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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2002

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 333-85141

HUNTSMAN INTERNATIONAL LLC

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

87-0630358
(I.R.S. Employer
Identification No.)

500 Huntsman Way
Salt Lake City, Utah 84108
(801) 584-5700

(Address of principal executive offices and telephone number)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **None**

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K of any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). YES NO

On June 28, 2002, the last business day of Registrant's second fiscal quarter, 1,000 units of membership interest of Registrant were outstanding. There is no established trading market for Registrant's units of membership interest. All of Registrant's units of membership interest are held by an affiliate. Accordingly, the market value of units of membership interest held by non-affiliates is zero.

2002 FORM 10-K ANNUAL REPORT

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HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES 2002 FORM 10-K ANNUAL REPORT

Some of the statements contained in this report are forward-looking in nature. In some cases, you can identify forward-looking statements by terminology such as "believes," "expects," "may," "will," "should," "anticipates" or "intends" or the negative of such terms or other comparable terminology, or by discussions of strategy. You are cautioned that our business and operations are subject to a variety of risks and uncertainties, and, consequently, our actual results may materially differ from those projected by any forward-looking statements. Some of those risks and uncertainties are discussed below in "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Cautionary Statement for Forward-Looking Information" and elsewhere in this report. We make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances after the date any such statement is made.

Market data used throughout this report was obtained from internal Company surveys and industry surveys and publications. These industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable. Results of internal Company surveys contained in this report, while believed to be reliable, have not been verified by any independent outside sources. References in this report to our market position and to industry trends are based on information supplied by Nexant Chem Systems, an international consulting and research firm, and International Business Management Associates, an industry research and consulting firm. We have not independently verified such market data.

PART I

ITEM 1. BUSINESS

General

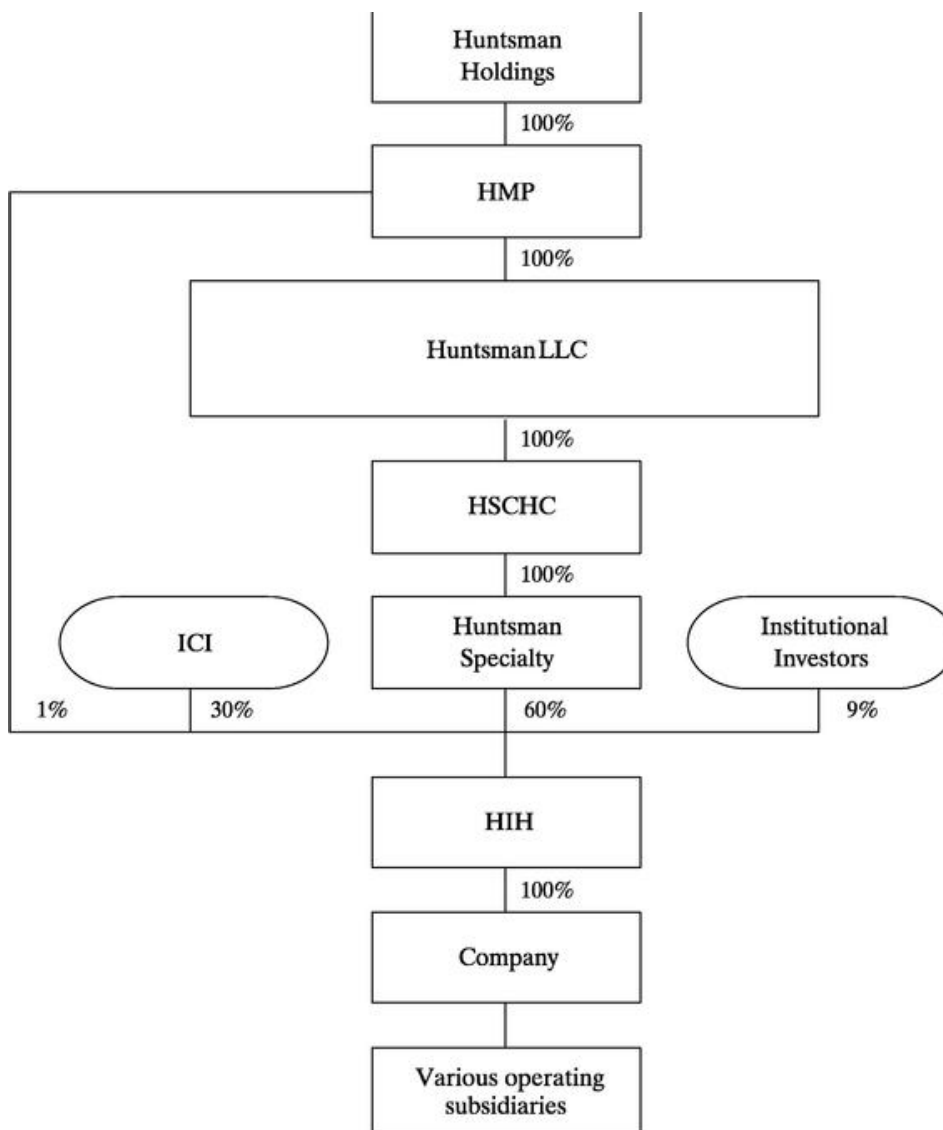
Our company, Huntsman International LLC, formerly known as Huntsman ICI Chemicals LLC, is a Delaware limited liability company. For convenience in this report, the terms "Company," "our," "us" or "we" may be used to refer to Huntsman International LLC and, where the context requires, its subsidiaries. Unless the context otherwise requires, references to our affiliate, Huntsman LLC (formerly named Huntsman Corporation), include its subsidiaries.

All of our membership interests are owned by Huntsman International Holdings LLC, formerly known as Huntsman ICI Holdings LLC ("HIH"). HIH is a Delaware limited liability company and its membership interests are owned 60% by Huntsman Specialty Chemicals Corporation ("Huntsman Specialty"), 30% by Imperial Chemicals Industries PLC ("ICI") and its affiliates, approximately 9% by institutional investors and approximately 1% by HMP Equity Holdings Corporation ("HMP").

Huntsman Specialty, a Delaware corporation, is owned 100% by Huntsman Specialty Chemicals Holdings Corporation, a Utah corporation ("HSCHC"), and HSCHC is owned 100% by Huntsman LLC. Huntsman LLC, a Utah limited liability company, is owned 100% by HMP. HMP is a Delaware corporation and is owned 100% by Huntsman Holdings, LLC ("Huntsman Holdings"), a Delaware

limited liability company. The voting membership interests of Huntsman Holdings are owned by the Huntsman family, MatlinPatterson Global Opportunities Partners, L.P. (formerly known as CSFB Global Opportunities Partners, L.P.) ("GOP"), Consolidated Press (Finance) Limited ("CPH") and certain members of our senior management. In addition, Huntsman Holdings has issued certain non-voting preferred units to Huntsman Holdings Preferred Member LLC, which, in turn, is owned by GOP (indirectly), CPH, the Huntsman Cancer Foundation, certain members of our senior management and certain members of the Huntsman family. The Huntsman family has board and operational control

of our Company. The chart below shows our current company structure, together with equity interest ownership:



Our Company was formed in 1999 in connection with a transaction between HIH, Huntsman Specialty and ICI. In that transaction, on June 30, 1999, HIH acquired ICI's polyurethane chemicals, selected petrochemicals and titanium dioxide ("TiO₂" or "Tioxide") businesses and Huntsman Specialty's propylene oxide ("PO") business. HIH also acquired the 20% ownership interest of BP Chemicals Limited ("BP Chemicals") in an olefins facility in Wilton, U.K. and certain related assets. HIH then transferred the acquired businesses to us and to our subsidiaries. In August 2000, we completed our acquisition of the Morton global TPU business from The Rohm and Haas Company; in February 2001, we completed our acquisition of the global ethylenamines business of Dow Chemical Company ("Dow"); and, in April 2001, we completed our acquisition of the Albright & Wilson European surfactants business from Rhodia S.A.

We derive our revenues, earnings and cash flow from the sale of a wide variety of chemical products. We manufacture these products at facilities located in North America, Europe, Asia and Africa, and our products are sold throughout the world.

Our products are divided into two broad categories—differentiated and commodity chemicals. We manage our operations through our four principal operating segments: Polyurethanes, Performance Products, Pigments, and Base Chemicals. Our Polyurethanes and

Performance Products businesses mainly produce differentiated products and our Pigments and Base Chemicals businesses mainly produce commodity chemicals. Among our commodity products, our Pigments business, while cyclical, tends to follow different trends and is not influenced by the same factors as our petrochemical-based commodity products. In addition, there are a limited number of significant competitors in our Pigments business, relatively high barriers to entry and strong customer loyalty. Each of our four operating segments is impacted to varying degrees by economic conditions, prices of raw materials and global supply and demand pressures.

Historically, the demand for many of the products we produce in our Polyurethanes and Performance Products segments, which accounted for approximately 59% of our revenues for 2002, has been relatively resistant to changes in global economic conditions as industry growth in product demand has been strongly influenced by continuing product substitution, innovation and new product development. The stability of demand has also benefited from the wide variety of end markets for these products. Sales volumes of our leading polyurethane product, MDI, have historically grown at rates in excess of global GDP growth. The global market for PO, also one of our polyurethane products, is influenced by supply and demand imbalances. PO demand is largely driven by growth in the polyurethane industry, and, as a result, growth rates for PO have generally exceeded GDP growth rates. A significant portion of our Performance Products is sold into consumer end use applications, including household detergents, personal care products and cosmetics. As such, demand for these products has been relatively stable and tends to be less susceptible to changes in global economic conditions.

Historically, growth in demand for pigments products, predominately TiO₂, has generally moved in line with GDP growth rates. Pigment prices have historically reflected industry-wide operating rates but have typically lagged behind movements in these rates by up to twelve months due to the effects of product stocking and destocking by customers and suppliers, contract arrangements and cyclicity. The industry experiences some seasonality in its sales because sales of paints in Europe and North America, the largest end use for TiO₂, are generally highest in the spring and summer months in those regions. This results in greater sales volumes in the first half of the year because the proportion of our TiO₂ products sold in Europe and North America is greater than that sold in Asia and the rest of the world.

Many of the markets for our Base Chemicals products, particularly ethylene, propylene, paraxylene and cyclohexane, are cyclical and sensitive to changes in the balance between supply and demand, the price of raw materials and the level of general economic activity. Historically, these markets have experienced alternating periods of tight supply and rising prices and profit margins, followed by periods of capacity additions resulting in over-capacity and falling prices and profit margins. Demand for the majority of our Base Chemicals has generally grown at rates that are approximately equal to or slightly greater than GDP growth. Market conditions during much of the 2000 through 2002 period were characterized by a general weakening in demand and overcapacity. We believe that weak economic conditions have resulted in a contraction in production capacity. If this contraction in industry capacity is sustained and if demand growth returns to the rates which have been achieved historically, we believe that industry profitability will improve.

Recent Events

Amendment of HI Credit Facilities

On February 7, 2003, we amended our senior secured credit facilities (the "HI Credit Facilities"). The amendments to the HI Credit Facilities (the "HI Credit Facilities Amendments") resulted in, among other things, the following:

- changes to certain financial covenants, including the "Interest Coverage Ratio" and "Leverage Ratio" covenants, through the second quarter of 2004;
- changes in the "Consolidated Net Worth" covenant to exclude the impact of Statement of Financial Accounting Standards ("SFAS") No. 87, "Employers' Accounting for Pensions," on our other comprehensive income;
- an increase, from \$280 million to \$310 million, to the level of permitted proceeds from our accounts receivable securitization program before triggering a mandatory prepayment of our bank debt; and
- an increase in the applicable borrowing margin by 0.25%.

A copy of the HI Credit Facilities Amendments has been filed as an exhibit to this report.

Expansion of Accounts Receivable Securitization Program

We maintain a securitization program arranged by JP Morgan under which certain trade receivables are transferred to an unconsolidated special purpose entity through December 2005. On October 22, 2002, we expanded our securitization program by including the receivables of several additional subsidiaries. The commitment pertaining to the commercial paper portion of the facility was increased from \$100 million to \$125 million. As noted above, the HI Credit Facilities Amendments, among other things, allow up to \$310 million of securitization proceeds without any mandatory prepayment requirement of our bank debt. Subject to the annual seasonality of our accounts receivable, we estimate that the total net proceeds from this program will approach \$310 million in the upcoming calendar year. For more information see "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Securitization of Accounts Receivable."

Pledge of the Membership Interests of our Parent Company

On November 2, 2000, ICI, Huntsman Specialty, HIH and our Company entered into agreements (the "ICI Agreements") pursuant to which ICI had an option to transfer to Huntsman Specialty or its permitted designated buyers the 30% membership interest in HIH, our

parent Company, that is indirectly held by ICI (the "ICI 30% Interest"). Pursuant to these agreements, on October 30, 2001, ICI exercised its put right requiring Huntsman Specialty or its nominee to purchase the ICI 30% Interest. On December 20, 2001, ICI and Huntsman Specialty amended ICI's put option arrangement under the ICI Agreements to, among other things, provide that the purchase of the ICI 30% Interest would occur on July 1, 2003, or earlier under certain circumstances, and to provide for certain discounts to the purchase price for the ICI 30% Interest. The amended option agreement also requires Huntsman Specialty to cause HIH to pay up to \$112 million of dividends to its members, subject to certain conditions. These conditions include the receipt of consent from our senior secured lenders and our ability to make restricted payments under the indentures governing our outstanding senior notes and senior subordinated notes (collectively, the "HI Notes"), as well as the outstanding high yield notes of HIH (the "HIH Notes"). At December 31, 2002, the terms of the indentures governing the HIH Notes do not permit HIH to make restricted payments. In addition, in order to secure its obligation to pay the purchase price for the ICI 30% Interest under the ICI Agreements, Huntsman Specialty

granted ICI a lien on 30% of the outstanding membership interests in HIH (the "HIH Pledged Interest").

GOP has also entered into an agreement with ICI (the "Option Agreement"). The Option Agreement provided BNAC, Inc. ("BNAC"), then a GOP subsidiary, with an option to acquire the ICI subsidiary that holds the ICI 30% Interest on or before May 15, 2003 upon the payment of \$180 million plus accrued interest from May 15, 2002, and subject to completion of the purchase of the B Notes (as discussed below). Concurrently, BNAC paid ICI \$160 million to acquire the senior subordinated reset discount notes due 2009 of HIH that were originally issued to ICI (the "B Notes"), subject to certain conditions, including the obligation to make an additional payment of \$100 million plus accrued interest to ICI. The B Notes have been pledged to ICI as collateral security for such additional payment.

In connection with the restructuring of Huntsman LLC described below, all the shares in BNAC were contributed to Huntsman Holdings. Huntsman Holdings caused BNAC to be merged into HMP. HMP is a wholly-owned subsidiary of Huntsman Holdings and it now owns all the equity of Huntsman LLC. As a result of its merger with BNAC, HMP holds the interests formerly held by BNAC in the B Notes and the option to acquire the subsidiary of ICI that holds the ICI 30% Interest.

The Option Agreement does not terminate Huntsman Specialty's obligations to ICI under the ICI Agreements. However, if HMP exercises the option, the ICI Agreements would be effectively terminated. If HMP does not exercise the option, Huntsman Specialty would continue to be obligated to ICI under the ICI Agreements. Accordingly, if neither HMP exercises its option nor Huntsman Specialty otherwise satisfies its obligation to ICI with respect to ICI's put right, ICI could foreclose on the HIH Pledged Interest. Such a foreclosure by ICI could result in a "change of control" under the indentures governing the HI Notes and the HIH Notes and under the HI Credit Facilities. A "change of control" would constitute a default under the HI Credit Facilities. It would also entitle both the holders of the HI Notes and the holders of the HIH Notes to exercise their rights to require the respective company to repurchase these notes from them. Under such circumstances there can be no assurance that our Company or HIH would have sufficient funds to purchase all the notes. If HMP does not pay the additional \$100 million purchase price in respect of the B Notes, ICI would have the right to foreclose on the pledge of the B Notes in its favor. While there can be no assurance that HMP will be successful in obtaining the necessary funding to complete the transactions contemplated by the Option Agreement, HMP is currently in discussions with financial institutions concerning such funding and believes it will obtain the necessary funding to complete the contemplated transactions.

