted international accounting standards.

In preparing the financial statements, the directors have considered the impact of climate change, particularly in the context of the principal risk identified on page 115 (see *"—Sustainability"*). There has been no material impact identified on the financial reporting judgements and estimates. The directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the group's financial statements

The Group meets its day to day working capital requirements through its intercompany loan and external financing facilities, along with cash generated by its subsidiaries' operations. The Group held cash balances of €1,530.1 million at 31 December 2022 (2021: €1,291.3 million) and gross loans and borrowings of €6,391.7 million at 31 December 2022 (2021: €6,640.2 million). The Group has no significant financial covenants. The Directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Group has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA before exceptional items, cash flow and debt. The stress tests show that the Group will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements.

On the basis of this assessment together with net assets of €4,648.6 million as at 31 December 2022 (2021: €3,312.6 million) the Directors have concluded that the Group can operate within its current facilities for a period of at least 12 months from the date of this report. Therefore, these financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Group financial statements have been prepared and approved by the directors in accordance with United Kingdom adopted international accounting standards and have been approved for issuance by the Board of Directors on 14 April 2023.

The notes below provide a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

1.3 Measurement convention

The financial statements are prepared on the historical cost basis except for derivative financial instruments classified at fair value through the profit or loss or at fair value through other comprehensive income.

1 ACCOUNTING POLICIES (continued)

1.4 Functional and presentation currency

The presentational currency of the Group is the Euro, which is the functional currency of the majority of operations. The Group's primary products are sold in an international commodities market which is priced and invoiced primarily in euros.

1.5 Changes in accounting policies

The Group financial statements have been prepared using accounting policies that are consistent with those of the previous financial year. The Group has adopted the following amendments to accounting standards for the first time in 2022, with effect from 1 January 2022, although there has been no material effect on the Group's financial statements:

- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract.

  The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

- Amendments to References to the Conceptual Framework in IFRS 3.

  The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use.

  Under the amendments, proceeds from selling items before the related item of Property, Plant and Equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 *Inventories* should be applied in identifying and measuring these production costs.

  The amendments also clarify the meaning of 'testing whether an asset is functioning properly. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

  If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

- Annual Improvements to IFRS Standards 2018-2020:

  IFRS 1: Subsidiary as a first-time Adopter—The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. The amendment allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

  IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities—The amendment clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

  IFRS 16: The amendment removes the illustration of the reimbursement of leasehold improvements.

1 ACCOUNTING POLICIES (continued)

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (effective date 1 January 2024).

1.6 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations, except acquisitions under common control which are outside the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination of a subsidiary or joint venture is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in the profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Special purpose entities ("SPE")

A SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE. The Group has established three SPE's, INEOS Styrolution Receivables Finance Designated Activity Company, Deutsche

1 ACCOUNTING POLICIES (continued)

Bank Mexico F/1787 and INEOS Norway Finance Ireland Limited, for debt securitisation programmes. The Group does not have any direct or indirect shareholdings in these SPE's. The SPE's are controlled by the Group as they have been established under terms that impose strict limitations on the decision-making powers of the SPE's management that result in the Group receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to the majority of risks arising from the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE's and their assets. INEOS Styrolution Receivables Finance Designated Activity Company, Deutsche Bank Mexico F/1787 and INEOS Norway Finance Ireland Limited are therefore regarded as SPE's and have been consolidated in these financial statements.

Associated undertakings

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint arrangements

Under IFRS 11 "*Joint Arrangements*", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be either joint operations or joint ventures.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or loses and movements in other comprehensive income. When the Group's share of losses on a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

1 ACCOUNTING POLICIES (continued)

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the polices adopted by the Group.

1.7 Foreign exchange

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated income statement except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign exchange are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, euros, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at exchange rates prevailing at the dates of the transactions. The Group applies an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are recycled into the consolidated income statement upon disposal.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign exchange differences arising on the retranslation of a borrowing designated as a hedge of a net investment in a foreign operation are recognised directly in OCI, in the translation reserve, to the extent that the hedge is effective. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

1.8 Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) They include no contractual obligation upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in debt and equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

1 ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade and other receivables are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade receivables satisfy the criteria for cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost they are recognised at fair value through profit or loss or at fair value through other comprehensive income.

Trade and other payables

Trade and other payables are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities

Investments in debt securities are measured at amortised cost if they meet both of the following conditions and are not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For investment in equity securities that are not held for trading, the Group may irrevocably elect to present subsequent changes to fair value in other comprehensive income. The Group makes this election on an investment-by-investment basis.

All other financial assets, including derivatives, are classified as measured at fair value through profit and loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement. Where no reliable measurement of fair value is available, investments are stated at historic acquisition cost.

Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and call deposits.

Cash flows entered into by a third party on behalf of the Group (as it's 'agent') are presented 'gross'. These are typically cash flows arising from financing activities, undertaken by agent banks.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Debt restructuring

The Group derecognises financial liabilities in accordance with the provisions in IFRS 9. When debt is modified, the Group analyses the modifications from both a quantitative and qualitative perspective

1 ACCOUNTING POLICIES (continued)

to determine if the modifications are substantial and meet the IFRS requirements for de-recognition, in which case the debt is treated as extinguished. All fees paid in connection with a debt extinguishment are expensed immediately. When a modification is accounted for as a non-substantial modification, associated fees incurred are deferred as an adjustment to the carrying value of the liability and amortised using the original effective interest rate.

Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value. The gain or loss on subsequent remeasurement to fair value is recognised immediately in the consolidated income statement as finance income or expense. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

C*ash flow hedges*

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of the hedge is recognised immediately in the consolidated income statement as finance income or expense.

Where the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss, e.g. when interest income or expense is recognised.

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and included in the consolidated income statement as an adjustment to revenue and cost of sales in the same period or periods during which the hedged forecast transaction affects revenue and cost of sales in the consolidated income statement.

When a hedging instrument expires, is sold, terminated, exercised, or the hedge no longer meets the criteria for hedge accounting, hedge accounting is discontinued prospectively. The cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the consolidated income statement immediately.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may include the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use. Cost may also include the cost of dismantling and removing items and restoring the site on which they are located.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences

1 ACCOUNTING POLICIES (continued)

from the date an asset is brought into service. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

• Buildings	10 to 50 years
• Plant and Equipment	
— Major items of plant	3 to 30 years
— Major plant overhauls	2 to 4 years
— Motor vehicles	5 years
— Computer hardware and major software	2 to 4 years
— Fixtures and fittings	3 to 40 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the Group makes an estimate of the recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated income statement in the period in which the item is derecognised.

1.10 Business combinations, goodwill and intangible assets

All business combinations are accounted for by applying the Acquisition method, except acquisitions under common control which are outside the scope of IFRS 3. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

Acquisitions under common control are accounted for at book value. The difference in the book value of the assets acquired and consideration paid is recognised in retained earnings within a distributable merger reserve. The Group has elected not to include the results of businesses acquired under common control transactions within the Group income statement for any periods prior to the date of acquiring control.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units and is not amortised but is tested annually for impairment. The cash generating units within the Group are predominately business units. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Negative goodwill arising on an acquisition is recognised immediately in the consolidated income statement.

Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. These intangible assets principally comprise intellectual property rights, customer relationships, non-compete agreements and license fees.

Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of other consideration given to acquire the assets. An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Amortisation

Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite

1 ACCOUNTING POLICIES (continued)

useful life and goodwill are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer relationships . . . . . 3 - 12 years
- Intellectual property rights . . . . . 10 - 15 years
- Non-compete agreements . . . . . life of the agreement
- Licenses . . . . . up to 15 years
- Other . . . . . 3 years

These intangible assets are tested for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

1.11 Research and development

Expenditure on research activities is recognised in the consolidated income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Where regulatory and other uncertainties are such that the criteria are not met, the expenditure is recognised in the income statement. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

1.12 Impairment

Impairment of financial assets

A financial asset not classified at fair value through profit and loss is assessed at each reporting date to determine whether there is evidence that it is impaired.

Trade and other receivables

The Group applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade receivables and contract assets. This approach requires the Group to recognise the lifetime expected loss provision for all trade receivables taking in consideration historical as well as forward-looking information.

Where the Group has assessed the probability of default of a financial asset to be low, the loss allowance is considered immaterial.

The Group assesses on a forward looking basis the expected credit losses associated with the financial assets classified at amortised cost at each balance sheet date and adjusts the allowance accordingly.

Investments in debt and equity securities

Impairment of equity securities classified as FVOCI are not tested for impairment under IFRS 9. If the fair value of a debt instrument classified as FVOCI increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through profit or loss.

Impairment of non-financial assets excluding inventories and deferred tax assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are assessed at the end of the reporting period to determine whether there is any indication of impairment.

1 ACCOUNTING POLICIES (continued)

For goodwill and other intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of the reporting period.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 Inventories

Inventories (excluding engineering stocks and maintenance spares) are stated at the lower of cost, using the first-in first-out or average cost method, and net realisable value which is defined as the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete, slow-moving or defective items where appropriate.

Items owned by the Group that are held on consignment at another entity's premises are included as part of the Group's inventory.

Engineering stocks and maintenance spares are valued at moving average price. Catalysts, which are part of the chemical reaction and are consumed in the production process, are held as raw materials and consumables within inventories. These are consumed over a certain period, depending on their renewal cycles, according to normal production levels.

Cost of sales includes direct costs of raw material, distribution and handling costs.

1.14 Commodities

Contracts that are entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with the Group's expected purchase, sale or usage requirements (own-use contracts) are not accounted for as derivative financial instruments, but rather as executory contracts.

1 ACCOUNTING POLICIES (continued)

1.15 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16 *Leases*.

Group as a lessee

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be paid under residual value guarantees less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are expensed in the period in which the event or condition that triggers the payment occurs.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments a change in the assessment of whether the Group is reasonably certain to exercise an option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way and there has been no change in the scope of the lease, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to all leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also

1 ACCOUNTING POLICIES (continued)

applies the lease of low-value assets recognition exemption to leases of assets that are valued below €10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.16 Government grants and similar deferred income

Government grants and similar deferred income are shown in the balance sheet as deferred income. This income is amortised on a straight-line basis over the same period as the tangible fixed asset to which it relates or the life of the related project.

1.17 Employee benefits

The Group operates a number of defined contribution plans and funded and unfunded defined benefit pension schemes. The Group also provides unfunded early retirement benefits, long service awards and an incentive plan for certain employees.

The Group provides health care insurance to eligible retired employees and their dependants, primarily in the United States.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the reporting date on AA credit rated bonds denominated in the currency of, and that have maturity dates approximating to the terms of, the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are amended or curtailed, the portion of the increased or decreased benefit relating to past service by employees is recognised as an expense immediately in the consolidated income statement.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.

The movement in the scheme surplus/deficit is split between:

- cost of sales and administrative expenses;
- net finance costs and,
- in net expense recognised directly in equity, the remeasurements of post employment benefit obligations.

Certain of the Group's pension plans include multi-employer schemes for employees of the Group and other INEOS or third-party companies. The method used to split the results between the Group and the other participating employers is as follows:

- Most members are allocated to a specific company, but where this was not possible members are allocated to the largest employer within the Group.

1 ACCOUNTING POLICIES (continued)

- Active scheme liabilities are allocated pro-rata based on the relative value of accrued pensions for active members. Deferred and pensioner members are allocated to the largest employer within the Group.
- Total assets and cash flows are allocated in proportion to accrued pensions.
- The allocation of total scheme liabilities is based on data collected at the last valuation date and this proportionate split has been applied consistently in the calculations.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.18 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change. Provisions are determined by discounting the expected future cash flows at risk free pre-tax rates based on country specific government bond yields which match the maturity of the expected future cash flows. The unwinding of the discount is recognised in finance costs.

Estimated direct costs to be incurred in connection with restructuring measures are provided for when the Group has a constructive obligation, which is generally the same as the announcement date. The announcement date is the date on which the plan is announced in sufficient detail such that employees have valid expectations that the restructuring will be carried out.

The Group is exposed to environmental and remediation liabilities relating to its past operations. Provision for these costs is made when the Group has a legal or constructive obligation to carry out remediation works and costs can be estimated within a reasonable range of possible outcomes.

1.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.20 Revenue

Revenue represents the invoiced value of products and services sold or services provided to third parties net of sales discounts, value added taxes and duties. Contracts for goods and services are analysed to determine the distinct performance obligations against which revenue should be recognised. The amount to be recognised is determined from the standalone selling prices for goods and services, allocated to the performance obligations. Revenue is recognised when (or as) the performance obligations are satisfied by transferring a promised good or service to a customer.

The timing of the satisfaction of a performance obligation varies depending on the individual terms of the sales agreement. Payment terms vary across the Group dependent on geographical location of each operating company. Transfer of control can occur when the product is received at the customer's warehouse, or loading the goods onto the relevant carrier, or when the product leaves the production site, depending on the international shipping terms that the product is sold under.

The pricing for products sold is determined by market prices (market contracts and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula

1 ACCOUNTING POLICIES (continued)

contracts). Revenue arising from the sale of goods is recognised when the goods are dispatched or delivered depending on the relevant delivery terms and point at which the control of the good or service is transferred to the customer.

The Group applies the five-step model for revenue recognition, introduced by IFRS 15 Revenue from Contracts with Customers. This model allows the Group to identify the contract with a customer; to determine the performance obligations in the contract; to establish the transaction price, which is later allocated to the performance obligations in the contract; and to recognise revenue when, or as, the entity satisfies a performance obligation, that is, that the control of the asset is transferred to the customer.

The Group has a small number of contracts that include distinct performance obligations. This results, in a limited number of cases, that revenue for certain performance obligations (being primarily separate shipping obligations) is recognised later in time. Additionally, certain customer contracts offer various forms of volume or early payment discount. These variable considerations might have as a consequence timing differences, but since the majority of contracts have terms of less than one year, the differences are solved within the period. Revenue is recognised to the extent that it is highly likely that a significant reversal in the amount of cumulative revenue recognised will not occur.

Additionally, certain customer contracts offer various forms of variable consideration in the form of early settlement discount or retrospective volume discounts. If it is highly probable that an early settlement discount will be taken and the amount is not expected to reverse when the variability is resolved, the discount is recognised as a reduction of revenue as the sales are recognised. If a volume discount applies retrospectively to all sales under the contract once a certain threshold is achieved, an estimate of the volumes to be sold and the resulting discount is calculated in determining the transaction price and this calculation is updated throughout the term of the contract.

Certain time and location swap contracts with third parties for commodities and finished goods are excluded from turnover and cost of sales.

Services provided to third parties include administrative and operational services provided to other companies with facilities on the Group's sites. Revenue is recognised at a point in time or over-time depending on whether the over-time revenue recognition criteria is met.

No assets related to costs to obtain or fulfil a contract have been recognised. Its impact, if any, is deemed immaterial.

1.21 Finance income and costs

Interest income and interest expense are recognised in the consolidated income statement as it accrues, using the effective interest method. Dividend income is recognised in the consolidated income statement on the date the entity's right to receive payments is established. Foreign exchange gains and losses are reported on a net basis.

Finance costs comprise interest payable, finance charges on leases, unwinding of the discount on provisions, net fair value losses on derivatives, net interest on employee benefit liabilities and net foreign exchange losses that are recognised in the consolidated income statement (see foreign exchange accounting policy).

Finance income comprises interest receivable on funds invested and from related party loans, net fair value gains on derivatives and net foreign exchange gains.

1.22 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

1 ACCOUNTING POLICIES (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are offset if it is possible that there is a legally enforceable right to offset current tax liabilities and assets because they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.23 Segmental analysis

The Group determines its operating segments in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments. The chief operating decision-makers are the members of the Executive Committees of each business who report into the shareholder.

The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure and the aggregation criteria set out in IFRS 8.

Segment results that are reported to the chief operating decision-makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Details of the Group operating segments and the segmental analysis of revenue and EBITDA before exceptionals are shown in note 2.

1.24 Exceptional items

In order to provide readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing business it separately identifies those profits and losses which because of their size or nature, are outside the normal course of business so are expected to be non-recurring. This may include the disposal of businesses, the impairment of non-current assets, the cost of restructuring acquired or existing businesses, the impact of one off events such as legal settlements or finance costs relating to call premia and write-off of unamortised debt issue costs following substantial modification or redemption of debt as exceptional items.

1.25 Emissions Trading schemes

The Group participates in the EU and UK Emissions Trading Schemes. The Scheme encourages companies to reduce carbon emissions by offering financial incentives if they achieve their annual reduction targets. If a company reduces emissions beyond their target then the surplus may be traded in the form of emissions permits.

The incentive money due from the EU and UK Emissions Trading Schemes are recognised in the consolidated income statement within cost of sales as a reduction of energy costs once the reduction targets have been met. The emissions permits allocated under the Scheme are at nil cost. Any additional emission permits that are purchased are recognised as intangible assets. The Group recognises the revenue from such permits upon their sale to third parties.

The Group accrues for emissions produced. The accrual is measured at the carrying amount of the emission rights held (nil if granted, otherwise at cost) or, in the case of a shortfall, at the current fair value of the emission rights needed.

1 ACCOUNTING POLICIES (continued)

1.26 Accounting standards not applied

A number of new standards and amendments are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The impact of their adoption is being assessed and is not expected to have a material impact on the Group's financial statements in the period of initial application. The new standards and amendments are as follows:

- IFRS 17 Insurance Contracts (effective date 1 January 2023).
- Amendments to IAS 12: Income taxes—deferred tax related to assets and liabilities arising from a single transaction (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective date 1 January 2023).
- Amendments to IAS 8: Definition of Accounting Estimates (effective date 1 January 2023).
- Amendments to IFRS 16: Lease liability in a sale and leaseback (effective date 1 January 2024).

2 OPERATING SEGMENTS

Revenue and EBITDA before exceptional items are key measures used by the chief operating decision makers of the Group to assess the performance of the business segments.

The Group divides its operations into four segments:

— *Styrolution*, consisting of a portfolio of styrene monomer, polystyrene and acrylonitrile butadiene styrene ("ABS") and a number of other styrene derivatives under the category of "Specialties" such as ABS specialty and copolymers.

— *INEOS Inovyn*, consisting of general purpose and specialty suspension PVC, emulsion PVC, caustic soda, caustic potash, chlorine and chlorine by-products, brine and water, salt, hydrochloric acid, chlorinated paraffins, chlorinated solvents, allylics and epichlorohydrin.

— *Acetyls*, consisting of a variety of organic compounds, including acetic acid, acetic anhydride, methanol, ethyl acetate and vinyl acetate.

— *Aromatics*, consisting of a variety of aromatic chemical compounds, including paraxylene, purified terephthalic acid, benzene and metaxylene.

The revenue and EBITDA before exceptional items attributable to each business segment was as follows:

	Revenue		EBITDA before exceptional items	
	2022	2021	2022	2021
	€m			
Styrolution	6,634.3	5,889.7	748.6	1,180.3
INEOS Inovyn	5,136.2	4,225.6	1,176.0	974.4
Acetyls	1,369.6	1,219.0	363.4	622.0
Aromatics	5,115.2	3,683.2	284.4	262.4
Eliminations	(83.0)	(85.3)	—	—
	18,172.3	**14,932.2**	**2,572.4**	**3,039.1**

2 OPERATING SEGMENTS (continued)

All revenues and EBITDA are in relation to the Group's ordinary activities.

Reconciliation of earnings before operating exceptional items, interest, taxation, impairment, depreciation and amortisation and after the share of profit/loss of associated undertakings and joint ventures using the equity accounting method ("EBITDA before exceptionals") to profit before tax:

	2022	2021
	€m	
EBITDA before exceptional items	2,572.4	3,039.1
Depreciation, amortisation and impairment charges	(712.3)	(718.4)
Exceptional items within operating profit (note 4)	(5.1)	(181.7)
Impairment of investments (note 12)	—	(1.0)
Profit on disposal of property, plant and equipment	5.6	4.3
Loss on disposal of equity accounted investment (note 12)	(26.6)	—
Profit on disposal of businesses (note 3)	710.3	—
Net finance costs (note 8)	(201.7)	(240.2)
Profit before tax	**2,342.6**	**1,902.1**

Geographical analysis—revenues

	2022	2021
	€m	
Geographical information by location of customers		
Europe	8,222.6	6,694.6
North Americas	4,368.8	2,963.8
Rest of World	5,580.9	5,273.8
Total	**18,172.3**	**14,932.2**

	2022	2021
	€m	
Geographical information by location of trading legal entity		
Europe	8,757.3	7,434.1
North Americas	4,570.8	3,155.1
Rest of World	4,844.2	4,343.0
Total	**18,172.3**	**14,932.2**

In presenting information on the basis of geographic analysis of segments, segment revenue is based on the geographical location of customers and registered address of the Group's trading legal entities.

3 ACQUISITION AND DISPOSAL OF BUSINESSES

Disposals in current year

Disposal of INEOS Styrolution India Limited

On 22 April 2022, the Group sold 13.8% of its shareholding in INEOS Styrolution India Limited for consideration of $25.1 million (€22.5 million equivalent). The Group's shareholding reduced from 75.0% to 61.2% as a result, with control being retained.

On 1 August 2022, the Group entered into an agreement to divest its remaining shareholding of 61.19% in INEOS Styrolution India Limited with Shiva Performance Materials Private Limited. The transaction was completed on 17 November 2022.

3 ACQUISITION AND DISPOSAL OF BUSINESSES (continued)

The net assets disposed at the date of disposal were as follows:

	Recognised values on disposal
	€m
Subsidiary's net assets recognised at the disposal date:	
Property, plant and equipment	39.9
Intangible assets	72.2
Investments	0.2
Inventories	41.1
Current debtors and other assets	44.4
Cash and cash equivalents	14.8
Trade and other payables	(5.0)
Lease liability	(40.4)
Employees benefits	(0.1)
Provisions	(1.3)
Deferred tax liabilities	(11.6)
Tax liabilities for current tax	(4.2)
Minority interests	(32.5)
Net assets of disposal group	**117.5**
Proceeds:	
Cash consideration	80.7
Accrued transaction costs	(0.5)
Net proceeds	**80.2**
Reclassification of foreign currency translation reserve to the income statement	9.8
Loss on disposal	**(47.1)**

The loss on disposal of €47.1 million, being the difference between net proceeds of €80.2 million (after deduction of transaction costs), the reclassification of foreign currency translation gains from reserve to the income statement of €9.8 million and net assets disposed of has been recognised in the statement of comprehensive income.

The transaction resulted in a net cash inflow of €65.9 million, being the difference between the sale price of €80.7 million less the cash balances held by the disposed business of €14.8 million. Transaction costs of €0.5 million remain unsettled as at 31 December 2022.

Disposals in current year

Equity transfer agreement of INEOS Styrolution Advanced Materials (Ningbo) Pte Limited

On 28 July 2022, the Group's subsidiary, INEOS Styrolution APAC Pte. Limited, entered into an agreement to transfer 50% of its shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to China Petroleum & Chemical Corporation ("Sinopec"). As a result, the Group lost control but retained joint control. Based on the terms of the joint-arrangement reviewed in accordance with IFRS 11, the Group has assessed that its 50% interest represents an interest in a joint venture and shall be accounted for using the equity method. The transaction was completed on 28 December 2022.

3 ACQUISITION AND DISPOSAL OF BUSINESSES (continued)

The net assets disposed at the date of the loss of control were as follows:

	Recognised values on disposal
	€m
Disposal of 100% of subsidiary's net assets recognised at the loss of control date:	
Property, plant and equipment	560.9
Intangible assets	0.6
Deferred tax assets	2.0
Inventories	0.4
Current debtors and other assets	58.3
Cash and cash equivalents	40.7
Trade and other payables	(34.1)
Intercompany loans	(64.7)
External loans and borrowings	(408.9)
Debt issue costs	0.4
Net assets of disposal group	**155.6**
Recognition of 50% of the joint-venture equity share:	
Fair value of share of joint-venture	**443.1**
Proceeds:	
Cash consideration*	226.4
Deferred consideration	246.2
Accrued transaction costs	(2.7)
Net proceeds	**469.9**
Gain on disposal	**757.4**

* Withholding tax of €13.5 million was paid in respect of this transaction.

The profit on disposal of €757.4 million, being the difference between the net proceeds of €469.9 million (after deduction of transaction costs); the 50% of the joint-venture equity share recognised at fair value of €443.1 million and net assets disposed of has been recognised in the statement of comprehensive income.

The deferred consideration is related to future instalments to be received from Sinopec on the achievement of certain milestones, which are expected to be fulfilled by December 2023 at the latest. The deferred consideration has been discounted to recognise the time value of money.

The cost of acquiring the 50% of the joint-venture equity share has been measured at fair value by applying discounted cash flow method based on a long-term business plan with a detailed planning period of seven years.

The transaction resulted in a net cash inflow of €172.2 million, being the difference between the sale price settled on completion of €226.4 million less €13.5 million of withholding tax paid and the cash balances held by the disposed business of €40.7 million. Transaction costs of €2.7 million remain unsettled as at 31 December 2022.

Acquisitions in the prior year—BP Petrochemicals

On 31 December 2020, pursuant to an acquisition agreement dated 29 June 2020 between INEOS Holdings AG and BP, certain subsidiaries of the Group agreed to purchase the Aromatics and Acetyls businesses from certain subsidiaries of BP (the "BP Acquisition" or the "BP Petrochemicals Business"), including shares in seven jointly-controlled joint ventures and the assets owned and used in relation to the Aromatics and Acetyls businesses.

3 ACQUISITION AND DISPOSAL OF BUSINESSES (continued)

The total purchase price for the BP Petrochemicals business of $4,990.0 million (€4,178.3 million equivalent) was subject to a completion accounts settlement process. Cash of €88.3 million was acquired with the Aromatics and Acetyls businesses on 31 December 2020. During 2021, the completion accounts settlement process was finalised, leading to a €85.8 million cash inflow from BP.

During the year ended 31 December 2021 the Group reviewed these provisional fair values and the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill was updated in 2021 as shown in the table below. Following the clarification of certain terms of the sale and purchase agreement with BP, additional liabilities were recognised in relation to employees' compensation costs triggered at the acquisition date for €23.8 million and transfer to BP of a tax refund received by PT INEOS Aromatics Indonesia for €6.4 million. The balance sheet as at 31 December 2020 has not been restated to reflect the above as the impact is not material.

	2020				2021	
	Book value on acquisition	Accounting policy alignment	Fair value adjustments	Provisional fair value on acquisition	Revaluation updates	Final values recognised on acquisition
	€m					
Acquiree's net assets at acquisition date:						
Property, plant and equipment	1,726.2	29.4	(41.9)	1,713.7	—	1,713.7
Intangible assets	3.4	—	558.7	562.1	—	562.1
Investments in equity accounted investees	789.1	—	390.3	1,179.4	—	1,179.4
Other non-current financial assets	2.0	—	—	2.0	—	2.0
Other investments	12.6	—	—	12.6	—	12.6
Other non-current receivables	1.6	—	—	1.6	—	1.6
Deferred tax assets	8.3	—	18.2	26.5	—	26.5
Inventories	322.2	(29.4)	(4.6)	288.2	—	288.2
Trade and other receivables	455.4	—	(33.6)	421.8	—	421.8
Cash and cash equivalents	88.3	—	—	88.3	—	88.3
Current and non-current interest-bearing loans and borrowings	(17.2)	—	—	(17.2)	—	(17.2)
Current and non-current lease liabilities	(85.4)	—	—	(85.4)	—	(85.4)
Current and non-current trade and other payables	(404.2)	—	(4.0)	(408.2)	(30.2)	(438.4)
Employee benefits	(2.4)	—	(0.1)	(2.5)	—	(2.5)
Current and non-current provisions	(2.9)	—	(1.5)	(4.4)	—	(4.4)
Deferred tax liabilities	(82.4)	—	17.2	(65.2)	—	(65.2)
Net identifiable assets and liabilities acquired	**2,814.6**	**—**	**898.7**	**3,713.3**	**(30.2)**	**3,683.1**
Non-controlling interest				(45.1)	—	(45.1)
Net assets				**3,668.2**	**(30.2)**	**3,638.0**
Consideration paid:						
Cash consideration				4,178.3	—	4,178.3
Completion accounts settlement adjustment				(66.0)	(19.8)	(85.8)
Effect of movements in foreign exchange				—	0.9	0.9
Difference between consideration and net assets acquired				**444.1**	**11.3**	**455.4**

3 ACQUISITION AND DISPOSAL OF BUSINESSES (continued)

The difference between consideration and net assets acquired has been recognised within intangible assets in note 11. Goodwill is not expected to be deductible for income tax purposes.

4 EXCEPTIONAL ITEMS

	2022	2021
	€m	
Exceptional items included in cost of sales:		
Plant closure costs[1]	—	19.0
Environmental costs[2]	—	121.6
	—	**140.6**
Exceptional items included in administrative expenses:		
Acquisition costs[3]	—	4.1
Reorganisation costs[4]	1.3	37.8
Other[5]	3.8	(0.8)
	5.1	**41.1**
Exceptional items excluding finance costs	**5.1**	**181.7**
Exceptional finance costs:		
Charge on early settlement of debt[6]	4.3	68.9
Total exceptional expenses	**9.4**	**250.6**

Exceptional cost of sales and administrative expenses:

(1) In March 2021, the Group announced the closure of the sulphur chemicals plant at Runcorn, United Kingdom and its withdrawal from the UK sulphur chemicals market. As a consequence, exceptional provisions of €11.9 million were recognised to cover the cost of exiting certain commercial agreements and the safe decommissioning of the plant. A further exceptional charge of €2.1 million was incurred in respect of redundant stock write-downs.

Remediation activities are continuing at Wilhelmshaven, Germany following the closure of INOVYN's mercury cell room in 2013. In 2021, a further provision of €5.0 million was made in 2021 to cover the extended operation of the waste water treatment plant until the demolition of the cell room is completed.

(2) In 2016, INOVYN's mercury cellroom at Runcorn, United Kingdom ceased production. Following a full review and assessment of scope and the availability of reliable cost estimates an exceptional provision of €25.8 million was recognised in 2021 to cover the demolition of the cellroom, including the safe disposal of hazardous waste and elemental mercury.

A €22.6 million provision was made by the Group's site in Runcorn, United Kingdom in relation to the demolition of the redundant Weston Point Power Station after management approved plans in 2021 for the removal of asbestos from the structure. Moreover, a dismantling provision of €9.1 million was recognised at Runcorn in relation to the aforementioned closure of the sulphur chemicals plant.

The Group also approved plans in 2021 for the dismantling of the mercury cell room at Wilhelmshaven, Germany and related infrastructure in 2021, after atmospheric and groundwater mercury levels exceeded permissible limits, with total provisions of €25.0 million being recognised.

At the Group's site at Tavaux, France, an exceptional charge of €18.5 million (€21.8 million of new provisions less €3.3 million of grants receivable) was incurred in order to comply with the obligations of the EU Water Directive, specifically in relation to an industrial scale waste water treatment plant and the sealing of sedimentation basins.

In addition to the above, further exceptional charges of €20.6 million (€23.4 million of new provisions less €2.8 million of grants receivable) were created in 2021 at the Group's sites at Lillo, Belgium; Zandvliet, Belgium; Tavazzano, Italy; Ferrara, Italy; Tavaux, France; and Runcorn, United Kingdom for various remediation related projects mostly associated with mercury contamination.

(3) In 2020, certain subsidiaries of the Group acquired the Aromatics and Acetyls businesses from certain subsidiaries of BP. Acquisition-related professional fees relating to legal, accounting, human resources, industry specialists, environmental specialists and other consultancy costs were incurred in 2021.

(4) In 2022, the Aromatics businesses incurred €1.3 million of exceptional charges in respect of manpower reorganisations.

In 2021, the Aromatics and Acetyls businesses incurred €37.8 million of exceptional charges in respect of manpower reorganisations and various IT-related costs following the cessation of the IT transitional service agreement with BP.

(5) In 2022, the Aromatics businesses incurred €3.8 million of exceptional charges related to cancellation of projects started under BP ownership and no longer expected to be pursued. The exceptional credit in 2021 of €0.8 million relates to the release of provisions made in prior years for legal claims and commercial disputes.

4 EXCEPTIONAL ITEMS (continued)

Exceptional finance costs:

(6) In 2022, exceptional finance costs of €4.3 million were incurred in relation to the write off of unamortised debt issue costs associated with the Term Loan A Facilities due 2023 and the Term Loan A Facilities due 2025 which were repaid in full on 31 May 2022.

In 2021, exceptional finance costs of €52.7 million relate to the write off of unamortised debt issue costs associated with the Five-Year Euro Term Loan A Facility, the Bridge Facilities and the INOVYN Senior Secured Term Loan B Facility that were repaid on 29 January 2021. In addition, there was a finance charge of €16.2 million from a related party in respect of funding provided for the BP acquisition.

There is no material effect on the tax charge due to exceptional items.

5 OPERATING PROFIT

Included in operating profit are the following:

	2022	2021
	€m	
Research and development costs expensed as incurred	32.7	42.6
Amortisation of intangible assets	129.4	122.9
Expenses relating to short-term leases	6.0	5.4
Expenses relating to leases of low value assets	0.6	2.1
Expenses relating to variable lease payments not included in the measurement of the lease liability	9.3	19.7
Depreciation and impairment of property, plant and equipment—within cost of sales, distribution costs and administrative expenses		
Owned assets—depreciation	495.2	450.5
Right-of-use assets—depreciation	87.7	88.7
	582.9	539.2
Owned assets—impairment	—	56.3
	582.9	**595.5**

	2022	2021
	€m	
Auditor's remuneration		
Audit of these financial statements	1.0	0.7
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	4.1	4.1
Non-audit services	0.2	0.9
	5.3	**5.7**

The audit fee above includes the audit fee of €13,600 (2021: €10,300) for the parent Company.

6 STAFF NUMBERS AND COSTS

The monthly average number of persons including directors employed by the Group (including any divestitures up to the date of disposal and any acquisitions from the date of acquisition) during the year, analysed by category, was as follows:

	2022	2021
	Number	
Research and development	238	289
Administration	1,673	1,795
Operations	6,711	7,120
	8,622	**9,204**

6 STAFF NUMBERS AND COSTS (continued)

The aggregate payroll costs of these persons were as follows:

	2022	2021
	€m	
Wages and salaries	842.3	821.6
Social security costs	118.6	111.7
Contributions to defined contribution plans	44.9	39.1
Items related to defined benefit plans:		
Current service cost	21.7	24.9
Past service credit	—	(0.2)
	1,027.5	**997.1**

7 DIRECTORS' REMUNERATION

	2022	2021
	€m	
Salaries and other short-term benefits	1.6	1.6
Company contributions to money purchase schemes	—	—
Other long-term benefits	—	—
	1.6	**1.6**

Highest paid director

	2022	2021
	€m	
Aggregate emoluments	**1.6**	**1.6**

One director has benefits accrued under defined benefit schemes (2021: one). No directors have benefits accruing under defined contribution schemes (2021: nil).

8 FINANCE INCOME AND COSTS

	2022	2021
	€m	
Finance income		
Interest receivable from banks and short-term deposits	7.2	1.9
Interest receivable from associated undertakings	2.1	2.0
Other interest income	5.3	3.3
Total interest income on financial assets not at fair value through profit or loss	14.6	7.2
Net exchange movements	62.1	94.4
Unwind of discount on provisions	12.9	0.2
Total finance income	**89.6**	**101.8**
Finance costs		
Interest payable on Term Loans	156.0	119.5
Interest payable on Bridge Facilities	—	8.3
Interest payable on bank loans and overdrafts	7.7	—
Interest payable on Senior Secured Notes and Senior Notes	68.2	62.4
Interest payable on securitisation facility	3.9	3.5
Interest payable on revolving credit facility	—	1.5
Interest payable to related parties	1.8	1.7
Amortisation of debt issue costs	17.6	15.9

8 FINANCE INCOME AND COSTS (continued)

	2022	2021
	€m	
Interest payable on right-of-use assets	12.1	11.6
Net fair value loss on derivatives	20.8	40.8
Interest expense on pension schemes	1.8	2.1
Borrowing costs capitalised in property, plant and equipment	(7.7)	—
Other interest expense	4.8	5.8
Total finance costs before exceptional items	**287.0**	**273.1**
Exceptional finance costs (note 4)	4.3	68.9
Total finance costs	**291.3**	**342.0**
Net finance costs	**201.7**	**240.2**

The exchange movements reflect foreign exchange gains or losses associated with short term intra group funding.

Net gains and losses on financial instruments are included in note 25.

9 TAX CHARGE

Taxation recognised in the consolidated income statement

	2022	2021
	€m	
Current tax expense		
Current tax expense	293.9	348.1
Adjustments in respect of prior years	27.1	14.2
Current tax expense	**321.0**	**362.3**
Deferred tax charge/(credit)		
Origination and reversal of temporary differences	64.4	(0.7)
Change in tax rates applied to temporary differences	(0.6)	(27.9)
Adjustments in respect of prior years	(7.1)	(7.7)
Deferred tax charge/(credit) (see note 14)	**56.7**	**(36.3)**
Total tax charge	**377.7**	**326.0**

Reconciliation of effective tax rate

	2022	2021
	€m	
Profit before taxation	2,342.6	1,902.1
Tax using the UK corporation tax rate of 19.0% (2021: 19.0%)	445.1	361.4
Effect of tax rates in foreign jurisdictions	65.6	32.9
Non-deductible expenses	(133.7)	37.4
Change in tax rate	(1.0)	(28.2)
Adjustments in respect of prior years	20.0	6.5
Non-taxable joint venture income	(44.1)	(87.9)
Deferred tax not recognised	26.6	—
Other	(0.8)	3.9
Total tax charge	**377.7**	**326.0**

The Finance Bill 2021 which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023 was substantively enacted on 24 May 2021. As a result, deferred taxes in the United Kingdom at 31 December 2022 are measured at 25%. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9 TAX CHARGE (continued)

Taxation recognised in other comprehensive (expense)/income

	2022			2021		
	Gross	Tax	Net	Gross	Tax	Net
	€m					
Remeasurement of post-employment benefit obligations net of taxes	(35.6)	6.8	(28.8)	54.8	(9.6)	45.2
Fair value loss on investments in equity instruments designated as FVTOCI	(0.4)	—	(0.4)	—	—	—
Reclassification of foreign exchange translation difference on disposal of subsidiaries	9.8	—	9.8	—	—	—
Foreign exchange translation differences of subsidiaries	(51.0)	—	(51.0)	202.9	—	202.9
	(77.2)	**6.8**	**(70.4)**	**257.7**	**(9.6)**	**248.1**

10 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment, fixtures and fittings, and vehicles	Assets under construction	Right-of-use assets	Total
				€m		
Cost						
At 1 January 2021	267.4	403.4	4,027.8	792.9	394.3	5,885.8
Additions	—	5.1	93.3	647.5	48.9	794.8
Lease modifications and reassessments	—	—	—	—	23.9	23.9
Reclassification	2.7	47.2	375.2	(440.1)	—	(15.0)
Aborted capital expenditure	—	—	—	(1.2)	—	(1.2)
Early termination of right-of-use assets	—	—	—	—	(0.9)	(0.9)
Disposals	(5.0)	(2.4)	(357.5)	—	(16.5)	(381.4)
Effects of movements in foreign exchange	17.4	10.6	186.5	61.7	15.5	291.7
At 31 December 2021	**282.5**	**463.9**	**4,325.3**	**1,060.8**	**465.2**	**6,597.7**
Additions	—	30.5	616.4	226.8	40.5	914.2
Lease modifications and reassessments	—	—	—	—	40.1	40.1
Reclassification	26.0	53.4	271.4	(343.8)	3.5	10.5
Aborted capital expenditure	—	—	—	(16.9)	—	(16.9)
Disposals	(1.9)	(0.3)	(82.2)	—	(27.7)	(112.1)
Business disposal	(38.4)	(11.6)	(37.0)	(530.3)	(7.1)	(624.4)
Effects of movements in foreign exchange	10.8	(6.5)	(33.9)	20.0	6.2	(3.4)
At 31 December 2022	**279.0**	**529.4**	**5,060.0**	**416.6**	**520.7**	**6,805.7**
Accumulated depreciation and impairment						
At 1 January 2021	1.8	108.5	1,150.5	0.3	91.5	1,352.6
Depreciation charge for the year	1.7	22.6	426.2	—	88.7	539.2
Impairment charge for the year	1.5	—	54.8	—	—	56.3
Reclassification	0.1	0.3	(9.4)	(0.3)	—	(9.3)
Disposals	—	(1.7)	(356.7)	—	(16.5)	(374.9)
Effects of movements in foreign exchange	0.2	2.9	53.8	—	4.7	61.6
At 31 December 2021	**5.3**	**132.6**	**1,319.2**	**—**	**168.4**	**1,625.5**
Depreciation charge for the year	2.0	24.1	469.1	—	87.7	582.9
Reclassification	—	6.1	2.9	—	(0.9)	8.1
Disposals	(1.5)	(0.2)	(89.0)	—	(27.3)	(118.0)

10 PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings	Plant and equipment, fixtures and fittings, and vehicles	Assets under construction	Right-of-use assets	Total
				€m		
Business disposal	(0.5)	(3.9)	(16.3)	—	(2.9)	(23.6)
Effects of movements in foreign exchange	—	0.5	4.9	—	2.6	8.0
At 31 December 2022	**5.3**	**159.2**	**1,690.8**	**—**	**227.6**	**2,082.9**
Net book value						
At 31 December 2021	277.2	331.3	3,006.1	1,060.8	296.8	4,972.2
At 31 December 2022	**273.7**	**370.2**	**3,369.2**	**416.6**	**293.1**	**4,722.8**

Property, plant and equipment under construction

In the year ended 31 December 2022, the Group acquired €226.8 million of property, plant and equipment under construction.

In the Styrolution business, the most significant expenditures in 2022 related to a new 600 kiloton ABS facility at Ningbo, China and a newly built ESPN plant in the US. In addition, there were planned turnarounds at the SM plant in Sarnia, Canada.