If, and to the extent, the Option Agreement transactions are completed, ICI's lien on the HIH Pledged Interest would be released and, pursuant to agreements with Huntsman LLC's bank lenders, the HIH Pledged Interest would then be pledged to Huntsman LLC's bank lenders as additional collateral security for borrowings under its bank credit agreements.

Restructuring of Huntsman LLC

On September 30, 2002, Huntsman LLC and its subsidiary, Huntsman Polymers Corporation, completed debt for equity exchanges. Huntsman LLC obtained the required consent of all its bank lenders to complete this restructuring. Huntsman LLC's restructuring involved a series of transactions that resulted in, among other things, the ownership structure described in "—General" above.

Acquisition of HIH Membership Interests

In November 2002, HMP acquired a 1.1% membership interest in HIH which had been previously held by an institutional equity investor. HMP, directly and indirectly, holds approximately 61% of HIH's membership interests.

Chinese MDI Joint Venture

In January 2003, we entered into a joint venture agreement to build an MDI manufacturing plant near Shanghai, China with BASF and three Chinese chemical companies. A feasibility study for the project has been approved by the appropriate Chinese authorities, preliminary engineering work has commenced and a business license was issued on March 7, 2003.

The total project cost is anticipated to be approximately \$1.1 billion, with one-third to be funded in the form of equity by the joint venture participants and two-thirds in the form of debt. Our share of the equity investment is expected to be approximately \$75 million, of which 15% is due within the first half of 2003. The joint venture sponsors are in the process of arranging for the debt portion of the financing, which is expected to be provided by Chinese banks. Most of the debt will be off balance sheet to us and all the debt will be non-

recourse to us. Our investment will be made through an unrestricted subsidiary under our HI Credit Facilities and under the indentures governing the HI Notes. A construction completion guaranty of our pro rata share of the debt is anticipated to be provided by our ultimate parent, Huntsman Holdings. Construction will likely require approximately three years, with completion estimated in 2006.

Continued Cost Reduction Initiatives

On March 11, 2003 we announced that, in our Polyurethanes segment, we are integrating our Global Flexible Products division into our Global Derivatives division. This realignment is part of a continuous drive by our Polyurethanes segment to achieve a lowest cost position, as well to address difficult global economic conditions and increased market pressures. In total, approximately 90 positions will be eliminated.

Possible Transaction Involving Vantico Group, S.A.

GOP holds certain debt securities of Vantico Group, S.A. or its affiliated companies ("Vantico"), and is engaged in discussions with Vantico about the restructuring of indebtedness of Vantico. This restructuring may include an exchange of some or all of the Vantico debt securities held by GOP for equity securities. GOP is also in discussions with Huntsman Holdings about the possible contribution of such securities to Huntsman Holdings or one of its subsidiaries, bringing Vantico within the Huntsman Holdings organization. If Vantico becomes part of the Huntsman Holdings organization, it is likely that there would be contractual arrangements between the Company and Vantico relating to management, technology and commercial arrangements. It is not expected, however, that the securities of Vantico would be contributed to the Company, nor would the Company contribute any capital or provide any credit support to Vantico.

Operating Segments

Operating segments are components of our business for which separate financial information is available that is evaluated regularly by our senior management in deciding how to allocate resources and in assessing performance. Prior to 2002, we had three operating segments classified by product types: Specialty Chemicals, Petrochemicals and Tioxide. During the first quarter 2002, we reorganized our operations under four new operating segments classified by product types: Polyurethanes (our polyurethanes and PO business); Base Chemicals (our olefins and aromatics business in the U.K.); Pigments (our TiO₂ business); and Performance Products (our surfactants, ethyleneamines and other performance chemicals business). The most significant change was the split of the former Specialty Chemicals segment into two segments: Polyurethanes and Performance Products. The former Tioxide segment was renamed Pigments, and the former Petrochemicals segment was renamed Base Chemicals.

Each of these operating segments has a separate president and operating management. Segment information in this report with respect to 2001 and 2000 has been restated for comparative purposes.

For more information on our operating segments and geographic information, see the following and "Note 21—Industry Segment and Geographic Area Information" to our consolidated financial statements included elsewhere in this report.

Polyurethanes

Polyurethanes—General

Our polyurethanes business is composed of:

- the polyurethanes business that we acquired from ICI;
- the PO business that we acquired from Huntsman Specialty; and
- the TPU business that we acquired from Rohm and Haas;

Polyurethanes. We market a complete line of polyurethane chemicals, including MDI, TDI, TPU, polyols, polyurethane systems and aniline, with an emphasis on MDI-based chemicals. Our customers produce polyurethane products through the combination of an isocyanate, such as MDI or TDI, with polyols, which are derived largely from PO and ethylene oxide. Primary polyurethane end-uses include automotive interiors, refrigeration and appliance insulation, construction products, footwear, furniture cushioning, adhesives and other specialized engineering applications.

According to Nexant Chem Systems, we own the world's two largest MDI production facilities in terms of capacity, located in Rozenburg, Netherlands and Geismar, Louisiana. These facilities receive raw materials from aniline facilities located in Wilton, U.K. and Geismar, Louisiana, which in terms of production capacity are the world's two largest aniline facilities.

PO. We are a leading producer of PO. Our customers process PO into derivative products such as polyols for polyurethane products, propylene glycol ("PG") and various other chemical products. End uses for these derivative products include applications in the home furnishings, construction, appliance, packaging, automotive and transportation, food, paints and coatings and cleaning products industries. We are also, according to Nexant Chem Systems, a leading U.S. marketer of PG, which is used primarily to produce unsaturated polyester resins for bath and shower enclosures and boat hulls, and to produce heat transfer fluids and solvents. As a co-product of our PO manufacturing process, we also produce methyl tertiary butyl ether ("MTBE"). MTBE is an oxygenate that is blended with gasoline to reduce harmful vehicle emissions and to enhance the octane rating of gasoline. See "—MTBE Developments" below for a further

discussion of MTBE.

We manufacture PO and MTBE at our facility in Port Neches, Texas. The current capacity of our PO facility is approximately 525 million pounds of PO per year. We produce PG under a tolling arrangement with Huntsman LLC which has the capacity to produce approximately 130 million pounds of PG per year at a neighboring facility.

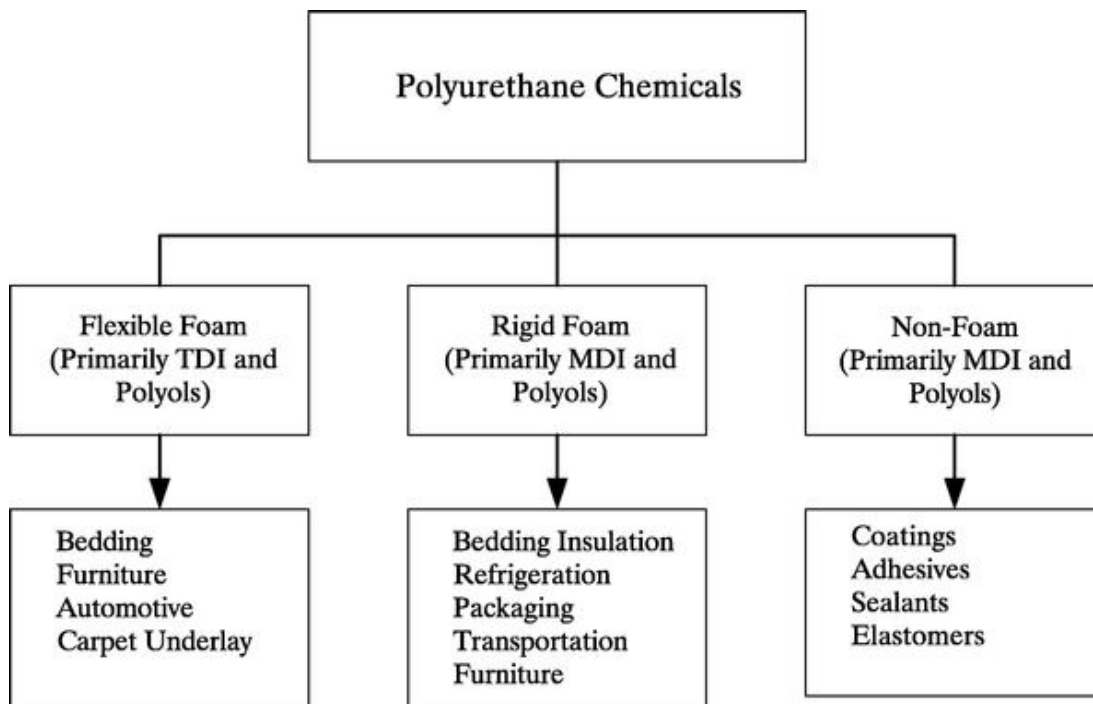
TPU. In August 2000, we completed our acquisition of the Morton global TPU business from The Rohm and Haas Company. The acquired TPU business adds production capacity in Osnabruck, Germany and Ringwood, Illinois, which complements our existing footwear-based TPU business.

Our Polyurethanes business accounted for 46%, 45% and 46% of our net sales in 2002, 2001 and 2000, respectively.

Polyurethanes—Industry Overview

The polyurethanes industry is estimated to be a \$28 billion global market, consisting primarily of the manufacture and marketing of MDI, TDI and polyols, according to Nexant Chem Systems.

MDI is used primarily in rigid foam; conversely, TDI is used primarily in flexible foam applications that are generally sold as commodities. Polyols, including polyether and polyester polyols, are used in conjunction with MDI and TDI in rigid foam, flexible foam and other non-foam applications. TPU is used in flexible elastomers and other specialty non-foam applications. PO, one of the principal raw materials for polyurethane chemicals, is primarily used in consumer durables. The following chart illustrates the range of product types and end uses for polyurethane chemicals.



Polyurethane products are created through the reaction of MDI or TDI with a polyol. Polyurethane chemicals are sold to customers who react the chemicals to produce polyurethane products. Depending on their needs, customers will use either commodity polyurethane chemicals produced for mass sales or specialty polyurethane chemicals tailored for their specific requirements. By varying the blend, additives and specifications of the polyurethane chemicals, manufacturers are able to produce and develop a breadth and variety of polyurethane products. The following table sets forth information regarding the three principal polyurethane chemicals markets:

<u>Primary Products</u>			<u>Polyurethane Chemicals</u>	<u>2002 Global Consumption (in millions of pounds)</u>	<u>Historical Growth (1992-2002)</u>
Benzene	Aniline	MDI		5,950	7.7%
Olefins	PO/EO	Polyether Polyols		9,036	4.5%
Toluene		TDI		3,085	3.9%

Source: Nexant Chem Systems

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MDI. As reflected in the chart above, MDI has a substantially larger market size and a higher growth rate than TDI primarily because MDI can be used to make polyurethanes with a broader range of properties and can therefore be used in a wider range of applications than TDI. Nexant Chem Systems reports that future growth of MDI is expected to be driven by the continued substitution of MDI-based polyurethane for fiberglass and other materials currently used in insulation foam for construction. Other markets, such as binders for reconstituted wood board products, are expected to further contribute to the continued growth of MDI.

According to Nexant Chem Systems, global consumption of MDI grew at a compound annual rate of approximately 7.7% over the past decade. This growth rate is the result of the broad end-uses for MDI and its superior performance characteristics relative to other polymers. The U.S. and European markets consume the largest quantities of MDI. With the recent recovery of the Asian economies, the Asian markets are becoming an increasingly important market for MDI and we believe that demand for MDI in Asia will continue to increase as its less developed economies continue to mature.

There are four major producers of MDI: Bayer, our Company, BASF and Dow. We believe it is unlikely that any new major producers of MDI will emerge due to the substantial requirements for entry, including the limited availability of licenses for MDI technology and the substantial capital commitment that is required to develop both the necessary technology and the infrastructure to manufacture and market MDI.

The price of MDI tends to vary by region and by product type. In the Americas, the margin between MDI prices and raw material costs has remained relatively stable over the last ten years. In Europe, these margins have tended to be higher on average but with slightly greater volatility due to occasional supply and demand imbalances. The volatility in margins has been highest in Asia, primarily due to the region's status as a net importer of MDI. As a result, Asia has excess supply in times of surplus in the Americas and Europe and shortage in times of strong global demand. Historically, oversupply of MDI has been rapidly absorbed due to the high growth rate of MDI consumption.

TDI. The TDI market generally grows at a rate consistent with GDP. The four largest TDI producers supply approximately 60% of global TDI demand, according to Nexant Chem Systems. The consumers of TDI consist primarily of numerous manufacturers of flexible foam blocks sold for use as furniture cushions and mattresses. Flexible foam is typically the first polyurethane market to become established in developing countries, and, as a result, development of TDI demand typically precedes MDI demand.

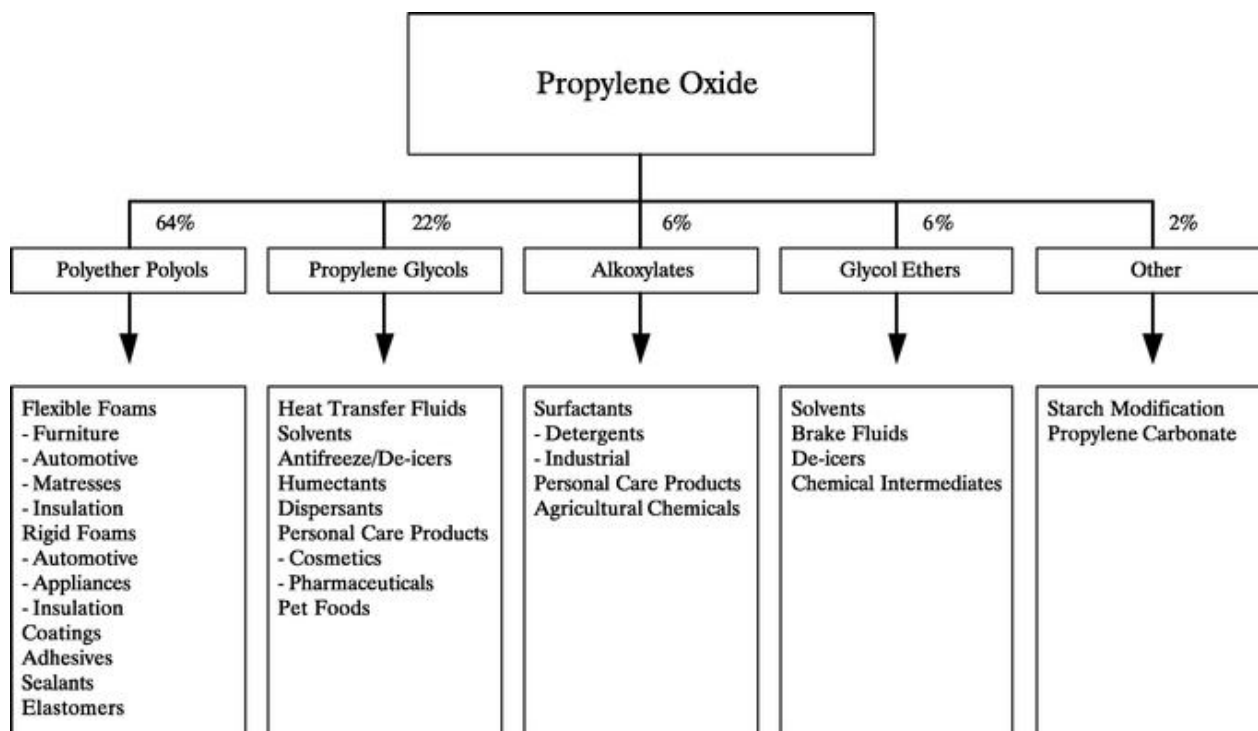
TPU. TPU is a high quality material with unique qualities such as durability, flexibility, strength, abrasion-resistance, shock absorbency and chemical resistance. We can tailor the performance characteristics of TPU to meet the specific requirements of our customers, such as for use in injection molding and components for the automotive and footwear industries. It is also extruded into films and profiles and finds a wide variety of applications in the coatings, adhesives, sealants and elastomers ("CASE") markets.

Polyols. Polyols are reacted with isocyanates, primarily MDI and TDI, to produce finished polyurethane products. In the U.S., approximately 77% of all polyols produced are used in polyurethane applications, according to Nexant Chem Systems. Approximately two-thirds of the polyols used in polyurethane applications are processed with TDI to produce flexible foam blocks and the remaining one-third is processed in various applications that meet the specific needs of individual customers. The creation of a broad spectrum of polyurethane products is made possible through the different combinations of the various polyols with MDI, TDI and other isocyanates. The market for specialty polyols that are reacted with MDI has been growing at approximately the same rate at which MDI consumption has been growing. We believe that the growth of commodity polyols demand has paralleled the growth of global GDP.

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Aniline. Aniline is an intermediate chemical used primarily as a raw material to manufacture MDI. Approximately 80% of all aniline produced is consumed by MDI producers, while the remaining 20% is consumed by synthetic rubber and dye producers. Generally, most aniline produced is either consumed downstream by the producers of the aniline or is sold to third parties under long-term supply contracts. The lack of a significant spot market for aniline means that, in order to remain competitive, MDI manufacturers must either be integrated with an aniline manufacturing facility or have a long-term cost-competitive aniline supply contract.

PO. Demand for PO depends largely on overall economic demand, especially that of consumer durables. Consumption of PO in the U.S. represents approximately one-third of global consumption. According to Nexant Chem Systems, U.S. consumption of PO has grown at approximately a 3.7% compound annual rate over the past twelve years. The following chart illustrates the primary end markets and applications for PO, and their respective percentage of total PO consumption:



Source: Nexant Chem Systems

Two U.S. producers, Lyondell and Dow, account for approximately 90% of North American PO production. We believe that Dow consumes approximately 70% of their North American PO production in their North American downstream operations, and that approximately 50% of Lyondell's North American PO production is consumed internally or sold to Bayer, which acquired Lyondell's polyols business on March 31, 2000.

MTBE. We currently use our entire production of tertiary butyl alcohol ("TBA"), a co-product of our PO production process to produce MTBE. MTBE is an oxygenate that is blended with gasoline to reduce harmful vehicle emissions and to enhance the octane rating of gasoline. Historically, the refining industry utilized tetra ethyl lead as the primary additive to increase the octane rating of gasoline until health concerns resulted in the removal of tetra ethyl lead from gasoline. This led to the increasing use of MTBE as a component in gasoline during the 1980s. U.S. consumption of MTBE grew at a compound annual rate of 15.2% in the 1990s due primarily to the implementation of federal environmental standards that require improved gasoline quality through the use of oxygenates. MTBE

has experienced strong growth due to its ability to satisfy the oxygenation requirement of the Clean Air Act Amendments of 1990 with respect to exhaust emissions of carbon monoxide and hydrocarbon emissions from automobile engines. Some regions of the U.S. have adopted this oxygenate requirement to improve air quality even though they may not be mandated to do so by the Clean Air Act. While this trend has further increased MTBE consumption, the use of MTBE is becoming increasingly controversial and may be substantially curtailed or eliminated in the future by legislation or regulatory action. See, "—MTBE Developments" below.

Polyurethanes—Sales and Marketing

We manage a global sales force at 45 locations with a presence in 33 countries, which sells our polyurethanes to over 2,000 customers in 67 countries. Our sales and technical resources are organized to support major regional markets, as well as key end-use markets which require a more global approach. These key end-use markets include the appliance, automotive, footwear, furniture and CASE industries.

Approximately 50% of our polyurethane chemicals sales are in the form of "systems" in which we provide the total isocyanate and polyol formulation to our customers in a ready-to-use form. Our ability to supply polyurethane systems is a critical factor in our overall strategy to offer comprehensive product solutions to our customers. We have strategically located our polyol blending facilities, commonly referred to in the chemicals industry as "systems houses," close to our customers, enabling us to focus on customer support and technical service. We believe this customer support and technical service system contributes to customer retention and also provides opportunities for identifying further product and service needs of customers. We intend to increase the utilization of our systems houses to produce and market greater volumes of polyols and MDI polyol blends.

We have entered into contractual arrangements with Huntsman LLC under which Huntsman LLC provides us with all of the management, sales, marketing and production personnel required to operate our PO business and our MTBE business. See "Item 7—

Management's Discussion and Analysis of Financial Condition and Results of Operations—Cautionary Statement for Forward-Looking Information" and "Item 13—Certain Relationships and Related Transactions." We believe that the extensive market knowledge and industry experience of the sales executives and technical experts provided to us by Huntsman LLC, in combination with our strong emphasis on customer relationships, have facilitated our ability to establish and maintain long-term customer contracts. Due to the specialized nature of our markets, our sales force must possess technical knowledge of our products and their applications. Our strategy is to continue to increase sales to existing customers and to attract new customers by providing quality products, reliable supply, competitive prices and superior customer service.

Based on current production levels, we have entered into long-term contracts to sell 45% of our PO to a customer through 2007. The balance of our PO is used internally or sold to a number of industrial accounts. Other contracts provide for the sale of our MTBE production to Texaco and BP Amoco. More than 70% of our annual MTBE production is committed to Texaco and BP Amoco, with our contract with Texaco expiring in 2007. In addition, over 40% of our current annual PG production is sold pursuant to long-term contracts.

Polyurethanes—Manufacturing and Operations

Our primary polyurethanes facilities are located at Geismar, Louisiana, Port Neches, Texas, Rozenburg, Netherlands and Wilton, U.K. The following chart provides information regarding the capacities of some of our key facilities:

	MDI	TDI	Polyols	TPU	Aniline	Nitrobenzene	PO	PG	MTBE
	(pounds in millions)								(gallons in millions)
Geismar, Louisiana(1)	860	90	160		890(2)	1,200(2)			
Osnabrück, Germany			20	30					
Port Neches, Texas							525	145	260
Ringwood, Illinois				20					
Rozenburg, Netherlands	660		120						
Wilton, U.K.					660	890			
Total	1,520	90	300	50	1,550	2,080	525	145	260

(1) The Geismar facility is owned as follows: we own 100% of the MDI, TDI and polyol facilities, and Rubicon, Inc., a manufacturing joint venture with Crompton Corp. in which we own a 50% interest, owns the aniline and nitrobenzene facilities. Rubicon is a separate legal entity that operates both the assets that we own jointly with Crompton Corp. and our wholly-owned assets at Geismar.

(2) We have the right to approximately 80% of this capacity under the Rubicon joint venture arrangements.

Since 1996, over \$600 million has been invested to improve and expand our MDI production capabilities through the rationalization of older, less efficient facilities and the modernization of newer facilities. We expect to pursue future plant expansions and capacity modification projects when justified by market conditions.

In addition to MDI, we produce TDI and polyols at our Geismar facility and polyols and polyol blends at our Rozenburg facility. We manufacture TDI and polyols primarily to support our MDI customers' requirements. We believe the combination of our PO business, which produces the major feedstock for polyols, with our polyols business creates an opportunity to expand our polyols business and market greater volumes of polyols through our existing sales network and customer base.

We use a proprietary manufacturing process to manufacture PO. We own or license all technology, know-how and patents developed and utilized at this facility. Our process reacts isobutane and oxygen in proprietary oxidation (peroxidation) reactors, thereby forming tertiary butyl hydroperoxide and TBA which are further processed into PO and MTBE, respectively. Because our PO production process is less expensive relative to other technologies and allows all of our PO co-products to be processed into saleable or useable materials, we believe that our PO production technology possesses several distinct advantages over its alternatives.

Rubicon Joint Venture. We are a 50% joint venture owner, along with Crompton Corp., of Rubicon, Inc., which owns aniline, nitrobenzene and diphenylamine ("DPA") manufacturing facilities in Geismar, Louisiana. In addition to operating our 100% owned MDI, TDI and polyol facilities at Geismar, Rubicon also operates the joint venture's owned aniline, nitrobenzene and DPA facilities and is responsible for providing other auxiliary services to the entire Geismar complex. We are entitled to approximately 80% of the nitrobenzene and aniline production capacity of Rubicon, and Crompton Corp. is entitled to 100% of the DPA production. As a result of this joint venture, we are able to

achieve greater scale and lower costs for our products than we would otherwise have been able to obtain.

Raw Materials. The primary raw materials for polyurethane chemicals are benzene and PO. Benzene is a widely-available commodity that is the primary feedstock for the production of MDI. Approximately one-third of the raw material cost of MDI is attributable to the cost of benzene. Our integration with our suppliers of benzene, nitrobenzene and aniline provides us with a competitively priced supply of feedstocks and reduces our exposure to supply interruption.

A major cost in the production of polyols is attributable to the costs of PO. We believe that the integration of our PO business with our polyurethane chemicals business will give us access to a competitively priced, strategic source of PO and the opportunity to further expand into the polyol market. The primary raw materials used in our PO production process are butane/isobutane, propylene, methanol and oxygen, which accounted for 52%, 29%, 16% and 3%, respectively, of total raw material costs in 2002. We purchase our raw materials primarily under long-term contracts. While most of these feedstocks are commodity materials generally available to us from a wide variety of suppliers at competitive prices in the spot market, we purchase all of the propylene used in the production of our PO from Huntsman LLC, and through Huntsman LLC's pipeline, which is the only propylene pipeline connected to our PO facility.

Polyurethanes—Competition

Competitors in the polyurethane chemicals business include leading worldwide chemical companies such as BASF, Bayer, Dow and Lyondell. While these competitors produce various types and quantities of polyurethane chemicals, we focus on MDI and MDI-based polyurethane systems. We compete based on technological innovation, technical assistance, customer service, product reliability and price. In addition, our polyurethane chemicals business also differentiates itself from its competition in the MDI market in two ways: (1) where price is the dominant element of competition, our polyurethane chemicals business differentiates itself by its high level of customer support including cooperation on technical and safety matters; and (2) elsewhere, we compete on the basis of product performance and our ability to react to customer needs, with the specific aim of obtaining new business through the solution of customer problems. Nearly all the North American PO production capacity is located in the U.S. and controlled by three producers, Lyondell, Dow and us. We compete based on price, product performance and service.

Polyurethanes—MTBE Developments

The presence of MTBE in some groundwater supplies in California and other states (primarily due to gasoline leaking from underground storage tanks) and in surface water (primarily from recreational watercraft) has led to public concern about MTBE's potential to contaminate drinking water supplies. Heightened public awareness regarding this issue has resulted in state, federal and foreign initiatives to rescind the federal oxygenate requirements for reformulated gasoline or restrict or prohibit the use of MTBE in particular. For example, the California Air Resources Board adopted regulations that would prohibit the addition of MTBE to gasoline as of January 1, 2004. Certain other states have also taken actions to restrict or eliminate the future use of MTBE. In connection with the proposed ban, the State of California requested that the U.S. Environmental Protection Agency (the "EPA") waive the federal oxygenated fuels requirements of the federal Clean Air Act for gasoline sold in California. The EPA denied the State's request on June 12, 2001. Certain of the state bans have been challenged in court as unconstitutional (in light of the Clean Air Act). We are unable to predict what the short- and long-term effects of these matters will be.

Bills have been introduced in the U.S. Congress to accomplish similar goals of curtailing or eliminating the oxygenated fuels requirements in the Clean Air Act, or of curtailing MTBE use. To

date, no such legislation has become law. Whether a ban or substantial restrictions on MTBE use will become law in the future is unknown at this time.

In addition, on March 20, 2000, the EPA announced its intention, through an advanced notice of proposed rulemaking, to phase out the use of MTBE under authority of the federal Toxic Substances Control Act. In its notice, the EPA also called on the U.S. Congress to restrict the use of MTBE under the Clean Air Act. Any phase-out of or future regulation of MTBE in California (in which a significant amount of MTBE is consumed), in other states, or nationally may result in a significant reduction in demand for our MTBE and may result in a material loss in revenues or material costs or expenditures.

In Europe, the European Union (the "EU") issued a final risk assessment report on MTBE on September 20, 2002. While no ban of MTBE was recommended, several risk reduction measures relating to storage and handling of MTBE-containing fuel were recommended. Separate from EU action, Denmark entered into a voluntary agreement with refiners to reduce the sale of MTBE in Denmark. Under the agreement, use of MTBE in 92- and 95-octane gasoline in Denmark ceased by May 1, 2002; however, MTBE will still be an additive in a limited amount of 98-octane gasoline sold in about 100 selected service stations in Denmark.

In the event that there should be a phase-out of MTBE in the United States, we believe we will be able to export MTBE to Europe or elsewhere or use our co-product tertiary butyl alcohol ("TBA") to produce saleable products other than MTBE. We believe that our low production costs at the PO/MTBE facility will put us in a favorable position relative to other higher cost sources (primarily, on-purpose manufacturing). If we opt to produce products other than MTBE, necessary modifications to our facilities may require significant capital expenditures and the sale of the other products may produce a materially lower level of cash flow than the sale of MTBE.

Furthermore, we cannot give any assurance that we will not be named in litigation relating to the environmental effects of MTBE or that such litigation will not have a material adverse effect on our business, financial condition, results of operations or cash flows. See "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Cautionary Statement for Forward-Looking Information—Pending or future litigation or legislative initiatives related to MTBE may subject us to products or environmental liability or materially adversely affect our sales."

Performance Products

Performance Products—General

Our performance products business is composed of:

- the ethyleneamines business we acquired from Dow in February 2001; and
- the European surfactants business we acquired from Rhodia S.A. in April 2001.

Surfactants. Surfactants or "surface active agents" are substances which combine a water-soluble component with a water insoluble component in the same molecule. While surfactants are most commonly used for their detergency in cleaning applications, they are also valued for their emulsification, foaming, dispersing, penetrating and wetting properties in a variety of industries.

We have the capacity to produce approximately 1.6 billion pounds of surfactant products annually at our six facilities located in the U.K., France, Italy and Spain. Our surfactants business is a leading manufacturer of surfactants and surfactant intermediates in Europe and is characterized by its breadth of product offering and market coverage. Our surfactant products are primarily used in consumer detergent and industrial cleaning applications. In addition, we manufacture and market a diversified range of mild surfactants and specialty formulations for use in shampoos and other personal care applications. We are also a leading producer of powder and liquid laundry detergents and other cleaners. In addition, we offer a wide range of surfactants and formulated specialty products for use in

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various industrial applications such as leather and textile treatment, foundry and construction, agrochemicals, polymers and coatings.

The primary raw materials for our surfactants business are linear alkylbenzene, ethylene oxide, natural alcohols, caustic soda and fatty acids. All of these raw materials are widely available in the merchant market at competitive prices.

The table below identifies the major surfactant product groups that we produce and some common applications.

Product Group	Application
Alkoxylates	household detergents industrial cleaners shampoos polymerization additives
Sulfonates/Sulfates	powdered detergents liquid detergents dishwashing liquids industrial cleaners emulsion polymerization concrete superplasticizers gypsum wallboard agricultural adjuvants for herbicides
Esters and Derivatives	shampoo body wash other personal care products textile and leather treatment
Nitrogen Derivatives	bleach thickeners shampoo fabric conditioners other personal care products and applications
Formulated Blends	household detergents textile and leather treatment personal care products and applications foundry catalysts concrete additives pharmaceutical intermediates
EO/PO Block Co-Polymers	automatic dishwasher

Ethyleneamines. Ethyleneamines are highly versatile performance chemicals with a wide variety of end-use applications, including lube oil additives, epoxy hardeners, wet strength resins, chelating agents and fungicides.