In the INEOS Inovyn business, the most significant expenditures consisted of a SPVC capacity expansion project at Jemeppe, a new mechanical vapor recompression salt plant at Tavaux, a brine borehole drilling program at Northwich and general SHE/sustenance expenditures. There were also planned turnaround events of the chlor-alkali and VCM assets at Grenland in Norway and the cracker at Feyzin, France.

In the Acetyls business, the most significant capital expenditure project related to the turnaround of the A5 acetic acid plant at Hull, U.K.

In the Aromatics business, the most significant expenditures were mainly on sustenance and safety compliance work to keep the assets running safely and in line with regulatory requirements. In addition, capital expenditures were incurred on an expansion project in Europe.

Investments in property, plant and equipment in the year ended 31 December 2021 mainly related to the new ASA Specialties plant at Bayport, US, a new 600 kilo ton ABS facility at Ningbo, China and a 78 kilo ton SPVC capacity expansion project at Jemeppe, Belgium

Business disposal

The disposal of INEOS Styrolution India Limited in November 2022 resulted in the disposal of property, plant and equipment of €39.9 million (see note 3). The transfer of 50% of the shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to Sinopec in December 2022 resulted in the disposal of property, plant and equipment of €560.9 milion, the majority of which were assets under construction in relation to a new 600 kiloton ABS facility at Ningbo, China (see note 3).

Aborted capital expenditure

The proposed technology upgrade and modernization of one of the units of the Aromatics plant in Zhuhai, China was aborted due to poor economics of the project.

Impairment charge in prior year

Impairment charges in the prior year were mainly related to the closure of the the sulphur chemicals plant in Runcorn, United Kingdom, abortion of a project to investigate the economic viability of a cellroom conversion utilising membrane technology at Martorell, Spain and the write-down of basic engineering works and equipment associated with an own-build new steam generator unit in Bayport, US.

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Right-of-use assets

	Land	Buildings	Plant and equipment, fixtures and fittings, and vehicles	Total
			€m	
At 1 January 2021	10.2	87.1	297.0	394.3
Additions	—	1.6	47.3	48.9
Lease modifications and remeasurements	—	2.9	21.0	23.9
Early termination of right-of-use assets	—	—	(0.9)	(0.9)
Disposals	—	(1.3)	(15.2)	(16.5)
Effects of movement in foreign exchange	0.3	1.9	13.3	15.5
At 31 December 2021	**10.5**	**92.2**	**362.5**	**465.2**
Additions	—	3.5	37.0	40.5
Lease modifications and remeasurements	5.1	0.7	34.3	40.1
Reclassification	—	—	3.5	3.5
Disposals	—	(3.3)	(24.4)	(27.7)
Business disposal	—	(1.0)	(6.1)	(7.1)
Effects of movement in foreign exchange	(0.3)	0.4	6.1	6.2
At 31 December 2022	**15.3**	**92.5**	**412.9**	**520.7**
At 1 January 2021	0.8	13.4	77.3	91.5
Depreciation charge for the year	0.5	7.7	80.5	88.7
Disposals	—	(1.3)	(15.2)	(16.5)
Effects of movement in foreign exchange	—	0.6	4.1	4.7
At 31 December 2021	**1.3**	**20.4**	**146.7**	**168.4**
Depreciation charge for the year	0.7	8.0	79.0	87.7
Reclassification	—	—	(0.9)	(0.9)
Disposals	—	(3.0)	(24.3)	(27.3)
Business disposal	—	(0.6)	(2.3)	(2.9)
Effects of movement in foreign exchange	—	0.3	2.3	2.6
At 31 December 2022	**2.0**	**25.1**	**200.5**	**227.6**
Net book value				
At 31 December 2021	9.2	71.8	215.8	296.8
At 31 December 2022	**13.3**	**67.4**	**212.4**	**293.1**

The Group mainly leases tanks, railcars, vessels, storage and transportation infrastructure, machinery, production buildings, administrative offices, motor vehicles and land, which are classified as right-of-use assets. Rental contracts are usually made for periods between 1 to 20 years, but may also include extension options. Extension options are included only if the lease term is reasonably certain to be extended and the decision of extending is mainly up to the Group (as a lessee).

See note 18 for lease obligations related to right-of-use assets.

11 INTANGIBLE ASSETS

	Goodwill	Customer relationships	Intellectual property rights	Environ mental certificates	Licence fees	Other	Total
				€m			
Cost							
At 1 January 2021	1,124.7	1,026.4	482.5	36.7	27.8	10.0	2,708.1
Acquisitions	11.3	—	—	—	—	—	11.3
Reclassifications	—	—	(0.6)	—	3.8	—	3.2
Additions	—	—	1.5	0.3	0.6	1.1	3.5
Disposals	—	—	(22.1)	(25.2)	—	—	(47.3)
Effect of movements in foreign exchange	57.7	44.1	24.0	0.6	0.5	—	126.9
At 31 December 2021	**1,193.7**	**1,070.5**	**485.3**	**12.4**	**32.7**	**11.1**	**2,805.7**
Business disposal	(38.0)	(40.1)	(19.4)	(0.7)	—	—	(98.2)
Additions	—	—	2.5	71.7	0.3	1.2	75.7
Disposals	—	—	—	(26.8)	(0.2)	—	(27.0)
Effect of movements in foreign exchange	49.0	20.1	13.3	0.4	0.3	—	83.1
At 31 December 2022	**1,204.7**	**1,050.5**	**481.7**	**57.0**	**33.1**	**12.3**	**2,839.3**
Accumulated amortisation and impairment							
At 1 January 2021	—	278.2	124.0	—	21.8	4.4	428.4
Amortisation for the year	—	81.0	38.2	—	2.5	1.2	122.9
Disposals	—	—	(22.1)	—	—	—	(22.1)
Effect of movements in foreign exchange	—	8.0	3.2	—	0.1	—	11.3
At 31 December 2021	**—**	**367.2**	**143.3**	**—**	**24.4**	**5.6**	**540.5**
Amortisation for the year	—	83.8	42.1	0.1	2.1	1.3	129.4
Disposals	—	—	—	—	(0.2)	—	(0.2)
Business disposal	—	(17.5)	(7.7)	(0.2)	—	—	(25.4)
Effect of movements in foreign exchange	—	5.7	2.1	—	0.1	—	7.9
At 31 December 2022	**—**	**439.2**	**179.8**	**(0.1)**	**26.4**	**6.9**	**652.2**
Net book value							
At 31 December 2021	1,193.7	703.3	342.0	12.4	8.3	5.5	2,265.2
At 31 December 2022	**1,204.7**	**611.3**	**301.9**	**57.1**	**6.7**	**5.4**	**2,187.1**

Other intangible assets mainly relate to development costs, purchases for pipeline access rights and electricity grid capacity fees.

Separable intangible assets for customer relationships represent value attributed to customer relationships arising from contractual rights and non-contractual relationships and for intellectual property value mainly in relation to the right to use patents. Those were recognised as part of acquisitions in Styrolution as well as part of the acquisition of the Aromatics and Acetyls businesses. The remaining customer life or the acquired customer relationships range between 2 and 16 years and for the acquired intellectual property rights the remaining useful lives range between 6 and 15 years.

Environmental certificates are in respect of costs associated with the purchase of EU and UK Emissions Trading Scheme allowances and the nitrogen oxides emission scheme in the US. The emissions allowances are subject to impairment under the indefinite lived intangible asset impairment model.

11 INTANGIBLE ASSETS (continued)

Business disposal

The disposal of INEOS Styrolution India Limited in November 2022 resulted in the disposal of intangible assets of €72.2 million, of which €38.0 million related to goodwill (see note 3). The transfer of 50% of the shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to Sinopec in December 2022 resulted in the disposal of intangibles assets of €0.6 milion (see note 3).

Amortisation

The amortisation charge is recognised in administrative expenses in the consolidated income statement.

Goodwill impairment testing

Goodwill has been allocated to cash generating units ("CGUs") or groups of cash generating units as follows:

	2022	2021
	€m	
Polymers EMEA	252.2	252.2
Polymers Asia	61.6	98.6
Polymers Americas	196.0	184.5
Styrene Monomer	185.9	178.1
Styrolution Total	**695.7**	**713.4**
Aromatics	134.4	120.2
Acetyls	374.6	360.1
	1,204.7	**1,193.7**

The Polymers EMEA, Polymers Asia, Polymers Americas and Styrene Monomer CGU's relate to the Styrolution business.

No impairment charge has been recorded in these financial statements as a result of the annual impairment test.

For the Styrolution business' CGUs, the Group determined the recoverable amount based on value in use. The recoverable amount is calculated on a long-term business plan for the CGUs with a detailed planning period of three years and a consistent terminal growth rate of 0.5% for each unit for the period thereafter. The key assumption on which management based its cash flow projection is EBITDA before exceptionals over the detailed three year planning period, which is seen as the most important performance indicator and the basis for cash flow estimates used to determine the value in use. The terminal growth rate of 0.5% reflects the expected economic growth rates of countries in which the Group is operating. The main assumptions for the preparation of the three-year-business plan are the economic growth developments in the main customer regions and industries of the Styrolution business. These assumptions are based on external market data as well as internal assessments. The expected demand that is derived from the growth assumptions is compared with the supply balance of its product groups.

For the acquired Aromatics and Acetyls businesses, the acquisition was negotiated in total and the consideration was reviewed in the context of the whole transaction. The Aromatics and Acetyls businesses reports separately to the Group, and decisions around resource allocation and monitoring of performance consider the Acetyls and Aromatics businesses separately. Each business has its own independent management structure. The carrying amount of goodwill resulting from the acquisition has therefore been allocated between the Acetyls and Aromatics segments.

For the Acetyls and Aromatics businesses CGU's , the recoverable amount, being value in use, is calculated on a long-term business plan for the CGUs with a detailed planning period of three years and a terminal value which represents the mid-cycle performance on which a consistent terminal growth rate of 2.0% is applied for the periods thereafter. The terminal growth rate of 2.0% represents the average expected

11 INTANGIBLE ASSETS (continued)

growth rates in the countries in which the Group is operating. The main assumptions for the preparation of the three-year business plans are the production volumes and margins, and dividend income from the joint ventures. The margin assumptions are based on external market data as well as internal assessments. The volume assumptions are based on historical run rates of the assets and approved increase of production projects.

None of the goodwill is expected to be deductible for income tax purposes. The following discount rates were applied per cash generating unit to determine the cash flow projection before taxes:

	Polymers EMEA	Polymers Asia	Polymers Americas	Styrene Monomer	Aromatics	Acetyls
Forecast period	3 years	3 years	3 years	3 years	3 years	3 years
Growth rate	0.5%	0.5%	0.5%	0.5%	2%	2%
Post-tax discount rate	7.9%	7.9%	7.9%	7.9%	7.9% - 9.7%	7.7% - 10.7%

Sensitivity analysis on the recoverable amount was performed based on a 10% increase in the discount rate, a 10% decrease to the growth rate and a 10% decrease in the gross margin, all of which are considered a reasonable possible change in estimate. Neither of these changes resulted in the recoverable amount being lower than the carrying amount except for the Hull CGU in the Acetyls business and the Geel CGU in the Aromatics business.

These two CGUs have limited headroom and as a result any change in assumption can result in the recoverable amount being lower than the carrying amount. Management has considered the assumptions used to determine the recoverable amount and considered that those assumptions are conservative especially around the price curve used for energy; moreover the current forecasts do not take into account future developments to improve the economics of the plants. On this basis, the absence of headroom, in the case of Hull CGU, or the limited headroom, in the case of Geel CGU, is not considered as an indicator that an impairment loss is required. The margin assumptions are one of the key assumption in determining the recoverable amount of each CGU. These margin assumptions are developed by management based on external market data as well as internal assessments and require a significant amount of judgement. The Group has estimated that a 10% reduction in margin could give raise to an impairment of approximately €211.3 million for the Hull CGU and could reduce the headroom to nil for the Geel CGU.

12 INVESTMENTS

12(a) Investments in subsidiary undertakings

As at 31 December 2022, the Group has the following investments in subsidiaries:

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INEOS Quattro Financing Limited[#]	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Quattro Finance 1 plc[#]	UK	Financing company	Ordinary	100%	100%	(1)
INEOS Quattro Finance 2 plc	UK	Financing company	Ordinary	100%	100%	(1)
INEOS Styrolution Finance GmbH[(h)]	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution Holding GmbH[(h)]	Germany	Holding company	Ordinary	—	100%	(2)
INEOS Styrolution Investment GmbH	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution America LLC	USA	Manufacture of styrene monomer and polymers, selling, distribution	Members interest	100%	100%	(3)
INEOS Styrolution Belgium NV	Belgium	Manufacture of styrene monomer and polymers	Ordinary	100%	100%	(4)
INEOS Styrolution Belgium Services bvba	Belgium	Sales office	Ordinary	100%	100%	(5)
INEOS Styrolution Canada Ltd	Canada	Manufacture of styrene monomer	Common	100%	100%	(6)

12 INVESTMENTS (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INEOS Styrolution (China) Investment Co. Ltd	China	Financing company	Registered capital	100%	100%	(7)
INEOS Styrolution do Brasil Polimeros Ltda.	Brazil	Sales office	Equity/ Ordinary	100%	100%	(8)
INEOS Styrolution Hong Kong Company Limited.	Hong Kong	Sales office	Ordinary	100%	100%	(33)
INEOS Styrolution Europe GmbH.	Germany	Distribution company	Ordinary	100%	100%	(2)
INEOS Styrolution France SAS.	France	Manufacture of polymers	Ordinary	100%	100%	(10)
INEOS Styrolution France Services SAS.	France	Sales office	Ordinary	100%	100%	(11)
INEOS Styrolution Group GmbH.	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution Iberia S.L.	Spain	Sales office	Ordinary	100%	100%	(12)
INEOS Styrolution Switzerland SA.	Switzerland	Distribution company	Ordinary	100%	100%	(14)
INEOS Styrolution Italia S.r.L.	Italy	Sales office	Ordinary	100%	100%	(15)
INEOS Styrolution Kimyasal Ürünler Ticaret Limited Sirketi.	Turkey	Sales office	Ordinary	100%	100%	(16)
INEOS Styrolution Köln GmbH.	Germany	Manufacture of polymers	Ordinary	100%	100%	(17)
INEOS Styrolution Korea Ltd.	South Korea	Manufacture of polymers	Common	100%	100%	(18)
KR Copolymer Co. Ltd.	South Korea	Manufacture of K-Resin	Ordinary	100%	100%	(19)
INEOS Styrolution Ludwigshafen GmbH..	Germany	Manufacture of polymers	Ordinary	100%	100%	(2)
INEOS Styrolution Mexicana, S.A. de C.V.	Mexico	Manufacture of polymers	Ordinary	100%	100%	(20)
INEOS Styrolution Netherlands B.V.	Netherlands	Sales office	Ordinary	100%	100%	(21)
INEOS Styrolution OOO.	Russia	Sales office	Charter capital	100%	100%	(22)
INEOS Styrolution Poland Sp. z o.o.	Poland	Sales office	Ordinary	100%	100%	(23)
INEOS Styrolution Polymers (Foshan) Co. Ltd.	China	Manufacture of polymers	Registered capital	100%	100%	(24)
INEOS Styrolution Polymers (Ningbo) Co. Ltd.	China	Manufacture of polymers	Registered capital	100%	100%	(25)
INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd.[c]	China	Manufacture of ABS (under construction)	Registered capital	50%	100%	(26)
INEOS Styrolution Polymers (Shanghai) Co. Ltd.	China	Sales office	Registered capital	100%	100%	(27)
INEOS Styrolution Schwarzheide GmbH	Germany	Manufacture of polymers	Ordinary	100%	100%	(30)
INEOS Styrolution APAC Pte Ltd.	Singapore	Sales office	Ordinary	100%	100%	(31)
INEOS Styrolution UK Limited.**	UK	Sales office	Ordinary	100%	100%	(1)
INEOS Styrolution US Holding LLC.	USA	Holding company	Member interest	100%	100%	(3)
INEOS Styrolution Verwaltungsgesellschaft mbH.	Germany	Financing company	Ordinary	100%	100%	(2)
INEOS Styrolution (Thailand) Co., Ltd.	Thailand	Manufacture of polymers	Ordinary	100%	100%	(34)
INEOS Styrolution Vietnam Co., Ltd.	Vietnam	Sales office	Charter Capital	100%	100%	(35)
Deutsche Bank Mexico F/1787 Styrolution.	Mexico	Securitisation vehicle	n/a	n/a	n/a	(37)
INEOS Styrolution Receivables Finance Designated Activity Company.	Ireland	Securitisation vehicle	n/a	n/a	n/a	(51)
INEOS Quattro Holdings UK Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Acetyls UK Limited	UK	Production of acetic acid and other acetyls products	Ordinary	100%	100%	(1)

12 INVESTMENTS (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INEOS Acetyls International Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS US Petrochem LLC	USA	Holding company	Ordinary	100%	100%	(3)
INEOS US Chemicals Company	USA	Production of purified terephthalic acid and paraxylene	Common	100%	100%	(3)
INEOS 179 Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics and Acetyls Trading (Shanghai) Company Limited	China	Sales office	Registered capital	100%	100%	(29)
INEOS Acetyls Japan KK	Japan	Sales office	Ordinary	100%	100%	(36)
INEOS Acetyls Investments Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Asia Limited	Hong Kong	Sales office	Ordinary	100%	100%	(33)
INEOS Acetyls (Malaysia) Sdn Bhd.	Malaysia	Sales office	Ordinary	100%	100%	(68)
INEOS Acetyls (Korea) Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Acetyls Americas Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Holdings Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Limited	UK	Sales company	Ordinary	100%	100%	(1)
INEOS World-Wide Technical Services Limited**	UK	Licensing services	Ordinary	100%	100%	(1)
INEOS Aromatics Holding Company	USA	Holding company	Common	100%	100%	(3)
INEOS Zhuhai Chemical Company Limited[(d)]	China	Production of purified terephthalic acid and paraxylene	Member interest	91.90%	91.90%	(66)
INEOS Aromatics Indonesia Holdings Ltd	USA	Holding company	Common	100%	100%	(64)
INEOS Aromatics Belgium NV	Belgium	Production of purified terephthalic acid and paraxylene	Ordinary	100%	100%	(71)
INEOS Aromatics Belgium Holdings LLC	USA	Holding company	Common	100%	100%	(3)
PT INEOS Aromatics Indonesia	Indonesia	Production of purified terephthalic acid and paraxylene	Ordinary	100%	100%	(72)
PT INEOS Aromatics Trading Indonesia[(e)]	Indonesia	Trading company	Ordinary	100%	100%	(76)
INOVYN Limited[(f)]	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Holdings Limited[(a)]	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Finance Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Group Treasury Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Europe Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Norge AS	Norway	Manufacture of chemicals and PVC	Ordinary	100%	100%	(39)
INOVYN Sverige AB	Sweden	Manufacture of chemicals and PVC	Ordinary	100%	100%	(40)
INEOS ChlorVinyls Holdings BV	Netherlands	Holding company	Ordinary	100%	100%	(41)
INOVYN Newton Aycliffe Limited	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Newton Aycliffe Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
INOVYN Services Limited	UK	Service company	Ordinary	100%	100%	(38)
INOVYN Enterprises Limited	UK	Extraction and supply of brine and water	Ordinary	100%	100%	(38)
INOVYN ChlorVinyls Holdings Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Newco 2 Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN ChlorVinyls Limited	UK	Manufacture of chemicals and PVC	Ordinary	100%	100%	(38)
INEOS Enterprises Group Limited	UK	Manufacture of salt and sulphur chemicals	Ordinary	100%	100%	(38)
Keuper Gas Storage Limited	UK	Gas storage	Ordinary	100%	100%	(38)
INEOS Chlor Atlantik GmbH	Germany	Non-trading	Ordinary	100%	100%	(42)

12 INVESTMENTS (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INOVYN Americas Inc	USA	Purchase and resale of chemicals	Ordinary	100%	100%	(43)
INOVYN Sales International Limited[g]	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Chlor Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
INEOS Vinyls UK Ltd[a]	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Vinyls GmbH & Co KG	Germany	Holding company	Ordinary	100%	100%	(42)
INOVYN Schkopau GmbH	Germany	Non trading	Ordinary	100%	100%	(42)
INOVYN Sales GmbH	Germany	Non trading	Ordinary	100%	100%	(42)
EVC Pension Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
INOVYN Energy Limited	UK	Holding company	Ordinary	100%	100%	(38)
Kerling Newco 1 Limited	UK	Holding company	Ordinary	100%	100%	(38)
Kerling Newco 2 Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Deutschland GmbH	Germany	Manufacture of chemicals and PVC	Ordinary	100%	100%	(42)
INOVYN Espana S.L.	Spain	Manufacture of chemicals and PVC	Ordinary	100%	100%	(44)
INOVYN Osterreich GmbH[a]	Austria	Sales office	Ordinary	100%	100%	(45)
INOVYN Belgium SA.	Belgium	Manufacture of chemicals	Ordinary	100%	100%	(46)
INOVYN Olefines France SAS.	France	Operation of ethylene cracker	Ordinary	100%	100%	(47)
INOVYN Portugal Lda	Portugal	Sales office	Ordinary	100%	100%	(48)
INOVYN Trade Services SA	Belgium	Purchase and resale of chemicals	Ordinary	100%	100%	(46)
INOVYN Manufacturing Belgium SA	Belgium	Manufacture of chemicals and PVC	Ordinary	100%	100%	(46)
INOVYN France SAS	France	Manufacture of chlorine products	Ordinary	100%	100%	(47)
INOVYN Italia S.p.A.	Italy	Commercial services	Ordinary	100%	100%	(49)
INOVYN Produzione Italia S.p.A	Italy	Manufacture of chemicals	Ordinary	100%	100%	(50)
INOVYN Quimica Espana S.L.	Spain	Waste treatment	Ordinary	100%	100%	(44)
Vinyloop Ferrara S.p.A[a]	Italy	PVC Recycling	Ordinary	100%	100%	(49)
TTE Training Limited.	UK	Training company	Limited by Guarantee	100%	100%	(52)
TTE Apprenticeship Training Agency Limited.	UK	Apprenticeship company	Limited by Guarantee	100%	100%	(52)
INEOS Norway Finance Ireland Limited	Ireland	Securitisation vehicle	n/a	n/a	n/a	(51)

Shares held directly by INEOS Quattro Holdings Limited. All other subsidiaries listed are held indirectly.

(a) In the process of being liquidated.

(b) On 22 April 2022, the Group sold part of its 75% share in INEOS Styrolution India Limited. This resulted in a reduction of the ownership from 75.0% to 61.2%. On 17 November 2022, the Group sold its remaining shareholding interest of 61.2% to Shiva Performance Materials Pte Ltd. Profit attributable to the non-controlling interest is €8.4 million (2021: profit of €10.7 million). Accumulated non-controlling interests are €nil (2021: €19.6 million).

(c) Effective on 28 December 2022, the Group sold 50% of its 100% share in INEOS Styrolution Sinopec Advanced Materials (Ningbo) Pte Ltd. to China Petroleum & Chemical Corporation establishing a joint venture between the Group and Sinopec, each holding 50% share in the registered capital of the investee. See also note 12(b).

(d) Portion of ownership interests held by non-controlling interests is 8.1%. Loss attributable to the non-controlling interest is €1.4 million (2021: €3.1 million). Accumulated non-controlling interests are €43.0 million (2021: €46.6 million).

(e) Company incorporated on 11 August 2022.

(f) Portion of ownership interests held by non-controlling interests is 5.1%. Profit attributable to the non-controlling interest is €37.6 million (2021: €22.7 million). Accumulated non-controlling interests are €23.1 million (2021: €5.7 million)

(g) Dissolved in January 2023 following liquidation.

12 INVESTMENTS (continued)

(h) Effective from 1 January 2022, INEOS Styrolution Holding GmbH was merged into INEOS Styrolution Investment GmbH.

** Entities claiming exemption from audit under section 479A Companies Act 2006.

12(b) Investments in equity-accounted investees, joint operations and other investments

Details of the Group's investments in equity-accounted investees, joint operations and other investments:

Investment	Country of registration or incorporation	Principal activity	Class/ percentage of shares held	Registered office reference
Associated undertakings:				
INEOS Runcorn (TPS) Holdings Limited	UK	Thermal Power Station operator	Ordinary/ 60%[1]	(38)
Joint ventures:				
INEOS PCG Acetyls Sdn. Bhd.	Malaysia	Production of acetic acid and other acetyls products	Ordinary/70%	(67)
Yangtze River Acetyls Co. Ltd	China	Production of acetic acid and other acetyls products	Member interest/51%	(69)
LOTTE INEOS Chemical Co. Ltd	Korea	Production of acetic acid and other acetyls products	Ordinary/ 50.94%	(70)
Formosa INEOS Chemicals Corp	Taiwan	Production of acetic acid and other acetyls products	Common/50%	(73)
INEOS YPC Acetyls Company (Nanjing) Ltd	China	Production of acetic acid and other acetyls products	Member interest/50%	(74)
Atlas Methanol Company Unlimited	Trinidad	Methanol production	Ordinary/ 36.9%	(75)
China American Petrochemical Company Ltd	Taiwan	Production of purified terephthalic acid	Ordinary/ 61.36%	(65)
INEOS Styrolution Sinopec Advanced Materials (Ningbo) Ltd.[2] (prev: INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd)	China	Manufacturing of ABS	Register capital/ 50%	(26)
Joint operations:				
Runcorn MCP Limited	UK	Cell room operator	Ordinary/50%	(38)
GIE Cancel-Bresse	France	Brine solution mining services	Ordinary/50%	(59)
Other investments:				
Akra Polyester SA de CV	Mexico	Manufacture of polyester filaments and polymers	Ordinary/ 6.65%	(28)
Tereftaltos Mexicanos SA de CV	Mexico	Production of purified terephthalic acid	Ordinary B/8.55%	(32)
IndustriEI AS	Norway	Energy consultancy	Ordinary/ 12.5%	(53)
Sociedad Española de Materiales Plasticos SEMAP S.A	Spain	Plastic waste management	Ordinary/8%	(54)
Societe Intercommunale D'Amenagement et d'Equipement Economique	Belgium	Economic development of province of Namur	Ordinary/ 0.17%	(55)
BKV GmbH	Germany	Plastic recycling association	Ordinary/2.0%	(56)
Industrins Räddningstjänst i Stenungsund AB	Sweden	Fire and rescue service	Ordinary/ 25.0%	(57)
API PVC—u. Umweltberatung GesmbH	Austria	PVC technology solutions	Ordinary/ 73.2%	(58)
Hållbar Kemi i Stenungsund	Sweden	Sustainable production association	Ordinary/ 20.0%	(60)
Energy For Growth Societa' Consortile A Responsabilita Limitata	Italy	Energy consortium	Ordinary/7.3%	(61)

12 INVESTMENTS (continued)

Investment	Country of registration or incorporation	Principal activity	Class/ percentage of shares held	Registered office reference
Power to Methanol Antwerp B.V.	Belgium	Sustainable methanol production consortium	Ordinary/ 14.3%	(62)
Consorzio Polo Tecnologico Magona	Italy	Decarbonisation consortium	Ordinary/6.8%	(63)

(1) The Group owns shares entitling it to 60% of the voting rights but only 25% of the economic benefits.

(2) See footnote (c) to note 12(a).

None of the above other investments are held directly by INEOS Quattro Holdings Limited.

Investments in associated undertakings, joint ventures and other investments

	Joint ventures	Associated undertakings	Equity-accounted investees	Other investments	Total
			€m		
At 1 January 2021	1,148.4	14.9	1,163.3	17.3	1,180.6
Share of retained earnings	462.5	(0.5)	462.0	—	462.0
Additions	—	—	—	0.7	0.7
Dividends received	(188.7)	—	(188.7)	—	(188.7)
Impairments	—	—	—	(1.0)	(1.0)
Effect of movements in exchange rates	94.4	(0.1)	94.3	1.1	95.4
At 31 December 2021	**1,516.6**	**14.3**	**1,530.9**	**18.1**	**1,549.0**
Share of retained earnings	232.0	1.6	233.6	—	233.6
Additions (see Note 3)	443.1	—	443.1	—	443.1
Reclassification	(33.8)	—	(33.8)	(3.2)	(37.0)
Dividends received	(401.4)	—	(401.4)	—	(401.4)
Loss on disposal of equity accounted investments	(20.0)	—	(20.0)	(6.6)	(26.6)
Effect of movements in exchange rates	47.9	0.3	48.2	1.5	49.7
At 31 December 2022	**1,784.4**	**16.2**	**1,800.6**	**9.8**	**1,810.4**

Addition

In December 2022, the Group's subsidiary, INEOS Styrolution APAC Pte. Limited, entered into an agreement to transfer 50% of its shareholding in INEOS Styrolution Advances Materials (Ningbo) Pte Limited to China Petroleum & Chemical Corporation. As a result, the Group loss control but retained joint control. The retained 50% interest in the business was fair valued at the date of the transaction (see note 3).

Reclassification

In November 2022, the Group made a non-cash exchange for its current interest in Tricoya UK Limited (30% interest) and in Tricoya Technologies Limited (9% interest) for shares in Accsys Technologies Plc. This share exchange resulted in an impairment of €26.6 million and a reclassification from joint ventures and other investments of respectively €3 million and €3.2 million to other financial assets (see note 13).

The Group provided an ABS technology license service to the newly acquired INEOS Styrolution Sinopec Advanced Materials (Ningbo) Limited joint-venture. A reclassification of €30.8 million was made to eliminate the Group's share of royalty revenue recognised in the current year.

Summarised balance sheet and income statement

Set out below is the summarised financial information of the Group's material joint ventures as at 31 December 2021 and 2022.

12 INVESTMENTS (continued)

	2022								
	Atlas Methanol Company Unlimited	LOTTE INEOS Chemical Co. Ltd	INEOS PCG Acetyls Sdn. Bhd.	Formosa INEOS Chemicals Corp	Yangtze River Acetyls Co. Ltd	INEOS YPC Acetyls Company (Nanjing) Ltd	Tricoya UK Limited[(a)]	INEOS Styrolution Sinopec Advanced Materials (Ningbo) Ltd.	Total
	€m								
Current assets	64.2	199.1	68.5	85.3	45.4	32.7	—	78.3	573.5
Non-current assets	112.8	451.0	154.8	196.3	120.7	108.6	—	646.1	1,790.3
Current liabilities	(15.1)	(90.1)	(13.3)	(11.5)	(4.6)	(10.5)	—	(76.5)	(221.6)
Non-current liabilities	(50.8)	(39.4)	(29.3)	(2.3)	(0.4)	(0.1)	—	(235.5)	(357.8)
Net assets	**111.1**	**520.6**	**180.7**	**267.8**	**161.1**	**130.7**	**—**	**412.4**	**1,784.4**
Other operating revenue	185.4	1,190.6	159.6	115.9	139.4	61.2	—	—	1,852.1
Operating expenses	(116.3)	(995.8)	(142.2)	(101.5)	(116.8)	(59.4)	(0.2)	—	(1,532.2)
Interest expenses	(2.7)	1.3	(1.0)	(0.0)	0.9	(0.4)	—	—	(1.9)
Income tax expenses	(23.2)	(54.4)	(5.6)	(2.8)	0.6	(0.6)	—	—	(86.0)
Total profit for the year	**43.2**	**141.7**	**10.8**	**11.6**	**24.1**	**0.8**	**(0.2)**	**—**	**232.0**
Dividend received	**53.2**	**161.6**	**34.7**	**39.0**	**58.1**	**54.8**	**—**	**—**	**401.4**

(a) Effective on November 2022, the Group exchanged its share in in Tricoya UK Limited (30% interest) and in Tricoya Technologies Limited (9% interest) for shares in Accsys Technologies Plc.. See also note 12(b)—*Reclassification*.

	2021							
	Atlas Methanol Company Unlimited	LOTTE INEOS Chemical Co. Ltd	INEOS PCG Acetyls Sdn. Bhd.	Formosa INEOS Chemicals Corp	Yangtze River Acetyls Co. Ltd	INEOS YPC Acetyls Company (Nanjing) Ltd	Tricoya UK Limited	Total
	€m							
Current assets	75.3	240.0	97.0	103.1	94.7	82.1	3.1	695.3
Non-current assets	115.3	448.1	157.6	208.9	111.0	109.6	25.6	1,176.1
Current liabilities	(30.9)	(136.2)	(32.3)	(23.7)	(9.8)	(9.8)	(1.4)	(244.1)
Non-current liabilities	(44.8)	(30.5)	(31.1)	(0.2)	(0.4)	(0.1)	(3.6)	(110.7)
Net assets	**114.9**	**521.4**	**191.2**	**288.1**	**195.5**	**181.8**	**23.7**	**1,516.6**
Dividend received	**36.2**	**69.2**	**73.5**	**2.5**	**4.9**	**2.4**	**—**	**188.7**

12(c) Registered office addresses of investments

The registered office addresses of the investments disclosed in this note are:

Reference	Registered office address
(1)	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom
(2)	Mainzer Landstrasse 50, 60325 Frankfurt, Germany
(3)	Corporation Trust Center,1209 Orange Street, Wilmington DE 19801, Delaware, USA
(4)	Haven 725, Scheldelaan 600, 2040 Antwerp, Belgium
(5)	2070 Zwijndrecht, Nieuwe Weg 1, 1053 Haven, Mechelen, Belgium
(6)	872 Tashmoo Avenue, Sarnia ON N7T 8A3 Ontario, Canada
(7)	Room 2502, 567 Langao Road, Putuo District, Shanghai, China
(8)	Rua Quintana 887 3° andar, conjuntos 33 e 34, Ciudade Moncoes, São Paulo 04569-011
(9)	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom

12 INVESTMENTS (continued)

Reference	Registered office address
(10)	Rue Albert Duplat, F-62410 Wingles. France
(11)	95 rue la Boétie, F-75008 Paris, France
(12)	Ronda General Mitre 28-30, 08017 Barcelona, Spain
(14)	Avenue des Uttins 3, CH-1180 Rolle, Switzerland
(15)	Via Caldera 21, 20153 Milano Cesano Maderno, Italy
(16)	Büyükdere Cad. Meydan sok., Spring Giz Plaza K. 13 N.11, Maslak Sariyer, Istanbul, Turkey
(17)	Alte Strasse 201, 50769 Cologne, Germany
(18)	Sanggae-ro 143 (Sanggae-dong), Nam-gu, Ulsan, South Korea
(19)	14th Floor, 92 Tongil-ro (Soonhwa-dong) Jung-gu, Seoul, 04517, Korea
(20)	Avenida Insurgentes Sur No. 859, Piso 11, Oficina 1102, Colonia Nápoles, 03810, Mexico City, Mexico
(21)	Strawinskylaan 411, NL-1077 XX Amsterdam, The Netherlands
(22)	Bldg. 3, 18 Pyatnitskaya St., 115035 Moscow, Russian Federation
(23)	ul. Wołoska 9, 02-583 Warszawa, Poland
(24)	No. 61, Jinben Industry Avenue, Xinan Sub-district, Sanshui District, Foshan, Guangdong Province, China
(25)	No.2388, Minghai North Road, Ningbo Petrochemical Economy & Technology Development Zone, Ningbo, Zhejiang, China
(26)	Building No. 3 Unit 1-10, 266 Beihai Road, Ningbo Petrochemical Zone, Zhenhai District, Ningbo, China
(27)	Central Towers, Suite 2501&2503, 567 Langao Road, 200333 Shanghai, China
(28)	Avenida Adolfo Ruiz Cortines y Priv. Roble S/N, Col. San Pedro Lozano, Monterrey, Nuevo León, 64299, Mexico
(29)	17F, Block B, Central Towers,567 Langao Road, Putuo District,Shanghai, P.R.China, 200333
(30)	Schipkauer Strasse 1, 01987 Schwarzheide, Germany
(31)	111 Somerset Road, #14-16 to 21 TripleOne Somerset, Singapore 238164, Singapore
(32)	Av. Ricardo Margáin Zozaya 444, Torre Equus IZA Sur, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, 66265, Mexico
(33)	5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong
(34)	No. 4/2, I-8 Road, T. Map Ta Phut, A Muang, 2115 Rayong, Thailand
(35)	16th floor, Daeha Business Centre, 360 Kim Ma Str., Ngoc Khanh Ward, Ba Dinh Dist, Hanoi, Vietnam
(36)	1-25-1 Nishi-Shinjuku, Shinjuku-ku, (35F, Shinjyuku Center Building), Tokyo 1630635, Japan
(37)	Torre Virreyes, Pedregal 24, Piso 20, Colonia Molino del Rey, 11040, Mexico City, Mexico
(38)	Bankes Lane Office, Bankes Lane, Runcorn, Cheshire, WA7 4JE, United Kingdom
(39)	Rafnes Industriomrade, 3966 Stathelle, Norway
(40)	444-83 Stenungsund, Sweden
(41)	Luna Arena, Herikerbergweg 238, Amsterdam, The Netherlands, 1101 CM
(42)	Ludwigstrasse 12, 47495 Rheinberg, Germany
(43)	2036 Foulk Rd, Suite 204, Wilmington, Delaware 19801, USA
(44)	Calle Marie Curie 1-3-5, 08760 Martorell, Barcelona, Spain
(45)	Schottengasse 1, 4. Stock, 1010 Wien, Austria
(46)	Avenue des Olympiades 20, 1140 Brussels, Belgium
(47)	2 Avenue de la République, 39500 Tavaux, France
(48)	Rua do Centro Cultural nº 5—R/C, sala 8, 1700-106 Lisboa, Portugal
(49)	Via Marconi 73, 44122 Ferrara (FE), Italy
(50)	Rosignano Marittimo (LI), Via Piave 6 CAP 57016, Italy
(51)	Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland

12 INVESTMENTS (continued)

Reference	Registered office address
(52)	New Horizons House, New Bridge Road, Ellesmere Port, Cheshire, CH65 4LT, United Kingdom
(53)	Postboks 1367—Vika, 0114 Oslo, Norway
(54)	Calle Principe de Vergara 204—Primero C—28002, Madrid, Spain
(55)	Rue de la Religion, 10, 1400 Nivelles, Belgium
(56)	Mainzer Landstraße 55, 60329 Frankfurt am Main, Germany
(57)	Verkstadsvagen 11, 44431 Stenungsund, Sweden
(58)	Paniglgasse 24/I/19°, A-1040 Wien, Austria
(59)	12 Rue Raoul Nordling CS 7001, 92270 Bois Colombes, France
(60)	Fregatten 3, 444-30 Stenungsund, Sweden
(61)	Via Giovanni Da Procida, 11, 20149, Milan, Italy
(62)	Scheldelaan 480, 2040 Antwerpen, Belgium
(63)	Via Magona, 57023 Cecina, Italy
(64)	2711 Centerville Road,Suite 400, Wilmington DE 19808, United States
(65)	6th Floor, No. 413 Section 2 Ti-Ding Blvd., Neihu, Taipei, 11493,Taiwan
(66)	Da Ping Harbour, Lin Gang Industrial Zone, Zhuhai City, Guangdong Province, China
(67)	12th Floor, Menara Symphony No. 5, Jalan Prof Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
(68)	12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia
(69)	97 Weijiang Road (in the Petrochemical Park), Changshou District, Chongqing, China
(70)	6 3-15 Sanggae-ro, Cheongnyang-myeon, Uljugun, Ulsan, 44987, Korea
(71)	Amocolaan 2 2440 Geel, Belgium
(72)	20th Floor Summitmas II Jl., Jend. Sudirman Kav. 61—62, Jakarta, Selatan, Indonesia
(73)	No. 1-1Formosa Industrial Comples, Mailiao, Yunlin Hsien, Taiwan
(74)	9# Huo Ju Road, Liu He District, Nanjing, Jiangsu Province, China
(75)	Maracaibo Drive, Point Lisas Industrial Estate, Point Lisas, Trinidad and Tobago
(76)	South Quarter Building Tower C, GJl. R.A. Kartini Kav. 8, Cilandak Barat, Jakarta, Indonesia

13 OTHER FINANCIAL ASSETS

	2022	2021
	€m	
Non-current		
Other receivables	**2.2**	**2.1**

	2022	2021
	€m	
Current		
Financial assets designated as fair value through OCI (note 25)	5.5	—
Deferred consideration (note 3)	239.0	—
	244.5	**—**

The shares acquired by the Group in November 2022 in Accsys Technologies Plc are classified as financial assets designated as fair value through OCI as the Group intends to participate in the development of the Company and to retain these shares in the long-term.

The deferred considerations are related to future instalments to be received from Sinopec on the achievement of certain milestones, which are expected to be fulfilled by December 2023.

14 DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2022	2021	2022	2021
	Assets		Liabilities	
	€m			
Property, plant and equipment	58.3	58.5	(254.8)	(229.3)
Investments	—	—	(42.9)	(41.2)
Intangible assets	—	0.3	(135.8)	(158.0)
Employee benefits	38.5	51.3	(6.1)	(9.0)
Tax value of loss carry-forwards	69.3	83.8	—	—
Other	105.3	77.0	(81.9)	(35.4)
Set off of tax	(121.2)	(68.0)	121.2	68.0
Net tax assets/(liabilities)	**150.2**	**202.9**	**(400.3)**	**(404.9)**

Movement in deferred tax during the year

	2022					
	1 January	Recognised in income statement	Disposal	Recognised in equity—translation exchange	Recognised in equity—actuarial	31 December
	€m					
Property, plant and equipment	(170.8)	(23.6)	4.8	(6.8)	—	(196.4)
Investments	(41.2)	0.8	—	(2.5)	—	(42.9)
Intangible assets	(157.7)	15.1	8.6	(1.8)	—	(135.8)
Employee benefits	42.3	(17.2)	—	0.6	6.8	32.5
Tax value of loss carry-forwards	83.8	(11.9)	(2.2)	(0.4)	—	69.3
Other	41.6	(19.9)	(1.6)	3.1	—	23.2
	(202.0)	**(56.7)**	**9.6**	**(7.8)**	**6.8**	**(250.1)**

	2021					
	1 January	Recognised in income statement	Reclassification	Recognised in equity—translation exchange	Recognised in equity—actuarial	31 December
	€m					
Property, plant and equipment	(135.0)	(1.1)	(27.4)	(7.3)	—	(170.8)
Investments	(38.0)	—	—	(3.2)	—	(41.2)
Intangible assets	(174.7)	18.3	1.0	(2.3)	—	(157.7)
Employee benefits	66.7	(12.8)	(2.0)	—	(9.6)	42.3
Tax value of loss carry-forwards	72.1	23.4	(7.1)	(4.6)	—	83.8
Other	(3.5)	8.5	35.5	1.1	—	41.6
	(212.4)	**36.3**	**—**	**(16.3)**	**(9.6)**	**(202.0)**

In assessing the Group's ability to realise deferred tax assets, management considers whether it is probable that some portion of all of the deferred tax assets will not be realised. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax strategies in making this assessment.