We have the capacity to produce approximately 160 million pounds of ethyleneamines annually at our facilities located at Freeport, Texas and Terneuzen, Netherlands. When we acquired our ethyleneamines business, we added production capacity in Freeport, Texas and

Terneuzen, Netherlands. Customers use these products in a wide variety of applications as shown below.

Product	Applications
Ethyleneamines	lube oil additives epoxy hardeners wet strength resins chelating agents fungicides

The primary raw materials for ethyleneamines are ethylene dichloride and caustic soda. We have entered into long-term arrangements for the supply of ethylene dichloride and caustic soda from Dow, which produces these raw materials at facilities that are in close proximity to our Freeport, Texas manufacturing facility.

Our Performance Products business accounted for 13%, 10% and 1% of net sales in 2002, 2001 and 2000, respectively.

Performance Products—Industry Overview

Surfactants. Growth in demand for surfactants is highly correlated with GDP due to its strong links with the household cleaning and general industrial markets; nevertheless, certain segments of the surfactants market, including personal care, are expected to grow faster than GDP.

Demand growth for surfactants is viewed as being relatively stable and exhibits little cyclical. The main consumer product applications for surfactants can demand new formulations with unproved performance characteristics, and as a result lifetimes for these consumer end-products can often be quite short. This affords considerable opportunity for surfactants manufacturers to provide surfactants and blends with differentiated specifications and properties. For basic surfactants, pricing tends to have a strong relationship to underlying raw material prices and usually lags petrochemical price movements.

Ethyleneamines. Ethyleneamines are a component of the amines market. Amines broadly refer to the family of intermediate chemicals that are produced by reacting ammonia with various ethylene and propylene derivatives. Generally, amines are valued for their properties as reactive, emulsifying, dispersant, detergent, solvent or corrosion inhibitor agents. Similar to surfactants, growth in demand for amines is highly correlated with GDP due to its strong links to general industrial and consumer products markets. As amines are generally sold based upon the performance characteristics that they provide to customer-specific end use application, pricing for amines tends to be stable and does not generally fluctuate with movements in underlying raw materials.

Performance Products—Sales and Marketing

We sell our products to customers globally through a commercial organization which has extensive market knowledge, lengthy industry experience and long-standing customer relationships. Our sales force is organized into specialized teams tailored to each market segment's specific needs, thereby enhancing customer service. In addition to direct sales efforts, we also sell some of our products through a network of distributors.

We also provide extensive pre-and post-sales technical service support to our customers. Our technical service professionals bring sophisticated skills to our customers and are well regarded within their field of expertise. Moreover, these professionals help tailor application of our products to meet our customers' unique needs and interact closely with our cross-functional business teams.

Performance Products—Manufacturing and Operations

We have the capacity to produce approximately 1.6 billion pounds of surfactant products annually at our six facilities located in the U.K. (at Whitehaven), France (at Lavera and St. Mihiel), Spain (at Barcelona), and Italy (at Castiglione and Patrica), and a research facility located in the U.K. (at Oldbury). Our surfactants facilities are well located in Europe, with broad capabilities in conversion, sulfonation and ethoxylation. The surfactants facilities have a competitive cost base and use modern production tools that allow for flexibility in production capabilities and technical innovation. We continue to evaluate the feasibility of restructuring our Whitehaven, UK facility with a goal of reducing the operating cost of the facility.

We have the capacity to produce approximately 160 million pounds of ethyleneamines annually at our facilities located at Freeport, Texas and Terneuzen, Netherlands. When we acquired our ethyleneamines business, we acquired a long-term supply arrangement for up to 50% of the existing production capacity of Dow's ethyleneamines plant in Terneuzen, Netherlands.

Performance Products—Competition

There are numerous surfactants producers in Europe and worldwide. Our main competitors include worldwide leading chemical companies such as Sasol, BASF, Shell, Cognis, Clariant, AKZO Nobel, Dow, as well as various smaller or more local competitors. We compete on the basis of price with respect to our basic surfactant product offering and, in addition to price, on the basis of performance and service with respect to our specialty and blended surfactant products. Our main competitors in ethyleneamines include BASF, Dow and AKZO Nobel.

Pigments

Pigments—General

Our Pigments business, which operates under the trade name "Tioxide," is among the largest producers in the world, with an estimated 13% market share, according to International Business Management Associates and has the largest production capacity for TiO₂ in Europe. TiO₂ is a white pigment used to impart whiteness, brightness and opacity to products such as paints, plastics, paper, printing inks, synthetic fibers and ceramics. In addition to its optical properties, TiO₂ possesses traits such as stability, durability and non-toxicity, making it superior to other white pigments. According to International Business Management Associates, global consumption of TiO₂ has grown at approximately a 2.9% compound annual rate during the past decade, which is in line with global GDP growth for that period.

We offer an extensive range of products that are sold worldwide to over 3,000 customers in all major TiO₂ end markets and geographic regions. The geographic diversity of our manufacturing facilities allows our Pigments business to service local customers, as well as global customers that require delivery to more than one location. Our Pigments business has an aggregate annual nameplate capacity of approximately 596,000 tonnes at our eight production facilities. Five of our TiO₂ manufacturing plants are located in Europe, one is in North America, one is in Asia, and one is in South Africa. Our North American operation consists of a 50% interest in a manufacturing joint venture with NL Industries, Inc.

We recently commissioned a new TiO₂ manufacturing plant at our Greatham, U.K. facility. This new plant allowed us to close an older, higher cost plant located at Greatham and increased our annual production capacity of the facility to 100,000 tonnes of chloride-based TiO₂. In addition, we are in the process of expanding our Huelva, Spain plant by 17,000 tonnes by late 2005.

We are among the world's lowest cost TiO₂ producers, according to International Business Management Associates. By 2000, our comprehensive cost reduction program eliminated approximately \$120 million of annualized costs since 1996. We have recently initiated a series of new cost rationalization initiatives, referred to as our "High Force" project, which are targeted to achieve additional savings of \$80 million by the end of 2004.

Our Pigments business accounted for 19%, 19% and 22% of our net sales in 2002, 2001 and 2000, respectively.

Pigments—Industry Overview

Global consumption of TiO₂ was 3.9 million tonnes in 2002 according to International Business Management Associates. The historical long-term growth rate for global TiO₂ consumption generally has been in line with global GDP growth. Although short-term influences such as customer and producer stocking and de-stocking activities in response to changes in capacity utilization and price may distort this trend, over the long-term, GDP growth is the primary underlying factor influencing growth in TiO₂ demand. The TiO₂ industry experiences some seasonality in its sales because paint sales generally peak during the spring and summer months in the northern hemisphere, resulting in greater sales volumes during the first half of the year.

The global TiO₂ market is characterized by a small number of large global producers. The TiO₂ industry currently has five major producers (DuPont, Millennium Chemicals, our Company, Kerr-McGee and NL Industries), which account for approximately 80% of the global market share, according to International Business Management Associates. No producer has announced greenfield TiO₂ capacity in the last few years. Based upon current price levels and the long lead times for planning, governmental approvals and construction, additional greenfield capacity is not expected in the near future. According to International Business Management Associates, prices of TiO₂ are expected to be positively affected by limited investment in new capacity.

There are two manufacturing processes for the production of TiO₂, the sulfate process and the chloride process. Most recent capacity additions have employed the chloride process technology and, currently, the chloride process accounts for approximately 64% of global production capacity according to International Business Management Associates. However, the global distribution of sulfate and chloride-based TiO₂ capacity varies by region, with the sulfate process being predominant in Europe, our primary market. The chloride process is the predominant process used in North America and both processes are used in Asia. While most end-use applications can use pigments produced by either process, market preferences typically favor products that are locally available.

Pigments—Sales and Marketing

Approximately 90% of our TiO₂ sales are made through our direct sales and technical services network, enabling us to cooperate more closely with our customers and to respond to our increasingly global customer base. Our concentrated sales effort and local manufacturing presence have allowed us to achieve leading market shares in a number of the countries where we manufacture TiO₂.

In addition, we have focused on marketing products to higher growth industries. For example, we believe that our Pigments business is well-positioned to benefit from the projected growth in the plastics sector, which, according to International Business Management Associates, is expected to grow

faster than the overall TiO₂ market over the next several years. The table below summarizes the major end markets for our Pigments products:

End Markets	% of 2002 Sales Volume
Paints and Coatings	58%
Plastics	32%
Inks	5%
Other	5%

Pigments—Manufacturing and Operations

Our Pigments business has eight manufacturing sites in seven countries with a total nameplate capacity of 596,000 tonnes per year. Approximately 73% of our TiO₂ capacity is located in Western Europe. The following table presents information regarding our TiO₂ facilities:

Region	Site	Annual Capacity (tons)	Process
Western Europe	Calais, France	100,000	Sulfate
	Greatham, U.K.	100,000	Chloride
	Grimsby, U.K.	80,000	Sulfate
	Huelva, Spain	80,000	Sulfate
	Scarlino, Italy	80,000	Sulfate
North America	Lake Charles, Louisiana(1)	60,000	Chloride
Asia	Teluk Kalung, Malaysia	56,000	Sulfate
Southern Africa	Umbogintwini, South Africa(2)	40,000	Sulfate
		596,000	

- (1) This facility is owned and operated by Louisiana Pigment Company, L.P., a manufacturing joint venture that is owned 50% by us and 50% by Kronos Louisiana, Inc., a subsidiary of NL Industries, Inc. The capacity shown reflects our 50% interest in Louisiana Pigment Company.
- (2) In June 2002, we acquired the 40% minority interest in Tioxide Southern Africa (Pty.) Ltd. that was held by AECI Limited. Tioxide Southern Africa (Pty.) Ltd. is now an indirect, wholly-owned subsidiary of our company.

Joint Ventures. We own a 50% interest in a manufacturing joint venture located in Lake Charles, Louisiana. The remaining 50% interest is held by our joint venture partner, Kronos Louisiana, Inc., a wholly-owned subsidiary of NL Industries, Inc. We share production offtake and operating costs of the plant equally with Kronos, though we market our share of the production independently. The operations of the joint venture are under the direction of a supervisory committee on which each partner has equal representation.

Raw Materials. The primary raw materials used to produce TiO₂ are titanium-bearing ores. There are a limited number of ore suppliers and we purchase ore under long-term supply contracts. The cost of titanium-bearing ores has been relatively stable in comparison to TiO₂ prices. Titanium-bearing ore represents approximately 40% of TiO₂ pigment direct production costs. We have recently renegotiated several of our primary ore purchasing contracts, which are expected to reduce our variable costs in the future.

TiO₂ producers extract titanium from ores and process it into pigmentary TiO₂ using either the chloride or sulfate process. Once an intermediate TiO₂ pigment has been produced, it is "finished" into

a product with specific performance characteristics for particular end-use applications. The finishing process is common to both the sulfate and chloride processes and is a major determinant of the final product's performance characteristics.

The sulfate process generally uses less-refined ores that are cheaper to purchase but produce more co-product than the chloride process. Co-products from both processes require treatment prior to disposal in order to comply with environmental regulations. In order to reduce our disposal costs and to increase our cost competitiveness, we have developed and marketed the co-products of our Pigments business. We now sell over 50% of the co-products generated by our business.

Pigments—Competition

The global markets in which our Pigments business operates are highly competitive. The primary factors of competition are price, product quality and service. The major global producers against whom we compete are DuPont, Millennium Chemicals, Kerr-McGee Chemicals and NL Industries. We believe that our competitive production costs, combined with our presence in numerous local markets, give us a competitive advantage, particularly with respect to those global customers demanding presence in the various regions in which they conduct business.

Base Chemicals

Base Chemicals—General

We are a highly-integrated European olefins and aromatics producer. Olefins, principally ethylene and propylene, are the largest volume basic petrochemicals and are the key building blocks from which many other chemicals are made. For example, olefins are used to manufacture most plastics, resins, adhesives, synthetic rubber and surfactants that are used in a variety of end-use applications. Aromatics are basic petrochemicals used in the manufacture of polyurethane chemicals, nylon, polyester fiber and a variety of plastics.

Olefins. Our olefins facility at Wilton, U.K. is one of Europe's largest single-site and lowest cost olefins facilities, according to Nexant Chem Systems. Our Wilton facility has the capacity to produce approximately 1.9 billion pounds of ethylene, 880 million pounds of propylene and 225 million pounds of butadiene per year. We sell over 80% of our ethylene and propylene volume through long-term contracts with Dow, European Vinyls Corporation, ICI, BP Chemicals and others, and over 64% of our total ethylene and propylene volume is transported via direct pipelines to our customers. The Wilton olefins facility benefits from its feedstock flexibility and superior logistics, which allows for processing of naphthas, condensates and natural gas liquids ("NGLs").

Aromatics. We produce aromatics at our two integrated manufacturing facilities located in Wilton, U.K. and North Tees, U.K. According to Nexant Chem Systems, we are a leading European producer of cyclohexane with 700 million pounds of annual capacity, a leading producer of paraxylene with 800 million pounds of annual capacity and are among Europe's larger producers of benzene with 1,300 million pounds of annual capacity. We use most of the benzene produced by our aromatics business internally in the production of nitrobenzene for our polyurethane chemicals business and for the production of cyclohexane. The balance of our aromatics products are sold to several key customers. We are in the process of evaluating to what extent we will need to spend additional capital at our aromatics manufacturing facilities to increase the efficiency and performance of such facilities.

Our Base Chemicals business accounted for 22%, 26% and 31% of net sales in 2002, 2001 and 2000, respectively.

Base Chemicals—Industry Overview

Petrochemical markets are essentially global commodity markets. However, the olefins market is subject to some regional price differences due to the more limited inter-regional trade resulting from the high costs of product transportation. The global petrochemicals market is cyclical and is subject to pricing swings due to supply and demand imbalances, feedstock prices (primarily driven by crude oil prices) and general economic conditions.

According to Nexant Chem Systems, the petrochemical industry is at or near its cyclical trough following a period of oversupply in the last few years and supply and demand characteristics are currently expected to improve in coming years, which should result in improved performance.

As shown in the following table, ethylene is the largest petrochemicals market and paraxylene has been the fastest growing:

Product	2001 Global Market size (Billions of Pounds)	Historic Growth, (1992-2001)	Markets	Applications
Ethylene	197	4.6%	polyethylene, ethylene oxide, polyvinyl chloride, alpha olefins, styrene	packaging materials, plastics, housewares, beverage containers, personal care
Propylene	112	5.4%	polypropylene, propylene oxide, acrylonitrile, isopropanol	clothing fibers, plastics, automotive parts, foams for bedding and furniture
Butadiene	18	3.2%	SBR rubber, polybutadiene, SB latex	automotive, carpet

Benzene	68	2.0% polyurethanes, polystyrene, cyclohexane, cumene	appliances, automotive components, detergents, personal care, packaging materials, carpet
Paraxylene	37	10.1% polyester, purified terephthalic acid ("PTA")	fibers, textiles, beverage containers
Cyclohexane	8	1.3% nylon 6, nylon 6,6	fibers, resins

Source: Nexant Chem Systems

The ethylene market in Western Europe is supplied by numerous producers, none of whom has a dominant position in terms of its share of Western European production capacity. We believe that the top three Western European producers of ethylene are BP, Dow and EniChem. Olefins capacity in Western Europe has expanded moderately in recent years primarily through implementation of low-cost process improvement projects at existing units. No greenfield olefins capacity has been constructed in Western Europe since 1994.

Like the ethylene market, the aromatics market, which is comprised of benzene and paraxylene, in Western Europe is served by several major producers, including, according to Nexant Chem Systems, Dow, AtoFina, Shell, EniChem, ExxonMobil and BASF. We believe that both the benzene and paraxylene markets are currently in a period of overcapacity. The increasing restrictions imposed by

regulatory authorities on the aromatics content of gasoline in general, and the benzene content in particular, have led to an increase in supply of aromatics in recent years. In our opinion, global paraxylene demand will grow largely as a result of the global economic growth. As a result of these dynamics, according to Nexant Chem Systems, margins in the aromatics industry, particularly those in paraxylene, are expected to continue to exhibit characteristic cyclicality and recover from currently depressed cyclical lows as polyester growth drives a rebalancing of supply and demand.

Base Chemicals—Sales and Marketing

In recent years, our sales and marketing efforts have focused on developing long-term contracts with customers to minimize our selling expenses and administration costs. In 2002, over 80% of our primary petrochemicals sales volume was made under long-term contracts. We delivered over 60% of our petrochemical products volume in 2002 by pipeline, and we delivered the balance of our products by road and ship to either the U.K. or export markets, primarily in continental Western Europe.

Base Chemicals—Manufacturing and Operations

We produce olefins at our facility in Wilton, U.K. In addition, we own and operate two integrated aromatics manufacturing facilities at our Wilton and North Tees sites at Teesside, U.K. Information regarding these facilities is set forth in the following chart:

Location	Product	Annual Capacity
		(millions of pounds)
Wilton, U.K.	Ethylene	1,900
	Propylene	880
	Butadiene	225
	Paraxylene	800
North Tees, U.K.	Benzene	1,300
	Cyclohexane	700

The Wilton olefins facility's flexible feedstock capability, which permits it to process naphtha, condensates and NGL feedstocks, allows us to take advantage of favorable feedstock prices arising from seasonal fluctuations or local availability. According to Nexant Chem Systems, the Wilton olefins facility is one of Europe's most cost efficient olefins manufacturing facilities on a cash cost of production basis. In addition to our manufacturing operations, we also operate an extensive logistics operations infrastructure in North Tees. This infrastructure includes both above and below ground storage facilities, jetties and logistics services on the River Tees. These operations reduce our raw material costs by providing greater access and flexibility for obtaining feedstocks.

Raw Materials. Teesside, situated on the northeast coast of England, is near a substantial supply of oil, gas and chemical feedstocks. Due to our location at Teesside, we have the option to purchase feedstocks from a variety of sources. However, we have elected to procure the majority of our naphtha, condensates and NGLs from local producers, as they have been the most economical sources. In order to secure the optimal mix of the required quality and type of feedstock for our petrochemical operations at fully competitive prices, we regularly engage in the purchase and sale of feedstocks and hedging activities.

Base Chemicals—Competition

The markets in which our petrochemicals business operates are highly competitive. Our competitors in the olefins and aromatics business are frequently some of the world's largest chemical companies such as BP Amoco, Dow, ExxonMobil and Shell. The primary

business are price, service and reliability of supply. The technology used in these businesses is widely available and licensed.

Significant Customers

In 2002, sales for our Polyurethanes, Base Chemicals, Pigments and Performance Products businesses to ICI and its affiliates accounted for approximately 6% of our consolidated revenue. In 2001, sales to ICI and its affiliates accounted for approximately 6% of our consolidated revenue. ICI indirectly owns 30% of our membership interests. See "Item 13—Certain Relationships and Related Transactions" for a further discussion of our relationship with ICI. In 2002, our Base Chemicals business had sales to two significant customers, which amounted to 14.1% and 14.8%, respectively, of our sales for our Base Chemicals segment.

Research and Development

In 2002, 2001 and 2000, we spent approximately \$55 million, \$63 million and \$59 million, respectively, on research and development of our products.

Intellectual Property Rights

Proprietary protection of our processes, apparatuses, and other technology and inventions is important to our businesses. For our Polyurethanes business, we own approximately 200 U.S. patents and pending U.S. patent applications (including provisional applications), and more than 1360 foreign counterparts, including both issued patents and pending patent applications. For our Pigments business, we have approximately 15 U.S. patents and pending patent applications and approximately 160 foreign counterparts. For our Base Chemicals business, we own approximately 35 patents and pending applications (both U.S. and foreign). In our Performance Products business, we have approximately 50 U.S. patents and pending patent applications and approximately 710 foreign counterparts.

In addition to our own patents and patent applications and proprietary trade secrets and know-how, we have entered into certain licensing arrangements that authorize us to use certain trade secrets, know-how and related technology and/or operate within the scope of certain patents owned by other entities. We also license and sub-license certain intellectual property rights to affiliates and to third parties. In connection with our transactions with HIH, ICI and Huntsman Specialty (under the terms of a Technology Transfer Agreement and a PO/MTBE Technology Transfer Agreement), we have licensed back to ICI and Huntsman LLC (on a non-exclusive basis) certain intellectual property rights for use in their respective retained businesses, and ICI and Huntsman LLC have each licensed certain retained intellectual property to us.

For our Polyurethanes business, we have brand names for a number of our products, and we own approximately 28 U.S. trademark registrations and applications for registration currently pending at the United States Patent and Trademark Office, and approximately 1,150 foreign counterparts, including both registrations and applications for registration. For our Pigments business, we have approximately 150 trademark registrations and pending applications, approximately 110 of which relate to the trademark "Tioxide." Our Base Chemicals business is not dependent on the use of trademarks. For our Performance Products business, we have brand names for a number of our products, and we own approximately 7 U.S. trademark registrations and applications for registration currently pending at the United States Patent and Trademark Office, and approximately 930 foreign counterparts, including both registrations and applications for registration. We have entered into a trademark license agreement with Huntsman Group Intellectual Property Holdings Corporation under which we have obtained the rights to use the trademark "Huntsman," subject to certain restrictions.

Employees

We employed approximately 7,200 people as of December 31, 2002. Additionally, over 800 people are employed by our joint ventures. Approximately 84% of our employees, including employees of our joint ventures, work outside the United States. Approximately 53% of our employees are covered by collective bargaining agreements. In the ordinary course of our business we use the services of independent contractors. We believe that our relations with our employees are good.

Huntsman LLC provides management and administrative services to us and also provides operating services for our PO business. See "Item 13—Certain Relationships and Related Transactions."

Environmental Regulations

Our business of manufacturing and distributing chemical products and its related production of by-products and wastes, entails risk of adverse environmental effects. As a result, we are subject to extensive federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, protection of the environment and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. In the ordinary course of business, we are subject to frequent environmental inspections and monitoring by governmental enforcement authorities. In addition, our production facilities require operating permits that are subject to renewal, modification and, in certain circumstances, revocation. Actual or alleged violations of environmental laws or permit requirements could result in restrictions or prohibitions on plant operations, substantial fines and civil or criminal sanctions. Moreover,

changes in environmental regulations could inhibit or interrupt our operations, or require us to change our equipment or operations, and any such changes could have a material adverse effect on our businesses. See "Item 1—Business—Polyurethanes—MTBE Developments" for a discussion of the proposed regulations regarding MTBE. Accordingly, given our businesses, environmental or regulatory matters may cause us significant unanticipated losses, costs or liabilities.

Under some environmental laws, we may be jointly and severally liable for the costs of environmental contamination on or from our properties and at off-site locations where we disposed of or arranged for the disposal or treatment of hazardous wastes. For example, in the United States under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and similar state laws, a current owner or operator of real property may be liable for such costs regardless of whether the owner or operator owned or operated the real property at the time of the release of the hazardous substances and regardless of whether the release or disposal was in compliance with law at the time it occurred. In addition, under the United States Resource Conservation and Recovery Act of 1976, as amended, and similar state laws, as the holder of permits to treat or store hazardous wastes, we may, under some circumstances, be required to remediate contamination at our properties regardless of when the contamination occurred. Similar laws are being developed or are in effect to varying degrees in other parts of the world, most notably in the EU. For example, in the U.K., the contaminated land regime now provides a detailed framework for the identification, management and remediation of contaminated sites. This law will likely increase governmental scrutiny of our U.K. facilities.

We may also incur future costs for capital improvements and general compliance under environmental laws, including costs to acquire, maintain and repair pollution control equipment. Capital expenditures are planned, for example, under national legislation implementing the EU Directive on Integrated Pollution Prevention and Control. Under this directive the majority of our European plants will, over the next few years, be required to obtain governmental authorizations which will regulate air and water discharges, waste management and other matters relating to the impact of operations on the environment, and to conduct site assessments to evaluate environmental conditions.

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Although the implementing legislation in most Member States is not yet in effect, it is likely that additional expenditures may be necessary in some cases to meet the requirements of authorizations under this directive. In particular, we believe that related expenditures to upgrade our wastewater treatment facilities at several sites may be necessary and associated costs may be material. Wastewater treatment upgrades unrelated to this initiative also are planned at certain facilities. In addition, we may also incur material expenditures, beyond currently anticipated expenditures, in complying with EU Directives, including the Directive on Hazardous Waste Incineration, the Seveso II Directive, which governs major accident hazards, as well as the Water Framework Directive. It is also possible that additional expenditures to reduce air emissions at two of our U.K. facilities may be material. Capital expenditures and, to a lesser extent, costs and operating expenses relating to environmental matters will be subject to evolving regulatory requirements and will depend on the timing of the promulgation and enforcement of specific standards which impose requirements on our operations. Therefore, we cannot assure you that material capital expenditures beyond those currently anticipated will not be required under environmental laws.

Our operations involve the handling, transportation and use of numerous hazardous substances. From time to time, these operations may result in violations under environmental laws including spills or other releases of hazardous substances into the environment. In the event of a catastrophic incident, we could incur material costs or experience interruption in our operations as a result of addressing the incident and implementing measures to prevent such incidents in the future. Currently, we are aware of the following matters:

- The Texas Commission on Environmental Quality (the "TCEQ," formerly the Texas Natural Resource Conservation Commission or TNRCC) has issued certain notices of violation relating to air emissions and wastewater issues at our Port Neches, Texas facility and filed an amended administrative petition with respect to certain of these violations on January 12, 2001. We met with the TCEQ on several occasions in 2001 and early 2002 and have reached a tentative settlement with the agency on penalties totaling \$100,000. Although we do not anticipate it, it is possible that the terms of an air permit, which we have applied for as a result of the settlement, may cause us to incur costs related to equipment serving this plant and others in the vicinity that could be material.
- On October 6, 2002, a leak of sulphuric acid from two tanks located near our Whitehaven, U.K. plant was discovered. About 342 to 347 tonnes of acid were released onto the ground and into the soil near the tanks. Although we took immediate steps to contain the spillage and recover acid, a quantity of acid reached a nearby beach via a geological fault. We believe the tanks were not owned by our Company; however, we did own the acid in the tanks. The EA and the Health and Safety Executive are investigating the incident. Whether charges will be brought or other actions taken by the regulatory authorities is unknown at this time. Although we can give no assurances, based on currently available information and our understanding of similar investigations and penalties in the past, we believe that, if any charges are brought or actions taken and our Company is ultimately found to be legally responsible, the probable penalties would not be material to our financial position or results of operations.
- We are aware that there is or may be soil or groundwater contamination at some of our facilities resulting from past operations. Based on available information and the indemnification rights (including indemnities provided by Huntsman Specialty, ICI, Rhodia S.A. and The Dow Chemical Company, for the facilities that each of them transferred to us), we believe that the costs to investigate and remediate known contamination will not have a material adverse effect on our financial condition, results of operations or cash flows; however, we cannot give any assurance that such indemnities will fully cover the costs of investigation and remediation, that we will not be required to contribute to such costs or that such costs will not be material.

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- By letter dated March 6, 2003, our subsidiary, Huntsman Ethyleneamines Ltd., was notified by the TCEQ of a probable enforcement action arising out of the inspection of the Freeport, Texas facility on December 16-19, 2002. Seven types of violations relating to Texas Clean Air Act requirements were cited. No penalty demand was made, although penalties are expected.

Given the nature of our business, violations of environmental laws may result in restrictions imposed on our operating activities, substantial fines, penalties, damages or other costs, any of which could have a material adverse effect on our business, financial condition, results of operations or cash flows. See "Item 7—Management's Discussion and Analysis of Financial Conditions and Results of Operations—Environmental Matters."

Available Information

We file annual, quarterly and current reports and other information with the Securities and Exchange Commission (the "SEC" or the "Commission"). You can inspect and copy these materials at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of these materials may also be obtained by mail at prescribed rates from the SEC's Public Reference Room at the above address. You can obtain information about the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of the SEC's Internet site is <http://www.sec.gov>.

We maintain an Internet web site at <http://www.huntsman.com>. We currently make our most recent annual or quarterly report available through our web site. In addition, copies of all our annual, quarterly and current reports are available through the SEC's web site or commercial services. We also provide mailed or electronic copies of our annual and quarterly reports to holders of our outstanding debt securities under the terms of our indentures, and we provide electronic or paper copies of our filings free of charge upon request.

ITEM 2. PROPERTIES

We own or lease chemical manufacturing and research facilities in the locations indicated in the list below, which we currently believe are adequate for our short-term and anticipated long-term needs. We own or lease office space and storage facilities throughout the U.S. and many foreign countries. Our principal executive offices, which are leased from Huntsman LLC, are located at 500 Huntsman Way, Salt Lake City, Utah 84108. The following is a list of our material owned or leased properties where manufacturing, blending, research and main office facilities are located. For additional information, see "Item 1—Business—Polyurethanes" "—Performance Products," "—Pigments" and "—Base Chemicals."

Location	Description of Facility
Geismar, Louisiana(1)	MDI, TDI, Nitrobenzene(1), Aniline(1) and Polyols Manufacturing Facilities
Rozenburg, Netherlands	MDI Manufacturing Facility, Polyols Manufacturing Facilities and Systems House
Wilton, U.K.	Aniline and Nitrobenzene Manufacturing Facilities
Peel, Canada(3)	Polyurethane Systems House
West Deptford, New Jersey	Polyurethane Systems House, Research Facility and U.S. Regional Headquarters
Auburn Hills, Michigan(3)	Polyurethane Office Space and Research Facility
Deerpark, Australia(3)	Polyurethane Systems House
Cartagena, Columbia	Polyurethane Systems House
Deggendorf, Germany	Polyurethane Systems House

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Ternate, Italy	Polyurethane Systems House
Shanghai, China(2)	Polyurethane Systems House
Thane (Maharashtra), India(2)	Polyurethane Systems House
Samprakam, Thailand(2)	Polyurethane Systems House
Kuan Yin, Taiwan(2)	Polyurethane Systems House
Tlalnepantla, Mexico	Polyurethane Systems House
Everberg, Belgium	Polyurethane Research Facility, Global Headquarters and European Headquarters
Gateway West, Singapore(3)	Polyurethane Regional Headquarters
North Andover, Massachusetts(3)	TPU Research Facility
Ringwood, Illinois(2)	TPU Manufacturing Facility
Osnabruck, Germany	TPU Manufacturing Facility
Port Neches, Texas	PO Manufacturing Facility and MTBE Manufacturing Facility
Wilton, U.K.	Olefins and Aromatics Manufacturing Facilities, Petrochemicals Headquarters
North Tees, U.K.(3)	Aromatics Manufacturing Facility and Logistics/Storage Facility
Teesport, U.K.(2)	Logistics/Storage Facility
Saltholme, U.K.	Underground Cavity Storage Operations
Grimsby, U.K.	TiO ₂ Manufacturing Facility
Greatham, U.K.	TiO ₂ Manufacturing Facility

Galais, France	TiO ₂ Manufacturing Facility
Huelva, Spain	TiO ₂ Manufacturing Facility
Scarlino, Italy	TiO ₂ Manufacturing Facility
Teluk Kalung, Malaysia	TiO ₂ Manufacturing Facility
Westlake, Louisiana(4)	TiO ₂ Manufacturing Facility
Umbogintwini, South Africa	TiO ₂ Manufacturing Facility
Billingham, U.K.	TiO ₂ Research and Technical Facility, and Office Space
Hammersmith, U.K.	Surfactants Headquarters
Whitehaven, U.K.	Surfactants Manufacturing Facility
St. Mihiel, France	Surfactants Manufacturing Facility
Lavera, France(2)	Surfactants Manufacturing Facility
Castiglione, Italy	Surfactants Manufacturing Facility
Patrica/Frosinane, Italy	Surfactants Manufacturing Facility
Barcelona, Spain(2)	Surfactants Manufacturing Facility
Oldbury, U.K.	Surfactants Research Facility
Freeport, Texas	Ethyleneamines Manufacturing Facility

- (1) 50% owned manufacturing joint venture with Crompton Corp.
- (2) Leased.
- (3) Leased land and/or building.
- (4) 50% owned manufacturing joint venture with Kronos Louisiana, Inc., a subsidiary of NL Industries, Inc.