In order to fully realise the deferred tax asset, the Group will need to generate future taxable income in the countries where the net operating losses were incurred. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Group will realise the aforementioned benefits.

14 DEFERRED TAX ASSETS AND LIABILITIES (continued)

The Group did not recognise gross deductible temporary differences of €376.6 million (2021: €275.4 million), the majority of which relates to tax losses.

15 INVENTORIES

	2022	2021
	€m	
Raw materials and consumables	601.8	562.8
Work in progress	165.6	213.7
Finished goods	706.2	772.4
	1,473.6	**1,548.9**

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €15,515.0 million (2021: €12,183.0 million). The write-down of inventories to net realisable value amounted to €9.9 million (2021: €20.8 million). The reversal of previous write-downs of inventories to net realisable value amounted to €2.6 million (2021: €4.3 million).

16 TRADE AND OTHER RECEIVABLES

	2022	2021
	€m	
Current		
Trade receivables	1,383.1	1,788.0
Amounts owed by related parties and associated undertakings	660.2	93.6
Other receivables	277.6	407.3
Prepayments and accrued income	40.0	89.0
	2,360.9	**2,377.9**
Non-current		
Amounts owed by related parties and associated undertakings	92.0	30.8
Other receivables	59.3	20.2
Prepayments and accrued income	1.4	1.5
	152.7	**52.5**

An inter-company loan of €500.0 million with the immediate parent company of the Group is included within the current amounts owed by related parties and associated undertakings. This inter-company loan is unsecured, attracts interest at commercial rate and had a maturity of 2 December 2023. Subsequent to the year-end, this loan was fully settled through a dividend distribution approved on 23 January 2023 (see note 32). Loans amounted to a total of €63.1 million were granted by the Group to INEOS Styrolution Sinopec Advanced Materials (Ningbo) Ltd. These loans are unsecured, attract interest at commercial rate and mature in 2032.

Credit quality of financial assets and impairment losses

The ageing of trade receivables at the end of the reporting period and the expected credit loss rate (ECLR) was:

	2022			2021		
	Gross	Impairment	ECLR	Gross	Impairment	ECLR
	€m	€m	%	€m	€m	%
Not past due	1,171.2	(0.2)	0.0%	1,699.2	(0.3)	—
Past due 0-30 days	205.3	(0.3)	0.1%	81.4	(0.2)	0.2%
Past due 31-90 days	2.2	—	0.0%	8.0	(0.1)	1.3%
Past due more than 90 days	13.1	(8.2)	62.6%	13.6	(13.6)	100.0%
	1,391.8	**(8.7)**	**0.6%**	**1,802.2**	**(14.2)**	**0.8%**

16 TRADE AND OTHER RECEIVABLES (continued)

There were no allowances made against amounts owed by related parties and other receivables during the year (2021: €nil).

The amounts receivable not yet due after impairment losses as of the end of the reporting period are deemed to be collectible on the basis of established credit management processes such as regular analyses of the credit worthiness of customers and external credit checks where appropriate for new customers (see note 25(c)). At 31 December 2022 and 2021 there were no significant trade, related party or other receivable balances classified as "not past due" that were subsequently impaired.

Due to the global activities and diversified customer structure of the Group, the management considers that there is no significant concentration of credit risk (2021: nil).

During 2022 and 2021 there were no significant trade balances that were subject to material renegotiation of terms.

Trade receivable balances totalling €737.5 million (2021: €552.5 million) have been pledged as security against amounts drawn under the Securitisation Facility, totalling €nil (2021: €nil). In accordance with IFRS 9 *"Financial Instruments"* the trade receivable balances pledged as security do not qualify for derecognition and are included within the trade receivable balances above.

The movement in the allowance for impairment in respect of trade receivables (as per this note) during the year was as follows:

	2022	2021
	€m	
Balance at 1 January	(14.2)	(14.5)
Disposals	0.6	—
Impairment loss recognised	(0.1)	—
Utilised	5.2	0.7
Effects of movement in foreign exchange	(0.2)	(0.4)
Balance 31 December	**(8.7)**	**(14.2)**

The allowance account for trade receivables is used to record any impairment losses unless the Group is satisfied that no recovery of the amount owing is probable; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

The Group applies the forward-looking 'expected credit loss' (ECL) model in line with IFRS 9 in assessing the recoverability of trade receivables. The ECL is calculated considering past experiences and management's estimate of future developments. Management expects no significant change in the future market situation. Consequently, the future credit losses in the ECL model are in the same range as the credit losses experienced in the past years. This is regarded as the future expectation of the inherent credit risk of the not impaired trade and other receivables outstanding. The Group reviews the assumptions of the ECL model on a yearly basis.

Credit risk of trade receivables

	2022	2021
	€m	
Low	1,306.4	1,692.8
Medium	72.3	78.0
High	13.1	31.4
Impairment allowance	(8.7)	(14.2)
	1,383.1	**1,788.0**

The credit risk grade is based on the analysis on both the quantitative and qualitative factors as detailed below:

16 TRADE AND OTHER RECEIVABLES (continued)

- High: Customers under significant financial difficulty and customers for whom there is an uncertainty of payment based on knowledge of factors like insolvency, dispute. Any receivable more than 180 days past due should also be classified in this category.
- Medium: Any receivable between 90 and 180 days past due should be classified as medium risk unless qualitative factors indicate a higher credit risk.
- Low: Any receivable less than 90 days past due should be classified as low risk unless qualitative factors indicate a higher credit risk.

During the year the Group has not experienced a significant deterioration in the quality of receivable balances due to the current economic conditions.

There were no allowances made against amounts due from other receivables during the year (2021: €nil).

There were no allowances made against amounts due from related parties during the year (2021: €nil).

17 INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk see note 25(e).

	2022	2021
	€m	
Non-current liabilities		
Senior Secured Notes due 2026	1,268.7	1,241.3
Senior Notes due 2026	500.0	500.0
Term Loan B Facilities due 2026	3,328.1	3,238.6
Term Loan A Facilities due 2023	—	60.9
Term Loan A Facilities due 2025	—	185.3
Term Loan B Facilities due 2027	632.5	623.6
Senior Secured Notes due 2027	600.0	600.0
Loan from related party	41.7	39.8
Other loans	0.1	0.2
Gross borrowings	**6,371.1**	**6,489.7**
Less: unamortised finance costs	(34.6)	(53.3)
Net borrowings	**6,336.5**	**6,436.4**

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

	2022	2021
	€m	
Current liabilities		
Term Loan B Facilities due 2026	18.7	17.7
Term Loan A Facilities due 2023	—	121.8
Term Loan B Facilities due 2027	1.9	1.8
External bank loan	—	9.2
Gross borrowings	**20.6**	**150.5**
Less: unamortised finance costs	(16.1)	(16.6)
Net borrowings	**4.5**	**133.9**

	2022		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		€m	
Gross debt and issue costs			
Senior Secured Notes due 2026	1,268.7	(13.2)	1,255.5
Senior Notes due 2026	500.0	—	500.0
Term Loan B Facilities due 2026	3,346.8	(31.2)	3,315.6
Term Loan B Facilities due 2027	634.4	(3.1)	631.3
Senior Secured Notes due 2027	600.0	(3.0)	597.0
Securitisation facilities	—	(0.2)	(0.2)
Loan from related party	41.7	—	41.7
Other loans	0.1	—	0.1
	6,391.7	**(50.7)**	**6,341.0**

	2021		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		€m	
Gross debt and issue costs			
Senior Secured Notes due 2026	1,241.3	(17.5)	1,223.8
Senior Notes due 2026	500.0	—	500.0
Term Loan B Facilities due 2026	3,256.3	(39.8)	3,216.5
Term Loan A Facilities due 2023	182.7	(2.8)	179.9
Term Loan A Facilities due 2025	185.3	(1.9)	183.4
Term Loan B Facilities due 2027	625.4	(3.9)	621.5
Senior Secured Notes due 2027	600.0	(3.7)	596.3
Securitisation facilities	—	(0.3)	(0.3)
Loan from related party	39.8	—	39.8
External bank loan	9.2	—	9.2
Other loans	0.2	—	0.2
	6,640.2	**(69.9)**	**6,570.3**

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Terms and debt repayment schedule as at 31 December 2022	Currency	Nominal interest rate	Year of maturity
Euro Senior Secured Notes due 2026	€	2.50%	2026
Dollar Senior Secured Notes due 2026	$	3.375%	2026
Senior Notes due 2026	€	3.75%	2026
Dollar Term Loan B Facility due 2026	$	USD LIBOR (floor of 0.5%) + 2.75%	2026
Euro Term Loan B Facility due 2026	€	EURIBOR (floor of 0.0%) + 2.75%	2026
Euro Term Loan B Facility due 2027	€	EURIBOR (floor of 0.5%) + 2.00%	2027
Dollar Term Loan B Facility due 2027	$	USD LIBOR (floor 0.0%) + 2.00%	2027
Senior Secured Notes due 2027	€	2.25%	2027
ABS Plant Facility	RMB	China Loan Prime Rate minus 0.65%	2032
Securitisation facilities	$/€/£	Variable	2024

Senior Secured Notes due 2026

In January 2021 the Group raised €1,206.5 million of Senior Secured Notes maturing on 15 January 2026 and consisting on €800.0 million of Euro Senior Secured Notes and $500 million of Dollar Senior Secured Notes.

The Senior Secured Notes outstanding at 31 December 2022 before issue costs were €1,268.7 million (31 December 2021: €1,241.3 million). The total amounts outstanding on the Euro denominated Secured Notes were €800.0 million (31 December 2021: €800.0 million) and the US dollar denominated Secured Notes were $500.0 million (€468.7 million equivalent) (31 December 2021: €441.3 million).

The Senior Secured Notes are listed on the Euro MTF—Luxembourg stock exchange. The Euro Senior Secured Notes bear interest at a rate of 2½% per annum. The Dollar Senior Secured Notes bear interest at a rate of 3⅜% per annum. Interest on the Euro Senior Secured Notes and the Dollar Senior Secured Notes is payable semi-annually in arrears. The Senior Secured Notes have no repayment until maturity.

The Euro Senior Secured Notes and the Dollar Senior Secured Notes are jointly and severally guaranteed on a senior secured basis by certain of the Group's subsidiaries. The Euro Senior Secured Notes and the Dollar Senior Secured Notes and the related guarantees are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the Credit Facility Agreements, the Senior Secured Notes due 2027, and certain hedging obligations and cash management arrangements.

The Euro Senior Secured Notes are subject to redemption at any time on or after 15 January 2023, at the option of the Issuer, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on 15 January of the year indicated below:

Year	Euro Senior Secured Notes Redemption Price
2023	101.250%
2024	100.625%
2025 and thereafter	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Dollar Senior Secured Notes are subject to redemption at any time on or after 15 January 2023, at the option of the Issuer, in whole or in part, at the following redemption prices (expressed as percentages

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

of the aggregate principal amount), if redeemed during the twelve-month period beginning on 15 January of the year indicated below:

Year	Dollar Senior Secured Notes Redemption Price
2023	101.6875%
2024	100.84375%
2025 and thereafter	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Euro Senior Secured Notes and the Dollar Senior Secured Notes contain a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2026 are stated net of debt issue costs of €13.2 million (31 December 2021: €17.5 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2026.

Senior Notes due 2026

In January 2021 the Group raised €500.0 million of Senior Notes maturing on 15 July 2026. The Senior Notes outstanding at December 31, 2022 were €500.0 million (31 December 2021: €500.0 million).

The Senior Notes are listed on the Euro MTF—Luxembourg stock exchange. The Senior Notes bear interest at a rate of 3¾% per annum. Interest on the Senior Notes is payable semi-annually in arrears. The Senior Notes have no repayment until maturity.

The Senior Notes are jointly and severally guaranteed on a senior subordinated basis by the guarantors (other than the parent, which guarantees the Senior Notes on a senior basis). The Senior Notes and the related guarantees are secured by second-ranking security interests (subject to certain exemptions) over the shares of the capital stock of the Issuer and the loan made by INEOS Quattro Finance 2 Plc to the Issuer of the proceeds of the Senior Notes. These security interests rank behind the security interests granted over those assets in favor of the creditors of certain other indebtedness, including under the Senior Secured Notes due 2027, the Senior Secured Notes due 2026 and the Credit Facility Agreements.

The Senior Notes are subject to redemption at any time on or after 15 January 2023, at the option of the Issuer, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January 15 of the year indicated below:

Year	Senior Notes Redemption Price
2023	101.875%
2024	100.9375%
2025 and thereafter	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

The Senior Notes contain a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

Term Loan A Facilities due 2023 and 2025, Term Loan B Facilities due 2026

On 31 July 2020, the Group has entered into a Term Loan Agreement (as amended and restated) which consists of:

(i) Term loans maturing in 2023 denominated in US dollar and denominated in euro, in aggregate principal amount of $140.0 million (the "Three-Year Dollar Term Loan A Facility") and €120.0 million (the "Three-Year Euro Term Loan A Facility"), respectively, (together, the "Term Loan A Facilities due 2023").

(ii) Term loans maturing in 2025 denominated in US dollar in an aggregate principal amount of $210.0 million (the "Five Year Dollar Term Loan A Facility"); and

(iii) Term loans maturing in 2026 denominated in US dollar (the "Dollar Term Loan B Facility") and in euro (the "Euro Term Loan B Facility"), in an aggregate principal amount of $2,000.0 million and €1,500.0 million, respectively, (together, the "Term Loan B Facilities due 2026").

The $85.5 million and €75.0 million outstanding principal of the Term Loan A Facilities due 2023 and the $210.0 million outstanding principal of the Term Loan A Facilities due 2025 were repaid on 31 May 2022.

As at 31 December 2022, $1,970.0 million was drawn under the Dollar Term Loan B Facility (€1,846.8 million equivalent); and €1,500.0 million was drawn under the Euro Term Loan B Facility.

The Term Loans that are denominated in dollars bear interest at a rate per annum equal to USD LIBOR divided by 100% minus the USD LIBOR Reserve percentage (subject to a floor of 0.5% per annum) plus 1.75% for the Three-year Dollar Term Loan A, 2.25% for the Five-Year Dollar Term Loan A Facility, and 2.75% for the Dollar Term Loan B Facility. Subsequent to year-end, the Group has initiated the process to transition from LIBOR to SOFR.

The Term Loans that are denominated in euros bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus 1.75% for the Three-Year Euro Term Loan A Facility, 3.5% for the Five-Year Term Loan A Facility and 2.75% for the Euro Term Loan B Facility.

The obligations under the Term Loan B Facilities are jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries.

The Term Loan B Agreement contains a number of limitations on indebtedness, restricted payments, transactions with affiliates, liens and sale of assets.

The Term Loan B Facilities do not contain any financial maintenance covenants.

The Dollar Term Loan B Facility are to be repaid in quarterly instalments beginning on 30 September 2021, in aggregate principal amounts equal to 0.25% of the original aggregate principal amount of the Dollar Term Loan B Facility. The Euro Term Loan B Facility and the balance of the Dollar Term Loan B Facility are payable, subject to certain exemptions, on 15 January 2026.

The Term Loans B facilities due 2026 are stated net of debt issue costs of €31.2 million (31 December 2021: €39.8 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

Term Loan B facilities due 2027

The Group has outstanding borrowings under a credit facilities agreement dated 7 November 2014 (as amended and restated) which consist of euro and US dollar denominated Term loans (referred to as the "Term Loan B Facilities agreement").

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

On 31 January 2020, the Group successfully completed an amend-and-extend transaction of the existing term loans increasing the principal amount of the Euro Term Loan B borrowings to €450.0 million (the "Euro Term Loan B due 2027") and the Dollar Term Loan B borrowings remained at $202.3 million (the Dollar Term Loan B due 2027") .

As at 31 December 2022, €450.0 million remained drawn under the Euro Term Loan B due 2027 and $196.7 million (€184.4 million equivalent) remained drawn under the Dollar Term Loan B Facility due 2027.

From 31 January 2020, the new Dollar Term Loan B Facility due 2027 bears interest at a rate per annum equal to USD LIBOR divided by 100% minus the USD LIBOR Reserve Percentage (as defined in the Term Loan B Facilities Agreement) (subject to a floor of 0% per annum) plus:

- in the case of new Dollar Term Loan B Facility due 2027 bearing interest at a rate determined by reference to USD LIBOR, 2.00%;
- in the case of new Dollar Term Loan B Facility due 2027 bearing interest at a rate determined by reference to Alternate Base Rate, 1.00%.

Subsequent to year-end, the Group has completed its transition from LIBOR to SOFR. See note 32 for further details.

From 31 January 2020, the new Euro Term Loan B Facility due 2027 bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0.50% per annum) plus 2.00%.

The obligations under the Term Loan B Facilities due 2027 is jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries.

The Term Loan B Facilities due 2027 contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Term Loan B Facilities due 2027 do not contain any financial maintenance covenants.

The new Dollar Term Loan B Facility due 2027 is to be repaid in equal instalments, in aggregate annual amounts equal to 1% of the original principal amount of the new Dollar Term Loan B Facility due 2027. The new Euro Term Loan Facility due 2027 and the balance of the new Dollar Term Loan B Facility due 2027 are payable on January 31, 2027.

The Term Loans B facilities due 2027 are stated net of debt issue costs of €3.1 million (31 December 2021: €3.9 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

Senior Secured Notes due 2027

On 31 January 2020, the Group issued €600.0 million aggregate principal amount 2¼% Senior Secured Notes due 2027 (the "Senior Secured Notes due 2027"). The Senior Secured Notes due 2027 are listed on the Euro MTF—Luxembourg stock exchange and bear interest at 2¼% per annum, payable semi-annually in arrears on 15 January and 15 July of each year, beginning 15 July 2020. Unless previously redeemed as noted below, the Senior Secured Notes due 2027 will be repaid by the Group at their principal amount on 16 January 2027.

The Senior Secured Notes due 2027 outstanding at 31 December 2022 were €600.0 million (31 December 2021: €600.0 million).

The Senior Secured Notes due 2027 are subject to redemption at any time on or after 15 January 2023 in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on 15 January of the year indicated below:

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Year	Senior Secured Notes due 2027 Redemption Price
2022	101.1250%
2023	100.5625%
2024 and thereafter	100.0000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2027 are jointly and severally guaranteed on a senior secured basis by INEOS Styrolution Group GmbH and certain of its subsidiaries. They are secured by first priority liens (subject to certain exceptions) on the same assets that secured the obligations under the Term Loan B Facilities due 2027, the Term Loan Agreement and certain hedging obligations and cash management arrangements.

The Senior Secured Notes due 2027 contain a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2027 are stated net of debt issue costs of €3.0 million (31 December 2021: €3.7 million). These costs are allocated to the profit and loss account over the term of the Notes.

ABS Plant Facility

On 21 January 2022, INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd entered into a new term loan agreement with Bank of China and ICBC to provide RMB 3,300.0 million (€464.3 million equivalent) of financing for the construction of a new 600 kiloton ABS plant in Ningbo, China (the "ABS Plant Facility"). The term loan facility matures in 2032 and has a straight-line semi-annual amortisation over the lifetime commencing after the start of operations. The term loan bears interest at a rate equal to the China Loan Prime Rate minus a rate of 0.65% per annum. As at 31 December 2022, the amount utilised against the facility was RMB 3,035.2 million (€408.2 million equivalent). On 28 December 2022, a subsidiary of the Group completed an equity transfer agreement with China Petroleum & Chemical Corporation relating to the sale and purchase of 50% equity interest in INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd. As a result of this divesture, the obligation of the Group under this term loan facility have been transferred to the newly created joint-venture and derecognised in the Group consolidated financial statements. For further details see Note 3.

Securitization facilities

INEOS Styrolution Group GmbH and certain other Group companies are party to a €600.0 million trade receivables securitization program (the "Styrolution Securitization Program") that matures on 28 June 2024. The facility is secured by pledges over the trade receivables sold into the program. For drawn amounts, interest is charged on the facility at a rate of either EURIBOR or US LIBOR plus 0.95% or short-term commercial paper rates plus a margin of 0.95%. For undrawn amounts, the facility bears interest of 0.5%.

INOVYN Group Treasury Limited and certain other INOVYN business' companies are party to a €240.0 million trade receivables securitization program (the "INOVYN Securitization Program") that matures on 30 June 2024. The facility is secured by pledges over the trade receivables sold into the program. For drawn amounts, interest is charged on the facility at a rate of either EURIBOR, US LIBOR or SONIA plus 0.95% or short-term commercial paper rates plus a margin of 0.95%. For undrawn amounts, the facility bears interest of 0.5%.

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

The Debt issue costs of €0.2 million (31 December 2021: €0.3 million) were incurred in relation to the Securitizaton facilities. These costs are allocated to the profit and loss account over the term of the facilities.

Other facilities

The Group has several short-term credit facilities with different local banks to fund working capital requirements up to a total aggregate amount of €224.2 million equivalent as of 31 December 2022 (31 December 2021: €194.8 million equivalent) in China, Malaysia, Singapore, South Korea, Thailand, and United Kingdom. The available amount under the working capital facilities at 31 December 2022 amounted to €197.8 million equivalent (31 December 2021: €151.2 million equivalent), with €26.4 million (31 December 2021: €43.6 million) of certain trade finance facilities being utilised in China.

The Group also has letter of credit facilities in China, Malaysia, Indonesia, Mexico, Singapore, South Korea, Thailand, and United Kingdom. As of 31 December 2022, the drawn amount under all letter of credit facilities was €16.0 million equivalent (31 December 2021: €23.1 million equivalent). The letters of credit are generally secured by current assets. The facilities also provide for a limited number of other financial services, such as bank guarantees and foreign exchange hedging lines.

18 LEASE OBLIGATIONS

	2022	2021
	€m	
Analysed as:		
Current lease liabilities	65.0	72.6
Non-current lease liabilities	224.3	226.6
	289.3	**299.2**

	2022	2021
	€m	
Maturity analysis—contractual undiscounted cash flows:		
Less than one year	83.6	82.3
Between one and five years	150.6	144.8
More than five years	156.1	143.5
Total undiscounted lease liabilities at 31 December	**390.3**	**370.6**

	2022	2021
	€m	
Amounts recognised in the statement of cash flows:		
Lease capital payments	82.8	95.8
Lease interest payments	11.8	11.7
Short-term leases	6.0	5.4
Leases of low value assets	0.6	2.1
Total cash outflow for leases	**101.2**	**115.0**

The Group has entered into a number of significant lease arrangements relating to off-site storage capacity, rail cars, land and buildings, and air separation plants used for the generation of industrial gases.

19 TRADE AND OTHER PAYABLES

	2022	2021
	€m	
Current		
Trade payables	1,390.8	1,737.0
Amounts owed to related parties	239.3	428.8
Accruals	468.7	522.8
Deferred income	7.1	7.4
Other payables	195.1	282.5
	2,301.0	**2,978.5**
Non-current		
Accruals	31.2	33.6
Deferred income	104.5	112.1
Other payables	6.8	1.2
	142.5	**146.9**

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 25.

20 EMPLOYEE BENEFITS

The Group operates a number of pension and post-retirement medical plans throughout the world, devised in accordance with local conditions and practices. The plans are generally of the defined benefit type and those that are funded are done so by payments to separately administered funds or insurance companies. The principal funded plans are in Belgium, Canada, France, Germany, India, South Korea, Mexico, Switzerland, USA, Norway, Austria, Spain and the United Kingdom.

The Group also operates a number of unfunded defined benefit pension schemes in the Indonesia, Canada, South Korea, Thailand, USA, Germany and Italy.

The most recent full valuations of the significant defined benefit plans were carried out as follows:

Plan	Country	Valuation date
All Plans	Belgium	01 January 2023
All Plans	Canada	31 December 2020
All Plans	France	31 December 2022
All Plans	Germany	31 December 2022
All Plans	India	N/A
All Plans	South Korea	31 December 2022
All Plans	Mexico	31 December 2022
All Plans	Switzerland	31 December 2022
All Plans	Thailand	31 December 2020
All Plans	USA	01 January 2022
All Plans	Indonesia	01 January 2023
All Plans	United Kingdom	04 May 2022
All Plans	Norway	31 December 2022
All Plans	Italy	31 December 2020
All Plans	Spain	31 December 2022
All Plans	Austria	31 December 2022

Where the most recent full valuations were carried out prior to the balance sheet date, these have been updated to 31 December 2022 by independent qualified actuaries.

The Group's pension schemes have been disclosed on a geographical basis as those schemes in Europe, United Kingdom, North America and Rest of the World.

20 EMPLOYEE BENEFITS (continued)

The European pension arrangements are a mix of final salary, career average, unit benefit and cash balance plans in nature, and the majority are closed to new entrants. The majority of the plans are funded via insurance policies and there are also a number of unfunded German and Italian plans.

The UK defined benefit pension plans were historically final salary in nature, with a normal retirement age of 60, and are both closed to new entrants and future accrual. The plans operate under trust law and are managed and administered by Trustees in accordance with the terms of each plan's Trust Deed and Rules and relevant legislation. The contributions paid to the UK plans are set every three years based on a funding agreement between the company and Trustee after taking actuarial advice.

The North Americas pension arrangements consists of three funded plans in the USA (all of which are closed to future accrual) and one funded plan in Canada (which is closed to new entrants and to future accrual). All pension plans, except one, are final salary defined benefit in nature, and the plans' liabilities are valued regularly in line with statutory funding requirements.

The Rest of the World pension arrangements are comprised of the Group's pension plans in India, South Korea, Mexico, Thailand and Indonesia.

The Group also operates a number of post-retirement healthcare plans in North Americas and the United Kingdom, which provide employees with other post-retirement benefits in respect of healthcare. The plans are unfunded and the liability is assessed by qualified independent actuaries under the projected unit method.

Pension plan assumptions

The major actuarial assumptions (expressed as weighted averages or ranges) at year end were as follows:

	European		United Kingdom		North America		Rest of the World	
	2022	2021	2022	2021	2022	2021	2022	2021
	%							
Price inflation	1.30-2.50	1.00-2.00	3.20	3.20	0.00-2.00	0.00-2.00	0.00-3.50	0.00-3.50
Discount rate for scheme liabilities	2.20-3.80	0.25-2.25	5.00	1.90	2.75	2.75	2.00-9.50	2.00-9.50
Rate of increase in pensionable salaries	2.00-3.50	0.00-4.50	0.00	n/a	0.00-3.00	0.00-3.00	4.00-8.00	4.00-8.00
Rate of increase in pensions in payment	0.00-2.50	-2.90-2.00	3.00-3.70	2.20-3.70	0.00-0.50	0.00-0.50	—	n/a
Rate of increase for deferred pensioners	0.00-0.53	0.00-2.00	2.80-3.20	2.90-3.20	—	n/a	—	n/a
Healthcare medical trend rate (initial)	2.40	2.00	5.40	5.40	5.48-6.00	5.48-6.00	—	n/a
Healthcare medical trend rate (ultimate)	2.40	2.00	5.40	5.40	4.50-5.00	4.50-5.00	—	n/a

The assumptions relating to longevity underlying the pension liabilities at the reporting date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

	European		United Kingdom		North America		Rest of the World	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Years)							
Longevity at age 65 for current pensioners	20.4-24.9	20.4-24.9	21.8-21.9	21.8-22.2	21.1-22.2	21.1-22.2	n/a	n/a

20 EMPLOYEE BENEFITS (continued)

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

	2022			
	European	United Kingdom	North America	Rest of the World
		€m		
Discount rate: 1% decrease	31.7	116.6	0.9	0.1
Rate of inflation: 0.5% increase[1]	15.5	25.0	0.9	—
Mortality: 1 year increase in longevity for a member currently aged 65	7.6	24.3	0.9	—

	2021			
	European	United Kingdom	North America	Rest of the World
		€m		
Discount rate: 1% decrease	79.9	325.5	9.8	1.8
Rate of inflation: 0.5% increase[1]	24.1	110.8	1.2	—
Mortality: 1 year increase in longevity for a member currently aged 65	12.5	57.3	1.6	—

(1) The sensitivity to the inflation assumption change includes corresponding changes to the future salary increase and future pension increase assumptions where these assumptions are set to be linked to the inflation assumption.

Pension assets (schemes in surplus)

The disclosures relating to the net pension assets are disclosed below. The amounts recognised in the balance sheet are as follows:

	2022		
	European	United Kingdom	Total
		€m	
Equities	24.8	0.8	25.6
Bonds	14.9	255.2	270.1
Property	6.3	—	6.3
Other	2.4	60.6	63.0
Fair value of plan assets	**48.4**	**316.6**	**365.0**
Present value of funded obligations	(39.2)	(298.1)	(337.3)
Net pension asset	**9.2**	**18.5**	**27.7**

	2021		
	European	United Kingdom	Total
		€m	
Equities	36.5	89.5	126.0
Bonds	15.0	961.8	976.8
Property	5.0	14.0	19.0
Other	1.4	317.6	319.0
Fair value of plan assets	**57.9**	**1,382.9**	**1,440.8**
Present value of funded obligations	(45.8)	(1,326.0)	(1,371.8)
Net pension asset	**12.1**	**56.9**	**69.0**

20 EMPLOYEE BENEFITS (continued)

Other investments largely consist of quoted instruments. There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

The amounts recognised in the income statement are as follows:

	2022	2021	2022	2021	2022	2021
	European		United Kingdom		Total	
	€m					
Current service cost[1]	(3.9)	(4.3)	(1.4)	(0.9)	(5.3)	(5.2)
Expected return on plan assets[2]	0.6	0.2	25.5	8.2	26.1	8.4
Interest cost on obligation[2]	(0.5)	(0.2)	(24.1)	(7.6)	(24.6)	(7.8)
Total	**(3.8)**	**(4.3)**	**—**	**(0.3)**	**(3.8)**	**(4.6)**

(1) Included within operating profit

(2) Included within finance costs.

Reconciliation of present value of scheme liabilities:

	European	United Kingdom	Total
		€m	
At 1 January 2021	—	(465.0)	(465.0)
Current service cost	(4.3)	(0.9)	(5.2)
Interest cost	(0.2)	(7.6)	(7.8)
Movements between schemes in surplus and schemes in deficit	(45.5)	(829.0)	(874.5)
Benefits paid	1.2	26.0	27.2
Actuarial gain/(loss)—experience	0.7	(0.7)	—
Actuarial gain/(loss)—assumptions	2.3	(5.4)	(3.1)
Exchange adjustments	—	(43.4)	(43.4)
At 31 December 2021	**(45.8)**	**(1,326.0)**	**(1,371.8)**
Current service cost	(3.9)	(1.4)	(5.3)
Interest cost	(0.5)	(24.1)	(24.6)
Movements between schemes in surplus and schemes in deficit	—	488.7	488.7
Benefits paid	2.0	78.2	80.2
Actuarial gain/(loss)—experience	(3.5)	(4.4)	(7.9)
Actuarial gain/(loss)—assumptions	12.5	470.2	482.7
Exchange adjustments	—	20.7	20.7
At 31 December 2022	**(39.2)**	**(298.1)**	**(337.3)**

20 EMPLOYEE BENEFITS (continued)

Reconciliation of fair value of scheme assets:

	European	United Kingdom	Total
		€m	
At 1 January 2021	—	498.0	498.0
Expected return on scheme assets	0.2	8.2	8.4
Employer contributions	4.0	8.7	12.7
Movements between schemes in surplus and schemes in deficit	45.3	841.2	886.5
Benefits paid	(1.2)	(26.0)	(27.2)
Actuarial gain	9.6	6.9	16.5
Exchange adjustments	—	45.9	45.9
At 31 December 2021	**57.9**	**1,382.9**	**1,440.8**
Expected return on scheme assets	0.6	25.5	26.1
Employer contributions	3.7	28.3	32.0
Movements between schemes in surplus and schemes in deficit	—	(466.6)	(466.6)
Benefits paid	(1.9)	(78.2)	(80.1)
Actuarial loss	(11.9)	(552.8)	(564.7)
Exchange adjustments	—	(22.5)	(22.5)
At 31 December 2022	**48.4**	**316.6**	**365.0**

Pension liabilities (schemes in deficit)

The disclosures relating to the net pension liabilities are disclosed below. The amounts recognised in the balance sheet are as follows:

	2022				
	European	United Kingdom	North America	Rest of the World	Total
			€m		
Equities	47.7	—	35.9	0.7	84.3
Bonds	73.3	153.1	42.4	0.7	269.5
Property	12.5	—	—	—	12.5
Other	80.9	281.3	(31.6)	5.9	336.5
Fair value of plan assets	**214.4**	**434.4**	**46.7**	**7.3**	**702.8**
Present value of funded obligations	(273.1)	(456.3)	(40.1)	(9.6)	(779.1)
Present value of unfunded obligations	(88.3)	(0.3)	(8.9)	(15.7)	(113.2)
Net pension liability	**(147.0)**	**(22.2)**	**(2.3)**	**(18.0)**	**(189.5)**

	2021				
	European	United Kingdom	North America	Rest of the World	Total
			€m		
Equities	95.4	—	4.6	0.3	100.3
Bonds	95.6	1.2	55.4	0.6	152.8
Property	8.8	—	—	—	8.8
Other	47.9	0.7	0.5	8.3	57.4
Fair value of plan assets	**247.7**	**1.9**	**60.5**	**9.2**	**319.3**
Present value of funded obligations	(340.2)	(2.4)	(53.7)	(12.0)	(408.3)
Present value of unfunded obligations	(112.5)	(0.5)	(11.7)	(19.6)	(144.3)
Net pension liability	**(205.0)**	**(1.0)**	**(4.9)**	**(22.4)**	**(233.3)**

20 EMPLOYEE BENEFITS (continued)

The majority of the assets invested in property are unquoted. All other investments are largely in quoted instruments. Equities comprise of well-diversified holdings over a wide range of global markets.

There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

The amounts recognised in the income statement are as follows:

	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	European		United Kingdom		North America		Rest of World		Total	
					€m					
Current service cost[1]	(13.8)	(15.1)	—	(1.7)	(0.7)	(0.9)	(1.9)	(2.0)	(16.4)	(19.7)
Past service credit[1]	—	0.2	—	—	—	—	—	—	—	0.2
Expected return on plan assets[2]	3.1	1.6	—	13.0	1.7	1.6	0.3	0.2	5.1	16.4
Interest cost on obligation[2]	(5.5)	(3.4)	—	(13.2)	(1.8)	(1.7)	(1.1)	(0.8)	(8.4)	(19.1)
Total	**(16.2)**	**(16.7)**	**—**	**(1.9)**	**(0.8)**	**(1.0)**	**(2.7)**	**(2.6)**	**(19.7)**	**(22.2)**

(1) Included within operating profit

(2) Included within finance cost

Reconciliation of present value of scheme liabilities:

	European	United Kingdom	North America	Rest of the World	Total
			€m		
At 1 January 2021	**(509.3)**	**(799.5)**	**(68.6)**	**(33.4)**	**(1,410.8)**
Transfers in	(0.8)	—	—	(0.1)	(0.9)
Current service cost	(15.1)	(1.7)	(0.9)	(2.0)	(19.7)
Past service credit	0.2	—	—	—	0.2
Employee contributions	(0.3)	—	—	—	(0.3)
Interest cost	(3.4)	(13.2)	(1.7)	(0.8)	(19.1)
Movements between schemes in surplus and schemes in deficit	45.5	829.0	—	—	874.5
Benefits paid	15.2	51.6	6.5	4.0	77.3
Actuarial (loss)/gain–experience	(5.8)	1.2	1.6	(0.7)	(3.7)
Actuarial gain/(loss)–assumptions	20.1	(17.0)	3.2	1.6	7.9
Exchange adjustments	1.0	(53.3)	(5.5)	(0.2)	(58.0)
At 31 December 2021	**(452.7)**	**(2.9)**	**(65.4)**	**(31.6)**	**(552.6)**
Divesture	—	—	—	2.0	2.0
Current service cost	(13.8)	—	(0.7)	(1.9)	(16.4)
Employee contributions	(0.3)	—	—	—	(0.3)
Interest cost	(5.5)	—	(1.8)	(1.1)	(8.4)
Movements between schemes in surplus and schemes in deficit	—	(488.7)	—	—	(488.7)
Benefits paid	19.9	—	4.3	4.6	28.8
Actuarial (loss)/gain–experience	(6.2)	0.2	(0.4)	0.6	(5.8)
Actuarial gain–assumptions	95.4	1.3	17.2	2.2	116.1
Exchange adjustments	1.8	33.5	(2.2)	(0.1)	33.0
At 31 December 2022	**(361.4)**	**(456.6)**	**(49.0)**	**(25.3)**	**(892.3)**

20 EMPLOYEE BENEFITS (continued)

Reconciliation of fair value of scheme assets:

	European	United Kingdom	North America	Rest of the World	Total
			€m		
At 1 January 2021	**270.0**	**771.7**	**61.5**	**8.7**	**1,111.9**
Expected return on scheme assets	1.6	13.0	1.6	0.2	16.4
Employer contributions	23.4	32.7	1.0	4.1	61.2
Employee contributions	0.3	—	—	—	0.3
Movements between schemes in surplus and schemes in deficit	(45.3)	(841.2)	—	—	(886.5)
Benefits paid	(15.2)	(51.6)	(6.5)	(4.0)	(77.3)
Actuarial gain/(loss)	14.1	25.0	(2.0)	0.1	37.2
Exchange adjustments	(1.2)	52.3	4.9	0.1	56.1
At 31 December 2021	**247.7**	**1.9**	**60.5**	**9.2**	**319.3**
Divesture	—	—	—	(1.9)	(1.9)
Expected return on scheme assets	3.1	—	1.7	0.3	5.1
Employer contributions	25.7	0.2	0.9	4.2	31.0
Employee contributions	0.3	—	—	—	0.3
Movements between schemes in surplus and schemes in deficit	—	466.6	—	—	466.6
Benefits paid	(19.8)	—	(4.4)	(4.6)	(28.8)
Actuarial loss	(41.7)	(0.6)	(13.6)	(0.1)	(56.0)
Exchange adjustments	(0.9)	(33.7)	1.6	0.2	(32.8)
At 31 December 2022	**214.4**	**434.4**	**46.7**	**7.3**	**702.8**

Depending on prevailing exchange rates, the Group expects to contribute approximately €59.7 million to its defined pension plans in 2023.

21 PROVISIONS

	Onerous contracts	Severance and restructuring	Environmental	Plant closures	Other provisions	Total
			€m			
At 1 January 2022	1.5	3.5	201.9	12.8	20.9	240.6
Charged/(credited) to the consolidated income statement	—	0.1	(0.2)	—	0.1	—
Reclassifications	—	—	4.8	(4.0)	(2.8)	(2.0)
Business disposals	(1.3)	—	—	—	—	(1.3)
Utilised in the year	(0.2)	(2.9)	(26.2)	(2.7)	(0.8)	(32.8)
Discount unwinding	—	—	(12.5)	(0.3)	(0.1)	(12.9)
Effects of movement in foreign exchange	—	(0.1)	(3.0)	(0.1)	(0.1)	(3.3)
At 31 December 2022	**—**	**0.6**	**164.8**	**5.7**	**17.2**	**188.3**
Non-current	—	0.3	161.4	6.2	17.4	185.3
Current	1.5	3.2	40.5	6.6	3.5	55.3
At 31 December 2021	**1.5**	**3.5**	**201.9**	**12.8**	**20.9**	**240.6**
Non-current	—	0.1	134.4	4.2	15.9	154.6
Current	—	0.5	30.4	1.5	1.3	33.7
At 31 December 2022	**—**	**0.6**	**164.8**	**5.7**	**17.2**	**188.3**

21 PROVISIONS (continued)

Onerous contracts

Provisions related to unfavourable supply contracts and contract termination costs with related parties. Cash of €0.2 million was spent in the year. The remaining provision was disposed of as part of sale of INEOS Styrolution India limited (see Note 3).

Severance and restructuring

The provision recognised in 2021 by Aromatics business in respect of manpower reorganisation costs was fully spent in the year for €2.2 million. Remaining provision related to supply chain and commercial teams reorganisation costs in INEOS Inovyn. Cash of €0.7 million was spent in the year. The remaining provision of €0.6 million is expected to be fully utilised by 2025.

Environmental

Environmental provisions represent the expected cost of remediation works where there is a legal or constructive obligation for the works to be carried out and a reasonable estimate of the cost can be made. The majority of the provisions created in prior years relate to obligations associated with the remediation of mercury-based cell rooms at INEOS Inovyn sites in Belgium, France, Sweden, Spain, Italy and the United Kingdom, plus costs of implementing the remdiation work at the Feyzin site in France to comply with local legislation.

In total €26.2 million was spent on environmental-related provisions in the year and the remaining provisions of €164.8 million is expected to be utilised by 2047.

Plant closures

Plant closure provision mainly relate to activities at Runcorn, United Kingdom in respect of the Sulphur Chemicals plant which closed in 2021 and Wilhelmshaven, Germany in respect of the mercury cell room which closed in 2013. The remaining provision of €5.7 million is expected to be fully utilised by 2029.