ITEM 3. LEGAL PROCEEDINGS

We are a party to various proceedings instituted by private plaintiffs, governmental authorities and others arising under provisions of applicable laws, including various environmental, products liability and other laws. Based in part on the indemnities provided to us by ICI and Huntsman Specialty in connection with their transfer of businesses to us and our insurance coverage, we do not believe that the outcome of any of these matters will have a material adverse effect on our financial condition or results of operations. See "Item 1—Business—Environmental Regulations" for a discussion of environmental proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the fourth quarter of 2002, no matters were submitted to a vote of our security holders.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

As of the date of this report, there was no established public trading market for any class of our membership interests.

Holders

As of the date of this report, HIH was the only holder of record of our membership interests. HIH is owned 60% by Huntsman Specialty, 30% by ICI and its affiliates, approximately 9% by institutional investors and approximately 1% by HMP. For more information, see "—General" above.

Distributions

Pursuant to our limited liability company agreement and the limited liability company agreement of HIH, we have a tax sharing arrangement with all of our and HIH's membership interest holders. Under the arrangement, because we are treated as a partnership for United States income tax purposes, we will make payments to our parent, HIH, which will in turn make payments to its membership interest holders, in an amount equal to the United States federal and state income taxes we and HIH would have paid had HIH been a consolidated or unitary group for federal tax purposes. The arrangement also provides that we will receive cash payments from the membership interest holders (through HIH) in amounts equal to the amount of United States federal and state income tax refunds or benefit against future tax liabilities equal to the amount we would have received from the use of net operating losses or tax credits generated by us.

Except in accordance with the above paragraph, the HI Credit Facilities restrict our ability to pay dividends or other distributions on our equity interests, including prohibiting us from making distributions to HIH for the purpose of paying principal, interest or premium on the HIH Notes. The indentures governing our HI Notes also place certain restrictions on our ability to pay dividends and make other distributions.

The restrictions contained in the indentures governing the outstanding HIH Notes and our HI Notes, may prevent us from making any "restricted payments," including (i) any dividends, distributions or other payments to holders of our equity interests or (ii) payments to purchase, redeem or otherwise acquire or retire for value any of our equity interests, subject to certain exceptions contained in such indentures.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for our Company as of the dates and for the periods indicated. Information should be read in conjunction with our Consolidated Financial Statements and Notes thereto included on the pages immediately following the Index to Consolidated Financial Statements appearing on page F-1. See also "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended		Year Ended		Six Months		Predecessor	
	December 31, 2002	December 31, 2001	December 31, 2000	December 31, 1999	Ended June 30, 1999	Year Ended December 31, 1998	Company	
(Millions of Dollars)								
Consolidated Statements of Operations Data:								
Revenues	\$ 4,518.1	\$ 4,575.2	\$ 4,447.9	\$ 1,997.3	\$ 192.0	\$ 338.7		
Operating income	228.1	171.2	421.8	197.3	52.6	54.3		
Income (loss) from continuing operations	20.1	(59.4)	150.7	80.6	21.5	9.4		
Consolidated Balance Sheet Data:								
Working capital	\$ 322.0	\$ 309.5	\$ 331.9	\$ 456.7	\$ 32.6	\$ 30.4		
Total assets	5,079.8	4,862.1	4,815.4	4,818.4	577.9	577.6		
Long-term debt and other non-current liabilities	3,103.3	3,027.1	2,806.9	2,934.2	474.6	503.8		
Member's/Stockholders' equity	1,065.2	991.7	1,128.7	1,104.0	49.8	30.6		

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

We derive our revenues, earnings and cash flow from the sale of a wide variety of differentiated and commodity chemicals. We manage our operations through our four principal operating segments: Polyurethanes, Performance Products, Pigments, and Base Chemicals. We manufacture products at facilities located in North America, Europe, Asia and Africa, and our products are sold throughout the world.

Our products are divided into two broad categories—differentiated and commodity chemicals. Our Polyurethanes and Performance Products businesses mainly produce differentiated products and our Pigments and Base Chemicals businesses mainly produce commodity chemicals. Among our commodity products, our Pigments business, while cyclical, tends to follow different trends and is not influenced by the same factors as our petrochemical-based commodity products. In addition, there are a limited number of significant competitors in our Pigments business, relatively high barriers to entry and strong customer loyalty. Each of our four operating segments is impacted to varying degrees by economic conditions, prices of raw materials and global supply and demand pressures.

Historically, the demand for many of the products which we produce in our Polyurethanes and Performance Products segments, which accounted for approximately 59% of our revenues for 2002, has been relatively resistant to changes in global economic conditions as industry growth in product demand has been strongly influenced by continuing product substitution, innovation and new product development. The stability of demand has also benefited from the wide variety of end markets for these products. Sales volumes of our MDI products have grown at rates in excess of global GDP growth. The global PO market is influenced by supply and demand imbalances. PO demand is largely driven by

growth in the polyurethane industry, and, as a result, growth rates for PO have generally exceeded GDP growth rates. A significant portion of our Performance Products are sold into consumer end use applications including household detergents, personal care products and cosmetics. As such, demand for these products has been relatively stable and tends to be less susceptible to changes in global economic

conditions.

Historically, growth in demand for TiO₂ pigments has generally been in line with GDP growth rates. Pigment prices have historically reflected industry-wide operating rates but have typically lagged behind movements in these rates by up to twelve months due to the effects of product stocking and destocking by customers and suppliers, contract arrangements and cyclical. The industry experiences some seasonality in its sales because sales of paints in Europe and North America, the largest end use for TiO₂, are generally highest in the spring and summer months in those regions. This results in greater sales volumes in the first half of the year because the proportion of our TiO₂ products sold in Europe and North America is greater than that sold in Asia and the rest of the world.

Many of the markets for the Base Chemicals products, particularly ethylene, propylene, paraxylene and cyclohexane, are cyclical and sensitive to changes in the balance between supply and demand, the price of raw materials, and the level of general economic activity. Historically, these markets have experienced alternating periods of tight supply and rising prices and profit margins, followed by periods of capacity additions resulting in over-capacity and falling prices and profit margins. Demand for the majority of our Base Chemicals has generally grown at rates that are approximately equal to or slightly greater than GDP growth. Market conditions during much of the 2000 through 2002 period were characterized by a general weakening in demand and overcapacity. We believe that weak economic conditions have resulted in a contraction in production capacity. If this contraction in industry capacity is sustained and if demand growth returns to the rates which have been achieved historically, we believe that industry profitability will improve.

Results of Operations

	Year Ended December 31, 2002	Year Ended December 31, 2001	Year Ended December 31, 2000
Revenues	\$ 4,518.1	\$ 4,575.2	\$ 4,447.9
Cost of goods sold	3,902.7	3,990.1	3,705.4
Gross profit	615.4	585.1	742.5
Expenses of selling, general, and administrative, research, and development	379.6	367.3	320.7
Restructuring and plant closing costs	7.7	46.6	—
Operating income	228.1	171.2	421.8
Interest expense, net	(245.4)	(239.6)	(233.1)
Loss on sale of accounts receivable	(5.5)	(12.8)	(1.9)
Other income (expense)	1.3	(2.0)	(3.2)
Income (loss) before income taxes	(21.5)	(83.2)	183.6
Income tax benefit (expense)	41.5	26.0	(30.1)
Minority interests in subsidiaries' income (loss)	0.1	(2.2)	(2.8)
Cumulative effect of accounting change	—	(1.5)	—
Net income (loss)	\$ 20.1	\$ (60.9)	\$ 150.7
Depreciation and amortization	\$ 256.2	\$ 229.0	\$ 205.5
EBITDA(1)	\$ 480.1	\$ 385.4	\$ 622.2

(1) EBITDA is defined as earnings from continuing operations before interest, depreciation and amortization, and taxes. EBITDA is included in this report because it is a basis on which we assess our financial performance and debt service capabilities, and because certain covenants in our

borrowing arrangements are tied to similar measures. However, EBITDA should not be considered in isolation or viewed as a substitute for cash flow from operations, net income or other measures of performance as defined by accounting principles generally accepted in the United States ("U.S. GAAP") or as a measure of a company's profitability or liquidity. We understand that while EBITDA is frequently used by security analysts, lenders and others in their evaluation of companies, 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. (See footnote 21 of the consolidated financial statements)

Year Ended December 31, 2002 Compared to Year Ended December 31, 2001

For the year ended December 31, 2002, we had net income of \$20.1 million on revenues of \$4,518.1 million, compared to a loss of \$60.9 million on revenues of \$4,575.2 million in 2001. The increase of \$81.0 million in net income was the result of the following items:

- Revenues for the year ended December 31, 2002 decreased by \$57.1 million, or 1%, to \$4,518.1 million from

\$4,575.2 million in 2001. Revenues declined modestly from 2001 to 2002 as higher sales volumes were offset by lower selling prices. Base Chemicals revenues were lower due to the discontinuance of cumene sales beginning in the first quarter of 2002 as well as lower average selling prices and sales volumes for most products. This decrease was offset by increased revenues in Performance Products largely attributable to the acquisition of the Albright & Wilson European surfactants business from Rhodia S.A. in April of 2001.

- Gross profit for the year ended December 31, 2002 increased by \$30.3, or 5%, to \$615.4 million from \$585.1 million in 2001. This increase was mainly the result of higher overall sales volumes and generally lower feedstock prices partially offset by lower overall average selling prices in 2002 as compared to 2001.
- Selling, administrative and research and development ("SG&A") costs for the year ended December 31, 2002 increased by \$12.3 million, to \$379.6 million from \$367.3 million in 2001. Higher SG&A due to increased pension costs and the implementation of an SAP software system were partially offset by foreign currency exchange gains resulting from the strengthening of the Euro and GBP Sterling versus the U.S. dollar.
- Restructuring and plant closing costs for the year ended December 31, 2002 were \$7.7 million. A \$4.6 million charge in the Performance Products segment resulted mainly from restructuring activities and the closure of the Alcover, Spain surfactants plant. A \$3.1 million charge in the Pigments segment resulted from asset write-offs related to the closure of a TiO₂ manufacturing facility in Greatham, UK. For the year ended December 31, 2001, there was a \$1.9 million charge resulting from cost reduction initiatives within the Pigments segment and a \$44.7 million restructuring charge, primarily related to restructuring activities in our Polyurethanes segment, and the closure of our Shepton Mallet, UK polyols manufacturing facility.
- Net interest expense for the year ended December 31, 2002 increased by \$5.8 million, or 2%, to \$245.4 million from \$239.6 million for the same period in 2001. The increase was primarily due to higher average debt levels, partially offset by lower average borrowing costs.
- Income tax benefit increased by \$15.5 million to \$41.5 million for the year ended December 31, 2002 as compared to \$26.0 million in 2001. Increased tax benefits were due primarily to a change in the mix of income (loss) earned in the United States versus international locations.

The following table sets forth the sales and income for each of our operating segments. Segment income is operating income excluding unallocated items.

	Year Ended December 31, 2002	Year Ended December 31, 2001
Revenues		
Polyurethanes	\$ 2,066.0	\$ 2,073.7
Performance Products	574.3	455.3
Pigments	880.3	872.1
Base Chemicals	1,097.5	1,268.6
Eliminations	(100.0)	(94.5)
Total	\$ 4,518.1	\$ 4,575.2
Segment income (loss)		
Polyurethanes	\$ 230.4	\$ 132.7
Performance Products	16.6	16.4
Pigments	14.0	95.6
Base Chemicals	(33.4)	(23.0)
Total	227.6	221.7
Unallocated items		
Administrative and other	0.5	(50.5)
Operating income	\$ 228.1	\$ 171.2

Polyurethanes

For the year ended December 31, 2002, Polyurethanes revenues decreased by \$7.7 million to \$2,066.0 million from \$2,073.7 million in 2001. MDI sales volumes increased by 4%. Volumes in the Americas increased by 11% and volumes in Asia decreased by 5%, while volumes in Europe remained stable. Volumes in the Americas increased due to a strong growth in the Americas MDI market. MDI volumes in Asia were lower primarily due to reduced sales under co-producer arrangements and a slowdown in the insulation foam market. MDI average selling prices decreased by 1%, with prices down in all regions except Europe, where prices increased by 3% primarily due to the

strengthening of the Euro versus the dollar. Polyols sales revenue increased by 8%, due to a 9% increase in volumes. PO sales revenue decreased by 1% with volumes down 6% due to the conversion of some product sales agreements to tolling arrangements while average selling prices increased by 4% in 2002. MTBE sales revenue decreased by 7% as compared to the same period in 2001. MTBE sales volumes were relatively unchanged from the prior year, however, average selling prices decreased by 6% due to lower gasoline prices in 2002.

For the year ended December 31, 2002, Polyurethanes segment income increased by \$97.7 million, or 74%, to \$230.4 million from \$132.7 million in 2001. Increased segment income resulted from increased overall sales volumes and overall lower energy and feedstock prices, which more than offset the decline in average selling prices discussed above. Segment income also increased as 2001 results included a charge of \$44.7 million which was mainly the result of restructuring activities and the closure of our Shepton Mallet, UK polyols manufacturing facility. SG&A costs, including research and development costs, remained relatively flat in 2002 as compared to 2001. Lower costs resulting from our cost reduction initiatives were offset by foreign exchange losses, bad debt expenses and increased pension costs in 2002.

Performance Products

For the year ended December 31, 2002, Performance Products revenues increased by \$119.0 million, or 26%, to \$574.3 million from \$455.3 million in 2001. Surfactants revenues increased by 45% due to a 43% increase in sales volumes while average selling prices remained relatively unchanged. Increased surfactants revenues are largely due to non-comparable sales as the surfactants business was acquired in April 2001. Excluding non-comparable sales, surfactants revenues increased by 10% in 2002 as compared to 2001. Ethyleneamines revenues increased by 27% due to a 45% increase in sales volumes and a 29% decrease in average selling prices. Increased ethyleneamines revenues were due to non-comparable sales from the ethyleneamines business we acquired in February 2001. Excluding non-comparable sales, ethyleneamines sales increased by 14%. Increased volumes and decreased selling prices mainly resulted from increased sales into the Asia/Pacific region which has lower average selling prices. Increased volumes were due to improved market conditions in 2002 and the benefit of starting a second production train at our Freeport, Texas facility in late third quarter 2002.

For the year ended December 31, 2002, Performance Products segment income increased by \$0.2 million, or 1%, to \$16.6 million from \$16.4 million in 2001. During 2002 Performance Products benefited from increased overall sales volumes, lower average raw materials costs and non-comparable results for businesses acquired in the first quarter 2001. These results were offset by increased SG&A costs resulting from ongoing restructuring activities, including \$4.6 million of costs related to the closure of our Alcover, Spain surfactants plant.

Pigments

For the year ended December 31, 2002, Pigments revenues increased by \$8.2 million, or 1%, to \$880.3 million from \$872.1 million in 2001. Sales volumes increased by 7% due to higher end-use demand for TiO₂ and customer re-stocking activity ahead of expected price increases. Sales volumes increased by 14%, 14% and 2% in North America, Asia, and Europe, respectively. Average selling prices decreased by 6%, with average selling prices decreasing by 10%, 9%, and 3% in North America, Asia, and Europe, respectively, due to an unfavorable industry supply-demand balance during 2001, which negatively impacted selling prices in 2002. Lower local currency prices were partially offset by favorable movements in exchange rates. Average selling prices were increasing toward the end of the year with average selling prices 7% higher in the fourth quarter of 2002 than they were in the fourth quarter of 2001.

For the year ended December 31, 2002, Pigments segment income decreased by \$81.6 million, or 85% to \$14.0 million from \$95.6 million for the same period in 2001. The decline in segment earnings is mainly due to an unfavorable supply-demand balance during 2001, which negatively impacted selling prices in 2002. Manufacturing costs increased mainly due to higher pension and insurance costs and adverse movements in currency exchange rates. SG&A costs increased in 2002 mainly due to costs associated with the implementation of an SAP software system and increased pension costs. During 2002 we incurred a \$3.1 million charge from asset write-offs related to the closure of a facility in Greatham, UK.

Base Chemicals

For the year ended December 31, 2002, Base Chemicals revenues decreased by \$171.1 million, or 13%, to \$1,097.5 million from \$1,268.6 million in 2001. Lower revenues were largely due to decreased average selling prices on ethylene and paraxylene, decreased sales volumes in ethylene and propylene and lower levels of activity in the hedging of feedstocks settling through revenues. The discontinuance of cumene sales, which occurred in the first quarter of 2002, also contributed to the decreased revenue. Average selling prices of ethylene and paraxylene fell by 11% in 2002 as compared with 2001, due to

the impact of lower underlying feedstock costs. Benzene average selling prices increased by 16% in 2002 as the result of improved market conditions. Propylene prices were relatively unchanged. Sales volumes of ethylene, propylene and benzene decreased by 6%, 22% and 16%, respectively, while paraxylene and cyclohexane sales volumes increased by 17% and 61%, respectively. Ethylene and propylene sales were lower due to the turnaround and inspection overhaul in the second quarter, and reduced demand in the fourth quarter. Cyclohexane sales were higher in 2002 due to higher production.

For the year ended December 31, 2002, Base Chemicals segment income decreased by \$10.4 million, or 45%, to a loss of \$33.4 million from a loss of \$23.0 million in 2001. Decreased segment income was mainly due to lower sales volumes of ethylene and propylene, and lower selling prices for ethylene and paraxylene. Margins in the olefins market were lower in 2002. The effect of reduced selling prices was compounded by a 1% increase in the cost of naphtha, our primary feedstock. Lower segment income also resulted from the cost of purchasing product to cover the second quarter turnaround and inspection overhaul of our olefins facility. SG&A costs, including research and development expenditures, were relatively unchanged in 2002 as compared to 2001.

In 2001, Basell, a major customer of our Base Chemicals business, announced the closure of its Wilton, U.K., polypropylene facility. Basell also indicated that it intended to stop purchasing propylene from us after our current contract expires on December 31, 2003. In 2002, Basell purchased approximately 316 million pounds of propylene or approximately 42% of our propylene output. At present, we have entered into contracts with customers to replace in excess of 60% of the Basell volume. Given existing demand in the propylene market, we anticipate that we will successfully replace the remaining lost volume.

Unallocated Items

Unallocated administrative and other items includes unallocated corporate overhead, unallocated depreciation and amortization, foreign exchange gains and losses on non-permanent intercompany loans. For the year ended December 31, 2002, expense from unallocated administrative and other items decreased by \$51.0, to income of \$0.5 million from expense of \$50.5 million in 2001. Administrative and other expenses decreased mainly due to \$47.0 million of foreign currency exchange gains in 2002 versus \$2.9 million of gains in 2001. The exchange gains resulted from the strengthening of the Euro and GBP Sterling versus the U.S. dollar. Unallocated SG&A expenses decreased by approximately \$11.0 million due to lower legal costs in 2002 and certain abandoned transaction costs in 2001.

Year Ended December 31, 2001 Compared to Year Ended December 31, 2000

For the year 2001, we had a net loss of \$60.9 million on revenues of \$4,575.2 million, compared to net income of \$150.7 million on revenues of \$4,447.9 million for the year 2000. The decrease of \$211.6 million in net income was the result of the following items:

- Revenues for the year 2001 increased by \$127.3 million, or 3%, to \$4,575.2 million from \$4,447.9 million for the year 2000. The increase in revenues resulted from an increase in revenues in the Polyurethanes and Performance Products segments which was partially offset by decreased revenues in the Pigments and Base Chemicals segments. Sales in the Polyurethanes segment benefited from the acquisition of the TPU business in the third quarter of 2000. Sales in the Performance Products segment benefited from the inclusion of the European performance chemicals sales beginning in the third quarter of 2000 the acquisition of the ethyleneamines and surfactants businesses in the first and second quarter of 2001, respectively.
- Gross profit for the year 2001 decreased by \$157.4 million, or 21%, to \$585.1 million from \$742.5 million for the year 2000. This decline was mainly the result of lower average selling prices in all our segments and higher raw materials costs in our Polyurethanes and Pigments segments.

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- Selling, administrative and research & development ("SG&A") costs for the year 2001 increased by \$46.6 million, or 15%, to \$367.3 million from \$320.7 million for the year 2000. This increase was largely due to the SG&A expenses associated with the businesses we acquired in 2000 and 2001. In addition, in the 2001 period, we recorded certain non-recurring expenses associated with abandoned acquisitions and other transactions.
- Restructuring and plant closing costs for the year 2001 were \$46.6 million and were incurred in our Polyurethanes and Pigments segments. These charges primarily relate to phase one of our previously announced cost reduction program in our Polyurethanes business which includes the closure of our Shepton Mallet, U.K. polyols manufacturing facility by the end of 2002. This facility became largely redundant following the acquisition of our TPU business in 2000. The program also includes reductions in work force of approximately 270 employees at the Shepton Mallet facility and other locations during the fourth quarter of 2001 and during 2002. The cash component of this charge is expected to total approximately \$37 million, a significant portion of which will be disbursed in 2002.
- Net interest expense for the year 2001 increased by \$6.5million, or 3%, to \$239.6 million from \$233.1 million for the year 2000. The increase was a result of higher average outstanding borrowings and the decrease in the fair value of our interest rate derivative contracts, partially offset by lower average borrowing rates on our variable rate debt.
- Income taxes for the year 2001 decreased by \$56.1 million to a \$26.0 million tax benefit as compared to a \$30.1 million expense for the year 2000. Lower taxes were due primarily to decreased earnings for the period. Our effective income tax rate increased to approximately 31% in 2001 from approximately 16% in 2000 due to larger net losses in our U.S. operations, which are not subject to Federal income taxes because of our status as a limited liability company.

The following table sets forth the sales and income for each of our operating segments. Segment income is operating income excluding unallocated corporate overhead.

	Year Ended December 31, 2001	Year Ended December 31, 2000
Revenues		

Polyurethanes	\$	2,073.7	\$	2,065.3
Performance Products		455.3		43.2
Pigments		872.1		955.8
Base Chemicals		1,268.6		1,485.5
Eliminations		(94.5)		(101.9)
Total	\$	4,575.2	\$	4,447.9
Segment income (loss)				
Polyurethanes	\$	132.7	\$	218.3
Performance Products		16.4		—
Pigments		95.6		172.8
Base Chemicals		(23.0)		39.8
Total		221.7		430.9
Unallocated items				
Administrative and other		(50.5)		(9.1)
Operating income	\$	171.2	\$	421.8

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Polyurethanes

Total polyurethanes revenues increased by \$8.4 million, or 1%, to \$2,073.7 million from \$2,065.3 million for the year ended December 31, 2000. Polyurethanes revenues, excluding non-comparable acquisitions, declined by \$61.6 million, or 3%, for the year 2001 compared to the year 2000. Non-comparative sales from TPU were \$70.0 million. TPU was included beginning September 2000. Total MDI sales decreased by 1%. A strong recovery in the Asian economies led to an increase of sales volumes of 26% in that region, while in Europe sales volumes grew by 6%. In the Americas, sales volumes decreased by 14% due to weaker demand resulting from the continued economic slowdown. Polyols sales increased by 7% compared to the 2000 period. Polyols sales volumes grew by 9%, with the increase attributable to all three geographic regions. Higher sales volumes were partially offset by a 2% decrease in average selling prices for polyols as compared to the same period in 2000, a substantial portion of which was due to a weakening in the value of the euro versus the U.S. dollar. PO sales increased by 2% mainly due to an 11% decrease in average selling prices for PO which was more than offset by a 13% increase in PO sales volumes. MTBE sales revenue decreased by 6% compared to the 2000 period. Lower sales were due to a 7% decrease in average selling prices for MTBE. The decline in average selling prices for MTBE was primarily attributable to lower gasoline prices

Polyurethanes segment income for the year 2001 decreased by \$85.6 million, or 39%, to \$132.7 million from \$218.3 million for the year 2000. Of this decrease, \$44.7 million was due to the restructuring charges discussed above. Gross profit on MDI and polyols decreased by 6% and 9%, respectively. Lower gross profit on MDI was a result of higher energy and natural gas prices in 2001 as compared to 2000. Polyols gross profit benefited from increased sales volumes, but this benefit was more than offset by a decrease in average selling prices and higher energy and raw material costs, particularly in the U.S. Lower gross profit in PO and MTBE was a result of the lower revenues described above which were partially offset by a decline in key raw materials including isobutane and propylene. SG&A increased by 22% in 2001 as compared to 2000. The increase was due largely to the SG&A expenses associated with businesses acquired in 2000 and 2001.

Performance Products

Our Performance Products segment is made up of the ethyleneamines business which we acquired from Dow in February 2001, the European surfactants business which we acquired from Rhodia S.A. in April 2001, and the resale of performance products purchased from Huntsman LLC which began in September 2000. Comparative information for these acquisitions is not available for this reporting period.

Pigments

Pigments revenues for the year 2001 decreased by \$83.7 million, or 9%, to \$872.1 million from \$955.8 million for the year 2000. Sales volumes decreased by 4% as compared to 2000. Sales in Europe and North America each decreased by 5%, while sales volumes in the other regions of the world decreased by 2%. Lower volumes were primarily due to reduced customer demand resulting from global economic weakness. Average selling prices declined by 6% due to reduced industry operation rates as well as the continued weakness of the value of the euro versus the U.S. dollar.

Pigments segment income for the year 2001 decreased by \$77.2 million, or 45%, to \$95.6 million from \$172.8 million for the year 2000. The decline in segment income was mainly due to lower gross profit resulting from lower revenues discussed above and the impact of higher raw material and energy costs, partially offset by lower manufacturing costs, a portion of which resulted from favorable currency movements. During 2001, we incurred \$1.9 million in restructuring and plant closing costs in our Pigments segment.

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Base Chemicals

Base Chemicals revenues for the year 2001 decreased by \$216.9 million, or 15%, to \$1,268.6 million from \$1,485.5 million for the year 2000. Sales volumes of ethylene and propylene decreased by 12% and 10%, respectively. Lower sales volumes of ethylene and propylene were a result of reduced customer demand, lower sales of product which had been purchased for resale, and a higher volume of material delivered on exchange. Average selling prices of ethylene and propylene declined by 13% and 18%, respectively, in 2001 as compared to 2000 due to lower feedstock prices and weaker market conditions. In aromatics, sales of benzene increased by 25%, while sales of cyclohexane and paraxylene decreased by 22% and 8%, respectively, in 2001 as compared to 2000. The increased sales volume of benzene resulted from reduced internal requirements for the product. Lower sales volumes of cyclohexane were a result of lower production resulting from a temporary shortage of a key feedstock. Benzene and cyclohexane average selling prices declined by 23% and 15%, respectively, in 2001 as compared to 2000, while the paraxylene average selling prices rose by 1%. Basell, a major customer of our Base Chemicals business, announced the closure of its Wilton, U.K., polypropylene facility. Basell also indicated that it intended to stop purchasing propylene from us after our current contract with Basell expires on December 31, 2003. In 2001, Basell purchased 350 million pounds of propylene or approximately 40% of our output.

Base Chemicals segment income for the year 2001 decreased by \$62.8 million to a loss of \$23.0 million from a profit of \$39.8 million for the year 2000. Lower gross profit resulted from lower revenues as discussed above, which were only partially offset by lower feedstock costs. The price of our main feedstock, naphtha, decreased by 17% in 2001 as compared to 2000. In addition, gross profit was negatively impacted by inventory devaluations which resulted from lower feedstock costs and lower average selling prices. SG&A (including R&D) decreased by 15% in 2001 as compared to 2000. The decrease was a result of lower administrative costs and favorable currency exchange movements.

Unallocated Items

Unallocated administrative and other items include unallocated corporate overhead, foreign exchange gains and losses and unallocated depreciation and amortization. Unallocated administrative and other items increased for the year 2001 by \$41.4 million to \$50.5 million from \$9.1 million for the year 2000. Higher administrative costs for legal, finance, and management, and an increase in foreign exchange losses contributed to the increased costs.

Liquidity and Capital Resources

Cash. Net cash provided by operating activities for 2002 was \$157.5 million, as compared to net cash provided by operating activities of \$202.4 million for 2001. The decrease in cash provided was primarily attributable to a net change in net operating assets and liabilities of negative \$23.2 million in 2002 versus a net change of \$62.0 million in 2001. This year over year variance is mainly the result of increasing average selling prices and underlying raw material and feedstock prices in 2002 as compared to a general decline in such variables during 2001. The negative net change in operating assets and liabilities in 2002 as compared to 2001 was partially offset by improved operating income, net of any gains on foreign currency transactions.

Net cash used in investing activities for 2002 was \$188.9 million, as compared to \$491.7 million for the same period in 2001. The decrease in cash used was attributable to higher capital expenditures in 2001, mainly due to the expansion of our TiO₂ facilities, and increased spending on acquisitions during 2001 for Albright and Wilson's European surfactants business and Dow's ethylenamines business.

Net cash provided by financing activities for 2002 was \$1.1 million, as compared to \$312.2 million for 2001. In March 2002, we issued \$300 million of senior notes, the proceeds of which were used to pay down \$290.4 million of the HI Credit Facilities and to pay \$9.6 million of debt issuance costs. We

used approximately \$58 million of the net proceeds to repay outstanding indebtedness under the revolving portion of the HI Credit Facilities. The balance of the net proceeds was used to repay amounts due under the term loan amortization requirements in 2002 and substantially reducing scheduled term loan amortization requirements in 2003. During the 2001 period, we issued €250 million senior subordinated notes, the proceeds of which were used, together with cash flows from operations and borrowings under the HI Credit Facilities, to fund acquisitions and capital expenditures.

Debt. As of December 31, 2002, we had \$67.0 million of outstanding borrowings under our \$400.0 million revolving credit facility which matures in June 2005 (with no scheduled commitment reductions), and we had \$75.4 million in cash balances. We also maintain \$20.0 million of short-term overdraft facilities, all of which was available at December 31, 2002.

As of December 31, 2002, we had outstanding variable rate borrowings of approximately \$1,229 million and €132 million. For the year ended December 31, 2002, the weighted average interest rate of these borrowings was 5.83% and 6.62%, respectively. These rates do not consider the effects of interest rate hedging activities.

Contractual Obligation and Commercial Commitments. Our obligations under long-term debt, lease agreements, and other contractual commitments are summarized below (in millions):

	Less than 1 year	1-3 Years	4-5 Years	After 5 Years	Total
Long-term debt	\$ 42.1	\$ 301.5	\$ 526.6	\$ 1,889.9	\$ 2,760.1
Capital lease obligations	1.8	3.3	3.4	5.2	13.7

Operating leases	16.8	21.2	11.4	51.0	100.4
Total	\$ 60.7	\$ 326.0	\$ 541.4	\$ 1,946.1	\$ 2,874.2

We have various purchase commitments for materials and supplies entered into in the ordinary course of business. Those commitments extend up to ten years and the purchase price is generally based on market prices subject to certain minimum price provisions.

Securitization of Accounts Receivable. We maintain a securitization program arranged by JP Morgan which commenced on December 21, 2000, under which certain trade receivables are transferred to a qualified special purpose off balance sheet entity through December 2005. This entity is not an affiliate of our Company. The acquisitions of these receivables by the entity are financed through the issuance of commercial paper and/or medium term notes. We received \$175 million in initial proceeds from the securitization transaction which were used to reduce our outstanding indebtedness.