Other provisions

Other provisions mainly relate to various legal and customer claims, including a liability to the Styrolution business' previous shareholder, BASF under prior legal agreements. There was a reclassification of €2.8 million to short-term accruals during 2022 as the amounts and timing of payment became more certain. The provision is expected to be fully utilised by 2027.

22 OTHER FINANCIAL LIABILITIES

	2022	2021
	€m	
Current		
Derivative commodity contracts designated as fair value through the profit or loss (note 25)	**46.2**	**53.4**

23 SHARE CAPITAL AND DIVIDENDS

Share capital

	2022	2021
	€m	
200,100 (2021: 200,100) issued Ordinary shares (pounds sterling) of £1.00 (2021: £1.00) each	0.3	0.3
2 (2021: 4) issued Ordinary shares (Euro) of €1.00 (2021: €1.00) each	—	—
	0.3	**0.3**

23 SHARE CAPITAL AND DIVIDENDS (continued)

As the reporting currency of the Company is the Euro, share capital has been converted to Euros at the effective rate of exchange ruling at the date of issuance.

On 15 January 2021, the Company undertook a capital reduction exercise of its full share premium account of €6,620.4 million which was transferred to retained earnings. Two ordinary shares (Euro) were also cancelled.

Dividends

The following dividends were recognised during the year:

	2022	2021
	€m	
Repayment of Equity Bridge Contribution	—	824.9
Other dividends declared	521.0	393.3
	521.0	**1,218.2**

The Equity Bridge Contribution received from the Company's immediate party undertaking as part of the BP Acquisition was repaid in January 2021 via a return of capital of €824.9 million.

Interim dividends of €521.0 million were declared and paid during the year (2021: €393.3 million). Subsequent to year-end, the Directors have declared a final dividend of €500.9 million (2021: €nil) as at 23 January 2023 (see note 32).

The dividend declared in the current year equates to €2,603.7 per Ordinary share (2021: €6,087.8 per Ordinary share).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

24 MERGER RESERVE

On 31 December 2020, the Group acquired 94.9% of the shares in INOVYN Limited, pursuant to a contribution agreement dated 24 July 2020 between INEOS Group Investments Limited, INEOS Industries Limited, INEOS Industries Holdings Limited, the Company and INEOS Quattro Financing Limited, a subsidiary undertaking of the Company in exchange for €3,416.4 million. On 31 December 2020, €3,245.7 million was debited to a merger reserve, being the difference between the book value of the net assets acquired and the total consideration paid.

A difference of €1,281.2 million between the predecessor value of the Group and the fair value recognised as the investment has been debited to a merger reserve for other prior year acquisitions.

25 FINANCIAL INSTRUMENTS

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk (including currency and interest rate risk)

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. They are responsible for developing and monitoring the Group's risk

25 FINANCIAL INSTRUMENTS (continued)

management policies. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

25(a) Fair values of financial instruments

Trade and other receivables

The carrying amount of trade and other receivables generally approximates to fair value due to their short maturities. Where settlement is not due in the short-term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Trade and other payables

The carrying amount of trade and other payables generally approximates to fair value due to their short maturities. Where settlement is not due in the short-term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest-bearing borrowings

The fair value of the interest-bearing loans (excluding the securitisation facility, lease liabilities and related party loans) is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date. The fair value of the securitisation facilities is the same as the carrying value excluding debt issue costs. The fair value of lease liabilities is determined by reference to market rates for similar lease agreements. The fair value of the related party loans is the same as the carrying value.

Derivative financial instruments

The Group has entered into derivative financial instruments and the fair value is based on market or broker quotes.

Equity instruments

The Group has entered into derivative financial instruments and the fair value is based on market or broker quotes.

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the consolidated balance sheet are as follows:

25 FINANCIAL INSTRUMENTS (continued)

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	€m			
Financial assets held at fair value through other comprehensive income:				
Equity instruments	5.5	5.5	—	—
Financial assets held at amortised cost:				
Trade receivables	1,383.1	1,383.1	1,788.0	1,788.0
Amounts due from related parties and associated undertakings	752.2	752.2	124.4	124.4
Other receivables (excluding prepayments and tax)	336.9	336.9	429.6	429.6
Other investments	9.8	9.8	18.1	18.1
Deferred consideration	239.0	239.0	—	—
Cash and cash equivalents	1,530.1	1,530.1	1,291.3	1,291.3
Total financial assets	**4,256.6**	**4,256.6**	**3,651.4**	**3,651.4**

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	€m			
Financial liabilities held at fair value through profit or loss:				
Derivative commodity contracts	46.2	46.2	53.4	53.4
Financial liabilities carried at amortised cost:				
Senior Secured Notes due 2026	1,255.5	1,108.4	1,223.8	1,236.9
Senior Notes due 2026	500.0	410.0	500.0	502.2
Term Loan B Facilities due 2026	3,315.6	3,210.6	3,216.5	3,237.2
Term Loan A Facilities due 2023	—	—	179.9	182.7
Term Loan A Facilities due 2025	—	—	183.4	185.3
Term Loan B Facilities due 2027	631.3	589.8	621.5	612.4
Senior Secured Notes due 2027	597.0	486.0	596.3	584.3
Securitisation facilities	(0.2)	—	(0.3)	—
Loan from related party	41.7	41.7	39.8	39.8
Other loans	0.1	0.2	9.4	9.4
Trade payables	1,390.8	1,390.8	1,737.0	1,737.0
Amounts due to related parties	239.3	239.3	428.8	428.8
Accruals and other payables (excluding deferred income)	701.8	701.8	840.1	840.1
Lease liabilities	289.3	289.3	299.2	299.2
Total financial liabilities	**9,008.4**	**8,514.1**	**9,928.8**	**9,948.7**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels, determined in accordance with IFRS 13 "*Fair Value Measurement*", have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

25 FINANCIAL INSTRUMENTS (continued)

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

	2022			
		Level		
	Fair value	1	2	3
	€m			
Net financial assets and liabilities designated as fair value through profit or loss				
Derivative commodity contracts	(46.2)	—	(46.2)	—
	(46.2)	**—**	**(46.2)**	**—**
Net financial assets and liabilities designated as fair value through other comprehensive income				
Equity instruments	5.5	5.5	—	—
	5.5	**5.5**	**—**	**—**

	2021			
		Level		
	Fair value	1	2	3
	€m			
Net financial assets and liabilities designated as fair value through profit or loss				
Derivative commodity contracts	(53.4)	—	(53.4)	—
	(53.4)	**—**	**(53.4)**	**—**

The derivative commodity contracts have been assigned to Level 2 since there are no market prices available. The fair value of derivatives is the value that the Group would receive or have to pay if the financial instrument were transferred to an external party at the reporting date. The equity instruments have been assigned to Level 1 since the shares are listed on the London Stock Exchange.

There have been no transfers from one level to another during 2021 and 2022.

25(b) Net gains and losses from financial instruments

Net gains and losses from financial instruments comprise the results of valuations, the amortisation of debt issue costs, the recognition and derecognition of impairment losses, results from the translation of foreign currencies, interest, dividends and all effects on profit or loss of financial instruments.

Net gains from financial assets measured at amortised cost relate primarily to recognition and derecognition of impairment losses, results from the translation of foreign currencies and interest income.

Net losses from financial liabilities measured at amortised cost relate primarily to amortisation of debt issue costs, results from the translation of foreign currencies, interest expense and other financing related expenses.

The item 'financial instruments at fair value through profit or loss' comprise valuation gains and losses, and only includes gains and losses from instruments which are not designated as hedging instruments as defined by IFRS 9.

25 FINANCIAL INSTRUMENTS (continued)

	2022			
	Financial assets at amortised cost	Fair value recognised in profit or loss	Financial assets at fair value through OCI	Financial liabilities at amortised cost
			€m	
Gains from financial instruments				
Interest income	14.6	—	—	—
Foreign exchange gains	140.7	—	—	—
Net result	**155.3**	**—**	**—**	**—**
Carrying value at 31 December	**4,251.1**	**—**	**—**	**—**
Losses from financial instruments				
Interest cost	—	—	—	(247.0)
Amortisation of debt issue costs	—	—	—	(21.9)
Net fair value loss on derivatives	—	(20.8)	—	—
Net fair value loss on equity instruments	—	—	(0.4)	—
Foreign exchange losses	—	—	—	(78.6)
Net result	**—**	**(20.8)**	**(0.4)**	**(347.5)**
Carrying value at 31 December	**—**	**(46.2)**	**5.5**	**(8,962.2)**

	2021		
	Financial assets at amortised cost	Fair value recognised in profit or loss	Financial liabilities at amortised cost
		€m	
Gains from financial instruments			
Interest income	7.2	—	—
Foreign exchange gains	151.3	—	—
Net result	**158.5**	**—**	**—**
Carrying value at 31 December	**3,651.4**	**—**	**—**
Losses from financial instruments			
Interest cost	—	—	(214.3)
Amortisation of debt issue costs	—	—	(68.6)
Net fair value gains on derivatives	—	(40.8)	—
Foreign exchange losses	—	—	(56.9)
Net result	**—**	**(40.8)**	**(339.8)**
Carrying value at 31 December	**—**	**(53.4)**	**(9,875.4)**

25(c) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, deposits with financial institutions and amount owed to Group undertakings.

The Group's treasury policy and objectives in relation to credit risk is to minimise the likelihood that the Group will experience financial loss due to counterparty failure and to ensure that in the event of a single loss, the failure of any single counterparty would not materially impact the financial wellbeing of the Group.

25 FINANCIAL INSTRUMENTS (continued)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Management considers that there is no geographical concentration of credit risk. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis. No single customer accounts for more than 5% of revenue.

Investments, cash and cash equivalents

Surplus cash investments are only made with banks with which the Group has a relationship. Occasionally deposits are made with banking counterparties that provide financing arrangements, reducing the credit exposure of the Group.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the reporting date was the carrying amount of financial assets. Further details on the Group's exposure to credit risk, and the associated impairments recognised, are given in note 16.

25(d) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group. The Group's exposure to liquidity risk is limited by the fact that it operates with significant cash resources, it maintains the most appropriate mix of short, medium and long-term borrowings from the Group's lenders and has significant headroom on the securitisation facilities (see note 17).

The Group is reliant on committed funding from a variety of sources at Group and subsidiary company level to meet the anticipated needs of the Group for the period covered by the Group's budget.

The Group forecasts on a regular basis the expected cash flows that will occur on a weekly and monthly basis. This information is used in conjunction with the weekly reporting of actual cash balances at bank in order to calculate the level of funding that will be required in the short and medium term. On a monthly basis the level of headroom on existing facilities is reported and forecast forward until the end of the financial year.

The maturity profile of the Group's undrawn committed facilities at 31 December 2022 and 2021 was as follows:

	2022	2021
	Undrawn facilities	Undrawn facilities
	€m	
In less than one year	—	—
In more than one year, but not more than two years	840.0	690.0
In more than two years, but not more than five years	—	—
	840.0	**690.0**

25 FINANCIAL INSTRUMENTS (continued)

The undrawn committed facilities of €840 million (2021: €690.0 million) are in respect of the unused securitisation facilities. The maturity date of the securitisation facilities is 30 June 2024 for the INOVYN securitisation facility and 28 June 2024 for the Styrolution securitisation facility.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	2022					
	Carrying amount	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
			€m			
Non-derivative financial liabilities						
Senior Secured Notes due 2026	1,255.5	(1,394.1)	(35.8)	(35.8)	(1,322.5)	—
Senior Notes due 2026	500.0	(575.1)	(18.8)	(18.8)	(537.5)	—
Term Loan B Facilities due 2026	3,315.6	(3,993.0)	(228.3)	(229.8)	(3,534.9)	—
Term Loan A Facilities due 2023	—	—	—	—	—	—
Term Loan A Facilities due 2025	—	—	—	—	—	—
Term Loan B Facilities due 2027	631.3	(760.7)	(32.8)	(33.1)	(694.8)	—
Senior Secured Notes due 2027	597.0	(660.8)	(13.5)	(13.5)	(633.8)	—
Securitisation facilities	(0.2)	(9.4)	(4.3)	(3.6)	(1.5)	—
Loan from related party	41.7	(51.9)	—	—	—	(51.9)
Other loans	0.1	(0.1)	(0.1)	—	—	—
Trade payables	1,390.8	(1,390.8)	(1,390.8)	—	—	—
Amounts due to related parties	239.3	(239.3)	(239.3)	—	—	—
Accruals and other payables (excluding deferred income)	701.8	(701.8)	(669.9)	(25.4)	(4.8)	(1.7)
Lease obligations	289.3	(390.3)	(83.6)	(62.4)	(88.2)	(156.1)
Derivative financial liabilities						
Commodity contracts	46.2	(46.2)	(46.2)	—	—	—
	9,008.4	**(10,213.5)**	**(2,763.4)**	**(422.4)**	**(6,818.0)**	**(209.7)**

	2021					
	Carrying amount	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
			€m			
Non-derivative financial liabilities						
Senior Secured Notes due 2026	1,223.8	(1,398.3)	(34.9)	(34.9)	(1,328.5)	—
Senior Notes due 2026	500.0	(593.9)	(18.8)	(18.8)	(556.3)	—
Term Loan B Facilities due 2026	3,216.5	(3,659.2)	(116.9)	(116.8)	(3,425.5)	—
Term Loan A Facilities due 2023	179.9	(185.9)	(124.5)	(61.4)	—	—
Term Loan A Facilities due 2025	183.4	(199.8)	(5.2)	(39.4)	(155.2)	—
Term Loan B Facilities due 2027	621.5	(702.0)	(16.9)	(16.9)	(668.2)	—
Senior Secured Notes due 2027	596.3	(674.3)	(13.5)	(13.5)	(647.3)	—
Securitisation facilities	(0.3)	(8.8)	(3.5)	(3.5)	(1.8)	—
Loan from related party	39.8	(49.6)	—	—	—	(49.6)
Other loans	9.4	(9.9)	(9.7)	(0.1)	(0.1)	—
Trade payables	1,737.0	(1,737.0)	(1,737.0)	—	—	—
Amounts due to related parties	428.8	(428.8)	(428.8)	—	—	—
Accruals and other payables (excluding deferred income)	840.1	(840.1)	(805.3)	(29.2)	(3.7)	(1.9)
Lease obligations	299.2	(370.6)	(82.3)	(55.6)	(89.2)	(143.5)
Derivative financial liabilities						
Commodity contracts	53.4	(53.4)	(53.4)	—	—	—
	9,928.8	**(10,911.6)**	**(3,450.7)**	**(390.1)**	**(6,875.8)**	**(195.0)**

25 FINANCIAL INSTRUMENTS (continued)

25(e) Market risk

Financial risk management

Market risk reflects the possibility that changes in market prices, such as foreign exchange rates, interest rates, crude oil, key feedstocks and raw materials will adversely affect the value of the Group's assets, liabilities or expected future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Market risk—Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Sterling, Norwegian Krone and Swedish Krona. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

A substantial portion of the Group's revenue is generated in, or linked to, Sterling, US dollars and the Euro. Product prices, certain feedstock costs and most other operating costs are denominated in US Dollar, Sterling, Euro, Norwegian Krone and Swedish Krona. In the US petrochemical and specialty chemicals businesses, product prices, raw materials costs and most other costs are primarily denominated in US Dollars.

The group applies hedge accounting to foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation. When the settlement of a monetary item receivable from or payable to a foreign operations is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary items is considered to form part of a net investment in a foreign operation and changes to the fair value are recognised directly within equity.

The Group generally does not enter into foreign currency exchange instruments to hedge foreign currency transaction exposure, although the Group may do so in the future.

The Group benefits from natural hedging, to the extent that currencies in which net cash flows are generated from the Group's operations, are matched against long-term indebtedness.

The foreign currency exposure where the Group's financial assets / (liabilities) are not denominated in the functional currency of the operating unit involved is shown below. Foreign exchange differences on retranslation of these assets and liabilities are taken to the income statement of the Group.

	2022	2021
	€m	
Euros	37.4	154.9
Pounds Sterling	27.3	20.6
US Dollars	186.3	33.6
Norwegian Krone	(0.3)	18.8
Others	(74.8)	(76.6)
	175.9	**151.3**

Sensitivity analysis

A 10% per cent weakening of the following currencies at 31 December 2021 and 31 December 2022 would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the comparative year.

25 FINANCIAL INSTRUMENTS (continued)

	2022	2021	2022	2021
	Equity		Profit or loss	
	€m			
Euros	—	—	(3.4)	(14.1)
Pounds Sterling	—	—	(2.6)	(1.8)
Norwegian Krone	—	—	(16.9)	(1.7)
US Dollars	—	—	—	(3.1)
Other	—	—	6.7	6.7

A 10% per cent strengthening of the above currencies against the Euro at 31 December 2021 and 31 December 2022 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Market risk—Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2022	2021
	€m	
Fixed rate instruments		
Financial liabilities	(2,683.6)	(2,659.1)
	(2,683.6)	**(2,659.1)**
Variable rate instruments		
Financial assets	1,530.1	1,291.3
Financial liabilities	(3,946.8)	(4,210.4)
	(2,416.7)	**(2,919.1)**

Sensitivity analysis

A change of 1% in interest rates at the reporting date would have increased equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates and financial instrument at fair value through profit or loss. The analysis is performed on the same basis for 2022 and 2021.

	2022	2021
	€m	
Profit or (loss)		
Increase in interest rates by 1%	(24.2)	(29.2)

A 1% change in the opposite direction of the above interest rates at 31 December 2021 and 31 December 2022 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(iii) Market risk—Commodity price risk

This section discusses the Group's exposure to the commodity contracts which are not covered under the own use exemption and are recognised as derivative instruments.

The Group is exposed to commodity price risk through fluctuations in raw material prices and sales of products. The raw material exposures result primarily from the price of feedstocks, electricity and

25 FINANCIAL INSTRUMENTS (continued)

base chemicals linked to the price of crude. The sales price exposures are primarily related to petrochemicals where prices are in general linked to the market price of crude oil.

The Group enters into contracts to supply or acquire physical volumes of commodities at future dates during the normal course of business that may be considered derivative contracts. Where such contracts exist and are in respect of the normal purchase or sale of products to fulfil the Group's requirements, the own use exemption from derivative accounting is applied.

The Group in some circumstances enters into swap contracts to acquire physical volumes of commodities at future dates which are not covered under the own use exemption and are recognised as derivative instruments. Derivative commodity contracts designated as fair value through profit or loss are disclosed in notes 22.

The Group operates within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

25(f) Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group defines its capital employed of €9,444.1 million (2021: €8,587.3 million) as equity attributable to the owners of the Company of €4,582.5 million (2021: €3,238.4 million) and net debt (total gross loans and borrowings less cash and cash equivalents) of €4,861.6 million (2021: €5,348.9 million).

The principal sources of debt available to the Group at 31 December 2022 are described in note 17 along with the key operating and financial covenants that apply to these facilities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt or sell assets to reduce debt. The ability of the Group to pay dividends and provide appropriate facilities to the Group is restricted by the terms of principal financing agreements to which members of the Group are party.

26 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2022	2021
	€m	
Increase in cash and cash equivalents in the year	226.9	438.4
Cash outflow from change in debt financing	(12.2)	(647.1)
Change in net debt resulting from cash flow	214.7	(208.7)
Disposals of business	408.9	—
Other net non-cash transactions	(136.3)	(166.8)
Movement in net debt in the year	**487.3**	**(375.5)**

	1 January 2022	Cash flow	Disposal (Note 3)*	Foreign exchange and other non-cash changes	31 December 2022
			€m		
Cash at bank and in hand	1,291.3	226.9	—	11.9	1,530.1
Debt due within one year	(150.5)	138.1	—	(8.2)	(20.6)
Debt due after more than one year	(6,489.7)	(150.3)	408.9	(140.0)	(6,371.1)
Total external borrowings	(6,640.2)	(12.2)	408.9	(148.2)	(6,391.7)
Net debt before issue costs	**(5,348.9)**	**214.7**	**408.9**	**(136.3)**	**(4,861.6)**

* Excludes cash

26 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (continued)

	1 January 2021	Cash flow	Foreign exchange and other non-cash changes	31 December 2021
			€m	
Cash at bank and in hand	805.6	438.4	47.3	1,291.3
Debt due within one year	(2,930.4)	2,925.6	(145.7)	(150.5)
Debt due after more than one year	(2,848.6)	(3,572.7)	(68.4)	(6,489.7)
Total external borrowings	(5,779.0)	(647.1)	(214.1)	(6,640.2)
Net debt before issue costs	**(4,973.4)**	**(208.7)**	**(166.8)**	**(5,348.9)**

Following the application of IFRS 16 *Leases* on 1 January 2019, all lease liabilities have been excluded from the definition of net debt.

27 CAPITAL COMMITMENTS

Outstanding capital expenditure on property, plant and equipment authorised by the directors of Group companies and for which contracts had been placed as at 31 December 2022 by the Group amounted to approximately €211.7 million (2021: €575.5 million).

28 CONTINGENCIES

The Group companies are and may from time to time be involved in proceedings or litigation arising in the ordinary course of business. Management does not believe that the ultimate resolution of these matters will materially affect the Group's financial condition or results of operations.

29 RELATED PARTIES

Related parties comprise:

- Parent entities and their subsidiaries not included within the INEOS Quattro Holdings Limited group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Quattro Holdings Limited;
- Key management personnel
- Jointly controlled entities and associated undertakings held by INEOS Limited (and their subsidiaries) and
- Jointly controlled entities and associated undertakings held within the INEOS Quattro Holdings Limited group.

Mr J A Ratcliffe, Mr A C Currie and Mr J Reece are shareholders in INEOS Limited.

Parent entities and their subsidiaries not included within the INEOS Quattro Holdings group

Material trading and non-trading transactions by the Group with the entities controlled by INEOS Limited are as follows:

29 RELATED PARTIES (continued)

	Transaction value		Balance outstanding	
	Twelve-Months Period Ended		Period Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(€ in millions)			
Sale of products	338.1	323.6	—	—
Purchase of raw materials	(1,488.1)	(1,229.3)	—	—
Cost recoveries	117.3	89.3	—	—
Services received	(223.9)	(139.7)	—	—
Net interest	(1.8)	(1.7)	—	—
Trade and other receivables	—	—	97.0	62.1
Loans receivable	—	—	500.8	—
Trade and other payables	—	—	(172.4)	(264.4)
Interest-bearing loans and borrowings	—	—	(41.7)	(39.8)

Included within services above is a management fee paid to INEOS Limited of €59.5 million (2021: €55.3 million). No amounts remained outstanding as at 31 December 2022 (2021: €nil).

In general, all outstanding trading balances with INEOS companies are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date, with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to these entities as at 31 December 2022 (2021: €nil).

The loan receivable is an unsecured loan owed by INEOS Industries Holdings Limited. The loan attracts interest at commercial rate and had maturity of 2 December 2023. Subsequent to the year-end, this loan was fully settled through a dividend distribution approved on 23 January 2023 (see note 32).

The interest bearing loan is an unsecured loan due to INEOS Enterprises Holdings Limited. The loan bears interest at a rate of 4.5%. There is no formal repayment date under the loan agreement.

Entities controlled by the shareholders of INEOS Limited

The shareholders of INEOS Limited own a controlling interest in the share capital of INEOS Limited and Screencondor Limited. During the year ended 31 December 2022, the Group made no sales or purchases with these companies (2021: €nil). As at 31 December 2022, amounts owed by Screencondor Limited were €1.2 million (2021: €1.2 million).

Jointly controlled entities and associated undertakings held within the INEOS Limited group and jointly controlled entities and associated undertakings held within the INEOS Quattro Holdings Limited group.

Material trading and non-trading transactions with these entities during the period were as follows:

	Transaction value		Balance outstanding	
	Twelve-Months Period Ended		Period Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(€ in millions)			
Sale of products	88.6	79.8	—	—
Purchase of raw materials	(553.0)	(570.5)	—	—
Cost recoveries	236.1	191.5	—	—
Services received	(0.4)	—	—	—
Net interest	2.1	2.0	—	—
Trade and other receivables	—	—	77.8	46.7
Trade and other payables	—	—	(67.1)	(164.4)
Loans receivable	—	—	75.1	14.4

29 RELATED PARTIES (continued)

In general, all outstanding balances with these related parties are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to these entities as at 31 December 2022 (2021: €nil).

Loans receivable include a total of €63.1 million loans granted by the Group to INEOS Styrolution Sinopec Advanced Materials (Ningbo) Ltd. These loans are unsecured, attract interest at commercial rate and mature in 2032.

Transactions with key management personnel

The Group define key management as the Directors of the Company. Details of Directors' remuneration are given in note 7.

30 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company of the Company is INEOS Industries Holdings Limited.

The ultimate parent undertaking of the Company is INEOS Limited, a company incorporated in the Isle of Man. The directors regard Mr J A Ratcliffe as the ultimate controlling party by virtue of his majority shareholding in INEOS Limited.

The smallest and largest group in which the results of the Company are consolidated is that headed by INEOS Industries Limited. Copies of the financial statements can be obtained from the company secretary at the registered office, INEOS Industries Limited, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

31 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group prepares its consolidated financial statements in accordance with adopted IFRSs, which require management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods.

Critical judgements in applying the Group's accounting policies

On 28 July 2022, INEOS and Sinopec signed a petrochemical deal to establish a total of three joint-ventures for ABS, based on INEOS' proprietary ABS technology. The set-up of the first joint-venture was completed on 28 December 2022. Management had to exercise critical judgement regarding the allocation of the consideration to the disposal of INEOS Styro Advanced Materials (Ningbo) Pte Ltd due to the linked nature of the transactions. The contractual arrangements are such that the first two joint ventures are accounted for together, and the third will be accounted for separately, in due course.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Post-retirement benefits

The Group operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

31 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

- Future rate of increase in salaries;
- Inflation rate projections;
- Discount rate for scheme liabilities;
- Expected rates of return on the scheme assets;
- Mortality levels.

Details of post-retirement benefits including the major actuarial assumptions and the sensitivity of the post-retirement benefits to the assumptions are set out in Note 20 : pension plan assumptions.

Provisions

Provisions are recognised for the cost of remediation works where there is a legal or constructive obligation for such work to be carried out. Where the estimated obligation arises upon initial recognition of the related asset, the corresponding debit is treated as part of the cost of the related asset and depreciated over its estimated useful life.

Other provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change.

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

The nature and amount of provisions as well as the key assumptions are included within the financial statements are detailed in note 21. The discount rate applied to reflect the time value of money in the carrying amount of provisions requires estimation. The discount rate applied is reviewed regularly and adjusted following changes in market rates. If the estimated discount rate, one of the key assumptions in determining the environmental provisions, used in the calculation had been 1% higher than management's estimate, the carrying amount of the environmental provisions would have been €3.9 million lower.

Impairment tests for goodwill and other non-financial assets

Goodwill impairment testing is performed annually or of there is an indication of impairment. Goodwill impairment tests are based on cash generating units and compare the recoverable amount of the unit with the respective carrying amount. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs of disposal and its value in use. The value in use is determined using a discounted cash flow method, considering earnings forecast of the unit. The management of the Group identified the operating segments as cash generating units ("CGUs") for the purposes of testing goodwill for impairment. Each unit or group of units to which goodwill is allocated to shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. The goodwill is internally monitored at the level of business units.

Intangible assets other than goodwill assets and property, plant and equipment are generally valued at cost less amortisation. Impairment losses on intangible assets and property, plant and equipment are recognised when the recoverable amount of the cash generating unit which includes the asset is lower than the respective carrying amount. In accordance with the definition of a cash generating unit under IAS 36, the individual production plants generally do not represent separate cash generating units, but are part of larger asset groups that form the cash generating units.

Since assessment whether goodwill or a non-financial asset is impaired is based on long-term business plans for the cash generating units and the determination of an appropriate discount rate,

31 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

management uses significant estimates and assumptions in making these assessments. Details on the estimates used for the goodwill impairment test are disclosed in note 11.

Partial disposal of business with joint control retained

On 28 December 2022, the Group transferred 50% of its shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to China Petroleum & Chemical Corporation (Sinopec). As a result, the Group gave up control but retained joint control. The 50% equity share in the joint-venture acquired by the Group has been measured at fair value on the date of acquisition by applying discounted cash flow method based on a long-term business plan with a detailed planning period of seven years.

The discount rate of 9.0% applied to reflect the time value of money of the cash flows expected based on the long-term business plan requires estimation. If the estimated discount rate, one of the key assumptions in determining the fair value, used in the calculation had been 1% higher than management's estimate, the fair value of 50% share of the joint-venture will have been €81 million lower.

32 SUBSEQUENT EVENTS

On 23 January 2023, the Group declared a dividend payment to its owners of €500.9 million. The dividend was used to settle an inter-company loan (principal plus interest) owed by the Group's owners and as such has not resulted in any cash outflow (see note 16).

On 14 March 2023, the Group entered into an Incremental Facility Agreement to raise a new Dollar Term Loan B of $500.0 million (€471.6 million equivalent) and a new Euro Term Loan B of €375.0 million. The gross proceeds received under these borrowings were used on 15 March 2023 to pay an interim dividend to the Group's owners of €500.0 million with the remaining proceeds used to increase the liquidity of the Group.

From March 2023, the Dollar Term Loan B Facility due 2027 bears interest at a rate per annum equal to, at the option of US Finco:

(a) the applicable Term SOFR plus 0.10% (subject to a floor of 0% per annum) plus a margin of 2.00%; or

(b) the Alternate Base Rate (subject to a floor of 1.00% per annum) plus a margin of 1.00%.

In April 2023, the Group has initiated the process of transitioning the Dollar Term Loan B Facility due 2026 from LIBOR to SOFR.

Subsequent to the year-end, the Group entered into an interest rate swap agreement with HSBC to hedge the fair value risk in relation to the 2030 Term Loans with the notional principal amount of $500 million. Under this interest rate swap agreement, the Group will exchange the variable SOFR exposure for fixed-SOFR obligations.

INEOS Quattro Holdings Limited

Audited consolidated financial statements for the year ended December 31, 2021

INEOS QUATTRO HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS QUATTRO HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of INEOS Quattro Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the consolidated related notes 1 to 32 and parent company related notes 1-12.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation, IFRS and FRS 101, as well as laws and regulations prevailing in each country in which we identified a full-scope component and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's operating licences and environmental regulations.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions, and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Occurrence of non-routine revenue transactions.

Our specific procedures performed to address the occurrence of non-routine revenue transactions include the following procedures:

- assessed the design and implementation of the key controls in place around the revenue recognition process;
- substantive testing of manual adjustments to revenue through agreement to supporting evidence that verifies the occurrence of the revenue.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and tax authorities.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Leigh FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
25 April 2022

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		€m	
Revenue	2	**14,932.2**	**3,955.1**
Cost of sales before exceptional items		(11,821.5)	(3,149.0)
Exceptional cost of sales	4	(140.6)	—
Total cost of sales		(11,962.1)	(3,149.0)
Gross profit		**2,970.1**	**806.1**
Distribution costs		(814.5)	(222.0)
Administrative expenses before exceptional items		(440.0)	(187.7)
Exceptional administrative expenses	4	(41.1)	(34.4)
Total administrative expenses		(481.1)	(222.1)
Operating profit	5	**1,674.5**	**362.0**
Share of profit of associates and joint ventures using the equity method	12	462.0	—
Dividends received from other investments		2.5	—
Impairment of investments	12	(1.0)	—
Profit on disposal of property, plant and equipment		4.3	0.3
Profit before net finance costs		**2,142.3**	**362.3**
Finance income	8	101.8	3.8
Finance costs before exceptional items	8	(273.1)	(77.4)
Exceptional finance costs	4, 8	(68.9)	—
Total finance costs		(342.0)	(77.4)
Net finance costs		(240.2)	(73.6)
Profit before tax		**1,902.1**	**288.7**
Tax charge	9	(326.0)	(81.7)
Profit for the year		**1,576.1**	**207.0**
Profit attributable to:			
—Owners of the parent		1,545.8	203.5
—Non-controlling interest		30.3	3.5
		1,576.1	**207.0**

All activities of the Group relate to continuing operations.

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		€m	
Profit for the year		**1,576.1**	**207.0**
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	20	54.8	(5.0)
Deferred taxes on remeasurement of post-employment benefit obligations	14	(9.6)	1.6
Items that may be subsequently reclassified to profit or loss			
Foreign exchange translation differences of subsidiaries		202.9	(120.2)
Total other comprehensive income/(expense) for the year, net of tax		**248.1**	**(123.6)**
Total comprehensive income for the year		**1,824.2**	**83.4**
Total comprehensive income attributable to:			
—Owners of the parent		1,784.7	82.5
—Non-controlling interest		39.5	0.9
Total comprehensive income for the year		**1,824.2**	**83.4**

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021	2020
		€m	
Non-current assets			
Property, plant and equipment	10	4,972.2	4,533.2
Intangible assets	11	2,265.2	2,279.7
Investments in equity-accounted investees	12	1,530.9	1,163.3
Other investments	12	18.1	17.3
Other financial assets	13	2.1	2.0
Other receivables	16	52.5	62.0
Employee benefits	20	69.0	33.0
Deferred tax assets	14	202.9	207.4
Total non-current assets		**9,112.9**	**8,297.9**
Current assets			
Inventories	15	1,548.9	908.4
Trade and other receivables	16	2,377.9	1,564.3
Tax receivables for current tax		54.7	35.8
Cash and cash equivalents	26	1,291.3	805.6
Total current assets		**5,272.8**	**3,314.1**
Total assets		**14,385.7**	**11,612.0**
Equity attributable to owners of the parent			
Share capital	23	0.3	0.3
Share premium reserve		—	6,620.4
Merger reserve	24	(4,526.9)	(4,526.9)
Retained earnings		7,551.5	603.5
Other reserves		213.5	(25.4)
Total shareholders' funds		**3,238.4**	**2,671.9**
Non-controlling interest		74.2	71.3
Total equity		**3,312.6**	**2,743.2**
Non-current liabilities			
Interest-bearing loans and borrowings	17	6,436.4	2,829.7
Lease liabilities	18	226.6	234.4
Trade and other payables	19	146.9	130.5
Employee benefits	20	233.3	298.9
Provisions	21	185.3	94.5
Deferred tax liabilities	14	404.9	419.8
Total non-current liabilities		**7,633.4**	**4,007.8**
Current liabilities			
Interest-bearing loans and borrowings	17	133.9	2,881.6
Lease liabilities	18	72.6	77.9
Trade and other payables	19	2,978.5	1,769.7
Tax liabilities for current tax		146.0	88.8
Other financial liabilities	22	53.4	13.0
Provisions	21	55.3	30.0
Total current liabilities		**3,439.7**	**4,861.0**
Total liabilities		**11,073.1**	**8,868.8**
Total equity and liabilities		**14,385.7**	**11,612.0**

These financial statements were approved by the Board of Directors on 25 April 2022 and were signed on its behalf by:

M J Maher
Director
INEOS Quattro Holdings Limited
Registered number: 09922632

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Share capital	Share premium reserve	Merger reserve	Retained earnings	Other reserves	Total shareholders' funds	Non-controlling interest	Total equity
					€m				
Balance at 1 January 2020		0.3	2,389.7	(1,281.2)	769.3	95.6	1,973.7	16.1	1,989.8
Profit for the year		—	—	—	203.5	—	203.5	3.5	207.0
Other comprehensive (expense)/ income:									
Remeasurement of post-employment benefit obligations	20	—	—	—	—	(5.0)	(5.0)	—	(5.0)
Deferred taxes on remeasurement of post-employment benefit obligations	14	—	—	—	—	1.6	1.6	—	1.6
Foreign exchange translation differences of subsidiaries		—	—	—	—	(117.6)	(117.6)	(2.6)	(120.2)
Total other comprehensive expense		**—**	**—**	**—**	**—**	**(121.0)**	**(121.0)**	**(2.6)**	**(123.6)**
Transactions with owners, recorded directly in equity:									
Issue of shares	23	—	4,230.7	—	—	—	4,230.7	—	4,230.7
Acquisition of businesses under common control	3	—	—	(3,245.7)	—	—	(3,245.7)	—	(3,245.7)
Acquisition of non-controlling interest	3	—	—	—	—	—	—	54.3	54.3
Dividends	23	—	—	—	(369.3)	—	(369.3)	—	(369.3)
Transactions with owners, recorded directly in equity		**—**	**4,230.7**	**(3,245.7)**	**(369.3)**	**—**	**615.7**	**54.3**	**670.0**
Balance at 31 December 2020		**0.3**	**6,620.4**	**(4,526.9)**	**603.5**	**(25.4)**	**2,671.9**	**71.3**	**2,743.2**
Profit for the year		—	—	—	1,545.8	—	1,545.8	30.3	1,576.1
Other comprehensive income/ (expense):									
Remeasurement of post-employment benefit obligations	20	—	—	—	—	53.7	53.7	1.1	54.8
Deferred taxes on remeasurement of post-employment benefit obligations	14	—	—	—	—	(9.4)	(9.4)	(0.2)	(9.6)
Foreign exchange translation differences of subsidiaries		—	—	—	—	194.6	194.6	8.3	202.9
Total other comprehensive income		**—**	**—**	**—**	**—**	**238.9**	**238.9**	**9.2**	**248.1**
Transactions with owners, recorded directly in equity:									
Reduction of share premium	23	—	(6,620.4)	—	6,620.4	—	—	—	—
Repayment of Equity Bridge Contribution	23	—	—	—	(824.9)	—	(824.9)	—	(824.9)
Dividends	23	—	—	—	(393.3)	—	(393.3)	(36.6)	(429.9)
Transactions with owners, recorded directly in equity		**—**	**(6,620.4)**	**—**	**5,402.2**	**—**	**(1,218.2)**	**(36.6)**	**(1,254.8)**
Balance at 31 December 2021		**0.3**	**—**	**(4,526.9)**	**7,551.5**	**213.5**	**3,238.4**	**74.2**	**3,312.6**

The notes on pages F-117 to F-194 are an integral part of these consolidated financial statements.

Analysis of other reserves:

	Note	Translation reserve	Actuarial reserve	Total other reserves
			€m	
Balance at 1 January 2020		106.9	(11.3)	95.6
Remeasurement of post-employment benefit obligations	20	—	(5.0)	(5.0)
Deferred taxes on remeasurement of post-employment benefit obligations	14	—	1.6	1.6
Foreign exchange translation differences of subsidiaries		(117.6)	—	(117.6)
Balance at 31 December 2020		**(10.7)**	**(14.7)**	**(25.4)**
Remeasurement of post-employment benefit obligations	20	—	53.7	53.7
Deferred taxes on remeasurement of post-employment benefit obligations	14	—	(9.4)	(9.4)
Foreign exchange translation differences of subsidiaries		194.6	—	194.6
Balance at 31 December 2021		**183.9**	**29.6**	**213.5**

INEOS QUATTRO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		€m	
Cash flows from operating activities			
Profit for the year		1,576.1	207.0
Adjustments for:			
Depreciation and impairment	10	595.5	187.0
Amortisation and impairment	11	122.9	62.2
Net finance costs	8	240.2	73.6
Share of profit of joint ventures and associated undertakings	12	(462.0)	—
Dividends received from other investments		(2.5)	—
Profit on disposal of property, plant and equipment		(4.3)	(0.3)
Impairment of investments	12	1.0	—
Tax charge	9	326.0	81.7
(Increase)/decrease in trade and other receivables		(789.4)	26.3
(Increase)/decrease in inventories		(589.2)	87.8
Increase in trade and other payables		1,032.0	29.4
Increase/(decrease) in provisions and employee benefits		70.0	(34.4)
Tax paid		(291.1)	(95.7)
Net cash from operating activities		**1,825.2**	**624.6**
Cash flows from investing activities			
Interest and other finance income received		5.0	2.4
Repayment of loans made to related parties		6.7	—
Dividends received from joint ventures	12	188.7	—
Dividends received from other investments		2.5	—
Disposal of businesses, net of cash disposed of		—	0.6
Proceeds from sales of property, plant and equipment		6.8	0.7
Acquisition of businesses, net of cash acquired	3	85.8	(3,971.6)
Acquisition of other investments		(0.7)	—
Acquisition of intangible assets		(3.5)	(1.0)
Acquisition of property, plant and equipment		(750.2)	(366.4)
Net cash used in investing activities		**(458.9)**	**(4,335.3)**
Cash flows from financing activities			
Proceeds from external borrowings	17	4,832.5	4,487.0
Repayment of external borrowings		(4,185.4)	(559.8)
Debt issue costs		(63.0)	(67.2)
Interest paid		(187.7)	(39.1)
Capital element of lease payments	18	(95.8)	(23.8)
Issue of share capital	23	—	814.3
Repayment of Equity Bridge Contribution to the owners of the Company	23	(824.9)	—
Dividend paid attributable to the owners of the Company	23	(393.3)	(369.3)
Dividend paid attributable to non-controlling interest		(10.3)	—
Net cash (used in)/from financing activities		**(927.9)**	**4,242.1**
Net increase in cash and cash equivalents	26	438.4	531.4
Cash and cash equivalents at 1 January	26	805.6	289.7
Effect of exchange rate fluctuations on cash held		47.3	(15.5)
Cash and cash equivalents at 31 December	26	**1,291.3**	**805.6**

The notes on pages F-117 to F-194 are an integral part of these consolidated financial statements.

1 ACCOUNTING POLICIES

1.1 Overview

INEOS Quattro Holdings Limited ("the Company") is a private company, limited by shares, incorporated in the United Kingdom, registered in England and Wales, and has its registered office at Bankes Lane Office, Bankes Lane, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom.

The Company was incorporated on 18 December 2015, as a subsidiary of INEOS Industries Holdings Limited.

1.2 Basis of accounting

These financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associated undertakings and recognise its joint arrangements as joint operations or joint ventures. The parent company financial statements present information about the Company as a separate entity and not about its Group.

The Group financial statements have been prepared on a going concern basis and approved by the Board of Directors in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom ("Adopted IFRSs") effective 31 December 2021 and with the Companies Act as applicable to companies using Adopted IFRSs.

The Group is compliant with its debt covenant as at 31 December 2021 and meets its day to day working capital requirements through its intercompany loan and external financing facilities, along with cash generated by its subsidiaries' operations. The Group held cash balances of €1,291.3 million at 31 December 2021 (2020: €805.6 million) and gross loans and borrowings of €6,640.2 million at 31 December 2021 (2020: €5,779.0 million). The Directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Group has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA before exceptional items, cash flow and debt. The stress tests show that the Group will be compliant with its debt covenants and will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements.

On the basis of this assessment together with net assets of €3,312.6 million as at 31 December 2021 (2020: €2,743.2 million) the Directors have concluded that the Group can operate within its current facilities for a period of at least 12 months from the date of this report. Therefore, these financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom in response to the IAS regulation (EC 1606/2002) effective as of 31 December 2021 and have been approved for issuance by the Board of Directors on 25 April 2022.

The notes below provide a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

1.3 Measurement convention

The financial statements are prepared on the historical cost basis except for derivative financial instruments classified at fair value through the profit or loss.

1.4 Functional and presentation currency

The presentational currency of the Group is the Euro, which is the functional currency of the majority of operations. The Group's primary products are sold in an international commodities market which is priced and invoiced primarily in euros.

1 ACCOUNTING POLICIES (continued)

1.5 Changes in accounting policies

The Group financial statements have been prepared using accounting policies that are consistent with those of the previous financial year. The Group has adopted the following amendments to accounting standards for the first time in 2021, with effect from 1 January 2021, although there has been no material effect on the Group's financial statements:

- Amendment to IFRS 16- COVID-19—Related Rent Concessions—beyond 30 June 2021 (effective date 1 April 2021). The amendment introduces an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19.
- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform—Phase 2 has been adopted and has been applied retrospectively. The amendments introduce a practical expedient relating to modifications of financial instruments and lease contracts and specific hedge accounting requirements which is triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate. The details of the accounting policies are disclosed in Note 1—"Derivative financial instruments and hedging."

1.6 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations, except acquisitions under common control which are outside the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination of a subsidiary or joint venture is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in the profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

1 ACCOUNTING POLICIES (continued)

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Special purpose entities ("SPE")

A SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE. The Group has established three SPE's, INEOS Styrolution Receivables Finance Designated Activity Company, Deutsche Bank Mexico F/1787 and INEOS Norway Finance Ireland Limited, for debt securitisation programmes. The Group does not have any direct or indirect shareholdings in these SPE's. The SPE's are controlled by the Group as they have been established under terms that impose strict limitations on the decision-making powers of the SPE's management that result in the Group receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to the majority of risks arising from the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE's and their assets. INEOS Styrolution Receivables Finance Designated Activity Company, Deutsche Bank Mexico F/1787 and INEOS Norway Finance Ireland Limited are therefore regarded as SPE's and have been consolidated in these financial statements.

Associated undertakings

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint arrangements

Under IFRS 11 "*Joint Arrangements*", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of

1 ACCOUNTING POLICIES (continued)

each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be either joint operations or joint ventures.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or loses and movements in other comprehensive income. When the Group's share of losses on a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the polices adopted by the Group.

1.7 Foreign exchange

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated income statement except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign exchange are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, euros, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at exchange rates prevailing at the dates of the transactions. The Group applies an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are recycled into the consolidated income statement upon disposal.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign exchange differences arising on the retranslation of a borrowing designated as a hedge of a net investment in a foreign operation are recognised directly in OCI, in the translation reserve, to the extent that the hedge is effective. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

1.8 Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

1 ACCOUNTING POLICIES (continued)

(a) They include no contractual obligation upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in debt and equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade receivables satisfy the criteria for cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost they are recognised at fair value through profit or loss or at fair value through other comprehensive income.

Trade and other payables

Trade and other payables are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities

Investments in debt securities are measured at amortised cost if they meet both of the following conditions and are not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For investment in equity securities that are not held for trading, the Group may irrevocably elect to present subsequent changes to fair value in other comprehensive income. The Group makes this election on an investment-by-investment basis.

1 ACCOUNTING POLICIES (continued)

All other financial assets, including derivatives, are classified as measured at fair value through profit and loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement. Where no reliable measurement of fair value is available, investments are stated at historic acquisition cost.

Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and call deposits.

Cash flows entered into by a third party on behalf of the Group (as it's 'agent') are presented 'gross'. These are typically cash flows arising from financing activities, undertaken by agent banks.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Debt restructuring

The Group derecognises financial liabilities in accordance with the provisions in IFRS 9. When debt is modified, the Group analyses the modifications from both a quantitative and qualitative perspective to determine if the modifications are substantial and meet the IFRS requirements for de-recognition, in which case the debt is treated as extinguished. All fees paid in connection with a debt extinguishment are expensed immediately. When a modification is accounted for as a non-substantial modification, associated fees incurred are deferred as an adjustment to the carrying value of the liability and amortised using the original effective interest rate.

Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value. The gain or loss on subsequent remeasurement to fair value is recognised immediately in the consolidated income statement as finance income or expense. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of the hedge is recognised immediately in the consolidated income statement as finance income or expense.

Where the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss, e.g. when interest income or expense is recognised.

1 ACCOUNTING POLICIES (continued)

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and included in the consolidated income statement as an adjustment to revenue and cost of sales in the same period or periods during which the hedged forecast transaction affects revenue and cost of sales in the consolidated income statement.

When a hedging instrument expires, is sold, terminated, exercised, or the hedge no longer meets the criteria for hedge accounting, hedge accounting is discontinued prospectively. The cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the consolidated income statement immediately.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may include the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use. Cost may also include the cost of dismantling and removing items and restoring the site on which they are located.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences from the date an asset is brought into service. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

- Buildings — 10 to 50 years
- Plant and Equipment
  - Major items of plant — 3 to 30 years
  - Major plant overhauls — 2 to 4 years
  - Motor vehicles — 5 years
  - Computer hardware and major software — 2 to 4 years
  - Fixtures and fittings — 3 to 40 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the Group makes an estimate of the recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated income statement in the period in which the item is derecognised.

1.10 Business combinations, goodwill and intangible assets

All business combinations are accounted for by applying the Acquisition method, except acquisitions under common control which are outside the scope of IFRS 3. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

1 ACCOUNTING POLICIES (continued)

Acquisitions under common control are accounted for at book value. The difference in the book value of the assets acquired and consideration paid is recognised in retained earnings within a distributable merger reserve. The Group has elected not to include the results of businesses acquired under common control transactions within the Group income statement for any periods prior to the date of acquiring control.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units and is not amortised but is tested annually for impairment. The cash generating units within the Group are predominately business units. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Negative goodwill arising on an acquisition is recognised immediately in the consolidated income statement.

Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. These intangible assets principally comprise intellectual property rights, customer relationships, non-compete agreements and license fees.

Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of other consideration given to acquire the assets. An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Amortisation

Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer relationships 3 - 12 years
- Intellectual property rights 10 - 15 years
- Non-compete agreements life of the agreement
- Licenses up to 15 years

These intangible assets are tested for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

1.11 Research and development

Expenditure on research activities is recognised in the consolidated income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Where regulatory and other uncertainties are such that the criteria are not met, the expenditure is recognised in the income statement. Other development expenditure is recognised in the income statement as an expense

1 ACCOUNTING POLICIES (continued)

as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

1.12 Impairment

Impairment of financial assets

A financial asset not classified at fair value through profit and loss is assessed at each reporting date to determine whether there is evidence that it is impaired.

Trade and other receivables

The Group applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade receivables and contract assets. This approach requires the Group to recognise the lifetime expected loss provision for all trade receivables taking in consideration historical as well as forward-looking information.

Where the Group has assessed the probability of default of a financial asset to be low, the loss allowance is considered immaterial.

The Group assesses on a forward looking basis the expected credit losses associated with the financial assets classified at amortised cost at each balance sheet date and adjusts the allowance accordingly.

Investments in debt and equity securities

Impairment of equity securities classified as FVOCI are not tested for impairment under IFRS 9. If the fair value of a debt instrument classified as FVOCI increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through profit or loss.

Impairment of non-financial assets excluding inventories and deferred tax assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are assessed at the end of the reporting period to determine whether there is any indication of impairment.

For goodwill and other intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of the reporting period.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

1 ACCOUNTING POLICIES (continued)

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 Inventories

Inventories (excluding engineering stocks and maintenance spares) are stated at the lower of cost, using the first-in first-out or average cost method, and net realisable value which is defined as the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete, slow-moving or defective items where appropriate.

Items owned by the Group that are held on consignment at another entity's premises are included as part of the Group's inventory.

Engineering stocks and maintenance spares are valued at moving average price. Catalysts, which are part of the chemical reaction and are consumed in the production process, are held as raw materials and consumables within inventories. These are consumed over a certain period, depending on their renewal cycles, according to normal production levels.

Cost of sales includes direct costs of raw material, distribution and handling costs.

1.14 Commodities

Contracts that are entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with the Group's expected purchase, sale or usage requirements (own-use contracts) are not accounted for as derivative financial instruments, but rather as executory contracts.

1.15 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16 *Leases*.

Group as a lessee

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the

1 ACCOUNTING POLICIES (continued)

underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be paid under residual value guarantees less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are expensed in the period in which the event or condition that triggers the payment occurs.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments a change in the assessment of whether the Group is reasonably certain to exercise an option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way and there has been no change in the scope of the lease, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to all leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the lease of low-value assets recognition exemption to leases of assets that are valued below €10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.16 Government grants and similar deferred income

Government grants and similar deferred income are shown in the balance sheet as deferred income. This income is amortised on a straight-line basis over the same period as the tangible fixed asset to which it relates or the life of the related project.

1.17 Employee benefits

The Group operates a number of defined contribution plans and funded and unfunded defined benefit pension schemes. The Group also provides unfunded early retirement benefits, long service awards and an incentive plan for certain employees.

The Group provides health care insurance to eligible retired employees and their dependants, primarily in the United States.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

1 ACCOUNTING POLICIES (continued)

Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the reporting date on AA credit rated bonds denominated in the currency of, and that have maturity dates approximating to the terms of, the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are amended or curtailed, the portion of the increased or decreased benefit relating to past service by employees is recognised as an expense immediately in the consolidated income statement.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.

The movement in the scheme surplus/deficit is split between:

- cost of sales and administrative expenses;
- net finance costs and,
- in net expense recognised directly in equity, the remeasurements of post employment benefit obligations.

Certain of the Group's pension plans include multi-employer schemes for employees of the Group and other INEOS or third-party companies. The method used to split the results between the Group and the other participating employers is as follows:

- Most members are allocated to a specific company, but where this was not possible members are allocated to the largest employer within the Group.
- Active scheme liabilities are allocated pro-rata based on the relative value of accrued pensions for active members. Deferred and pensioner members are allocated to the largest employer within the Group.
- Total assets and cash flows are allocated in proportion to accrued pensions.
- The allocation of total scheme liabilities is based on data collected at the last valuation date and this proportionate split has been applied consistently in the calculations.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.18 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. The timing of recognition requires the application of judgement to existing

1 ACCOUNTING POLICIES (continued)

facts and circumstances, which can be subject to change. Provisions are determined by discounting the expected future cash flows at risk free pre-tax rates based on country specific government bond yields which match the maturity of the expected future cash flows. The unwinding of the discount is recognised in finance costs.

Estimated direct costs to be incurred in connection with restructuring measures are provided for when the Group has a constructive obligation, which is generally the same as the announcement date. The announcement date is the date on which the plan is announced in sufficient detail such that employees have valid expectations that the restructuring will be carried out.

The Group is exposed to environmental and remediation liabilities relating to its past operations. Provision for these costs is made when the Group has a legal or constructive obligation to carry out remediation works and costs can be estimated within a reasonable range of possible outcomes.

1.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.20 Revenue

Revenue represents the invoiced value of products and services sold or services provided to third parties net of sales discounts, value added taxes and duties. Contracts for goods and services are analysed to determine the distinct performance obligations against which revenue should be recognised. The amount to be recognised is determined from the standalone selling prices for goods and services, allocated to the performance obligations. Revenue is recognised when (or as) the performance obligations are satisfied by transferring a promised good or service to a customer.

The timing of the satisfaction of a performance obligation varies depending on the individual terms of the sales agreement. Payment terms vary across the Group dependent on geographical location of each operating company. Transfer of control can occur when the product is received at the customer's warehouse, or loading the goods onto the relevant carrier, or when the product leaves the production site, depending on the international shipping terms that the product is sold under.

The pricing for products sold is determined by market prices (market contracts and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula contracts). Revenue arising from the sale of goods is recognised when the goods are dispatched or delivered depending on the relevant delivery terms and point at which the control of the good or service is transferred to the customer.

The Group applies the five-step model for revenue recognition, introduced by IFRS 15 Revenue from Contracts with Customers. This model allows the Group to identify the contract with a customer; to determine the performance obligations in the contract; to establish the transaction price, which is later allocated to the performance obligations in the contract; and to recognise revenue when, or as, the entity satisfies a performance obligation, that is, that the control of the asset is transferred to the customer.

The Group has a small number of contracts that include distinct performance obligations. This results, in a limited number of cases, that revenue for certain performance obligations (being primarily separate shipping obligations) is recognised later in time. Additionally, certain customer contracts offer various forms of volume or early payment discount. These variable considerations might have as a consequence timing differences, but since the majority of contracts have terms of less than one year, the differences are solved within the period. Revenue is recognised to the extent that it is highly likely that a significant reversal in the amount of cumulative revenue recognised will not occur.

Additionally, certain customer contracts offer various forms of variable consideration in the form of early settlement discount or retrospective volume discounts. If it is highly probable that an early settlement discount will be taken and the amount is not expected to reverse when the variability is resolved,

1 ACCOUNTING POLICIES (continued)

the discount is recognised as a reduction of revenue as the sales are recognised. If a volume discount applies retrospectively to all sales under the contract once a certain threshold is achieved, an estimate of the volumes to be sold and the resulting discount is calculated in determining the transaction price and this calculation is updated throughout the term of the contract.

Certain time and location swap contracts with third parties for commodities and finished goods are excluded from turnover and cost of sales.

Services provided to third parties include administrative and operational services provided to other companies with facilities on the Group's sites. Revenue is recognised at a point in time or over-time depending on whether the over-time revenue recognition criteria is met.

No assets related to costs to obtain or fulfil a contract have been recognised. Its impact, if any, is deemed immaterial.

1.21 Finance income and costs

Interest income and interest expense are recognised in the consolidated income statement as it accrues, using the effective interest method. Dividend income is recognised in the consolidated income statement on the date the entity's right to receive payments is established. Foreign exchange gains and losses are reported on a net basis.

Finance costs comprise interest payable, finance charges on leases, unwinding of the discount on provisions, net fair value losses on derivatives, net interest on employee benefit liabilities and net foreign exchange losses that are recognised in the consolidated income statement (see foreign exchange accounting policy).

Finance income comprises interest receivable on funds invested and from related party loans, net fair value gains on derivatives and net foreign exchange gains.

1.22 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are offset if it is possible that there is a legally enforceable right to offset current tax liabilities and assets because they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.23 Segmental analysis

The Group determines its operating segments in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for

1 ACCOUNTING POLICIES (continued)

allocating resources and assessing performance of the operating segments. The chief operating decision-makers are the members of the Executive Committees of each business who report into the shareholder.

The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure and the aggregation criteria set out in IFRS 8.

Segment results that are reported to the chief operating decision-makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Details of the Group operating segments and the segmental analysis of revenue and EBITDA before exceptionals are shown in note 2.

1.24 Exceptional items

In order to provide readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing business it separately identifies those profits and losses which because of their size or nature, are outside the normal course of business so are expected to be non-recurring. This may include the disposal of businesses, the impairment of non-current assets, the cost of restructuring acquired or existing businesses, the impact of one off events such as legal settlements or finance costs relating to call premia and write-off of unamortised debt issue costs following substantial modification or redemption of debt as exceptional items.

1.25 Emissions Trading schemes

The Group participates in the EU and UK Emissions Trading Schemes. The Scheme encourages companies to reduce carbon emissions by offering financial incentives if they achieve their annual reduction targets. If a company reduces emissions beyond their target then the surplus may be traded in the form of emissions permits.

The incentive money due from the EU and UK Emissions Trading Schemes are recognised in the consolidated income statement within cost of sales as a reduction of energy costs once the reduction targets have been met. The emissions permits allocated under the Scheme are at nil cost. Any additional emission permits that are purchased are recognised as intangible assets. The Group recognises the revenue from such permits upon their sale to third parties.

The Group accrues for emissions produced. The accrual is measured at the carrying amount of the emission rights held (nil if granted, otherwise at cost) or, in the case of a shortfall, at the current fair value of the emission rights needed.

1.26 Accounting standards not applied

A number of new standards and amendments are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The impact of their adoption is being assessed and is not expected to have a material impact on the Group's financial statements in the period of initial application. The new standards and amendments are as follows:

- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract (effective date 1 January 2022).
- Amendments to References to the Conceptual Framework in IFRS 3 (effective date 1 January 2022).
- Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use (effective date 1 January 2022).

1 ACCOUNTING POLICIES (continued)

- Annual Improvements to IFRS Standards 2018-2020 (effective date 1 January 2022).
- IFRS 17 Insurance Contracts (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective date 1 January 2023).
- Amendments to IAS 12: Income taxes—deferred tax related to assets and liabilities arising from a single transaction (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective date 1 January 2023).
- Amendments to IAS 8: Definition of Accounting Estimates (effective date 1 January 2023).

2 OPERATING SEGMENTS

Revenue and EBITDA before exceptional items are key measures used by the chief operating decision makers of the Group to assess the performance of the business segments.

The Group divides its operations into four segments:

- *Styrolution*, consisting of a portfolio of styrene monomer, polystyrene and acrylonitrile butadiene styrene ("ABS") and a number of other styrene derivatives under the category of "Specialties" such as ABS specialty and copolymers.
- *INOVYN*, consisting of general purpose and specialty suspension PVC, emulsion PVC, caustic soda, caustic potash, chlorine and chlorine by-products, brine and water, salt, hydrochloric acid, chlorinated paraffins, chlorinated solvents, allylics and epichlorohydrin.
- *Acetyls*, consisting of a variety of organic compounds, including acetic acid, acetic anhydride, methanol, ethyl acetate and vinyl acetate.
- *Aromatics*, consisting of a variety of aromatic chemical compounds, including paraxylene, purified terephthalic acid, benzene and metaxylene.

The revenue and EBITDA before exceptional items attributable to each business segment was as follows:

	Revenue		EBITDA before exceptional items	
	2021	2020	2021	2020
			€m	
Styrolution	5,889.7	3,955.1	1,180.3	645.6
INOVYN	4,225.6	—	974.4	—
Acetyls	1,219.0	—	622.0	—
Aromatics	3,683.2	—	262.4	—
Eliminations	(85.3)	—	—	—
	14,932.2	**3,955.1**	**3,039.1**	**645.6**

EBITDA before exceptional items for the year ended 31 December 2021 is stated having taken into account fair value adjustments in relation to the BP acquired businesses of €51.5 million. Of this adjustment, €33.4 million relates to additional depreciation and amortisation charges for the year ended 31 December 2021 that arise as a result of the fair value of the assets in investments in joint ventures being uplifted. It should be noted that these additional charges do not impact the ability of the joint ventures to distribute dividends to shareholders. In addition, there are other adjustments of €18.1 million for the year ended 31 December 2021 most of which relates to an uplift in the acquired value of finished goods inventory, that have the effect of reducing the reported EBITDA. This adjustment was non-recurring in nature and will not impact future results.

2 OPERATING SEGMENTS (continued)

Reconciliation of earnings before operating exceptional items, interest, taxation, impairment, depreciation and amortisation and after the share of profit/loss of associated undertakings and joint ventures using the equity accounting method ("EBITDA before exceptionals") to profit before tax:

	2021	2020
	€m	
EBITDA before exceptional items	3,039.1	645.6
Depreciation, amortisation and impairment charges	(718.4)	(249.2)
Exceptional items within operating profit (note 4)	(181.7)	(34.4)
Impairment of investments (note 12)	(1.0)	—
Profit on disposal of property, plant and equipment	4.3	0.3
Net finance costs (note 8)	(240.2)	(73.6)
Profit before tax	**1,902.1**	**288.7**

Geographical analysis—revenues

Geographical information by location of customers

	2021	2020
	€m	
Europe	6,694.6	1,133.4
North Americas	2,963.8	1,092.5
Rest of World	5,273.8	1,729.2
Total	**14,932.2**	**3,955.1**

Geographical information by location of trading legal entity

	2021	2020
	€m	
Europe	7,434.1	1,245.1
North Americas	3,155.1	1,129.0
Rest of World	4,343.0	1,581.0
Total	**14,932.2**	**3,955.1**

In presenting information on the basis of geographic analysis of segments, segment revenue is based on the geographical location of customers and registered address of the Group's trading legal entities.

3 ACQUISITION OF BUSINESSES

Acquisitions in the prior year—BP Petrochemicals

On 31 December 2020, pursuant to an acquisition agreement dated 29 June 2020 between INEOS Holdings AG and BP, certain subsidiaries of the Group agreed to purchase the Aromatics and Acetyls businesses from certain subsidiaries of BP (the "BP Acquisition" or the "BP Petrochemicals Business"), including shares in seven jointly-controlled joint ventures and the assets owned and used in relation to the Aromatics and Acetyls businesses.

The Aromatics business produces a variety of aromatic chemical compounds, including paraxylene, purified terephthalic acid, benzene and metaxylene, which may be used in the production of a variety of products including polyester fibres, PET resins and polyester film and used in a variety of end markets such as textiles, upholstery, household items, food packaging, flexible films and industrial products.

The Acetyls business produces a variety of organic compounds, including acetic acid, acetic anhydride, methanol. Ethyl acetate and vinyl acetate, which are used in a variety of end market applications

3 ACQUISITION OF BUSINESSES (continued)

including building and construction materials, paints and coatings, automotive glass, polyester fibre, PET bottles, surface coatings, inks and solvents, washing powders, wood acetylation and herbicides and pesticides.

The acquisition is a good fit with INEOS' existing asset base, reintegrating the Hull, United Kingdom, site and expanding the existing INEOS footprint at Geel, Belgium.

Cash of €88.3 million was acquired with the Aromatics and Acetyls businesses on 31 December 2020.

The total purchase price for the BP Petrochemicals business of $4,990.0 million (€4,178.3 million equivalent) was subject to a completion accounts settlement process. During 2021, the completion accounts settlement process was finalised, leading to a €85.8 million cash inflow from BP.

The consolidated financial statements in 2020 included a preliminary allocation of purchase price, an initial view of the outcome of the completion accounts settlement process (which was being negotiated with BP) and provisional fair values assigned to the identifiable assets and liabilities. During the year ended 31 December 2021 the Group reviewed these provisional fair values and the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill was updated in 2021 as shown in the table below. Following the clarification of certain terms of the sale and purchase agreement with BP, additional liabilities were recognised in relation to employees' compensation costs triggered at the acquisition date for €23.8 million and transfer to BP of a tax refund received by PT INEOS Aromatics Indonesia for €6.4 million. The balance sheet as at 31 December 2020 has not been restated to reflect the above as the impact is not material.

3 ACQUISITION OF BUSINESSES (continued)

	2020				2021	
	Book value on acquisition	Accounting policy alignment	Fair value adjustments	Provisional fair value on acquisition	Revaluation updates	Final values recognised on acquisition
	€m					
Acquiree's net assets at acquisition date:						
Property, plant and equipment	1,726.2	29.4	(41.9)	1,713.7	—	1,713.7
Intangible assets	3.4	—	558.7	562.1	—	562.1
Investments in equity accounted investees	789.1	—	390.3	1,179.4	—	1,179.4
Other non-current financial assets	2.0	—	—	2.0	—	2.0
Other investments	12.6	—	—	12.6	—	12.6
Other non-current receivables	1.6	—	—	1.6	—	1.6
Deferred tax assets	8.3	—	18.2	26.5	—	26.5
Inventories	322.2	(29.4)	(4.6)	288.2	—	288.2
Trade and other receivables	455.4	—	(33.6)	421.8	—	421.8
Cash and cash equivalents	88.3	—	—	88.3	—	88.3
Current and non-current interest-bearing loans and borrowings	(17.2)	—	—	(17.2)	—	(17.2)
Current and non-current lease liabilities	(85.4)	—	—	(85.4)	—	(85.4)
Current and non-current trade and other payables	(404.2)	—	(4.0)	(408.2)	(30.2)	(438.4)
Employee benefits	(2.4)	—	(0.1)	(2.5)	—	(2.5)
Current and non-current provisions	(2.9)	—	(1.5)	(4.4)	—	(4.4)
Deferred tax liabilities	(82.4)	—	17.2	(65.2)	—	(65.2)
Net identifiable assets and liabilities acquired	**2,814.6**	**—**	**898.7**	**3,713.3**	**(30.2)**	**3,683.1**
Non-controlling interest				(45.1)	—	(45.1)
Net assets				**3,668.2**	**(30.2)**	**3,638.0**
Consideration paid:						
Cash consideration				4,178.3	—	4,178.3
Completion accounts settlement adjustment				(66.0)	(19.8)	(85.8)
Effect of movements in foreign exchange				—	0.9	0.9
Difference between consideration and net assets acquired				**444.1**	**11.3**	**455.4**

The difference between consideration and net assets acquired has been recognised within intangible assets in note 11. Goodwill is not expected to be deductible for income tax purposes.

In the year ended 31 December 2020, the Group incurred acquisition related costs of €34.4 million relating to legal, accounting, human resources, industry specialists, environmental specialists and other consultancy costs. A further €4.1 million of acquisition related costs were incurred in the year ended 31 December 2021. These costs have been treated as exceptional administrative expenses in the Group's consolidated income statement during the years ended 31 December 2020 and 2021 (see note 4).

The fair value of acquired external trade receivables was €357.8 million. The trade receivables comprise gross contractual amounts of €361.5 million, of which €3.7 million was expected to be uncollectable at the date of acquisition.

Goodwill acquired reflects the expected synergies from combining operations and intangible assets that do not qualify for separate recognition.

If the acquisition had occurred on 1 January 2020, revenue of the Group for the year ended 31 December 2020 would have increased by €3,563.0 million less inter-company revenues of €14.0 million,

3 ACQUISITION OF BUSINESSES (continued)

and EBITDA before exceptional items of the Group for 2020 would have increased by €172.9 million respectively, after charging €116.7 million of BP corporate costs. These figures are unaudited.

Acquisitions in the prior year—INOVYN

On 31 December 2020, the Group acquired 94.9% of the shares in INOVYN Limited, pursuant to a contribution agreement dated 24 July 2020 between INEOS Group Investments Limited, INEOS Industries Limited, INEOS Industries Holdings Limited, the Company and INEOS Quattro Financing Limited, a subsidiary undertaking of the Company. The Company issued two ordinary shares in exchange for the INOVYN business. The difference between the consideration of €3,416.4 million and the nominal value of the share capital issued was recorded in share premium. Cash of €118.4 million was acquired with the INOVYN business.

The INOVYN business offers a portfolio of vinyls products of a number of industries, including general purpose suspension PVC, emulsion PVC and specialty suspension PVC. In addition, this business produces caustic soda, caustic potash, chlorine and chlorine by-products, brine and water, salt and hydrochloric acid. Various chlorine derivatives are also produced including chlorinated paraffins, chlorinated solvents, allylics and epichlorohydrin.

The purpose of the acquisition was to create a new financing group to bring together the established Styrolution and INOVYN businesses under the same financing umbrella as the newly acquired Acetyls and Aromatics businesses.

The Group and INOVYN Limited are controlled by the same ultimate parent undertaking, both before and after the acquisition date. The transaction has therefore been accounted for at book value since the acquisition involves two parties under common control. The difference between the consideration paid of €3,416.4 million and the book value of the assets and liabilities acquired has been recognised within the merger reserve.

3 ACQUISITION OF BUSINESSES (continued)

	2020 Book value €m
Acquiree's net assets at acquisition date:	
Property, plant and equipment	1,439.3
Intangible assets	40.1
Investments in equity accounted investees	15.0
Other investments	4.9
Other non-current receivables	38.8
Deferred tax assets	138.3
Employee benefits	33.3
Inventories	250.5
Trade and other receivables	517.3
Cash and cash equivalents	118.4
Current and non-current interest-bearing loans and borrowings	(1,097.0)
Current and non-current lease liabilities	(88.2)
Current and non-current trade and other payables	(789.3)
Employee benefits	(220.7)
Current and non-current provisions	(95.6)
Deferred tax liabilities	(83.3)
Tax liabilities for current tax	(30.5)
Other financial liabilities	(11.4)
Net identifiable assets and liabilities	**179.9**
Non-controlling interest	(9.2)
Net assets	**170.7**
Consideration paid:	
Issue of share capital	3,416.4
Difference between consideration and net assets acquired recognised in merger reserve	**3,245.7**

The Group did not incur significant acquisition related costs on legal fees and due diligence costs.

The fair value of acquired external trade receivables was €350.4 million. The trade receivables comprise gross contractual amounts due of €357.8 million, of which €7.4 million was expected to be uncollectable at the date of acquisition.

If the acquisition had occurred on 1 January 2020, revenue and EBITDA before exceptional items of the Group for 2020 would have increased by €2,878.2 million and €602.6 million respectively.

4 EXCEPTIONAL ITEMS

	2021	2020
	€m	
Exceptional items included in cost of sales:		
Plant closure costs[1]	19.0	—
Environmental costs[2]	121.6	—
	140.6	**—**
Exceptional items included in administrative expenses:		
Acquisition costs[3]	4.1	34.4
Reorganisation costs[4]	37.8	—
Other[5]	(0.8)	—
	41.1	**34.4**
Exceptional items excluding finance costs	**181.7**	**34.4**
Exceptional finance costs:		
Charge on early settlement of debt[6]	68.9	—
Total exceptional expenses	**250.6**	**34.4**

Exceptional cost of sales and administrative expenses:

(1) In March 2021, the Group announced the closure of the sulphur chemicals plant at Runcorn, United Kingdom and its withdrawal from the UK sulphur chemicals market. As a consequence, exceptional provisions of €11.9 million were recognised to cover the cost of exiting certain commercial agreements and the safe decommissioning of the plant. A further exceptional charge of €2.1 million was incurred in respect of redundant stock write-downs. Moreover, included in depreciation for the year ended 31 December 2021 is €12.5 million of impairment charges in respect of the closed plant (see note 10).

Remediation activities are continuing at Wilhelmshaven, Germany following the closure of INOVYN's mercury cell room in 2013. In 2021, a further provision of €5.0 million was made in 2021 to cover the extended operation of the waste water treatment plant until the demolition of the cell room is completed (see below).

(2) In 2016, INOVYN's mercury cellroom at Runcorn, United Kingdom ceased production. Following a full review and assessment of scope and the availability of reliable cost estimates an exceptional provision of €25.8 million was recognised in 2021 to cover the demolition of the cellroom, including the safe disposal of hazardous waste and elemental mercury.

A €22.6 million provision was made by the Group's site in Runcorn, United Kingdom in relation to the demolition of the redundant Weston Point Power Station after management approved plans in 2021 for the removal of asbestos from the structure. Moreover, a dismantling provision of €9.1 million was recognised at Runcorn in relation to the aforementioned closure of the sulphur chemicals plant.

The Group also approved plans in 2021 for the dismantling of the mercury cell room at Wilhelmshaven, Germany and related infrastructure in 2021, after atmospheric and groundwater mercury levels exceeded permissible limits, with total provisions of €25.0 million being recognised.

At the Group's site at Tavaux, France, an exceptional charge of €18.5 million (€21.8 million of new provisions less €3.3 million of grants receivable) was incurred in order to comply with the obligations of the EU Water Directive, specifically in relation to an industrial scale waste water treatment plant and the sealing of sedimentation basins.

In addition to the above, further exceptional charges of €20.6 million (€23.4 million of new provisions less €2.8 million of grants receivable) were created in 2021 at the Group's sites at Lillo, Belgium; Zandvliet, Belgium; Tavazzano, Italy; Ferrara, Italy; Tavaux, France; and Runcorn, United Kingdom for various remediation related projects mostly associated with mercury contamination.

(3) In 2020, certain subsidiaries of the Group acquired the Aromatics and Acetyls businesses from certain subsidiaries of BP. Acquisition-related professional fees relating to legal, accounting, human resources, industry specialists, environmental specialists and other consultancy costs were incurred in 2020 and 2021.

(4) In 2021, the Aromatics and Acetyls businesses incurred €37.8 million of exceptional charges in respect of manpower reorganisations and various IT-related costs following the cessation of the IT transitional service agreement with BP.

(5) The exceptional credit of €0.8 million relates to the release of provisions made in prior years for legal claims and commercial disputes.

Exceptional finance costs:

(6) Exceptional finance costs of €52.7 million relate to the write off of unamortised debt issue costs associated with the Five-Year Euro Term Loan A Facility, the Bridge Facilities and the INOVYN Senior Secured Term Loan B Facility that were repaid on 29 January 2021. In addition, there was a finance charge of €16.2 million from a related party in respect of funding provided for the BP acquisition.

4 EXCEPTIONAL ITEMS (continued)

There is no material effect on the tax charge due to exceptional items.

5 OPERATING PROFIT

Included in operating profit are the following:

	2021	2020
	€m	
Research and development costs expensed as incurred	42.6	12.8
Amortisation of intangible assets	122.9	62.2
Expenses relating to short-term leases	5.4	1.4
Expenses relating to leases of low value assets	2.1	0.2
Expenses relating to variable lease payments not included in the measurement of the lease liability	19.7	0.8
Depreciation and impairment of property, plant and equipment—within cost of sales, distribution costs and administrative expenses		
Owned assets—depreciation	450.5	160.8
Right-of-use assets—depreciation	88.7	26.2
	539.2	187.0
Owned assets—impairment	56.3	—
	595.5	**187.0**

	2021	2020
	€m	
Auditor's remuneration		
Audit of these financial statements	0.7	0.5
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	4.1	1.2
Non-audit services	0.9	0.3
	5.7	**2.0**

The auditors' remuneration disclosed above in 2020 relates to the fees charged to the income statement for the Styrolution business only. Auditors' remuneration of €1.2 million was incurred in 2020 by the INOVYN business for the audit of financial statements and non-audit fees of €0.2 million were also incurred in 2020. Auditors' remuneration was €2.5 million for 2020 for the newly acquired Aromatics and Acetyls businesses.

The audit fee above includes the audit fee of €10,300 (2020: €10,000) for the parent Company.

6 STAFF NUMBERS AND COSTS

The monthly average number of persons including directors employed by the Group (including any divestitures up to the date of disposal and any acquisitions from the date of acquisition) during the year, analysed by category, was as follows:

	2021	2020
	Number	
Research and development	289	108
Administration	1,795	993
Operations	7,120	2,441
	9,204	**3,542**

In terms of the acquired businesses, the INOVYN business had a monthly average of 4,049 persons during 2020; the Aromatics business had a monthly average of 1,275 persons during 2020; and the Acetyls business had a monthly average of 384 persons during 2020.

6 STAFF NUMBERS AND COSTS (continued)

The aggregate payroll costs of these persons were as follows:

	2021	2020
	€m	
Wages and salaries	821.6	299.2
Social security costs	111.7	20.9
Contributions to defined contribution plans	39.1	18.1
Items related to defined benefit plans:		
Current service cost	24.9	7.8
Past service credit	(0.2)	(0.2)
	997.1	**345.8**

7 DIRECTORS' REMUNERATION

	2021	2020
	€m	
Salaries and other short-term benefits	1.6	2.4
Company contributions to money purchase schemes	—	0.1
Other long-term benefits	—	1.1
	1.6	**3.6**

Highest paid director	2021	2020
	€m	
Aggregate emoluments	**1.6**	**2.3**

One director has benefits accrued under defined benefit schemes (2020: nil). No directors have benefits accruing under defined contribution schemes (2020: three).

8 FINANCE INCOME AND COSTS

	2021	2020
	€m	
Finance income		
Interest receivable from banks and short-term deposits	1.9	1.8
Interest receivable from associated undertakings	2.0	—
Other interest income	3.3	1.6
Total interest income on financial assets not at fair value through profit or loss	7.2	3.4
Net exchange movements	94.4	—
Unwind of discount on provisions	0.2	—
Net fair value gain on derivatives	—	0.4
Total finance income	**101.8**	**3.8**
Finance costs		
Interest payable on Term Loans	119.5	22.2
Interest payable on Bridge Facilities	8.3	—
Interest payable on bank loans and overdrafts	—	0.4
Interest payable on Senior Secured Notes and Senior Notes	62.4	12.4
Interest payable on securitisation facility	3.5	2.4
Interest payable on revolving credit facility	1.5	—
Interest payable to related parties	1.7	—
Amortisation of debt issue costs	15.9	2.6
Interest payable on right-of-use assets	11.6	7.4
Net fair value loss on derivatives	40.8	—
Net exchange movements	—	27.3
Interest expense on pension schemes	2.1	1.2
Other interest expense	5.8	1.5
Total finance costs before exceptional items	**273.1**	**77.4**
Exceptional finance costs (note 4)	68.9	—
Total finance costs	**342.0**	**77.4**
Net finance costs	**240.2**	**73.6**

The exchange movements reflect foreign exchange gains or losses associated with short term intra group funding.

Net gains and losses on financial instruments are included in note 25.

9 TAX CHARGE

Taxation recognised in the consolidated income statement

	2021	2020
	€m	
Current tax expense		
Current tax expense	348.1	106.1
Adjustments in respect of prior years	14.2	(4.7)
Current tax expense	**362.3**	**101.4**
Deferred tax credit		
Origination and reversal of temporary differences	(0.7)	(20.8)
Change in tax rates applied to temporary differences	(27.9)	—
Adjustments in respect of prior years	(7.7)	1.1
Deferred tax credit (see note 14)	**(36.3)**	**(19.7)**
Total tax charge	**326.0**	**81.7**

9 TAX CHARGE (continued)

Reconciliation of effective tax rate

	2021	2020
	€m	
Profit before taxation	1,902.1	288.7
Tax using the UK corporation tax rate of 19.0% (2020: 19.0%)	361.4	54.9
Effect of tax rates in foreign jurisdictions	32.9	8.6
Non-deductible expenses	37.4	11.6
Change in tax rate	(28.2)	(0.3)
Adjustments in respect of prior years	6.5	(3.6)
Non-taxable joint venture income	(87.9)	—
Other	3.9	10.5
Total tax charge	**326.0**	**81.7**

Deferred taxes in the United Kingdom were measured at 19% at 31 December 2020, following the decision to maintain the main corporation tax rate at 19% was substantively enacted on 17 March 2020. The Finance Bill 2021 which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023 was substantively enacted on 24 May 2021. As a result, deferred taxes in the United Kingdom at 31 December 2021 are measured at 25%. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Taxation recognised in other comprehensive income/(expense)

	2021			2020		
	Gross	Tax	Net	Gross	Tax	Net
	€m					
Remeasurement of post-employment benefit obligations net of taxes	54.8	(9.6)	45.2	(5.0)	1.6	(3.4)
Foreign exchange translation differences of subsidiaries	202.9	—	202.9	(120.2)	—	(120.2)
	257.7	**(9.6)**	**248.1**	**(125.2)**	**1.6**	**(123.6)**

10 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment, fixtures and fittings, and vehicles	Assets under construction	Right-of-use assets	Total
			€m			
Cost						
At 1 January 2020	94.4	161.6	1,501.0	293.7	169.9	2,220.6
Acquisitions	182.2	243.0	2,523.6	345.2	212.5	3,506.5
Additions	—	1.6	75.2	289.2	20.3	386.3
Lease modifications and reassessments	—	—	—	—	6.6	6.6
Reclassification	—	4.1	99.3	(102.1)	—	1.3
Disposals	—	(0.2)	(84.0)	(0.2)	(4.0)	(88.4)
Effects of movements in foreign exchange	(9.2)	(6.7)	(87.3)	(32.9)	(11.0)	(147.1)
At 31 December 2020	**267.4**	**403.4**	**4,027.8**	**792.9**	**394.3**	**5,885.8**
Additions	—	5.1	93.3	647.5	48.9	794.8
Lease modifications and reassessments	—	—	—	23.9	23.9	
Reclassification	2.7	47.2	375.2	(440.1)	—	(15.0)
Aborted capital expenditure	—	—	—	(1.2)	—	(1.2)

10 PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings	Plant and equipment, fixtures and fittings, and vehicles	Assets under construction	Right-of-use assets	Total
				€m		
Early termination of right-of-use assets	—	—	—	—	(0.9)	(0.9)
Disposals	(5.0)	(2.4)	(357.5)	—	(16.5)	(381.4)
Effects of movements in foreign exchange	17.4	10.6	186.5	61.7	15.5	291.7
At 31 December 2021	**282.5**	**463.9**	**4,325.3**	**1,060.8**	**465.2**	**6,597.7**
Accumulated depreciation and impairment						
At 1 January 2020	0.7	64.7	845.3	0.3	27.5	938.5
Acquisitions	0.6	36.6	271.7	—	44.6	353.5
Depreciation charge for the year	0.5	9.8	150.5	—	26.2	187.0
Reclassification	—	0.1	(0.1)	—	—	—
Disposals	—	(0.2)	(83.7)	—	(3.8)	(87.7)
Effects of movements in foreign exchange	—	(2.5)	(33.2)	—	(3.0)	(38.7)
At 31 December 2020	**1.8**	**108.5**	**1,150.5**	**0.3**	**91.5**	**1,352.6**
Depreciation charge for the year	1.7	22.6	426.2	—	88.7	539.2
Impairment charge for the year	1.5	—	54.8	—	—	56.3
Reclassification	0.1	0.3	(9.4)	(0.3)	—	(9.3)
Disposals	—	(1.7)	(356.7)	—	(16.5)	(374.9)
Effects of movements in foreign exchange	0.2	2.9	53.8	—	4.7	61.6
At 31 December 2021	**5.3**	**132.6**	**1,319.2**	**—**	**168.4**	**1,625.5**
Net book value						
At 31 December 2020	265.6	294.9	2,877.3	792.6	302.8	4,533.2
At 31 December 2021	**277.2**	**331.3**	**3,006.1**	**1,060.8**	**296.8**	**4,972.2**

Impairment charge for the year

An impairment charge of €12.5 million was incurred following the Group's decision to close the sulphur chemicals plant and business at its site in Runcorn, United Kingdom (see note 4). A project to investigate the economic viability of a cellroom conversion utilising membrane technology at Martorell, Spain was aborted in 2021, resulting in an impairment charge of €9.1 million. Further impairment charges of €34.7 million were made, the majority of which was in relation to the write-down of basic engineering works and equipment associated with an own-build new steam generator unit in Bayport, US after the project was abandoned in favour of entering into a long-term supply agreement with a third party. The proposed construction of new world-class styrene monomer plant in the US Gulf Coast was also aborted after new capacity announcements in China led to a re-evaluation of project economics.

Property, plant and equipment under construction

In the year ended 31 December 2021, the Group acquired €647.5 million of property, plant and equipment under construction.

In the Styrolution business, the most significant expenditures in 2021 related to a new 100 kilo ton ASA plant at Bayport, Texas (completion expected late 2022), a new 600 kilo ton ABS facility at Ningbo, China (completion expected late 2023) and the conversion of a polystyrene line to a mass ABS line at Wingles, France. There were also multiple turnarounds in all regions.

In the INOVYN business, the most significant expenditures consisted of a 78 kilo ton SPVC capacity expansion project at Jemeppe, Belgium, a brine borehole drilling program at Northwich, UK, initial spend on a new mechanical vapour recompression salt plant at Tavaux, France, turnarounds at Tavaux, Jemeppe, Belgium and Runcorn, UK and a new office complex at Runcorn.

10 PROPERTY, PLANT AND EQUIPMENT (continued)

In the Acetyls business, the most significant capital expenditure project related to the turnaround of the A4 acetic acid plant at Hull, UK which also consisted of reformer tube, boiler and turbine replacements.

In the Aromatics business, the largest expenditures related to the turnaround event at the Merak facility in Indonesia, the implementation of the Cakra Donya project at Merak and compressor repairs at the Texas City site following the extreme freeze in February.

Investments in property, plant and equipment in the year ended 31 December 2020 mainly related to the new ASA Specialties plant at Houston, US and the conversion of a Polystyrene line to mass ABS line at Wingles, France.

Right-of-use assets

	Land	Buildings	Plant and equipment, fixtures and fittings, and vehicles	Total
			€m	
At 1 January 2020	2.1	75.6	92.2	169.9
Acquisitions	8.4	8.8	195.3	212.5
Additions	—	3.3	17.0	20.3
Lease modifications and remeasurements	—	2.2	4.4	6.6
Disposals	(0.2)	(1.7)	(2.1)	(4.0)
Effects of movement in foreign exchange	(0.1)	(1.1)	(9.8)	(11.0)
At 31 December 2020	**10.2**	**87.1**	**297.0**	**394.3**
Additions	—	1.6	47.3	48.9
Lease modifications and remeasurements	—	2.9	21.0	23.9
Early termination of right-of-use assets	—	—	(0.9)	(0.9)
Disposals	—	(1.3)	(15.2)	(16.5)
Effects of movement in foreign exchange	0.3	1.9	13.3	15.5
At 31 December 2021	**10.5**	**92.2**	**362.5**	**465.2**
At 1 January 2020	0.3	7.7	19.5	27.5
Acquisitions	0.6	0.8	43.2	44.6
Depreciation charge for the year	0.1	6.9	19.2	26.2
Disposals	(0.2)	(1.6)	(2.0)	(3.8)
Effects of movement in foreign exchange	—	(0.4)	(2.6)	(3.0)
At 31 December 2020	**0.8**	**13.4**	**77.3**	**91.5**
Depreciation charge for the year	0.5	7.7	80.5	88.7
Disposals	—	(1.3)	(15.2)	(16.5)
Effects of movement in foreign exchange	—	0.6	4.1	4.7
At 31 December 2021	**1.3**	**20.4**	**146.7**	**168.4**
Net book value				
At 31 December 2020	9.4	73.7	219.7	302.8
At 31 December 2021	**9.2**	**71.8**	**215.8**	**296.8**

The Group mainly leases tanks, railcars, vessels, storage and transportation infrastructure, machinery, production buildings, administrative offices, motor vehicles and land, which are classified as right-of-use assets. Rental contracts are usually made for periods between 1 to 20 years, but may also include extension options. Extension options are included only if the lease term is reasonably certain to be extended and the decision of extending is mainly up to the Group (as a lessee).

See note 18 for lease obligations related to right-of-use assets.

11 INTANGIBLE ASSETS

	Goodwill	Customer relationships	Intellectual property rights	Environmental certificates	Licence fees	Other	Total
				€m			
Cost							
At 1 January 2020	721.7	707.4	285.2	7.3	8.7	—	1,730.3
Acquisitions	444.1	351.9	211.6	29.4	19.1	10.0	1,066.1
Additions	—	—	0.2	0.6	0.1	—	0.9
Disposals	—	—	—	—	(0.1)	—	(0.1)
Effect of movements in foreign exchange	(41.1)	(32.9)	(14.5)	(0.6)	—	—	(89.1)
At 31 December 2020	**1,124.7**	**1,026.4**	**482.5**	**36.7**	**27.8**	**10.0**	**2,708.1**
Acquisitions	11.3	—	—	—	—	—	11.3
Reclassifications	—	—	(0.6)	—	3.8	—	3.2
Additions	—	—	1.5	0.3	0.6	1.1	3.5
Disposals	—	—	(22.1)	(25.2)	—	—	(47.3)
Effect of movements in foreign exchange	57.7	44.1	24.0	0.6	0.5	—	126.9
At 31 December 2021	**1,193.7**	**1,070.5**	**485.3**	**12.4**	**32.7**	**11.1**	**2,805.7**
Accumulated amortisation and impairment							
At 1 January 2020	—	238.7	112.0	—	6.8	—	357.5
Acquisitions	—	—	1.0	—	14.4	4.4	19.8
Amortisation for the year	—	47.9	13.5	—	0.8	—	62.2
Disposals	—	—	—	—	(0.1)	—	(0.1)
Effect of movements in foreign exchange	—	(8.4)	(2.5)	—	(0.1)	—	(11.0)
At 31 December 2020	**—**	**278.2**	**124.0**	**—**	**21.8**	**4.4**	**428.4**
Amortisation for the year	—	81.0	38.2	—	2.5	1.2	122.9
Disposals	—	—	(22.1)	—	—	—	(22.1)
Effect of movements in foreign exchange	—	8.0	3.2	—	0.1	—	11.3
At 31 December 2021	**—**	**367.2**	**143.3**	**—**	**24.4**	**5.6**	**540.5**
Net book value							
At 31 December 2020	1,124.7	748.2	358.5	36.7	6.0	5.6	2,279.7
At 31 December 2021	**1,193.7**	**703.3**	**342.0**	**12.4**	**8.3**	**5.5**	**2,265.2**

Other intangible assets mainly relate to development costs, purchases for pipeline access rights and electricity grid capacity fees.

Separable intangible assets for customer relationships and intellectual property rights were recognised on 31 December 2020 as part of the acquisition of the Aromatics and Acetyls businesses. These represent value attributed to customer relationships arising from contractual rights and non-contractual relationships (€351.9 million) and to intellectual property mainly in relation to the right to use patents (€211.6 million). The remaining customer life or the acquired customer relationships range between 8 and 14 years and for the acquired intellectual property rights the remaining useful lives range between 6 and 15 years.

Other customer relationship intangible assets relate to prior acquisitions and are split into ABS, Specialities and Polystyrene sectors. The remaining useful lives range between 3 and 17 years. Other intellectual property rights intangible assets relate to production technology and brands from prior acquisitions. The remaining useful lives range between 9 and 15 years.

11 INTANGIBLE ASSETS (continued)

Environmental certificates are in respect of costs associated with the purchase of EU and UK Emissions Trading Scheme allowances and the nitrogen oxides emission scheme in the US. The emissions allowances are subject to impairment under the indefinite lived intangible asset impairment model.

Amortisation

The amortisation charge is recognised in administrative expenses in the consolidated income statement.

Goodwill impairment testing

Goodwill has been allocated to cash generating units ("CGUs") or groups of cash generating units as follows:

	2021	2020
	€m	
Polymers EMEA	252.2	252.2
Polymers Asia	98.6	96.1
Polymers Americas	184.5	170.0
Styrene Monomer	178.1	168.2
Styrolution Total	713.4	686.5
Aromatics	120.2	120.0
Acetyls	360.1	318.2
	1,193.7	**1,124.7**

The Polymers EMEA, Polymers Asia, Polymers Americas and Styrene Monomer CGU's relate to the Styrolution business.

No impairment charge has been recorded in these financial statements as a result of the annual impairment test.

For the Styrolution business' CGUs, the Group determined the recoverable amount based on value in use. The recoverable amount is calculated on a long-term business plan for the CGUs with a detailed planning period of three years and a consistent terminal growth rate of 0.5% for each unit for the period thereafter. The key assumption on which management based its cash flow projection is a decrease of EBITDA before exceptionals over the detailed three year planning period, which is seen as the most important performance indicator and the basis for cash flow estimates used to determine the value in use. The assumption is based on detailed project plans to decrease revenues and profitability. The Group expects to continue the EBITDA before exceptionals growth in the years after the detailed planning period. The terminal growth rate of 0.5% reflects the expected economic growth rates of countries in which the Group is operating. The main assumptions for the preparation of the three-year-business plan are the economic growth developments in the main customer regions and industries of the Styrolution business. These assumptions are based on external market data as well as internal assessments. The expected demand that is derived from the growth assumptions is compared with the supply balance of its product groups. The Styrolution business expects its Specialties and ABS Standards products groups to continue to grow, especially in its key focus industries. The Group also invests in these product groups and is increasing capacity to meet the growing demand. Polystyrene demand is expected to slightly decline in line with lower demand especially from the packaging industry. New Styrene Monomer capacities came on stream in China in 2020. Consequently, gross margin levels are expected to be at low-cycle levels. For the main foreign currencies, a fixed exchange rate is expected. This means that profitability and cash flows are not materially affected by exchange rate changes.

For the acquired Aromatics and Acetyls businesses, the acquisition was negotiated in total and the consideration was considered in the context of the whole transaction. The Aromatics and Acetyls businesses reports separately to the Group, and decisions around resource allocation and monitoring of performance

11 INTANGIBLE ASSETS (continued)

consider the Acetyls and Aromatics businesses separately. Each business has its own independent management structure. The carrying amount of goodwill resulting from the acquisition has therefore been allocated between the Acetyls and Aromatics segments. The recoverable amount, being value in use, is calculated on a long-term business plan for the CGUs with a detailed planning period of between three and five years and a consistent terminal growth rate of 2.0% for each unit for the periods thereafter. The terminal growth rate of 2.0% represents the average expected growth rates in the countries in which the Group is operating. The main assumptions for the preparation of the three-year business plans are the production volumes and margins, and dividend income from the joint ventures. The margin assumptions are based on external market data as well as internal assessments. The volume assumptions are based on historical run rates of the assets and approved increase of production projects.

None of the goodwill is expected to be deductible for income tax purposes. The following discount rates were applied per cash generating unit to determine the cash flow projection before taxes:

	Polymers EMEA	Polymers Asia	Polymers Americas	Styrene Monomer	Aromatics	Acetyls
Post-tax discount rate	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%

12 INVESTMENTS

12(a) Investments in subsidiary undertakings

As at 31 December 2021, the Group has the following investments in subsidiaries:

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2021	Ownership 2020	Registered office reference
INEOS Quattro Financing Limited[#]	UK	Holding company	Ordinary	100%	100%	(38)
INEOS Quattro Finance 1 plc[#]	UK	Financing company	Ordinary	100%	100%	(38)
INEOS Quattro Finance 2 plc	UK	Financing company	Ordinary	100%	100%	(38)
INEOS Styrolution Finance GmbH[(a)]	Germany	Holding company	Ordinary	100%	—	(2)
INEOS Styrolution Investment GmbH	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution Holding GmbH	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution America LLC	USA	Manufacture of styrene monomer and polymers, selling, distribution	Members interest	100%	100%	(3)
INEOS Styrolution Belgium NV	Belgium	Manufacture of styrene monomer and polymers	Ordinary	100%	100%	(4)
INEOS Styrolution Belgium Services bvba	Belgium	Sales office	Ordinary	100%	100%	(5)
INEOS Styrolution Canada Ltd	Canada	Manufacture of styrene monomer	Common	100%	100%	(6)
INEOS Styrolution (China) Investment Co. Ltd.	China	Financing company	Registered capital	100%	100%	(7)
INEOS Styrolution do Brasil Polimeros Ltda.	Brazil	Sales office	Equity/Ordinary	100%	100%	(8)
INEOS Styrolution Hong Kong Company Limited.	Hong Kong	Sales office	Ordinary	100%	100%	(33)
INEOS Styrolution Europe GmbH.	Germany	Distribution company	Ordinary	100%	100%	(2)
INEOS Styrolution France SAS.	France	Manufacture of polymers	Ordinary	100%	100%	(10)
INEOS Styrolution France Services SAS.	France	Sales office	Ordinary	100%	100%	(11)
INEOS Styrolution Group GmbH.	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution Iberia S.L.	Spain	Sales office	Ordinary	100%	100%	(12)
INEOS Styrolution India Limited[(b)].	India	Manufacture of polymers	Equity	75%	75%	(13)
INEOS Styrolution Switzerland SA.	Switzerland	Distribution company	Ordinary	100%	100%	(14)
INEOS Styrolution Italia S.r.L	Italy	Sales office	Ordinary	100%	100%	(15)
INEOS Styrolution Kimyasal Ürünler Ticaret Limited Sirketi.	Turkey	Sales office	Ordinary	100%	100%	(16)
INEOS Styrolution Köln GmbH.	Germany	Manufacture of polymers	Ordinary	100%	100%	(17)
INEOS Styrolution Korea Ltd.	South Korea	Manufacture of polymers	Common	100%	100%	(18)

12 INVESTMENTS (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2021	Ownership 2020	Registered office reference
KR Copolymer Co. Ltd.	South Korea	Manufacture of K-Resin	Ordinary	100%	100%	(19)
INEOS Styrolution Ludwigshafen GmbH	Germany	Manufacture of polymers	Ordinary	100%	100%	(2)
INEOS Styrolution Mexicana, S.A. de C.V.[(c)]	Mexico	Manufacture of polymers	Ordinary	100%	100%	(20)
INEOS Styrolution Netherlands B.V	Netherlands	Sales office	Ordinary	100%	100%	(21)
INEOS Styrolution OOO.	Russia	Sales office	Charter capital	100%	100%	(22)
INEOS Styrolution Poland Sp. z o.o	Poland	Sales office	Ordinary	100%	100%	(23)
INEOS Styrolution Polymers (Foshan) Co. Ltd	China	Manufacture of polymers	Registered capital	100%	100%	(24)
INEOS Styrolution Polymers (Ningbo) Co. Ltd	China	Manufacture of polymers	Registered capital	100%	100%	(25)
INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd.	China	Manufacture of ABS (under construction)	Registered capital	100%	100%	(26)
INEOS Styrolution Polymers (Shanghai) Co. Ltd.	China	Sales office	Registered capital	100%	100%	(27)
INEOS Styrolution Schwarzheide GmbH	Germany	Manufacture of polymers	Ordinary	100%	100%	(30)
INEOS Styrolution Servicios, S.A. de C.V.[(c)]	Mexico	Service company	Ordinary	—	100%	(20)
INEOS Styrolution APAC Pte Ltd.	Singapore	Sales office	Ordinary	100%	100%	(31)
INEOS Styrolution UK Limited.	UK	Sales office	Ordinary	100%	100%	(1)
INEOS Styrolution US Holding LLC.	USA	Holding company	Member interest	100%	100%	(3)
INEOS Styrolution Verwaltungsgesellschaft mbH.	Germany	Financing company	Ordinary	100%	100%	(2)
INEOS Styrolution (Thailand) Co., Ltd.	Thailand	Manufacture of polymers	Ordinary	100%	100%	(34)
INEOS Styrolution Vietnam Co., Ltd.	Vietnam	Sales office	Charter Capital	100%	100%	(35)
Deutsche Bank Mexico F/1787 Styrolution.	Mexico	Securitisation vehicle	n/a	n/a	n/a	(37)
INEOS Styrolution Receivables Finance Designated Activity Company.	Ireland	Securitisation vehicle	n/a	n/a	n/a	(51)
INEOS Quattro Holdings UK Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Acetyls UK Limited	UK	Production of acetic acid and other acetyls products	Ordinary	100%	100%	(1)
INEOS Acetyls International Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS US Petrochem LLC	USA	Holding company	Ordinary	100%	100%	(3)
INEOS US Petrochem II LLC[(d)]	USA	Non-trading company	Ordinary	—	100%	n/a
INEOS US Chemicals Company	USA	Production of purified terephthalic acid and paraxylene	Common	100%	100%	(3)
INEOS 179 Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics and Acetyls Trading (Shanghai) Company Limited	China	Sales office	Registered capital	100%	100%	(29)
INEOS Acetyls Japan KK	Japan	Sales office	Ordinary	100%	100%	(36)
INEOS Acetyls Investments Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Asia Limited	Hong Kong	Sales office	Ordinary	100%	100%	(33)
INEOS Acetyls (Malaysia) Sdn Bhd.	Malaysia	Production of acetic acid and other acetyls products	Ordinary	100%	100%	(68)
INEOS Acetyls (Korea) Limited	UK	Sales office	Ordinary	100%	100%	(1)
INEOS Acetyls Americas Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Holdings Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Limited	UK	Production of purified terephthalic acid and paraxylene	Ordinary	100%	100%	(1)
INEOS World-Wide Technical Services Limited	UK	Licensing services	Ordinary	100%	100%	(1)
INEOS Aromatics Holding Company	USA	Holding company	Common	100%	100%	(3)
INEOS Zhuhai Chemical Company Limited (formerly BP Zhuhai Chemical Company Ltd)[(e)]	China	Production of purified terephthalic acid and paraxylene	Member interest	91.9%	91.9%	(66)

12 INVESTMENTS (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2021	Ownership 2020	Registered office reference
INEOS Aromatics Indonesia Holdings Ltd	USA	Holding company	Common	100%	100%	(64)
INEOS Aromatics Belgium NV	Belgium	Production of purified terephthalic acid and paraxylene	Ordinary	100%	100%	(71)
INEOS Aromatics Belgium Holdings LLC	USA	Holding company	Common	100%	100%	(3)
PT INEOS Aromatics Indonesia	Indonesia	Production of purified terephthalic acid and paraxylene	Ordinary	100%	100%	(72)
INOVYN Limited[f]	UK	Holding company	Ordinary	94.9%	94.9%	(38)
INOVYN Holdings Limited[g]	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Finance Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Group Treasury Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Europe Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Norge AS	Norway	Manufacture of chemicals and PVC	Ordinary	100%	100%	(39)
INOVYN Sverige AB	Sweden	Manufacture of chemicals and PVC	Ordinary	100%	100%	(40)
INEOS ChlorVinyls Holdings BV	Netherlands	Holding company	Ordinary	100%	100%	(41)
INOVYN Newton Aycliffe Limited	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Newton Aycliffe Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
INOVYN Services Limited	UK	Service company	Ordinary	100%	100%	(38)
INOVYN Enterprises Limited	UK	Extraction and supply of brine and water	Ordinary	100%	100%	(38)
INOVYN ChlorVinyls Holdings Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Newco 2 Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN ChlorVinyls Limited	UK	Manufacture of chemicals and PVC	Ordinary	100%	100%	(38)
INEOS Enterprises Group Limited	UK	Manufacture of salt and sulphur chemicals	Ordinary	100%	100%	(38)
Keuper Gas Storage Limited	UK	Gas storage	Ordinary	100%	100%	(38)
INEOS Chlor Atlantik GmbH	Germany	Non-trading	Ordinary	100%	100%	(42)
INOVYN Americas Inc	USA	Purchase and resale of chemicals	Ordinary	100%	100%	(43)
INOVYN Sales International Limited[g]	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Chlor Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
INEOS Vinyls UK Ltd[g]	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Vinyls GmbH & Co KG	Germany	Holding company	Ordinary	100%	100%	(42)
INOVYN Schkopau GmbH	Germany	Non trading	Ordinary	100%	100%	(42)
INOVYN Sales GmbH	Germany	Non trading	Ordinary	100%	100%	(42)
EVC Pension Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
INOVYN Energy Limited	UK	Holding company	Ordinary	100%	100%	(38)
Kerling Newco 1 Limited	UK	Holding company	Ordinary	100%	100%	(38)
Kerling Newco 2 Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Deutschland GmbH	Germany	Manufacture of chemicals and PVC	Ordinary	100%	100%	(42)
INOVYN Espana S.L.	Spain	Manufacture of chemicals and PVC	Ordinary	100%	100%	(44)
INOVYN Osterreich GmbH.	Austria	Sales office	Ordinary	100%	100%	(45)
INOVYN Belgium SA.	Belgium	Manufacture of chemicals	Ordinary	100%	100%	(46)
INOVYN Olefines France SAS.	France	Operation of ethylene cracker	Ordinary	100%	100%	(47)
INOVYN Portugal Lda	Portugal	Sales office	Ordinary	100%	100%	(48)
INOVYN Trade Services SA	Belgium	Purchase and resale of chemicals	Ordinary	100%	100%	(46)

12 INVESTMENTS (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2021	Ownership 2020	Registered office reference
INOVYN Manufacturing Belgium SA	Belgium	Manufacture of chemicals and PVC	Ordinary	100%	100%	(46)
INOVYN France SAS	France	Manufacture of chlorine products	Ordinary	100%	100%	(47)
INOVYN Italia S.p.A.	Italy	Commercial services	Ordinary	100%	100%	(49)
INOVYN Produzione Italia S.p.A	Italy	Manufacture of chemicals	Ordinary	100%	100%	(50)
INOVYN Quimica Espana S.L.	Spain	Waste treatment	Ordinary	100%	100%	(44)
Vinyloop Ferrara S.p.A[(g)]	Italy	PVC Recycling	Ordinary	100%	100%	(49)
TTE Training Limited.	UK	Training company	Limited by Guarantee	100%	100%	(52)
TTE Apprenticeship Training Agency Limited.	UK	Apprenticeship company	Limited by Guarantee	100%	100%	(52)
INEOS Norway Finance Ireland Limited	Ireland	Securitisation vehicle	n/a	n/a	n/a	(51)

\# Shares held directly by INEOS Quattro Holdings Limited. All other subsidiaries listed are held indirectly.

(a) INEOS Styrolution Finance GmbH was incorporated on 13 December 2021.

(b) Portion of ownership interests held by non-controlling interests is 25%. Profit attributable to the non-controlling interest is €10.7 million (2020: profit of €3.5 million). Accumulated non-controlling interests are €19.6 million (2020: €17.0 million).

(c) On 1 August 2021 INEOS Styrolution Servicios, S.A. de C.V. was merged into INEOS Styrolution Mexicana, S.A. de C.V.

(d) INEOS US Petrochem II LLC was dissolved on 27 January 2021.

(e) Portion of ownership interests held by non-controlling interests is 8.1%. The subsidiary was acquired on 31 December 2020. Loss attributable to the non-controlling interest is €3.1 million (2020: €nil). Accumulated non-controlling interests are €46.6 million (2020: €45.1 million).

(f) Portion of ownership interests held by non-controlling interests is 5.1%. The subsidiary was acquired on 31 December 2020. Profit attributable to the non-controlling interest is €22.7 million (2020: €nil). Accumulated non-controlling interests are €5.7 million (2020: €9.2 million)

(g) In the process of being liquidated.

12 INVESTMENTS (continued)

12(b) Investments in equity-accounted investees, joint operations and other investments

Details of the Group's investments in equity-accounted investees, joint operations and other investments:

Investment	Country of registration or incorporation	Principal activity	Class/ percentage of shares held	Registered office reference
Associated undertakings:				
INEOS Runcorn (TPS) Holdings Limited	UK	Thermal Power Station operator	Ordinary/ 60%[1]	(38)
Joint ventures:				
INEOS PCG Acetyls Sdn. Bhd.	Malaysia	Production of acetic acid and other acetyls products	Ordinary/ 70%	(67)
Yangtze River Acetyls Co. Ltd	China	Production of acetic acid and other acetyls products	Member interest/ 51%	(69)
LOTTE INEOS Chemical Co. Ltd	Korea	Production of acetic acid and other acetyls products	Ordinary/ 50.94%	(70)
Formosa INEOS Chemicals Corp	Taiwan	Production of acetic acid and other acetyls products	Common/50%	(73)
Tricoya UK Limited	UK	Production of acetic acid and other acetyls products	Ordinary/35.6%	(63)
INEOS YPC Acetyls Company (Nanjing) Ltd	China	Production of acetic acid and other acetyls products	Member interest/ 50%	(74)
Atlas Methanol Company Unlimited	Trinidad	Methanol production	Ordinary/36.9%	(75)
China American Petrochemical Company Ltd	Taiwan	Production of acetic acid and other acetyls products	Ordinary/61.36%	(65)
Joint operations:				
Runcorn MCP Limited	UK	Cell room operator	Ordinary/ 50%	(38)
GIE Cancel-Bresse	France	Brine solution mining services	Ordinary/ 50%	(59)
Other investments:				
Tricoya Technologies Limited	UK	Production of acetic acid and other acetyls products	Preferred/ 9%	(63)
Akra Polyester SA de CV	Mexico	Manufacture of polyester filaments and polymers	Ordinary/6.65%	(28)
Tereftaltos Mexicanos SA de CV	Mexico	Production of purified terephthalic acid	Ordinary B/8.55%	(32)
IndustriEI AS	Norway	Energy consultancy	Ordinary/ 12.5%	(53)
Sociedad Española de Materiales Plasticos SEMAP S.A	Spain	Plastic waste management	Ordinary/8%	(54)
Societe Intercommunale D'Amenagement et d'Equipement Economique	Belgium	Economic development of province of Namur	Ordinary/0.17%	(55)
BKV GmbH	Germany	Plastic recycling association	Ordinary/2.0%	(56)
VSR GmbH	Germany	Fire protection of Rheinberg site	Ordinary/30.0%	(57)
API PVC—u. Umweltberatung GesmbH	Austria	PVC technology solutions	Ordinary/73.2%	(58)
Hållbar Kemi i Stenungsund	Sweden	Sustainable production association	Ordinary/20.0%	(60)
Energy For Growth Societa' Consortile A Responsabilita' Limitata	Italy	Energy consortium	Ordinary/7.3%	(61)
Power to Methanol Antwerp B.V.	Belgium	Sustainable methanol production consortium	Ordinary/14.3%	(62)

(1) The Group owns shares entitling it to 60% of the voting rights but only 25% of the economic benefits.

12 INVESTMENTS (continued)

12(b) Investments in equity-accounted investees, joint operations and other investments

None of the above other investments are held directly by INEOS Quattro Holdings Limited.

Investments in associated undertakings, joint ventures and other investments

	Joint ventures	Associated undertakings	Equity-accounted investees	Other investments	Total
			€m		
At 1 January 2020	—	—	—	—	—
Acquisitions	1,179.4	15.0	1,194.4	17.5	1,211.9
Effect of movements in exchange rates	(31.0)	(0.1)	(31.1)	(0.2)	(31.3)
At 31 December 2020	**1,148.4**	**14.9**	**1,163.3**	**17.3**	**1,180.6**
Share of retained earnings	462.5	(0.5)	462.0	—	462.0
Additions	—	—	—	0.7	0.7
Dividends received	(188.7)	—	(188.7)	—	(188.7)
Impairments	—	—	—	(1.0)	(1.0)
Effect of movements in exchange rates	94.4	(0.1)	94.3	1.1	95.4
At 31 December 2021	**1,516.6**	**14.3**	**1,530.9**	**18.1**	**1,549.0**

All joint ventures and associated undertakings were acquired via business combination on 31 December 2020 (see note 3). Joint ventures and other investments acquired with the Acetyls and Aromatics businesses were fair valued at this date.

Summarised balance sheet and income statement

Set out below is the summarised financial information of the Group's material joint ventures as at 31 December 2020 and 2021.

	2021							
	Atlas Methanol Company Unlimited	LOTTE INEOS Chemical Co. Ltd	INEOS PCG Acetyls Sdn. Bhd.	Formosa INEOS Chemicals Corp	Yangtze River Acetyls Co. Ltd	INEOS YPC Acetyls Company (Nanjing) Ltd	Tricoya UK Limited	Total
				€m				
Current assets	75.3	240.0	97.0	103.1	94.7	82.1	3.1	695.3
Non-current assets	115.3	448.1	157.6	208.9	111.0	109.6	25.6	1,176.1
Current liabilities	(30.9)	(136.2)	(32.3)	(23.7)	(9.8)	(9.8)	(1.4)	(244.1)
Non-current liabilities	(44.8)	(30.5)	(31.1)	(0.2)	(0.4)	(0.1)	(3.6)	(110.7)

	2020							
	Atlas Methanol Company Unlimited	LOTTE INEOS Chemical Co. Ltd	INEOS PCG Acetyls Sdn. Bhd.	Formosa INEOS Chemicals Corp	Yangtze River Acetyls Co. Ltd	INEOS YPC Acetyls Company (Nanjing) Ltd	Tricoya UK Limited	Total
				€m				
Current assets	46.4	80.3	43.9	27.9	34.4	26.0	3.5	262.4
Non-current assets	110.4	490.3	174.9	231.2	108.4	131.8	23.6	1,270.6
Current liabilities	(31.9)	(30.3)	(13.3)	(8.8)	(8.4)	(18.5)	(3.1)	(114.3)
Non-current liabilities	(33.2)	(130.6)	(50.6)	(24.6)	(9.0)	(21.5)	(0.8)	(270.3)

12 INVESTMENTS (continued)

12(c) Registered office addresses of investments

The registered office addresses of the investments disclosed in this note are:

Reference	Registered office address
(1)	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom
(2)	Mainzer Landstrasse 50, 60325 Frankfurt, Germany
(3)	1209 Orange Street, Wilmington DE 19801, Delaware, USA
(4)	Haven 725, Scheldelaan 600, 2040 Antwerp, Belgium
(5)	2070 Zwijndrecht, Nieuwe Weg 1, 1053 Haven, Mechelen, Belgium
(6)	872 Tashmoo Avenue, Sarnia ON N7T 8A3 Ontario, Canada
(7)	Room 2502, 567 Langao Road, Putuo District, Shanghai, China
(8)	Rua Quintana 887 3° andar, conjuntos 33 e 34, Ciudade Moncoes, São Paulo 04569-011
(9)	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom
(10)	Rue Albert Duplat, F-62410 Wingles. France
(11)	95 rue la Boétie, F-75008 Paris, France
(12)	Ronda General Mitre 28-30, 08017 Barcelona, Spain
(13)	5th Floor, OHM House—II, OHM Business Park, Ellora Park (East), Subhanpura, 390023 Vadodara Gujarat, India
(14)	Avenue des Uttins 3, CH-1180 Rolle, Switzerland
(15)	Via Caldera 21, 20153 Milano Cesano Maderno, Italy
(16)	Büyükdere Cad. Meydan sok., Spring Giz Plaza K. 13 N.11, Maslak Sariyer, Istanbul, Turkey
(17)	Alte Strasse 201, 50769 Cologne, Germany
(18)	Sanggae-ro 143 (Sanggae-dong), Nam-gu, Ulsan, South Korea
(19)	14th Floor, 92 Tongil-ro (Soonhwa-dong) Jung-gu, Seoul, 04517, Korea
(20)	Avenida Insurgentes Sur No. 859, Piso 11, Oficina 1102, Colonia Nápoles, 03810, Mexico City, Mexico
(21)	Strawinskylaan 411, NL-1077 XX Amsterdam, The Netherlands
(22)	Bldg. 3, 18 Pyatnitskaya St., 115035 Moscow, Russian Federation
(23)	ul. Wołoska 9, 02-583 Warszawa, Poland
(24)	No. 61, Jinben Industry Avenue, Xinan Sub-district, Sanshui District, Foshan, Guangdong Province, China
(25)	No.2388, Minghai North Road, Ningbo Petrochemical Economy & Technology Development Zone, Ningbo, Zhejiang, China
(26)	Building No. 3 Unit 1-10, 266 Beihai Road, Ningbo Petrochemical Zone, Zhenhai District, Ningbo, China
(27)	Central Towers, Suite 2501&2503, 567 Langao Road, 200333 Shanghai, China
(28)	Avenida Adolfo Ruiz Cortines y Priv. Roble S/N, Col. San Pedro Lozano, Monterrey, Nuevo León, 64299, Mexico
(29)	Room 368, Part 302, No. 211 Fute North Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, China
(30)	Schipkauer Strasse 1, 01987 Schwarzheide, Germany
(31)	111 Somerset Road, #14-16 to 21 TripleOne Somerset, Singapore 238164, Singapore
(32)	Av. Ricardo Margáin Zozaya 444, Torre Equus IZA Sur, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, 66265, Mexico
(33)	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
(34)	No. 4/2, I-8 Road, T. Map Ta Phut, A Muang, 2115 Rayong, Thailand
(35)	11th Floor, Lotte Center Hanoi, 54 Lieu Giai Street Hanoi, Vietnam
(36)	1-25-1 Nishi-Shinjuku, Shinjuku-ku, (35F, Shinjyuku Center Building), Tokyo 1630635, Japan

12 INVESTMENTS (continued)

Reference	Registered office address
(37)	Torre Virreyes, Pedregal 24, Piso 20, Colonia Molino del Rey, 11040, Mexico City, Mexico
(38)	Bankes Lane Office, Bankes Lane, Runcorn, Cheshire, WA7 4JE, United Kingdom
(39)	Rafnes Industriomrade, 3966 Stathelle, Norway
(40)	444-83 Stenungsund, Sweden
(41)	Luna Arena, Herikerbergweg 238, Amsterdam, The Netherlands, 1101 CM
(42)	Ludwigstrasse 12, 47495 Rheinberg, Germany
(43)	2036 Foulk Rd, Suite 204, Wilmington, Delaware 19801, USA
(44)	Calle Marie Curie 1-3-5, 08760 Martorell, Barcelona, Spain
(45)	Schottengasse 1, 4. Stock, 1010 Wien, Austria
(46)	Avenue des Olympiades 20, 1140 Brussels, Belgium
(47)	2 Avenue de la République, 39500 Tavaux, France
(48)	Rua do Centro Cultural nº 5—R/C, sala 8, 1700-106 Lisboa, Portugal
(49)	Via Marconi 73, 44122 Ferrara (FE), Italy
(50)	Rosignano Marittimo (LI), Via Piave 6 CAP 57016, Italy
(51)	Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland
(52)	New Horizons House, New Bridge Road, Ellesmere Port, Cheshire, CH65 4LT
(53)	Postboks 1367—Vika, 0114 Oslo, Norway
(54)	Calle Principe de Vergara 204—Primero C—28002, Madrid, Spain
(55)	Rue de la Religion, 10, 1400 Nivelles, Belgium
(56)	Mainzer Landstraße 55, 60329 Frankfurt am Main, Germany
(57)	Xantener Str. 237, 47495 Rheinberg, Germany
(58)	Paniglgasse 24/I/19°, A-1040 Wien, Austria
(59)	12 Rue Raoul Nordling CS 7001, 92270 Bois Colombes, France
(60)	Fregatten 3, 444-30 Stenungsund, Sweden
(61)	Via Giovanni Da Procida, 11, 20149, Milan, Italy
(62)	Scheldelaan 480, 2040 Antwerpen, Belgium
(63)	Brettenham House, 19 Lancaster Place, London, England, WC2E 7EN
(64)	2711 Centerville Road,Suite 400, Wilmington DE 19808, United States
(65)	6th Floor, No. 413 Section 2 Ti-Ding Blvd., Neihu, Taipei, 11493,Taiwan
(66)	Da Ping Harbour, Lin Gang Industrial Zone, Zhuhai City, Guangdong Province, China
(67)	12th Floor, Menara Symphony No. 5, Jalan Prof Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
(68)	Level 9, Tower 5, Avenue 7, The Horizon Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
(69)	97 Weijiang Road (in the Petrochemical Park), Changshou District, Chongqing, China
(70)	6 3-15 Sanggae-ro, Cheongnyang-myeon, Uljugun, Ulsan, 44987, Korea
(71)	Amocolaan 2 2440 Geel, Belgium
(72)	20th Floor Summitmas II Jl., Jend. Sudirman Kav. 61—62, Jakarta, Selatan, Indonesia
(73)	No. 1-1Formosa Industrial Comples, Mailiao, Yunlin Hsien, Taiwan
(74)	9# Huo Ju Road, Liu He District, Nanjing, Jiangsu Province, China
(75)	Maracaibo Drive, Point Lisas Industrial Estate, Point Lisas, Trinidad and Tobago

13 OTHER FINANCIAL ASSETS

	2021	2020
	€m	
Non-current		
Other receivables	**2.1**	**2.0**

14 DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2021	2020	2021	2020
	Assets		Liabilities	
	€m			
Property, plant and equipment	58.5	81.1	(229.3)	(216.1)
Investments	—	—	(41.2)	(38.0)
Intangible assets	0.3	2.4	(158.0)	(177.1)
Employee benefits	51.3	71.5	(9.0)	(4.8)
Tax value of loss carry-forwards	83.8	72.1	—	—
Other	77.0	56.3	(35.4)	(59.8)
Set off of tax	(68.0)	(76.0)	68.0	76.0
Net tax assets/(liabilities)	**202.9**	**207.4**	**(404.9)**	**(419.8)**

Movement in deferred tax during the year

	2021					
	1 January	Recognised in income statement	Reclassification	Recognised in equity—translation exchange	Recognised in equity—actuarial	31 December
	€m					
Property, plant and equipment	(135.0)	(1.1)	(27.4)	(7.3)	—	(170.8)
Investments	(38.0)	—	—	(3.2)	—	(41.2)
Intangible assets	(174.7)	18.3	1.0	(2.3)	—	(157.7)
Employee benefits	66.7	(12.8)	(2.0)	—	(9.6)	42.3
Tax value of loss carry-forwards	72.1	23.4	(7.1)	(4.6)	—	83.8
Other	(3.5)	8.5	35.5	1.1	—	41.6
	(212.4)	**36.3**	**—**	**(16.3)**	**(9.6)**	**(202.0)**

14 DEFERRED TAX ASSETS AND LIABILITIES (continued)

	2020					
	1 January	Recognised in income statement	Recognised in equity—translation exchange	Recognised in equity—actuarial	Acquisitions	31 December
	€m					
Property, plant and equipment	(117.3)	2.7	5.9	—	(26.3)	(135.0)
Investments	(41.7)	—	3.7	—	—	(38.0)
Intangible assets	(175.5)	14.7	5.8	—	(19.7)	(174.7)
Employee benefits	28.6	2.5	(0.3)	1.6	34.3	66.7
Tax value of loss carry-forwards	0.4	7.2	(0.4)	—	64.9	72.1
Other	44.1	(7.4)	(3.3)	—	(36.9)	(3.5)
	(261.4)	**19.7**	**11.4**	**1.6**	**16.3**	**(212.4)**

In assessing the Group's ability to realise deferred tax assets, management considers whether it is probable that some portion of all of the deferred tax assets will not be realised. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax strategies in making this assessment.

In order to fully realise the deferred tax asset, the Group will need to generate future taxable income in the countries where the net operating losses were incurred. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Group will realise the aforementioned benefits.

The Group did not recognise gross deductible temporary differences of €275.4 million (2020: €355.7 million), the majority of which relates to tax losses.

15 INVENTORIES

	2021	2020
	€m	
Raw materials and consumables	562.8	380.6
Work in progress	213.7	124.5
Finished goods	772.4	403.3
	1,548.9	**908.4**

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €12,183.0 million (2020: €2,435.1 million). The write-down of inventories to net realisable value amounted to €20.8 million (2020: €3.7 million). The reversal of previous write-downs of inventories to net realisable value amounted to €4.3 million (2020: €5.8 million).

16 TRADE AND OTHER RECEIVABLES

	2021	2020
	€m	
Current		
Trade receivables	1,788.0	1,188.2
Amounts owed by related parties and associated undertakings	93.6	48.1
Other receivables	407.3	275.4
Prepayments and accrued income	89.0	52.6
	2,377.9	**1,564.3**
Non-current		
Amounts owed by related parties and associated undertakings	30.8	50.8
Other receivables	20.2	8.2
Prepayments and accrued income	1.5	3.0
	52.5	**62.0**

Included in current other receivables in 2020 is €68.9 million due from BP as part of the completion accounts settlement process for the acquisition of the Aromatics and Acetyls businesses. No balance is included at 31 December 2021 as a result of the finalisation of the completions accounts settlement process (see note 3).

Credit quality of financial assets and impairment losses

The ageing of trade receivables at the end of the reporting period and the expected credit loss rate (ECLR) was:

	2021			2020		
	Gross	Impairment	ECLR	Gross	Impairment	ECLR
	€m	€m	%	€m	€m	%
Not past due	1,699.2	(0.3)	—	1,111.6	(0.3)	—
Past due 0-30 days	81.4	(0.2)	0.2%	57.5	(0.2)	0.3%
Past due 31-90 days	8.0	(0.1)	1.3%	15.4	(0.4)	2.6%
Past due more than 90 days	13.6	(13.6)	100.0%	18.2	(13.6)	74.7%
	1,802.2	**(14.2)**	**0.8%**	**1,202.7**	**(14.5)**	**1.2%**

There were no allowances made against amounts owed by related parties and other receivables during the year (2020: €nil).

The amounts receivable not yet due after impairment losses as of the end of the reporting period are deemed to be collectible on the basis of established credit management processes such as regular analyses of the credit worthiness of customers and external credit checks where appropriate for new customers (see note 25(c)). At 31 December 2020 and 2021 there were no significant trade, related party or other receivable balances classified as "not past due" that were subsequently impaired.

Due to the global activities and diversified customer structure of the Group, the management considers that there is no significant concentration of credit risk (2020: nil).

During 2020 and 2021 there were no significant trade balances that were subject to material renegotiation of terms.

Trade receivable balances totalling €552.5 million (2020: €556.8 million) have been pledged as security against amounts drawn under the Securitisation Facility, totalling €nil (2020: €nil). In accordance with IFRS 9 *"Financial Instruments"* the trade receivable balances pledged as security do not qualify for derecognition and are included within the trade receivable balances above.

16 TRADE AND OTHER RECEIVABLES (continued)

The movement in the allowance for impairment in respect of trade receivables (as per this note) during the year was as follows:

	2021	2020
	€m	
Balance at 1 January	(14.5)	(6.4)
Acquisitions	—	(11.1)
Impairment loss recognised	—	(0.4)
Utilised	0.7	3.2
Effects of movement in foreign exchange	(0.4)	0.2
Balance 31 December	**(14.2)**	**(14.5)**

The allowance account for trade receivables is used to record any impairment losses unless the Group is satisfied that no recovery of the amount owing is probable; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

The Group applies the forward-looking 'expected credit loss' (ECL) model in line with IFRS 9 in assessing the recoverability of trade receivables. The ECL is calculated considering past experiences and management's estimate of future developments. Management expects no significant change in the future market situation. Consequently, the future credit losses in the ECL model are in the same range as the credit losses experienced in the past years. This is regarded as the future expectation of the inherent credit risk of the not impaired trade and other receivables outstanding. The Group reviews the assumptions of the ECL model on a yearly basis.

Credit risk of trade receivables

	2021	2020
	€m	
Low	1,692.8	1,087.3
Medium	78.0	65.6
High	31.4	49.8
Impairment allowance	(14.2)	(14.5)
	1,788.0	**1,188.2**

The credit risk grade is based on the analysis on both the quantitative and qualitative factors as detailed below:

- High: Customers under significant financial difficulty and customers for whom there is an uncertainty of payment based on knowledge of factors like insolvency, dispute. Any receivable more than 180 days past due should also be classified in this category.
- Medium: Any receivable between 90 and 180 days past due should be classified as medium risk unless qualitative factors indicate a higher credit risk.
- Low: Any receivable less than 90 days past due should be classified as low risk unless qualitative factors indicate a higher credit risk.

During the year the Group has not experienced a significant deterioration in the quality of receivable balances due to the current economic conditions.

There were no allowances made against amounts due from other receivables during the year (2020: €nil).

There were no allowances made against amounts due from related parties during the year (2020: €nil).

17 INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk see note 25(e).

	2021	2020
	€m	
Non-current liabilities		
Senior Secured Notes due 2026	1,241.3	—
Senior Notes due 2026	500.0	—
Term Loan B Facilities due 2026	3,238.6	—
Term Loan A Facilities due 2023	60.9	175.3
Term Loan A Facilities due 2025	185.3	350.7
Term Loan B Facilities due 2027	623.6	611.6
Senior Secured Notes due 2027	600.0	600.0
INOVYN Term Loan B Facility	—	1,064.3
Loan from related party	39.8	38.0
Other loans	0.2	8.7
Gross borrowings	**6,489.7**	**2,848.6**
Less: unamortised finance costs	(53.3)	(18.9)
Net borrowings	**6,436.4**	**2,829.7**
Current liabilities		
Term Loan B Facilities due 2026	17.7	—
Term Loan A Facilities due 2023	121.8	58.5
Bridge Facilities	—	2,861.9
Term Loan B Facilities due 2027	1.8	1.6
External bank loan	9.2	8.4
Gross borrowings	**150.5**	**2,930.4**
Less: unamortised finance costs	(16.6)	(48.8)
Net borrowings	**133.9**	**2,881.6**

	2021		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		€m	
Gross debt and issue costs			
Senior Secured Notes due 2026	1,241.3	(17.5)	1,223.8
Senior Notes due 2026	500.0	—	500.0
Term Loan B Facilities due 2026	3,256.3	(39.8)	3,216.5
Term Loan A Facilities due 2023	182.7	(2.8)	179.9
Term Loan A Facilities due 2025	185.3	(1.9)	183.4
Term Loan B Facilities due 2027	625.4	(3.9)	621.5
Senior Secured Notes due 2027	600.0	(3.7)	596.3
Securitisation facilities	—	(0.3)	(0.3)
Loan from related party	39.8	—	39.8
Other loans	9.4	—	9.4
	6,640.2	**(69.9)**	**6,570.3**

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Gross debt and issue costs

	2020		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		€m	
Bridge Facilities	2,861.9	(45.0)	2,816.9
Term Loan A Facilities due 2023	233.8	(4.2)	229.6
Term Loan A Facilities due 2025	350.7	(3.9)	346.8
Term Loan B Facilities due 2027	613.2	(4.5)	608.7
Senior Secured Notes due 2027	600.0	(4.4)	595.6
INOVYN Term Loan B Facility	1,064.3	(5.6)	1,058.7
Securitisation facilities	—	(0.1)	(0.1)
Loan from related party	38.0	—	38.0
Other loans	17.1	—	17.1
	5,779.0	**(67.7)**	**5,711.3**

Terms and debt repayment schedule as at 31 December 2021

	Currency	Nominal interest rate	Year of maturity
Euro Senior Secured Notes due 2026	€	2.50%	2026
Dollar Senior Secured Notes due 2026	$	3.375%	2026
Senior Notes due 2026	€	3.75%	2026
Dollar Term Loan B Facility due 2026	$	USD LIBOR (floor of 0.5%) + 2.75%	2026
Euro Term Loan B Facility due 2026	€	EURIBOR (floor of 0.0%) + 2.75%	2026
Three-Year Dollar Term Loan A Facility due 2023	$	USD LIBOR (floor of 0.5%) + 1.75%	2023
Five-Year Dollar Term Loan A Facility due 2025	$	USD LIBOR (floor of 0.5%) + 2.25%	2025
Three-Year Euro Term Loan A Facility due 2023	€	EURIBOR (floor of 0.0%) + 1.75%	2023
Euro Term Loan B Facility due 2027	€	EURIBOR (floor of 0.5%) + 2.00%	2027
Dollar Term Loan B Facility due 2027	$	USD LIBOR (floor 0.0%) + 2.00%	2027
Senior Secured Notes due 2027	€	2.25%	2027
Securitisation facilities	$/€/£	Variable	2024

Summary

To facilitate the financing of the acquisition of the Aromatics and Acetyls businesses of BP, the Group entered into a $400.0 million Deposit Facility made available to INEOS Quattro Financing Limited (formerly INEOS Styrolution Financing Limited) pursuant to a credit agreement dated 29 June 2020. The full $400.0 million (€361.8 million equivalent) available under the Deposit Facility was drawn on the same date, which was used to pay the purchase price deposit payable upon the signing of the BP Acquisition Agreement.

On 31 July 2020, the Group's subsidiaries, INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) and INEOS US Petrochem LLC, entered into a $2,450.0 million and €870.0 million Bridge Credit Agreement with a number of lenders (the "Bridge Facilities").

On 31 July 2020, the Group's subsidiaries, INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) entered into a Term Loan A Agreement and INEOS Quattro Financing Limited (formerly INEOS Styrolution Financing Limited) entered into a Revolving Credit Agreement.

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

On 31 December 2020, $2,450.0 million (€2,050.6 million equivalent) and €870.0 million was drawn under the Bridge Facilities. In addition, the following was drawn under the Term Loan A Facilities on the same day:

- $140.0 million under a dollar Term Loan A facility (the "Three-Year Dollar Term Loan A Facility") (€117.2 million equivalent);
- $210.0 million under a dollar Term Loan A facility (the "Five Year Dollar Term Loan A Facility") (€175.8 million equivalent);
- €120.0 million under the euro Term Loan A facility (the "Three-Year Euro Term Loan A Facility"); and
- €180.0 million under the euro Term Loan A facility (the "Five Year Euro Term Loan A Facility").

The Group also received $1,000.0 million contribution by the Company's immediate parent undertaking (the "Equity Bridge Contribution"). The proceeds of the Bridge Facilities, the Term Loan A Facilities and the Equity Bridge Contribution were used to (i) pay the purchase price consideration for the BP Acquisition and certain fees and expenses and (ii) repay the amounts outstanding under the Deposit Facility. The Revolving Credit Facility of $300.0 million remained undrawn during 2020 and 2021, until it was terminated on 13 September 2021.

On 29 January 2021, the Group issued €800.0 million 2½% Euro Senior Secured Notes due 2026, $500.0 million (€406.5 million equivalent) 3⅜% Dollar Senior Secured Notes due 2026 and €500.0 million 3¾% Euro Senior Notes due 2026. In addition, the Group entered into a new Dollar Term Loan B Facility of $2,000.0 million (€1,626.0 million equivalent) and a new Euro Term Loan B Facility of €1,500.0 million (the "Term Loan B Facilities due 2026"). The gross proceeds received under these borrowings were used to (i) repay the amounts outstanding under the Bridge Facilities, the Five-Year Euro Term Loan A Facility, the Senior Secured Term Loan B Facility that was acquired with the INOVYN business and repay the Equity Bridge Contribution and (ii) to pay certain fees and expenses related to these transactions.

Senior Secured Notes due 2026

On 29 January 2021, INEOS Quattro Finance 2 Plc, a subsidiary undertaking, issued €800.0 million aggregate principal amount 2½% Senior Secured Notes due 2026 (the "Euro Senior Secured Notes due 2026") and $500.0 million aggregate principal amount 3⅜% Senior Secured Notes due 2026 (the "Dollar Senior Secured Notes due 2026") under an indenture dated January 29, 2021, among INEOS Quattro Finance 2 Plc as the issuer, various guarantors named therein and HSBC Corporate Trustee Company (UK) limited, as trustee and Barclays Bank PLC, as security agent. On 29 April 2021, HSBC Corporate Trust Company (UK) Limited succeeded Barclays Bank PLC as security agent.

The Senior Secured Notes are listed on the Euro MTF—Luxembourg stock exchange. The Euro Senior Secured Notes bear interest at a rate of 2½% per annum. The Dollar Senior Secured Notes bear interest at a rate of 3⅜% per annum. Interest on the Euro Senior Secured Notes and the Dollar Senior Secured Notes is payable semi-annually in arrears on 15 January and 15 July of each year, beginning 15 July 2021. The Euro Senior Secured Notes and the Dollar Senior Secured Notes will mature on 15 January 2026.

The Euro Senior Secured Notes and the Dollar Senior Secured Notes are jointly and severally guaranteed on a senior secured basis by certain of the Group's subsidiaries. The Euro Senior Secured Notes and the Dollar Senior Secured Notes and the related guarantees are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the Credit Facility Agreements, the Senior Secured Notes due 2027, and certain hedging obligations and cash management arrangements.

At any time prior to 15 January 2023, INEOS Quattro Finance 2 Plc may redeem all or part of the Euro Senior Secured Notes at a redemption price equal to 100% of the principal amounts of the Euro Senior Secured Notes redeemed plus the greater of (1) 1.0% of the principal amount of such Euro Senior

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Secured Notes; and (2) the excess of (a) the present value at such redemption date of the redemption price of such Euro Senior Secured Notes at 15 January 2023, plus all required interest payments that would otherwise be due to be paid on such Euro Senior Secured Notes during the period between the redemption date an 15 January 2023, excluding accrued but unpaid interest, computed using a discount rate equal to the Bund rate at such redemption date plus 50 basis points, over (b) the principal amount of such Euro Senior Secured Notes.

The Euro Senior Secured Notes are subject to redemption at any time on or after 15 January 2023, at the option of INEOS Quattro Finance 2 Plc, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on 15 January of the year indicated below:

Year	Euro Senior Secured Notes Redemption Price
2023	101.250%
2024	100.625%
2025 and thereafter	100.000%

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

At any time prior to 15 January 2023, INEOS Quattro Finance 2 Plc may redeem all or part of the Dollar Senior Secured Notes at a redemption price equal to 100% of the principal amounts of the Dollar Senior Secured Notes redeemed plus the greater of (1) 1.0% of the principal amount of such Dollar Senior Secured Notes; and (2) the excess of (a) the present value at such redemption date of the redemption price of such Dollar Senior Secured Notes at 15 January 2023, plus all required interest payments that would otherwise be due to be paid on such Dollar Senior Secured Notes during the period between the redemption date and 15 January 2023, excluding accrued but unpaid interest, computed using a discount rate equal to the Treasury rate at such redemption date plus 50 basis points, over (b) the principal amount of such Dollar Senior Secured Notes.

The Dollar Senior Secured Notes are subject to redemption at any time on or after 15 January 2023, at the option of INEOS Quattro Finance 2 Plc, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on 15 January of the year indicated below:

Year	Dollar Senior Secured Notes Redemption Price
2023	101.6875%
2024	100.84375%
2025 and thereafter	100.000%

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Euro Senior Secured Notes and the Dollar Senior Secured Notes contain a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

Senior Notes due 2026

On 29 January 2021, INEOS Quattro Finance 1 Plc issued €500.0 million aggregate principal amount 3¾% Senior Notes due 2026 (the "Senior Notes due 2026") under an indenture dated

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

29 January 2021, among INEOS Quattro Finance 1 Plc , as the issuer, HSBC Corporate Trustee Company (UK) Limited, as trustee, and Barclays Bank PLC as security agent. On 29 April 2021, HSBC Corporate Trustee Company (UK) Limited succeeded Barclays Banks PLC as security agent.

The Senior Notes are listed on the Euro MTF—Luxembourg stock exchange. The Senior Notes bear interest at a rate of 3¾% per annum. Interest on the Senior Notes is payable semi-annually in arrears on 15 January and 15 July of each year, beginning 15 July 2021. The Senior Notes will mature on 15 July 2026.

The Senior Notes are jointly and severally guaranteed on a senior subordinated basis by the guarantors (other than the parent, which guarantees the Senior Notes on a senior basis). The Senior Notes and the related guarantees are secured by second-ranking security interests (subject to certain exemptions) over the shares of the capital stock of the Company and the loan made by INEOS Quattro Finance 2 Plc to the Company of the proceeds of the Senior Notes. These security interests rank behind the security interests granted over those assets in favour of the creditors of certain other indebtedness, including under the Senior Secured Notes due 2027, the Senior Secured Notes due 2026 and the Credit Facility Agreements.

At any time prior to 15 January 2023, INEOS Quattro Finance 1 Plc may redeem all or part of the Senior Notes at a redemption price equal to 100% of the principal amounts of the Senior Notes redeemed plus the greater of (1) 1.0% of the principal amount of such Senior Notes; and (2) the excess of (a) the present value at such redemption date of the redemption price of such Senior Notes at 15 January 2023, plus all required interest payments that would otherwise be due to be paid on such Senior Notes during the period between the redemption date and 15 January 2023, excluding accrued but unpaid interest, computed using a discount rate equal to the Bund rate at such redemption date plus 50 basis points, over (b) the principal amount of such Senior Notes.

The Senior Notes are subject to redemption at any time on or after 15 January 2023, at the option of INEOS Quattro Finance 1 Plc, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on 15 January of the year indicated below:

Year	Senior Notes Redemption Price
2023	101.875%
2024	100.9375%
2025 and thereafter	100.000%

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

At any time prior to 15 January 2023, INEOS Quattro Finance 1 Plc, at its option, may redeem up to 40% of the initial aggregate principal amount of the sum of the initial aggregate principal amount of the Senior Notes originally issued on 29 January 2021 with the net cash proceeds of certain public equity offerings at 103.750% of the aggregate principal amount of the Senior Notes plus certain additional amounts, if applicable, and accrued and unpaid interest, if any, to, but not including, the redemption date, if at least 50% of the sum of the originally issued aggregate principal amount of the Senior Notes remains outstanding.

The Senior Notes contain a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

Bridge Facilities

On 31 July 2020, the Group's subsidiaries, INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) and INEOS US Petrochem LLC, entered into a $2,450.0 million and €870.0 million bridge credit facility (the "Bridge Facilities") and all amounts were drawn on 31 December 2020.

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

The Bridge Facilities and the existing capital market debt shared the same security package. The newly acquired businesses of INOVYN, Acetyls and Aromatics were subsequently brought into this security package. In addition, per the Bridge Credit Agreement, the Group had to adhere to certain affirmative and negative covenants.

The Bridge Facilities bore interest on drawn amounts and was calculated as follows: EURIBOR (for the Euro portion) and USD LIBOR (for the US dollar portion) plus a margin of 3.25% for the period 1 to 90 days after closing of the Bridge Credit Agreement, margin of 3.50% for the period 91 to 180 days after closing and 3.75% for 181 to 270 days after closing.

The Bridge Facilities were repaid and terminated on 29 January 2021.

Term Loan A Facilities due 2023 and 2025, Term Loan B Facilities due 2026 and Revolving Credit facility

On 31 July 2020, the Group' subsidiaries, INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) and INEOS Quattro Financing Limited (formerly INEOS Styrolution Financing Limited), entered into a Term Loan and Revolving Credit Agreement with Barclays Bank plc, Citigroup Global Markets Limited and J.P. Morgan Securities plc, as joint global coordinators, joint bookrunners and joint lead arrangers along with a consortium of other banks.

The Term Loan and Revolving Credit Facility Agreement provided:

(i) Term loans maturing in 2023 to INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) denominated in dollars and denominated in euro, in aggregate principal amount of $140.0 million (the "Three-Year Dollar Term Loan A Facility") and €120.0 million (the "Three-Year Euro Term Loan A Facility"), respectively, (together, the "Term Loan A Facilities due 2023");

(ii) Term loans maturing in 2025 to INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) denominated in dollars and denominated in euro, in an aggregate principal amount of $210.0 million (the "Five Year Dollar Term Loan A Facility") and €180.0 million (the "Five Year Euro Term Loan A Facility"), respectively, (together, the "Term Loan A Facilities due 2025");

(iii) A revolving credit facility maturing in 2023 to INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) and any other borrowers as may be designated from time to time under the Term Loan and Revolving Credit Agreement, available in dollars and euro, in an aggregate amount of $300.0 million. This revolving credit facility was terminated on 13 September 2021; and

(iv) Term loans maturing in 2026 to INEOS US Petrochem LLC and INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) denominated in dollars (the "Dollar Term Loan B Facility") and to INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) denominated in euro (the "Euro Term Loan B Facility"), in an aggregate principal amount of $2,000.0 million and €1,500.0 million, respectively, (together, the "Term Loan B Facilities due 2026").

As at 31 December 2021, $105.0 million was drawn under the Three-Year Dollar Term Loan A Facility (€92.7 million equivalent) (2020: $140.0 million or €117.2 million equivalent); $210.0 million was drawn under the Five Year Dollar Term Loan A Facility (€185.3 million equivalent) (2020: $210.0 million or €175.8 million equivalent); €90.0 million was drawn under the Three-Year Euro Term Loan A Facility (2020: €120.0 million); $1,990.0 million was drawn under the Dollar Term Loan B Facility (€1,756.2 million equivalent) (2020: €nil); and €1,500.0 million was drawn under the Euro Term Loan B Facility (2020: €nil). The €180.0 million outstanding principal amount of the Five-Year Euro Term Loan A Facility was repaid on 29 January 2021 (2020: €180.0 million). The Revolving Credit Facility was terminated on 13 September 2021.

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Interest

The Term Loans that are denominated in dollars and any revolving credit facility drawings denominated in dollars bear interest at a rate per annum equal to USD LIBOR divided by 100% minus the USD LIBOR Reserve percentage (as defined in the Term Loan and Revolving Credit Facility Agreement) (subject to a floor of 0.5% per annum) plus 1.75% for the Three-year Dollar Term Loan A Facility and the revolving credit facility drawings denominated in dollars, 2.25% for the Five-Year Dollar Term Loan A Facility, and 2.75% for the Dollar Term Loan B Facility.

The Term Loans that are denominated in euros and any revolving credit facility drawings denominated in euro bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus 1.75% for the Three-Year Euro Term Loan A Facility, 3.5% for the Five-Year Term Loan A Facility and 2.75% for the Euro Term Loan B Facility.

Following the delivery of financial statements and a compliance certificate for each fiscal quarter, commencing with the fiscal quarter ended 31 March 2021, the Applicable ABR Margin and the Applicable Eurocurrency Margin for the A Term Loans and the Revolving Loans will be subject to adjustment on a quarterly basis based on the Consolidated Total Net Leverage Ratio (as defined in the Term Loan and Revolving Credit Facility Agreement) as of the end of such fiscal quarter.

There was also a commitment fee payable on the daily unused amount of the commitments under the Revolving Credit Facility, which was terminated on 13 September 2021.

Security and Guarantees

The obligations under the Term Loans and the Revolving Credit Facility are jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries.

Covenants

The Term Loan and Revolving Credit Agreement contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Term Loan and Revolving Credit Facility Agreement contains a financial covenant based on a maximum Consolidated Total Net Leverage Ratio (as defined in the Term Loan and Revolving Credit Facility Agreement).

Repayment

The Five-Year Dollar Term Loan A Facility are to be repaid in quarterly instalments beginning on 30 September 2023, in aggregate principal amounts equal to certain fixed percentages of the original aggregate principal amount. The balance of the Five-Year Term Loan A Facilities are payable, subject to certain exceptions, on 31 July 2025.

The Three-Year Term Loan A Facilities are to be repaid in quarterly instalments beginning on 30 June 2021, in aggregate principal amounts equal to certain fixed percentages of the original aggregate principal amount. The balance of the Three-Year Term Loan A Facilities are payable, subject to certain exceptions, on 31 July 2023.

The Dollar Term Loan B Facility are to be repaid in quarterly instalments beginning on 30 September 2021, in aggregate principal amounts equal to 0.25% of the original aggregate principal amount of the Dollar Term Loan B Facility. The Euro Term Loan B Facility and the balance of the Dollar Term Loan B Facility are payable, subject to certain exemptions, on 15 January 2026.

Term Loan B Facilities due 2027

On 7 November 2014, INEOS Styrolution Group GmbH and INEOS Styrolution US Holding LLC entered into a Credit Agreement with Barclays Bank PLC as Administrative Agent and Security

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Agent (the "Term Loan B Facilities Agreement"). Subsequently, the Credit Agreement was extended and amended multiple times.

On 31 January 2020, the Group successfully completed an amend-and-extend transaction of the existing term loans increasing the principal amount of the Euro Term Loan B borrowings to €450.0 million and the Dollar Term Loan B borrowings remained at $202.3 million.

The new Term Loan B Facilities Agreement provides terms loans to INEOS Styrolution US Holding LLC denominated in dollars (the "Dollar Term Loan B Facility due 2027") and to INEOS Styrolution Group GmbH denominated in euros (the "Euro Term Loan B Facility due 2027") in aggregate principal amount of $202.3 million and €450.0 million, respectively, (together, the "Term Loan B Facilities due 2027"). The Term Loan B Facilities due 2027 were made in a single drawing on 31 January 2020. As at 31 December 2021, €450.0 million remained drawn under the new Euro Term Loan B Facility due 2027 (2020: €450.0 million) and $198.7 million (€175.4 million equivalent) (2020: $200.8 million or €162.3 million equivalent) remained drawn under the Dollar Term Loan B Facility due 2027.

Interest

From 31 January 2020, the new Dollar Term Loan B Facility due 2027 bears interest at a rate per annum equal to USD LIBOR divided by 100% minus the USD LIBOR Reserve Percentage (as defined in the Term Loan B Facilities Agreement) (subject to a floor of 0% per annum) plus:

- in the case of new Dollar Term Loan B Facility due 2027 bearing interest at a rate determined by reference to USD LIBOR, 2.00%;
- in the case of new Dollar Term Loan B Facility due 2027 bearing interest at a rate determined by reference to Alternate Base Rate, 1.00%; and

From 31 January 2020, the new Euro Term Loan B Facility due 2027 bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0.50% per annum) plus 2.00%.

Security and guarantees

The obligations under the Term Loan B Facilities due 2027 and the Revolving Credit Facility are jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries.

Covenants

The Term Loan B Facilities due 2027 contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Term Loan B Facilities due 2027 do not contain any financial maintenance covenants.

Repayment

Up until 31 January 2020, the maturity date for both the Dollar Term Loan B Facility and the Euro Term Loan Facility was 30 March 2024. From 31 January 2020, the new Dollar Term Loan B Facility due 2027 is to be repaid in equal instalments, in aggregate annual amounts equal to 1% of the original principal amount of the new Dollar Term Loan B Facility due 2027. The new Euro Term Loan Facility due 2027 and the balance of the new Dollar Term Loan B Facility due 2027 are payable on 31 January 2027.

Senior Secured Notes due 2027

On 31 January 2020, INEOS Styrolution Group GmbH issued €600.0 million aggregate principal amount 2¼% Senior Secured Notes due 2027 (the "Senior Secured Notes due 2027"). The Senior Secured Notes are listed on the Euro MTF—Luxembourg stock exchange and bear interest at 2¼% per annum,

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

payable semi-annually in arrears on 15 January and 15 July of each year, beginning 15 July 2020. Unless previously redeemed as noted below, the Senior Secured Notes will be repaid by the Group at their principal amount on 16 January 2027.

At any time prior to 15 January 2023, INEOS Styrolution Group GmbH may redeem all or part of the Senior Secured Notes at a redemption price equal to 100% of the principal amount of the Senior Secured Notes redeemed plus the greater of (1) 1.0% of the principal amount of such Senior Secured Notes; and (2) the excess of (a) the present value at such redemption date of the redemption price of such Senior Secured Notes at 15 January 2023, plus all required interest payments that would otherwise be due to be paid on such Senior Secured Notes during the period between the redemption date and 15 January 2023, excluding accrued but unpaid interest, computed using a discount rate equal to the Bund rate at such redemption date plus 50 basis points, over (b) the principal amount of such Senior Secured Notes.

The Senior Secured Notes are subject to redemption at any time on or after 15 January 2023 in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on 15 January of the year indicated below:

Year	Senior Secured Notes due 2027 Redemption Price
2022	101.1250%
2023	100.5625%
2024 and thereafter	100.0000%

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

At any time prior to 15 January 2023, INEOS Styrolution Group GmbH may redeem up to 40% of the initial aggregate principal amount of the sum of the initial aggregate principal amount of the Senior Secured Notes originally issued on 31 January 2020 with the net cash proceeds of certain public equity offerings at 102.250% of the aggregate principal amount of the Senior Secured Notes, and accrued and unpaid interest, if any, to, but not including, the redemption date, if at least 60% of the issued aggregate principal amount of the Senior Secured Notes remains outstanding.

The Senior Secured Notes due 2027 are jointly and severally guaranteed on a senior secured basis by INEOS Styrolution Group GmbH and certain of its subsidiaries. They are secured by first priority liens (subject to certain exceptions) on the same assets that secured the obligations under the Term Loan B Facilities due 2027, the Term Loan and Revolving Credit Facility Agreement and certain hedging obligations and cash management arrangements.

The Senior Secured Notes due 2027 contain a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

INOVYN Term Loan B Facility

On 13 May 2016, INOVYN Finance Limited (formerly INOVYN Finance plc) entered into a Credit Agreement with, inter alia, J.P. Morgan Europe Limited as Administrative Agent, The Bank of New York Mellon, London Branch as Security Agent and J.P. Morgan Limited as Global Coordinator.

Under the terms of this Credit Agreement, INOVYN Finance Limited (formerly INOVYN Finance plc) fully drew down on 13 May 2016 the Initial Tranche B Euro Term Commitment of €535.0 million in the form of Senior Secured Term Loans.

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

The interest rate payable on the INOVYN Term Loan B Facility was EURIBOR (with a floor of 0.50%) plus a margin of 2.00%, payable in arrears on the last day of each interest period, or every three months for interest periods greater than three months.

The maturity date was 9 March 2027 and a single payment of the full amount was due on this date.

The obligations under the INOVYN Term Loan B Facility were guaranteed by INOVYN Limited and certain of its subsidiaries on a senior secured basis. The Credit Agreement contained a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments. The INOVYN Term Loan B Facility was maintenance covenant free.

On 29 January 2021, the aggregate principal amount of INOVYN Term Loan B Facility outstanding of €1,064.3 million plus accrued interest was repaid in full using the proceeds from the refinancing on 29 January 2021.

Securitisation facilities

INEOS Styrolution Group GmbH and certain other Group companies are party to a trade receivables securitisation programme (the "Styrolution Securitisation Programme") with HSBC Bank PLC and Landesbank Hessen-Thüringen (Helaba) who act as lenders, liquidity providers and program agents. On 28 June 2021, the Group renegotiated its Styrolution Securitisation Programme. A further three banks have joined the programme, with the total number of lending banks now at 5. The Styrolution Securitisation Programme now matures on 28 June 2024.

Up until 28 June 2021, the maximum amount available under the Styrolution Securitisation Programme was €450.0 million, subject to a borrowing limit that is adjusted periodically based on the amount of eligible trade receivables at that time. The maximum amount available under the Styrolution Securitisation Programme will increase from €450.0 million to €600.0 million as soon as three new selling entities from the Aromatics and Acetyls business join the programme, anticipated in May 2022. The facility is secured on certain of the Styrolution business' trade receivables.

Up until 28 June 2021, for drawn amounts, the Styrolution Securitisation Programme bore interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 0.89% except that if any lending was funded other than by issuing Commercial Paper then the applicable interest rate was EURIBOR / LIBOR plus 0.89%. For undrawn amounts, the Styrolution Securitisation Programme bore interest of 0.5%. From 28 June 2021, for drawn amounts, the revised facility bears interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 0.95% (previously the margin was between 0.80% and 0.95%). For undrawn amounts, the facility bears interest of 0.5%.

INOVYN Group Treasury Limited and certain other INOVYN business' companies are party to a trade receivables securitisation programme (the "INOVYN Securitisation Programme") with Barclays Bank PLC, ING Belgium N.V. and HSBC Bank PLC who act as lenders, liquidity providers and programme agents. On 28 June 2021, the Group renegotiated its INOVYN Securitisation Programme. The maximum amount available under the INOVYN Securitisation Programme remained the same at €240.0 million. The facility now matures on 30 June 2024. The facility is secured on certain of the INOVYN business' trade receivables.

The maximum amount available under the INOVYN Securitisation Programme is €240.0 million subject to a borrowing limit that is adjusted periodically based on the amount of eligible trade receivables at that time.

Up until 28 June 2021, for drawn amounts, the INOVYN Securitisation Programme facility bore interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 1.1%, except that if any lending was funded other than by issuing Commercial Paper then the applicable interest rate was EURIBOR / LIBOR plus 1.1%. For undrawn amounts, the facility bore interest of 0.5%. From

17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

28 June 2021, for drawn amounts, the revised facility bears interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 0.95% (previously the margin was 1.1%), except that if any lending is funded other than by issuing Commercial Paper then the applicable interest rate is SONIA/ SOFR plus 0.95% (previously the margin was 1.1%). For undrawn amounts, the facility bears interest of 0.5%.

Other facilities

The Group acquired an external bank loan with the acquisition of the Aromatics business of €17.2 million. This is a loan between INEOS Zhuhai Chemical Company Ltd (formerly BP Zhuhai Chemical Company Ltd) and the Bank of China Zhuhai branch. Repayments are made every six months, with the final repayment due on 27 August 2022. The loan bears interest at Chinese LPR +0.25%. The loan is secured by the minority shareholders, Zhuhai Port Co. Ltd. As at 31 December 2021, this external bank loan was €8.9 million (2020: €16.8 million).

The Group has several short term credit facilities with different local banks to fund working capital requirements up to a total aggregate amount of €194.8 million equivalent as of 31 December 2021 (2020: €409.9 million equivalent) in China, India, Singapore, South Korea, Thailand, and United Kingdom. The available amount under the working capital facilities at 31 December 2021 amounted to €151.2 million equivalent (2020: €392.5 million equivalent), with €43.6 million (2020: €5.9 million) of certain trade finance facilities being utilised in China and India.

The Group also has letter of credit facilities in China, India, Indonesia, Mexico, Singapore, South Korea, Thailand, and United Kingdom. As of 31 December 2021, the drawn amount under all letter of credit facilities was €23.1 million equivalent (2020: €11.2 million equivalent). The letters of credit are generally secured by current assets. The facilities also provide for a limited number of other financial services, such as bank guarantees and foreign exchange hedging lines. The facilities, which are at an agreed margin or the state bank advance rate, contain customary covenants and representations as well as termination events.

Subsequent to the year end, on 21 January 2022, INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd. entered into a new term loan agreement with Bank of China and ICBC to provide RMB 3,300.0 million of financing for the construction of the new 600 kilo tonne ABS plant in Ningbo, China. Bank of China acted as the Administrative Agent and Security Agent. The term loan facility matures in 2032 and has a straight-line semi-annual amortisation over the lifetime commencing after the start of operations. The first utilisation of the credit facility in the amount of RMB 65 million equivalent was made on 24 February 2022. The term loan bears interest at a rate equal to the China Loan Prime Rate minus a rate of 0.65% per annum.

18 LEASE OBLIGATIONS

Analysed as:	**2021**	**2020**
	€m	
Current lease liabilities	72.6	77.9
Non-current lease liabilities	226.6	234.4
	299.2	**312.3**

Maturity analysis—contractual undiscounted cash flows:	**2021**	**2020**
	€m	
Less than one year	82.3	86.4
Between one and five years	144.8	153.5
More than five years	143.5	137.8
Total undiscounted lease liabilities at 31 December	**370.6**	**377.7**

18 LEASE OBLIGATIONS (continued)

Amounts recognised in the statement of cash flows:	2021	2020
	€m	
Lease capital payments	95.8	23.8
Lease interest payments	11.7	7.2
Short-term leases	5.4	1.4
Leases of low value assets	2.1	0.2
Total cash outflow for leases	**115.0**	**32.6**

The Group has entered into a number of significant lease arrangements relating to off-site storage capacity, rail cars, land and buildings, and air separation plants used for the generation of industrial gases.

19 TRADE AND OTHER PAYABLES

	2021	2020
	€m	
Current		
Trade payables	1,737.0	1,041.9
Amounts owed to related parties	428.8	191.6
Accruals	522.8	332.6
Deferred income	7.4	6.8
Other payables	282.5	196.8
	2,978.5	**1,769.7**
Non-current		
Accruals	33.6	27.3
Deferred income	112.1	100.6
Other payables	1.2	2.6
	146.9	**130.5**

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 25.

20 EMPLOYEE BENEFITS

The Group operates a number of pension and post-retirement medical plans throughout the world, devised in accordance with local conditions and practices. The plans are generally of the defined benefit type and those that are funded are done so by payments to separately administered funds or insurance companies. The principal funded plans are in Belgium, Canada, France, Germany, India, South Korea, Mexico, Switzerland, USA, Norway, Austria, Spain and the United Kingdom.

The Group also operates a number of unfunded defined benefit pension schemes in the Indonesia, Canada, South Korea, Thailand, USA, Germany and Italy.

The most recent full valuations of the significant defined benefit plans were carried out as follows:

Plan	Country	Valuation date
All Plans	Belgium	31 December 2021
All Plans	Canada	31 December 2020
All Plans	France	31 December 2021
All Plans	Germany	31 December 2020
All Plans	India	31 December 2021
All Plans	South Korea	31 December 2021
All Plans	Mexico	31 December 2021
All Plans	Switzerland	31 December 2021

20 EMPLOYEE BENEFITS (continued)

Plan	Country	Valuation date
All Plans	Thailand	31 December 2020
All Plans	USA	01 January 2021
All Plans	Indonesia	31 December 2021
All Plans	United Kingdom	05 April 2019
All Plans	Norway	31 December 2021
All Plans	Italy	31 December 2020
All Plans	Spain	31 December 2021
All Plans	Austria	31 December 2021

Where the most recent full valuations were carried out prior to the balance sheet date, these have been updated to 31 December 2021 by independent qualified actuaries.

The Group's pension schemes have been disclosed on a geographical basis as those schemes in Europe, United Kingdom, North America and Rest of the World.

The European pension arrangements are a mix of final salary, career average, unit benefit and cash balance plans in nature, and the majority are closed to new entrants. The majority of the plans are funded via insurance policies and there are also a number of unfunded German and Italian plans.

The UK defined benefit pension plans were historically final salary in nature, with a normal retirement age of 60, and are both closed to new entrants and future accrual. The plans operate under trust law and are managed and administered by Trustees in accordance with the terms of each plan's Trust Deed and Rules and relevant legislation. The contributions paid to the UK plans are set every three years based on a funding agreement between the company and Trustee after taking actuarial advice.

The North Americas pension arrangements consists of three funded plans in the USA (all of which are closed to future accrual) and one funded plan in Canada (which is closed to new entrants and to future accrual). All pension plans, except one, are final salary defined benefit in nature, and the plans' liabilities are valued regularly in line with statutory funding requirements.

The Rest of the World pension arrangements are comprised of the Group's pension plans in India, South Korea, Mexico, Thailand and Indonesia.

The Group also operates a number of post-retirement healthcare plans in North Americas and the United Kingdom, which provide employees with other post-retirement benefits in respect of healthcare. The plans are unfunded and the liability is assessed by qualified independent actuaries under the projected unit method.

Pension plan assumptions

The major actuarial assumptions (expressed as weighted averages or ranges) at year end were as follows:

20 EMPLOYEE BENEFITS (continued)

	European		United Kingdom		North America		Rest of the World	
	2021	2020	2021	2020	2021	2020	2021	2020
				%				
Price inflation	1.00-2.00	1.00-1.75	3.20	2.80	0.00-2.00	0.00-2.00	0.00-3.50	0.00-3.50
Discount rate for scheme liabilities	0.25-2.25	-0.50-2.00	1.90	1.60	2.75	2.50	2.00-9.50	1.25-8.00
Rate of increase in pensionable salaries	0.00-4.50	0.00-4.25	n/a	n/a	0.00-3.00	0.00-2.50	4.00-8.00	0.00-8.00
Rate of increase in pensions in payment	-2.90-2.00	-3.86-1.75	2.20-3.70	2.00-3.60	0.00-0.50	0.00-0.50	n/a	n/a
Rate of increase for deferred pensioners	0.00-2.00	0.00-1.75	2.90-3.20	2.40 -2.80	n/a	n/a	n/a	n/a
Healthcare medical trend rate (initial)	2.00	1.75	5.40	5.36	5.48-6.00	5.56-6.25	n/a	n/a
Healthcare medical trend rate (ultimate)	2.00	1.75	5.40	4.80	4.50-5.00	4.50-5.00	n/a	n/a

The assumptions relating to longevity underlying the pension liabilities at the reporting date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

	European		United Kingdom		North America		Rest of the World	
	2021	2020	2021	2020	2021	2020	2021	2020
				(Years)				
Longevity at age 65 for current pensioners	20.4-24.9	20.3-23.5	21.8-22.2	20.5-22.2	21.1-22.2	20.9-22.1	n/a	n/a

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

	2021			
	European	United Kingdom	North America	Rest of the World
		€m		
Discount rate: 1% decrease	79.9	325.5	9.8	1.8
Rate of inflation: 0.5% increase[1]	24.1	110.8	1.2	—
Mortality: 1 year increase in longevity for a member currently aged 65	12.5	57.3	1.6	—

	2020			
	European	United Kingdom	North America	Rest of the World
		€m		
Discount rate: 1% decrease	90.9	310.0	9.6	1.9
Rate of inflation: 0.5% increase[1]	26.1	105.3	1.3	—
Mortality: 1 year increase in longevity for a member currently aged 65	13.6	54.3	1.5	—

(1) The sensitivity to the inflation assumption change includes corresponding changes to the future salary increase and future pension increase assumptions where these assumptions are set to be linked to the inflation assumption.

Pension assets (schemes in surplus)

The disclosures relating to the net pension assets are disclosed below. The amounts recognised in the balance sheet are as follows:

20 EMPLOYEE BENEFITS (continued)

	2021		
	European	United Kingdom	Total
		€m	
Equities	36.5	89.5	126.0
Bonds	15.0	961.8	976.8
Property	5.0	14.0	19.0
Other	1.4	317.6	319.0
Fair value of plan assets	**57.9**	**1,382.9**	**1,440.8**
Present value of funded obligations	(45.8)	(1,326.0)	(1,371.8)
Net pension asset	**12.1**	**56.9**	**69.0**

	2020		
	European	United Kingdom	Total
		€m	
Equities	—	43.0	43.0
Bonds	—	349.4	349.4
Property	—	3.2	3.2
Other	—	102.4	102.4
Fair value of plan assets	**—**	**498.0**	**498.0**
Present value of funded obligations	—	(465.0)	(465.0)
Net pension asset	**—**	**33.0**	**33.0**

Other investments largely consist of quoted instruments. There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

The amounts recognised in the income statement are as follows:

	2021	2020	2021	2020	2021	2020
	European		United Kingdom		Total	
			€m			
Current service cost[1]	(4.3)	—	(0.9)	—	(5.2)	—
Expected return on plan assets[2]	0.2	—	8.2	—	8.4	—
Interest cost on obligation[2]	(0.2)	—	(7.6)	—	(7.8)	—
Total	**(4.3)**	**—**	**(0.3)**	**—**	**(4.6)**	**—**

(1) Included within operating profit

(2) Included within finance costs.

20 EMPLOYEE BENEFITS (continued)

Reconciliation of present value of scheme liabilities:

	European	United Kingdom	Total
		€m	
At 1 January 2020	—	—	—
Acquisitions	—	(469.4)	(469.4)
Exchange adjustments	—	4.4	4.4
At 31 December 2020	**—**	**(465.0)**	**(465.0)**
Current service cost	(4.3)	(0.9)	(5.2)
Interest cost	(0.2)	(7.6)	(7.8)
Reclassification from pension liabilities	(45.5)	(829.0)	(874.5)
Benefits paid	1.2	26.0	27.2
Actuarial gain/(loss)—experience	0.7	(0.7)	—
Actuarial gain/(loss)—assumptions	2.3	(5.4)	(3.1)
Exchange adjustments	—	(43.4)	(43.4)
At 31 December 2021	**(45.8)**	**(1,326.0)**	**(1,371.8)**

Reconciliation of fair value of scheme assets:

	European	United Kingdom	Total
		€m	
At 1 January 2020	—	—	—
Acquisitions	—	502.7	502.7
Exchange adjustments	—	(4.7)	(4.7)
At 31 December 2020	**—**	**498.0**	**498.0**
Expected return on scheme assets	0.2	8.2	8.4
Employer contributions	4.0	8.7	12.7
Reclassification from pension liabilities	45.3	841.2	886.5
Benefits paid	(1.2)	(26.0)	(27.2)
Actuarial gain	9.6	6.9	16.5
Exchange adjustments	—	45.9	45.9
At 31 December 2021	**57.9**	**1,382.9**	**1,440.8**

Pension liabilities (schemes in deficit)

The disclosures relating to the net pension liabilities are disclosed below. The amounts recognised in the balance sheet are as follows:

	2021				
	European	United Kingdom	North America	Rest of the World	Total
			€m		
Equities	95.4	—	4.6	0.3	100.3
Bonds	95.6	1.2	55.4	0.6	152.8
Property	8.8	—	—	—	8.8
Other	47.9	0.7	0.5	8.3	57.4
Fair value of plan assets	**247.7**	**1.9**	**60.5**	**9.2**	**319.3**
Present value of funded obligations	(340.2)	(2.4)	(53.7)	(12.0)	(408.3)
Present value of unfunded obligations	(112.5)	(0.5)	(11.7)	(19.6)	(144.3)
Net pension liability	**(205.0)**	**(1.0)**	**(4.9)**	**(22.4)**	**(233.3)**

20 EMPLOYEE BENEFITS (continued)

	2020				
	European	United Kingdom	North America	Rest of the World	Total
			€m		
Equities	83.9	158.5	4.5	0.3	247.2
Bonds	89.7	477.9	56.5	0.5	624.6
Property	7.3	9.0	—	—	16.3
Other	89.1	126.3	0.5	7.9	223.8
Fair value of plan assets	**270.0**	**771.7**	**61.5**	**8.7**	**1,111.9**
Present value of funded obligations	(390.9)	(799.0)	(55.7)	(11.9)	(1,257.5)
Present value of unfunded obligations	(118.4)	(0.5)	(12.9)	(21.5)	(153.3)
Net pension liability	**(239.3)**	**(27.8)**	**(7.1)**	**(24.7)**	**(298.9)**

The majority of the assets invested in property are unquoted. All other investments are largely in quoted instruments. Equities comprise of well-diversified holdings over a wide range of global markets.

There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group. At 31 December 2021, within one of the pension plans in the United Kingdom, the Group held €nil (2020: €24.3million) of bonds issued by INEOS Group Holdings S.A., which is a related party.

The amounts recognised in the income statement are as follows:

	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	European		United Kingdom		North America		Rest of World		Total	
					€m					
Current service cost[1]	(15.1)	(5.0)	(1.7)	—	(0.9)	(0.8)	(2.0)	(2.0)	(19.7)	(7.8)
Past service credit[1]	0.2	0.1	—	—	—	—	—	0.1	0.2	0.2
Expected return on plan assets[2]	1.6	1.2	13.0	—	1.6	1.7	0.2	0.3	16.4	3.2
Interest cost on obligation[2]	(3.4)	(1.6)	(13.2)	—	(1.7)	(2.0)	(0.8)	(0.8)	(19.1)	(4.4)
Total	**(16.7)**	**(5.3)**	**(1.9)**	**—**	**(1.0)**	**(1.1)**	**(2.6)**	**(2.4)**	**(22.2)**	**(8.8)**

(1) Included within operating profit

(2) Included within finance costs.

20 EMPLOYEE BENEFITS (continued)

Reconciliation of present value of scheme liabilities:

	European	United Kingdom	North America	Rest of the World	Total
			€m		
At 1 January 2020	(140.4)	—	(69.3)	(34.8)	(244.5)
Acquisitions	(350.8)	(807.1)	—	(2.4)	(1,160.3)
Current service cost	(5.0)	—	(0.8)	(2.0)	(7.8)
Past service credit	0.1	—	—	0.1	0.2
Interest cost	(1.6)	—	(2.0)	(0.8)	(4.4)
Benefits paid	1.2	—	3.1	3.6	7.9
Actuarial gain—experience	2.8	—	0.7	0.2	3.7
Actuarial (loss)/gain—assumptions	(15.1)	—	(5.6)	0.5	(20.2)
Exchange adjustments	(0.5)	7.6	5.3	2.2	14.6
At 31 December 2020	**(509.3)**	**(799.5)**	**(68.6)**	**(33.4)**	**(1,410.8)**
Transfers in	(0.8)	—	—	(0.1)	(0.9)
Current service cost	(15.1)	(1.7)	(0.9)	(2.0)	(19.7)
Past service credit	0.2	—	—	—	0.2
Employee contributions	(0.3)	—	—	—	(0.3)
Interest cost	(3.4)	(13.2)	(1.7)	(0.8)	(19.1)
Reclassification to pension assets	45.5	829.0	—	—	874.5
Benefits paid	15.2	51.6	6.5	4.0	77.3
Actuarial (loss)/gain—experience	(5.8)	1.2	1.6	(0.7)	(3.7)
Actuarial gain/(loss)—assumptions	20.1	(17.0)	3.2	1.6	7.9
Exchange adjustments	1.0	(53.3)	(5.5)	(0.2)	(58.0)
At 31 December 2021	**(452.7)**	**(2.9)**	**(65.4)**	**(31.6)**	**(552.6)**

Reconciliation of fair value of scheme assets:

	European	United Kingdom	North America	Rest of the World	Total
			€m		
At 1 January 2020	100.4	—	60.8	9.2	170.4
Acquisitions	158.1	779.0	—	—	937.1
Expected return on scheme assets	1.2	—	1.7	0.3	3.2
Employer contributions	5.4	—	0.9	3.4	9.7
Employee contributions	0.3	—	—	—	0.3
Benefits paid	(1.2)	—	(3.1)	(3.6)	(7.9)
Actuarial gain	5.8	—	5.7	—	11.5
Exchange adjustments	—	(7.3)	(4.5)	(0.6)	(12.4)
At 31 December 2020	**270.0**	**771.7**	**61.5**	**8.7**	**1,111.9**
Expected return on scheme assets	1.6	13.0	1.6	0.2	16.4
Employer contributions	23.4	32.7	1.0	4.1	61.2
Employee contributions	0.3	—	—	—	0.3
Reclassification to pension assets	(45.3)	(841.2)	—	—	(886.5)
Benefits paid	(15.2)	(51.6)	(6.5)	(4.0)	(77.3)
Actuarial gain/(loss)	14.1	25.0	(2.0)	0.1	37.2
Exchange adjustments	(1.2)	52.3	4.9	0.1	56.1
At 31 December 2021	**247.7**	**1.9**	**60.5**	**9.2**	**319.3**

20 EMPLOYEE BENEFITS (continued)

Depending on prevailing exchange rates, the Group expects to contribute approximately €59.7 million to its defined pension plans in 2022.

21 PROVISIONS

	Onerous contracts	Severance and restructuring	Environmental	Plant closures	Other provisions	Total
			€m			
At 1 January 2021	1.9	1.7	83.6	11.9	25.4	124.5
Charged/(credited) to the consolidated income statement	—	2.3	127.7	16.9	(0.6)	146.3
Reclassifications		0.4	10.1	(10.5)	(3.4)	(3.4)
Utilised in the year	(0.5)	(0.9)	(20.7)	(5.6)	(0.5)	(28.2)
Discount unwinding	—	—	(0.2)	—	—	(0.2)
Effects of movement in foreign exchange	0.1	—	1.4	0.1	—	1.6
At 31 December 2021	**1.5**	**3.5**	**201.9**	**12.8**	**20.9**	**240.6**
Non-current	0.2	0.8	69.1	3.0	21.4	94.5
Current	1.7	0.9	14.5	8.9	4.0	30.0
At 31 December 2020	**1.9**	**1.7**	**83.6**	**11.9**	**25.4**	**124.5**
Non-current	—	0.3	161.4	6.2	17.4	185.3
Current	1.5	3.2	40.5	6.6	3.5	55.3
At 31 December 2021	**1.5**	**3.5**	**201.9**	**12.8**	**20.9**	**240.6**

Onerous contracts

Provisions relates to unfavourable supply contracts and contract termination costs with related parties recognised in a prior year's business combination. Cash of €0.5 million was spent in the year. The remaining provision is expected to be fully utilised by the end of 2022.

Severance and restructuring

Provisions of €1.7 million were acquired as part of the INOVYN acquisition in respect of supply chain and commercial teams reorganisation costs. In 2021, the newly acquired Aromatics and Acetyls businesses recognised provisions of €2.3 million in respect of manpower reorganisations. Cash of €0.9 million was spent in the year. The remaining provision of €3.5 million is expected to be fully utilised by 2023.

Environmental

Environmental provisions represent the expected cost of remediation works where there is a legal or constructive obligation for the works to be carried out and a reasonable estimate of the cost can be made. The majority of the provisions recognised in prior years relate to obligations associated with the remediation of mercury-based cell rooms at the Group's sites in Belgium, France, Sweden, Spain and Italy.

In order to comply with the obligations of the EU Waste Water Directive, the INOVYN business recognised a €10.4 million provision at Tavaux, France in 2020 to cover costs associated with the construction of a sealed cell for a sedimentation basin and a pilot plant for the treatment of contaminated ground water. Having successfully demonstrated the feasibility and operational aspects of the project using the pilot plant and sealed cell technology during 2021, the scope of the project was subsequently increased to include an industrial scale waste water treatment plant and the sealing of further sedimentation basins resulting in the recognition of further exceptional provisions of €21.8 million in 2021.

In December 2016, the INOVYN business announced the closure of the last remaining mercury electrolysis plant at Runcorn and a provision was created to cover the decommissioning of the facility.

21 PROVISIONS (continued)

Following a full review and assessment of scope and the availability of reliable cost estimates an exceptional provision of €25.8 million was recognised in 2021 to cover the demolition of the cellroom, including the safe disposal of elemental mercury.

During 2021, the Group provided €22.6 million for the demolition of the redundant Weston Point Power Station at Runcorn, United Kingdom after management approved plans for the removal of asbestos from the structure.

In March 2021, the Group announced the closure of its Sulphur Chemicals business based at Runcorn and its withdrawal from the UK sulphur chemicals market. A provision of €9.1 million was recognised for the dismantling of the plant.

Remediation activities are continuing at Group's site at Wilhelmshaven, Germany following the closure of the mercury cell room in 2013. Further provisions of €25.0 million were made in 2021 after management approved plans for the dismantling of the cellroom after atmospheric and groundwater mercury levels exceeded permissible limits.

In addition to the above, further miscellaneous environmental-related provisions were made by the Group in the year ended 31 December 2021 totalling €23.4 million at the sites at Zandvliet, Belgium; Lillo, Belgium; Martorell, Spain; Tavazzano, Italy; Ferrara, Italy; and Tavaux, France.

In total €20.7 million was spent on environmental-related provisions in the year and the remaining provisions of €201.9 million is expected to be utilised by 2047.

Plant closures

Provisions of €11.9 million at 1 January 2021 were in respect of the INOVYN business, of which €10.5 million was reclassified to the Environmental and Severance and Restructuring categories in 2021. Further provisions of €11.9 million were made by the Group in 2021 for decommissioning and the cost of exiting certain commercial agreements relating to its Sulphur Chemicals business based at Runcorn, United Kingdom. As at 31 December 2021, €4.8 million had already been spent on this provision and the remaining provision is expected to be utilised by 2024.

Other plant closure provisions mainly relate to activities at Group's site at Wilhelmshaven, following the closure of the mercury cell room in 2013. Further provisions of €5.0 million were made in 2021 to cover the extended operation of the waste water treatment plant until the completion of the cellroom demolition (see above). The provision is expected to be fully utilised by 2029.

Other provisions

Other provisions mainly relate to various legal and customer claims, including a liability to the Styrolution business' previous shareholder, BASF under prior legal agreements. There was a reclassification of €3.4 million to short-term accruals during 2021 as the amounts and timing of payment became more certain. The provision is expected to be fully utilised by 2027.

22 OTHER FINANCIAL LIABILITIES

	2021	2020
	€m	
Current		
Derivative commodity contracts designated as fair value through the profit or loss (note 25) . .	**53.4**	**13.0**

22 OTHER FINANCIAL LIABILITIES (continued)

23 SHARE CAPITAL AND DIVIDENDS

Share capital

	2021	2020
	€m	
200,100 (2020: 200,100) issued Ordinary shares (pounds sterling) of £1.00 (2020: £1.00) each	0.3	0.3
4 (2020: 6) issued Ordinary shares (Euro) of €1.00 (2020: €1.00) each	—	—
	0.3	**0.3**

As the reporting currency of the Company is the Euro, share capital has been converted to Euros at the effective rate of exchange ruling at the date of issuance.

The Company issued two ordinary shares (Euro) on 31 December 2020 to INEOS Industries Holdings Limited in exchange for shares in INOVYN Limited. In addition, the Company issued a further two ordinary shares (Euro) on 31 December 2020, in exchange for equity funding of €814.3 million. Share premium of €4,230.7 million was recorded on these transactions.

On 15 January 2021, the Company undertook a capital reduction exercise of its full share premium account of €6,620.4 million which was transferred to retained earnings. Two ordinary shares (Euro) were also cancelled.

Dividends

The following dividends were recognised during the year:

	2021	2020
	€m	
Repayment of Equity Bridge Contribution	824.9	—
Other dividends declared	393.3	369.3
	1,218.2	**369.3**

The Equity Bridge Contribution received from the Company's immediate party undertaking as part of the BP Acquisition was repaid in January 2021 via a return of capital of €824.9 million.

Interim dividends of €393.3 million were declared and paid during the year (2020: €369.3 million). The Directors do not recommend the payment of a final dividend (2020: €nil).

The dividend declared equates to €6,087.8 per Ordinary share (2020: €1,845.7 per Ordinary share).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

24 MERGER RESERVE

On 31 December 2020, the Group acquired 94.9% of the shares in INOVYN Limited, pursuant to a contribution agreement dated 24 July 2020 between INEOS Group Investments Limited, INEOS Industries Limited, INEOS Industries Holdings Limited, the Company and INEOS Quattro Financing Limited, a subsidiary undertaking of the Company in exchange for €3,416.4 million. On 31 December 2020, €3,245.7 million was debited to a merger reserve, being the difference between the book value of the net assets acquired and the total consideration paid.

A difference of €1,281.2 million between the predecessor value of the Group and the fair value recognised as the investment has been debited to a merger reserve for other prior year acquisitions.

25 FINANCIAL INSTRUMENTS

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk (including currency and interest rate risk)

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. They are responsible for developing and monitoring the Group's risk management policies. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

25(a) Fair values of financial instruments

Trade and other receivables

The carrying amount of trade and other receivables generally approximates to fair value due to their short maturities. Where settlement is not due in the short-term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Trade and other payables

The carrying amount of trade and other payables generally approximates to fair value due to their short maturities. Where settlement is not due in the short-term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest-bearing borrowings

The fair value of the interest-bearing loans (excluding the securitisation facility, lease liabilities and related party loans) is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date. The fair value of the securitisation facilities is the same as the carrying value excluding debt issue costs. The fair value of lease liabilities is determined by reference to market rates for similar lease agreements. The fair value of the related party loans is the same as the carrying value.

Derivative financial instruments

The Group has entered into derivative financial instruments and the fair value is based on market or broker quotes.

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the consolidated balance sheet are as follows:

25 FINANCIAL INSTRUMENTS (continued)

	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	€m			
Financial assets held for trading at fair value through profit or loss:				
Derivative commodity contracts	—	—	—	—
Financial assets held at amortised cost:				
Trade receivables	1,788.0	1,788.0	1,188.2	1,188.2
Amounts due from related parties and associated undertakings	124.4	124.4	98.9	98.9
Other receivables (excluding prepayments and tax)	429.6	429.6	285.6	285.6
Other investments	18.1	18.1	17.3	17.3
Cash and cash equivalents	1,291.3	1,291.3	805.6	805.6
Total financial assets	**3,651.4**	**3,651.4**	**2,395.6**	**2,395.6**

	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	€m			
Financial liabilities held at fair value through profit or loss:				
Derivative commodity contracts	53.4	53.4	13.0	13.0
Financial liabilities carried at amortised cost:				
Bridge Facilities	—	—	2,816.9	2,861.9
Senior Secured Notes due 2026	1,223.8	1,236.9	—	—
Senior Notes due 2026	500.0	502.2	—	—
Term Loan B Facilities due 2026	3,216.5	3,237.2	—	—
Term Loan A Facilities due 2023	179.9	182.7	229.6	233.8
Term Loan A Facilities due 2025	183.4	185.3	346.8	350.7
Term Loan B Facilities due 2027	621.5	612.4	608.7	608.6
Senior Secured Notes due 2027	596.3	584.3	595.6	578.5
INOVYN Senior Secured Term Loan B Facility	—	—	1,058.7	1,059.0
Securitisation facilities	(0.3)	—	(0.1)	—
Loan from related party	39.8	39.8	38.0	38.0
Other loans	9.4	9.4	17.1	17.1
Trade payables	1,737.0	1,737.0	1,041.9	1,041.9
Amounts due to related parties	428.8	428.8	191.6	191.6
Accruals and other payables (excluding deferred income)	840.1	840.1	559.3	559.3
Lease liabilities	299.2	299.2	312.3	312.3
Total financial liabilities	**9,928.8**	**9,948.7**	**7,829.4**	**7,865.7**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels, determined in accordance with IFRS 13 "*Fair Value Measurement*", have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

25 FINANCIAL INSTRUMENTS (continued)

	2021			
		Level		
	Fair value	1	2	3
		€m		
Net financial assets and liabilities designated as fair value through profit or loss				
Derivative commodity contracts	(53.4)	—	(53.4)	—
	(53.4)	**—**	**(53.4)**	**—**

	2020			
		Level		
	Fair value	1	2	3
		€m		
Net financial assets and liabilities designated as fair value through profit or loss				
Derivative commodity contracts	(13.0)	—	(11.5)	(1.5)
	(13.0)	**—**	**(11.5)**	**(1.5)**

The derivative commodity contracts have been assigned to Level 2 and 3 since there are no market prices available. The fair value of derivatives is the value that the Group would receive or have to pay if the financial instrument were transferred to an external party at the reporting date.

There have been no transfers from one level to another during 2020 and 2021.

25(b) Net gains and losses from financial instruments

Net gains and losses from financial instruments comprise the results of valuations, the amortisation of debt issue costs, the recognition and derecognition of impairment losses, results from the translation of foreign currencies, interest, dividends and all effects on profit or loss of financial instruments.

Net gains from financial assets measured at amortised cost relate primarily to recognition and derecognition of impairment losses, results from the translation of foreign currencies and interest income.

Net losses from financial liabilities measured at amortised cost relate primarily to amortisation of debt issue costs, results from the translation of foreign currencies, interest expense and other financing related expenses.

The item 'financial instruments at fair value through profit or loss' comprise valuation gains and losses, and only includes gains and losses from instruments which are not designated as hedging instruments as defined by IFRS 9.

25 FINANCIAL INSTRUMENTS (continued)

	2021		
	Financial assets at amortised cost	Fair value recognised in profit or loss	Financial liabilities at amortised cost
		€m	
Gains from financial instruments			
Interest income	7.2	—	—
Foreign exchange gains	151.3	—	—
Net result	**158.5**	**—**	**—**
Carrying value at 31 December	**3,651.4**	**—**	**—**
Losses from financial instruments			
Interest cost	—	—	(214.3)
Amortisation of debt issue costs	—	—	(68.6)
Net fair value loss on derivatives	—	(40.8)	—
Foreign exchange losses	—	—	(56.9)
Net result	**—**	**(40.8)**	**(339.8)**
Carrying value at 31 December	**—**	**(53.4)**	**(9,875.4)**

	2020		
	Financial assets at amortised cost	Fair value recognised in profit or loss	Financial liabilities at amortised cost
		€m	
Gains from financial instruments			
Interest income	3.4	—	—
Foreign exchange gains	39.2	—	—
Net result	**42.6**	**—**	**—**
Carrying value at 31 December	**2,395.6**	**—**	**—**
Losses from financial instruments			
Interest cost	—	—	(46.3)
Amortisation of debt issue costs	—	—	(2.6)
Net fair value gains on derivatives	—	0.4	—
Foreign exchange losses	—	—	(66.5)
Net result	**—**	**0.4**	**(115.4)**
Carrying value at 31 December	**—**	**(13.0)**	**(7,816.4)**

25(c) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, deposits with financial institutions and amount owed to Group undertakings.

The Group's treasury policy and objectives in relation to credit risk is to minimise the likelihood that the Group will experience financial loss due to counterparty failure and to ensure that in the event of a single loss, the failure of any single counterparty would not materially impact the financial wellbeing of the Group.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including

25 FINANCIAL INSTRUMENTS (continued)

the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Management considers that there is no geographical concentration of credit risk. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis. No single customer accounts for more than 5% of revenue.

Investments, cash and cash equivalents

Surplus cash investments are only made with banks with which the Group has a relationship. Occasionally deposits are made with banking counterparties that provide financing arrangements, reducing the credit exposure of the Group.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the reporting date was the carrying amount of financial assets. Further details on the Group's exposure to credit risk, and the associated impairments recognised, are given in note 16.

25(d) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group. The Group's exposure to liquidity risk is limited by the fact that it operates with significant cash resources, it maintains the most appropriate mix of short, medium and long-term borrowings from the Group's lenders and has significant headroom on the securitisation facilities (see note 17).

The Group is reliant on committed funding from a variety of sources at Group and subsidiary company level to meet the anticipated needs of the Group for the period covered by the Group's budget.

The Group forecasts on a regular basis the expected cash flows that will occur on a weekly and monthly basis. This information is used in conjunction with the weekly reporting of actual cash balances at bank in order to calculate the level of funding that will be required in the short and medium term. On a monthly basis the level of headroom on existing facilities is reported and forecast forward until the end of the financial year.

The maturity profile of the Group's undrawn committed facilities at 31 December 2021 and 2020 was as follows:

	2021	2020
	Undrawn facilities	Undrawn facilities
	€m	
In less than one year	—	690.0
In more than one year, but not more than two years	—	—
In more than two years, but not more than five years	690.0	243.9
	690.0	**933.9**

25 FINANCIAL INSTRUMENTS (continued)

The undrawn committed facilities of €690.0 million (2020: €690.0 million) are in respect of the unused securitisation facilities. The maturity date of the securitisation facilities is 30 June 2024 for the INOVYN securitisation facility and 28 June 2024 for the Styrolution securitisation facility. The undrawn committed facilities of €243.9 million in the prior year are in respect of the $300.0 million Revolving Credit Facility which was terminated on 13 September 2021.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	2021					
	Carrying amount	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
	€m					
Non-derivative financial liabilities						
Senior Secured Notes due 2026	1,223.8	(1,398.3)	(34.9)	(34.9)	(1,328.5)	—
Senior Notes due 2026	500.0	(593.9)	(18.8)	(18.8)	(556.3)	—
Term Loan B Facilities due 2026	3,216.5	(3,659.2)	(116.9)	(116.8)	(3,425.5)	—
Term Loan A Facilities due 2023	179.9	(185.9)	(124.5)	(61.4)	—	—
Term Loan A Facilities due 2025	183.4	(199.8)	(5.2)	(39.4)	(155.2)	—
Term Loan B Facilities due 2027	621.5	(702.0)	(16.9)	(16.9)	(668.2)	—
Senior Secured Notes due 2027	596.3	(674.3)	(13.5)	(13.5)	(647.3)	—
Securitisation facilities	(0.3)	(8.8)	(3.5)	(3.5)	(1.8)	—
Loan from related party	39.8	(49.6)	—	—	—	(49.6)
Other loans	9.4	(9.9)	(9.7)	(0.1)	(0.1)	—
Trade payables	1,737.0	(1,737.0)	(1,737.0)	—	—	—
Amounts due to related parties	428.8	(428.8)	(428.8)	—	—	—
Accruals and other payables (excluding deferred income)	840.1	(840.1)	(805.3)	(29.2)	(3.7)	(1.9)
Lease obligations	299.2	(370.6)	(82.3)	(55.6)	(89.2)	(143.5)
Derivative financial liabilities						
Commodity contracts	53.4	(53.4)	(53.4)	—	—	—
	9,928.8	**(10,911.6)**	**(3,450.7)**	**(390.1)**	**(6,875.8)**	**(195.0)**

25 FINANCIAL INSTRUMENTS (continued)

	2020					
	Carrying amount	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
			€m			
Non-derivative financial liabilities						
Bridge Facilities	2,816.9	(2,870.2)	(2,870.2)	—	—	—
Term Loan A Facilities due 2023	229.6	(245.2)	(64.8)	(120.9)	(59.5)	—
Term Loan A Facilities due 2025	346.8	(402.4)	(11.9)	(11.5)	(379.0)	—
Term Loan B Facilities due 2027	608.7	(703.4)	(16.8)	(16.7)	(50.0)	(619.9)
Senior Secured Notes due 2027	595.6	(681.0)	(13.5)	(13.5)	(40.5)	(613.5)
Revolving Credit facility	—	(5.3)	(2.2)	(2.0)	(1.1)	—
INOVYN Senior Secured Term Loan B Facility	1,058.7	(1,231.3)	(27.0)	(27.1)	(80.9)	(1,096.3)
Securitisation facilities	(0.1)	(1.7)	(1.7)	—	—	—
Loan from related party	38.0	(47.4)	—	—	—	(47.4)
Other loans	17.1	(18.5)	(9.4)	(8.9)	(0.2)	—
Trade payables	1,041.9	(1,041.9)	(1,041.9)	—	—	—
Amounts due to related parties	191.6	(191.6)	(191.6)	—	—	—
Accruals and other payables (excluding deferred income)	559.3	(559.3)	(529.4)	(19.3)	(9.3)	(1.3)
Lease obligations	312.3	(377.7)	(86.4)	(62.7)	(90.8)	(137.8)
Derivative financial liabilities						
Commodity contracts	13.0	(13.0)	(13.0)	—	—	—
	7,829.4	**(8,389.9)**	**(4,879.8)**	**(282.6)**	**(711.3)**	**(2,516.2)**

25(e) Market risk

Financial risk management

Market risk reflects the possibility that changes in market prices, such as foreign exchange rates, interest rates, crude oil, key feedstocks and raw materials will adversely affect the value of the Group's assets, liabilities or expected future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Market risk—Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Sterling, Norwegian Krone and Swedish Krona. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

A substantial portion of the Group's revenue is generated in, or linked to, Sterling, US dollars and the Euro. Product prices, certain feedstock costs and most other operating costs are denominated in US Dollar, Sterling, Euro, Norwegian Krone and Swedish Krona. In the US petrochemical and specialty chemicals businesses, product prices, raw materials costs and most other costs are primarily denominated in US Dollars.

The group applies hedge accounting to foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation. When the settlement of a monetary item receivable from or payable to a foreign operations is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary items is considered to form part of a net investment in a foreign operation and changes to the fair value are recognised directly within equity.

The Group generally does not enter into foreign currency exchange instruments to hedge foreign currency transaction exposure, although the Group may do so in the future.

25 FINANCIAL INSTRUMENTS (continued)

The Group benefits from natural hedging, to the extent that currencies in which net cash flows are generated from the Group's operations, are matched against long-term indebtedness.

The foreign currency exposure where the Group's financial assets / (liabilities) are not denominated in the functional currency of the operating unit involved is shown below. Foreign exchange differences on retranslation of these assets and liabilities are taken to the income statement of the Group.

	2021	2020
	€m	
Euros	154.9	9.7
Pounds Sterling	20.6	5.8
US Dollars	33.6	97.3
Norwegian Krone	18.8	4.4
Others	(76.6)	(27.5)
	151.3	**89.7**

Sensitivity analysis

A 10% per cent weakening of the following currencies at 31 December 2020 and 31 December 2021 would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the comparative year.

	2021	2020	2021	2020
	Equity		Profit or loss	
			€m	
Euros	—	—	(14.1)	16.1
Pounds Sterling	—	—	(1.8)	4.4
Norwegian Krone	—	—	(1.7)	(0.3)
US Dollars	—	—	(3.1)	(8.8)
Other	—	—	6.7	2.6

A 10% per cent strengthening of the above currencies against the Euro at 31 December 2020 and 31 December 2021 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Market risk—Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2021	2020
	€m	
Fixed rate instruments		
Financial liabilities	(2,659.1)	(945.9)
	(2,659.1)	**(945.9)**
Variable rate instruments		
Financial assets	1,291.3	805.6
Financial liabilities	(4,210.4)	(5,077.7)
	(2,919.1)	**(4,272.1)**

25 FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis

A change of 1% in interest rates at the reporting date would have increased equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates and financial instrument at fair value through profit or loss. The analysis is performed on the same basis for 2021 and 2020.

	2021	2020
	€m	
Profit or (loss)		
Increase in interest rates by 1%	(29.2)	(42.7)

A 1% change in the opposite direction of the above interest rates at 31 December 2020 and 31 December 2021 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(iii) Market risk—Commodity price risk

This section discusses the Group's exposure to the commodity contracts which are not covered under the own use exemption and are recognised as derivative instruments.

The Group is exposed to commodity price risk through fluctuations in raw material prices and sales of products. The raw material exposures result primarily from the price of feedstocks, electricity and base chemicals linked to the price of crude. The sales price exposures are primarily related to petrochemicals where prices are in general linked to the market price of crude oil.

The Group enters into contracts to supply or acquire physical volumes of commodities at future dates during the normal course of business that may be considered derivative contracts. Where such contracts exist and are in respect of the normal purchase or sale of products to fulfil the Group's requirements, the own use exemption from derivative accounting is applied.

The Group in some circumstances enters into swap contracts to acquire physical volumes of commodities at future dates which are not covered under the own use exemption and are recognised as derivative instruments. Derivative commodity contracts designated as fair value through profit or loss are disclosed in notes 13 and 22.

The Group operates within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

25(f) Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group defines its capital employed of €8,587.3 million (2020: €7,645.3 million) as equity attributable to the owners of the Company of €3,238.4 million (2020: €2,671.9 million) and net debt (total gross loans and borrowings less cash and cash equivalents) of €5,348.9 million (2020: €4,973.4 million).

The principal sources of debt available to the Group at 31 December 2021 are described in note 17 along with the key operating and financial covenants that apply to these facilities.

25 FINANCIAL INSTRUMENTS (continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt or sell assets to reduce debt. The ability of the Group to pay dividends and provide appropriate facilities to the Group is restricted by the terms of principal financing agreements to which members of the Group are party.

26 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2021	2020
	€m	
Increase in cash and cash equivalents in the year	438.4	531.4
Cash outflow from change in debt financing	(647.1)	(3,927.2)
Change in net debt resulting from cash flow	(208.7)	(3,395.8)
Acquisitions	—	(1,119.9)
Other net non-cash transactions	(166.8)	68.9
Movement in net debt in the year	**(375.5)**	**(4,446.8)**

	1 January 2021	Cash flow	Foreign exchange and other non-cash changes	31 December 2021
			€m	
Cash at bank and in hand	805.6	438.4	47.3	1,291.3
Debt due within one year	(2,930.4)	2,925.6	(145.7)	(150.5)
Debt due after more than one year	(2,848.6)	(3,572.7)	(68.4)	(6,489.7)
Total external borrowings	(5,779.0)	(647.1)	(214.1)	(6,640.2)
Net debt before issue costs	**(4,973.4)**	**(208.7)**	**(166.8)**	**(5,348.9)**

	1 January 2020	Cash flow	Acquisitions*	Foreign exchange and other non-cash changes	31 December 2020
			€m		
Cash at bank and in hand	289.7	531.4	—	(15.5)	805.6
Debt due within one year	(14.8)	(2,971.0)	(8.7)	64.1	(2,930.4)
Debt due after more than one year	(801.5)	(956.2)	(1,111.2)	20.3	(2,848.6)
Total external borrowings	(816.3)	(3,927.2)	(1,119.9)	84.4	(5,779.0)
Net debt before issue costs	**(526.6)**	**(3,395.8)**	**(1,119.9)**	**68.9**	**(4,973.4)**

* Excludes cash

Following the application of IFRS 16 *Leases* on 1 January 2019, all lease liabilities have been excluded from the definition of net debt.

27 CAPITAL COMMITMENTS

Outstanding capital expenditure on property, plant and equipment authorised by the directors of Group companies and for which contracts had been placed as at 31 December 2021 by the Group amounted to approximately €575.5 million (2020: €166.3 million).

28 CONTINGENCIES

The Group companies are and may from time to time be involved in proceedings or litigation arising in the ordinary course of business. Management does not believe that the ultimate resolution of these matters will materially affect the Group's financial condition or results of operations.

29 RELATED PARTIES

Related parties comprise:

- Parent entities and their subsidiaries not included within the INEOS Quattro Holdings Limited group
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Quattro Holdings Limited
- Key management personnel
- Jointly controlled entities and associated undertakings held by INEOS Limited (and their subsidiaries)
- Jointly controlled entities and associated undertakings held within the INEOS Quattro Holdings Limited group.

Mr J A Ratcliffe, Mr A C Currie and Mr J Reece are shareholders in INEOS Limited.

Parent entities and their subsidiaries not included within the INEOS Quattro Holdings group

Material trading and non-trading transactions by the Group with the entities controlled by INEOS Limited are as follows:

	2021		2020	
	Transaction value—income/(expense)	Balance outstanding	Transaction value—income/(expense)	Balance outstanding
	€m			
Sale of products	323.6	—	53.6	—
Purchase of raw materials	(1,229.3)	—	(235.2)	—
Cost recoveries	89.3	—	7.0	—
Services received	(139.7)	—	(41.8)	—
Net interest	(1.7)	—	—	—
Trade and other receivables	—	62.1	—	59.5
Trade and other payables	—	(264.4)	—	(131.8)
Interest-bearing loans and borrowings	—	(39.8)	—	(38.0)

Included within services above is a management fee paid to INEOS Limited of €55.3 million (2020: €11.3 million). No amounts remained outstanding as at 31 December 2021 (2020: €nil).

In general, all outstanding balances with INEOS companies are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date, with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to these entities as at 31 December 2021 (2020: €nil).

The interest bearing loan is an unsecured loan due to INEOS Enterprises Holdings Limited. The loan bears interest at a rate of 4.5%. There is no formal repayment date under the loan agreement.

Entities controlled by the shareholders of INEOS Limited

The shareholders of INEOS Limited own a controlling interest in the share capital of INEOS Limited and Screencondor Limited. During the year ended 31 December 2021, the Group made no sales or purchases with these companies (2020: €nil). As at 31 December 2021, amounts owed by Screencondor Limited were €1.2 million (2020: €1.2 million).

29 RELATED PARTIES (continued)

Jointly controlled entities and associated undertakings held within the INEOS Limited group and jointly controlled entities and associated undertakings held within the INEOS Quattro Holdings Limited group.

Material trading and non-trading transactions with these entities during the period were as follows:

	2021		2020	
	Transaction value—income/(expense)	Balance outstanding	Transaction value—income/(expense)	Balance outstanding
	€m			
Sale of products	79.8	—	—	—
Purchase of raw materials	(570.5)	—	—	—
Cost recoveries	191.5	—	—	—
Services received	—	—	—	—
Net interest	2.0	—	—	—
Trade and other receivables	—	46.7	—	20.3
Loans receivable	—	14.4	—	17.9
Trade and other payables	—	(164.4)	—	(59.8)

In general, all outstanding balances with these related parties are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to these entities as at 31 December 2021 (2020: €nil).

Transactions with key management personnel

The Group define key management as the Directors of the Company. Details of Directors' remuneration are given in note 7.

30 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company of the Company is INEOS Industries Holdings Limited.

The ultimate parent undertaking of the Company is INEOS Limited, a company incorporated in the Isle of Man. The directors regard Mr J A Ratcliffe as the ultimate controlling party by virtue of his majority shareholding in INEOS Limited.

The smallest and largest group in which the results of the Company are consolidated is that headed by INEOS Industries Limited. Copies of the financial statements can be obtained from the company secretary at the registered office, INEOS Industries Limited, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

31 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group prepares its consolidated financial statements in accordance with adopted IFRSs, which require management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods.

Critical judgements in applying the Group's accounting policies

No areas are considered to involve a significant degree of judgement.

31 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value measurement on business combination

The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets and liabilities acquired. The determination of the fair value of the acquired assets and liabilities is to a considerable extent based upon management's judgement, and estimates and assumptions made.

Allocation of the purchase price affects the results of the Group as intangible assets are amortised over their estimated useful lives, whereas goodwill, is not amortised. This could lead to differing amortisation charges based on the allocation to indefinite and finite lived intangible assets.

On acquisition of a business, the identifiable intangible assets may include customer contracts, customer relationships and preferential supply contracts. The fair value of these assets is determined by discounting estimated future net cash flows generated by the asset. The use of different estimates and assumptions for the expectations of future cash flows and the discount rate would change the valuation of these intangible assets.

The carrying amount of intangibles is disclosed in note 11.

Post-retirement benefits

The Group operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- Future rate of increase in salaries;
- Inflation rate projections;
- Discount rate for scheme liabilities;
- Expected rates of return on the scheme assets;
- Mortality levels.

Details of post-retirement benefits are set out in note 20.

Provisions

Provisions are recognised for the cost of remediation works where there is a legal or constructive obligation for such work to be carried out. Where the estimated obligation arises upon initial recognition of the related asset, the corresponding debit is treated as part of the cost of the related asset and depreciated over its estimated useful life.

Other provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change.

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes

31 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

The nature and amount of provisions as well as the key assumptions are included within the financial statements are detailed in note 21. The discount rate applied to reflect the time value of money in the carrying amount of provisions requires estimation. The discount rate applied is reviewed regularly and adjusted following changes in market rates. If the estimated discount rate, one of the key assumptions in determining the environmental provisions, used in the calculation had been 1% higher than management's estimate, the carrying amount of the environmental provisions would have been €5.4 million lower.

Impairment tests for goodwill and other non-financial assets

Goodwill impairment testing is performed annually or of there is an indication of impairment. Goodwill impairment tests are based on cash generating units and compare the recoverable amount of the unit with the respective carrying amount. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs of disposal and its value in use. The value in use is determined using a discounted cash flow method, considering earnings forecast of the unit. The management of the Group identified the operating segments as cash generating units ("CGUs") for the purposes of testing goodwill for impairment. Each unit or group of units to which goodwill is allocated to shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. The goodwill is internally monitored at the level of business units.

Intangible assets other than goodwill assets and property, plant and equipment are generally valued at cost less amortisation. Impairment losses on intangible assets and property, plant and equipment are recognised when the recoverable amount of the cash generating unit which includes the asset is lower than the respective carrying amount. In accordance with the definition of a cash generating unit under IAS 36, the individual production plants generally do not represent separate cash generating units, but are part of larger asset groups that form the cash generating units.

Since assessment whether goodwill or a non-financial asset is impaired is based on long-term business plans for the cash generating units and the determination of an appropriate discount rate, management uses significant estimates and assumptions in making these assessments. Details on the estimates used for the goodwill impairment test are disclosed in note 11.

Determination of the lease term of contracts with renewal options

The Group determines the lease terms as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew.

32 SUBSEQUENT EVENTS

The Group does not have operations in Belarus, Russia or Ukraine. During 2021 revenue generated in these countries was not material to the Group. The Group is not currently experiencing any material disruption to its operations and does not foresee any direct impact as a result of the conflict, but will continue to monitor the evolving situation closely. The conflict has led to a significant increase in energy prices; however the Group is currently attempting to manage these increases by passing them onto customers through higher prices. Therefore the Group is not expecting any material indirect impact on its operations or performance as a result of the conflict, but is monitoring this closely.

On 21 January 2022, INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd. entered into a new term loan agreement with Bank of China and ICBC to provide a RMB 3,300.0 million financing for the

32 SUBSEQUENT EVENTS (continued)

construction of the new 600 kilo tonne ABS plant in Ningbo, China. The term loan facility matures in 2032 and bears interest at a rate equal to the China Loan Prime Rate minus a rate of 0.65% per annum.

On 22 April 2022, the Group sold 13.8% of its shareholding in INEOS Styrolution India Ltd for consideration of approximately $23.0 million. The Group's shareholding reduced from 75.0% to 61.2% as a result with control being retained.

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INEOS Quattro Finance 2 Plc

€525,000,000 8½% Senior Secured Notes due 2029
$400,000,000 9⅝% Senior Secured Notes due 2029

OFFERING MEMORANDUM

Joint Bookrunners

BNP PARIBAS	**Citigroup**	**Goldman Sachs Bank Europe SE**	**HSBC**	**ING**	**J.P. Morgan**
		(*Joint Global Coordinator*) (*Dollar Notes Sole Physical Bookrunner*) (*Euro Notes Joint Physical Bookrunner*)	(*Euro Notes Joint Physical Bookrunner*)	(*Euro Notes Joint Physical Bookrunner*)	*(Joint Global Coordinator)*

China Construction Bank	**COMMERZBANK**	**Crédit Agricole CIB**	**First Abu Dhabi Bank**	**ICBC**	**KBC Bank**	**Mizuho**

November 22, 2023