In June 2001, the special purpose entity issued approximately \$165 million in medium term notes due in 2006, replacing the majority of the \$175 million commercial paper issued previously. A portion of the medium term notes is denominated in Euros and due to the fluctuation in exchange rates the total outstanding balance of these notes is \$179.8 million as of December 31, 2002. On October 22, 2002, we completed an expansion of our accounts receivable securitization facility and the annual commitment to issue commercial paper was increased from \$100 million to \$125 million. Subject to the annual seasonality of our accounts receivable, we estimate that the total net proceeds from the expanded facility will approach between \$305 to \$310 million at certain periods within the upcoming year. As of December 31, 2002, the special purpose entity had total assets (consisting of cash and accounts receivable) of approximately \$387.6 million, \$179.8 million of medium term notes, and \$100.0 million of commercial paper outstanding. The weighted average interest rates on the medium term notes and commercial paper was 2.6% and 1.4%, respectively, as of December 31, 2002.

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During 2002, we sold approximately \$3,219.8 million in receivables and received \$3,160.3 million in proceeds. We recorded \$5.5 million as a loss on receivables for the year ended December 31, 2002.

The HI Credit Facilities require a mandatory prepayment to the extent that proceeds from the securitization facility exceed \$310 million, which mandatory prepayment limit was increased from \$280 million pursuant to our HI Credit Facilities Amendments. See "Item 1—Business—Recent Events—Amendment of HI Credit Facilities."

Capital Expenditures. Capital expenditures for the year ended December 31, 2002 were \$190.5 million, a decrease of \$100.5 million as compared to \$291.0 for the same period in 2001. The decrease was largely attributable to reduced spending after the completion of our ICON2 TiO₂ plant, which went online in 2002. We expect to spend approximately \$190 million during 2003 on capital projects, including an investment in our Chinese MDI joint venture.

In connection with our agreements with our joint ventures with Rubicon and Louisiana Pigment, we are obligated to fund our proportionate share of capital expenditures. During the years ended December 31, 2002 and 2001, we invested \$3.3 million and \$2.5 million, respectively. During 2002 and 2001, we received \$8.0 and \$11.3 million, respectively, from Louisiana Pigment.

Environmental Matters. Our capital expenditures relating to environmental matters for the year ended December 31, 2002, 2001 and 2000 were approximately \$31.0 million, \$42.0 million and \$35.0 million, respectively. Capital costs relating to environmental matters in 2003 are expected to total approximately \$40 million. Capital expenditures are planned to comply with national legislation implementing the EU Directive on Integrated Pollution Prevention and Control. Under this directive, the majority of our plants will, over the next few years, be required to obtain governmental authorizations which will regulate air and water discharges, waste management and other matters relating to the impact of operations on the environment, and to conduct site assessments to evaluate environmental conditions. Although implementing legislation in most EU member states is not yet in effect, it is likely that additional expenditures may be necessary in some cases to meet the requirements of authorizations under this directive. In particular, we believe that related expenditures to upgrade our wastewater treatment facilities at several sites may be necessary and associated costs could be material. Wastewater treatment upgrades unrelated to this initiative also are planned at certain facilities. In addition, we may incur material expenditures, beyond currently anticipated expenditures, in complying with EU Directives, particularly the Directive on Hazardous Waste Incineration and the Seveso II Directive, which governs major accident hazards. It is also possible that additional expenditures to reduce air emissions at two of our U.K. facilities may be material. Capital expenditures relating to environmental matters will be subject to evolving regulatory requirements and will depend on the timing of the promulgation of specific standards which impose requirements on our operations. Therefore, we cannot assure you that material capital expenditures beyond those currently anticipated will not be required under environmental laws. See also "Item 1—Business—Polyurethanes—MTBE Developments" and "—Environmental Regulations."

No Credit Support from or to Huntsman LLC. We have not guaranteed or provided any other credit support to Huntsman LLC's obligations under its senior secured credit facilities ("HC Credit Facilities") or the notes of Huntsman LLC (the "HC Notes") and Huntsman Polymers Corporation (the "Huntsman Polymers Notes"). Huntsman LLC has not guaranteed or provided any other credit support to us under the HI Credit Facilities, or to us or HIH under the HI Notes or the HIH Notes. Because of restrictions contained in our financing arrangements, we are presently unable to make any "restricted payments" to Huntsman LLC, including dividends, distributions or other payments in respect of equity interests or payments to purchase, redeem or otherwise acquire or retire for value any of our equity interests, subject to exceptions contained in such financing arrangements. Events of default under the HI Credit Facilities, the HI Notes or the HIH Notes or the exercise of any remedy by the lenders thereunder will not cause any cross-defaults or cross-accelerations under the HC Credit

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Facilities, the HC Notes or the Huntsman Polymers Notes. Additionally, any events of default under the HC Credit Facilities, the HC Notes or the Huntsman Polymers Notes or the exercise of any remedy by the lenders thereunder will not cause any cross-defaults or cross-accelerations under the HI Credit Facilities, the HI Notes or the HIH Notes, except insofar as foreclosure on the stock of HSCHC, the stock of Huntsman Specialty or the HIH membership interests pledged to secure Huntsman LLC's obligations under the HC Credit Facilities would constitute a "change of control" and an event of default under the HI Credit Facilities and would give certain put rights to the holders of the HI Notes and the holders of the HIH Notes.

Changes in Financial Condition

The following information summarizes our working capital position as of December 31, 2002 and 2001 (in millions):

	December 31, 2002	December 31, 2001	Difference
Current assets:			
Cash and cash equivalents	\$ 75.4	\$ 83.9	\$ (8.5)
Accounts and notes receivables	467.9	501.6	(33.7)
Inventories	561.3	501.4	59.9
Prepaid expenses	22.0	10.7	11.3
Other current assets	106.6	47.4	59.2
Total current assets	1,233.2	1,145.0	88.2
Current liabilities:			
Accounts payable	314.8	266.7	48.1
Accrued liabilities	523.8	496.7	27.1
Current portion of long-term debt	43.9	5.3	38.6
Deferred income taxes	—	5.7	(5.7)
Other current liabilities	28.7	61.1	(32.4)
Total current liabilities	911.2	835.5	75.7
Working capital	\$ 322.0	\$ 309.5	\$ 12.5

As of December 31, 2002, our working capital increased by \$12.5 million as a result of the net impact of the following significant changes:

- Decrease in cash balances of \$8.5 million is due to normal fluctuations in collections and payments;
- Decrease in account receivables of \$33.7 million is mainly due to the expansion of our accounts receivable securitization program. This decrease was partly offset by increased revenues in the fourth quarter of 2002 versus the same period in 2001 which are attributable to higher average selling prices and increased sales volumes;
- Increase in inventories of \$59.9 million is primarily attributable to increased raw material and feedstock costs in 2002;
- Increase in prepaid expenses of \$11.3 million primarily due to increased insurance costs in 2002 versus 2001;
- Increase in other current assets of \$59.2 million primarily due to increased income tax assets in 2002 versus 2001;

- Increase in accounts payable of \$48.1 is mainly attributable to increased raw material and feedstock costs;
- Increase in current portion of long-term debt of \$38.6 million is due to scheduled maturities under our various debt agreements; and
- Decrease in other current liabilities of \$32.4 million is partly due to reduced borrowings on our overdraft facility.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make judgments, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Our significant accounting policies are summarized in "Note 2—Summary of Significant Accounting Policies" to our consolidated financial statements. Summarized below are our critical accounting policies:

Long-Lived Assets

The most critical policy that impacts our operating assets is the determination of useful lives of our property, plant and equipment. Such lives are estimated based upon our historical experience, engineering estimates and industry information and are reviewed when economic events indicate that we may not be able to recover the carrying value of the assets. The estimated lives of our property range from 3 to 20 years and depreciation is recorded on the straight line method. Approximately 15% of our total plant and equipment is accounted for on the group method. These assets are depreciated at a composite rate of 5% per year. Inherent in our estimates of useful lives is the assumption that periodic maintenance and an appropriate level of annual capital expenditures will be performed. Without ongoing capital improvements and maintenance, the productivity and cost efficiency declines and the useful lives of our assets would be shorter.

We are required to evaluate our plant assets whenever events indicate that the carrying value may not be recoverable in the future or when management's plans change regarding those assets, such as idling or closing a plant. We evaluate impairment by comparing undiscounted cash flows of the related property to the carrying value. Key assumptions in determining the future cash flows include the useful life, technology, competitive pressures, raw material pricing and regulations.

Restructuring and Plant Closing Costs

We have recorded restructuring charges in 2002 and 2001 connection with closing certain plant locations, work force reductions and other cost savings programs. These charges are recorded when management has committed to a plan and reflect management's best estimates of all the costs necessary to exit the activity. Estimates for plant closing include the write-off of the carrying value of the plant, any necessary environmental and/or regulatory costs, contract termination and demolition costs. Estimates for work force reductions and other cost savings are recorded based upon estimates of the number of positions to be terminated, terminations benefits to be provided and other information as necessary. Generally, the restructuring plans are expected to be substantially complete within 12 months of the plan. Management evaluates the estimates on a quarterly basis and adjusts the reserve when information indicates that the estimate is above or below the initial estimate. Due to the relatively short-term nature of the restructuring plans, significant adjustments to the restructuring reserves have not been recorded.

Employee Benefit Programs

We sponsor various contributory and non-contributory defined benefit plans covering employees in the U.S., U.K., Netherlands, Belgium, Canada and a number of other countries. We fund the material plans through trust arrangements (or local equivalents) where the assets are held separately from the employer. We also sponsor unfunded post-retirement plans which provide medical and life insurance benefits covering certain employees in the U.S. and Canada. Amounts recorded in the consolidated financial statements are recorded based upon actuarial valuations performed by various independent actuaries. Inherent in these valuations are numerous assumptions regarding expected return on assets, discount rates, compensation increases, mortality rates and health care costs trends. These assumptions are disclosed in the notes to the consolidated financial statements.

During 2002, we revised several of our key assumptions as a result of current economic conditions based upon discussions with our actuaries, the historical long-term returns of our pension assets, recent market information related to interest rates and equity performance. Specifically, we reduced our average expected long-term rate of return assumption from 7.05% to 7% and discount rate from 5.74% to 5.51%. We do not expect a significant increase in cash funding of the plans will be required in 2003.

Environmental Reserves

Environmental remediation costs for our facilities are accrued when it is probable that a liability has been incurred and the amount can be reasonably estimated. Estimates of environmental reserves require evaluating government regulation, available technology, site-specific information and remediation alternatives. We accrue an amount equal to our best estimate of the costs to remediate based upon the available information. Adjustments to our estimates are made periodically based upon additional information received as remediation progresses. For further information see "Item 1—Business—Environmental Regulation" and "Note 16—Environmental Matters" to the consolidated financial statements.

Recent Financial Accounting Standards

In August 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143, "*Accounting for Asset Retirement Obligations*." SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible, long-lived assets and the associated asset retirement costs. This statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred by capitalizing it as part of the carrying amount of the long-lived assets. As required by SFAS No. 143, the Company adopted this new accounting standard on January 1, 2003. The Company is currently evaluating the effects of adopting this pronouncement.

In April 2002, the FASB issued SFAS No. 145, "*Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Other Technical Corrections*." In addition to amending or rescinding pronouncements to make various technical corrections, clarify meanings or describe applicability, SFAS No. 145 precludes companies from recording gains or losses from extinguishment of debt as an extraordinary item. The Company was required to adopt this statement as of January 1, 2003. The adoption of SFAS No. 145 is not expected to have a material effect on our consolidated financial statements.

In June 2002, the FASB issued SFAS No. 146, "*Accounting for Costs Associated With Exit or Disposal Activities*." SFAS No. 146

requires recording costs associated with exit or disposal activities at their fair values when a liability has been incurred. Under previous guidance, certain exit costs were accrued upon management's commitment to an exit plan, which is generally before an actual liability has been incurred. We will adopt this pronouncement in the first quarter of 2003. The adoption of SFAS No. 146 is not expected to have a material effect on our consolidated financial statements.

In January 2003, the FASB issued Financial Interpretation No. 45, "*Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Guarantees of Indebtedness of Others*." Financial Interpretation No. 45 requires recognition of a liability for the obligation undertaken upon issuing a guarantee. This liability would be recorded at the inception date of the guarantee and would be measured at fair value. The disclosure provisions of the statement are effective for our financial statements as of December 31, 2002. The liability recognition provisions apply prospectively to any guarantees issued or modified after December 31, 2002. We are currently evaluating the effects of adopting this statement.

Cautionary Statement for Forward-Looking Information

Certain information set forth in this report contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "expects," "may," "will," "should," "anticipates," or "intends" or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward-looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements.

All forward-looking statements, including without limitation, management's examination of historical operating trends, are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but, there can be no assurance that management's expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this report. The following are among the factors that could cause actual results to differ materially from the forward-looking statements. There may be other factors, including those discussed elsewhere in this report, that may cause our actual results to differ materially from the forward-looking statements. Any forward-looking statements should be considered in light of all such factors.

Demand for some of our products is cyclical and we may experience prolonged depressed market conditions for our products.

A substantial portion of our revenue is attributable to sales of products, including most of the products of our Base Chemicals and Pigments businesses, the prices of which have been historically cyclical and sensitive to relative changes in supply and demand, the availability and price of feedstocks and general economic conditions. Historically, the markets for some of our products, including most of the products of our Base Chemicals and Pigments businesses, have experienced alternating periods of tight supply, causing prices and profit margins to increase, followed by periods of capacity additions, resulting in oversupply and declining prices and profit margins. Currently, several of our markets are experiencing periods of oversupply, and the pricing of our products in these markets is depressed. We cannot guarantee that future growth in demand for these products will be sufficient to alleviate any existing or future conditions of excess industry capacity or that such conditions will not be sustained or further aggravated by anticipated or unanticipated capacity additions or other events. In addition, sales of certain of our products, including a substantial portion of our petrochemical products, are dependent upon the continued demand from several key customers.

We have substantial debt that we may be unable to service and that restricts our activities, which could adversely affect our ability to meet our obligations.

We have incurred substantial debt in connection with our transactions with ICI and Huntsman Specialty and with BP Chemicals, as well as in connection with our recent acquisitions. As of December 31, 2002, we had total outstanding indebtedness of \$2,773.8 million (including the current portion of long-term debt) and a debt to total capitalization ratio of approximately 72%. We require substantial capital to finance our operations and continued growth, and we may incur substantial additional debt from time to time for a variety of purposes, including acquiring additional businesses. However, the indentures governing the HI Notes and the HI Credit Facilities all contain restrictive

covenants. Among other things, these covenants limit or prohibit our ability to incur more debt; make prepayments of other debt, including the HI Notes, in whole or in part, pay dividends, redeem stock or make other distributions; issue capital stock; make investments; create liens; enter into transactions with affiliates; enter into sale and leaseback transactions; and merge or consolidate and transfer or sell assets. Additionally, the HI Credit Facilities provide that we will not, and will not permit any of our subsidiaries to, amend, modify or terminate any provisions of the HI Notes. Also, if we undergo a change of control, the indentures governing our outstanding HI Notes require us to make an offer to purchase the notes. Under these circumstances, we may also be required to repay indebtedness under the HI Credit Facilities to the extent of the value of the assets securing such indebtedness. In this event, we may not have the financial resources

necessary to purchase the HI Notes or repay indebtedness under the HI Credit Facilities, which would result in an event of default.

The degree to which we have outstanding debt could have important consequences for our business, including:

- 49% of our EBITDA for 2002 was applied towards cash payment of interest on our debt, which reduced funds available for other purposes, including our operations and future business opportunities;
- our ability to obtain additional financing may be constrained due to our existing level of debt;
- a high degree of debt will make us more vulnerable to a downturn in our business or the economy in general; and
- part of our debt is, and any future debt may be, subject to variable interest rates, which might make us vulnerable to increases in interest rates.

Our ability to make scheduled payments of principal and interest on, or to refinance, our debt depends on our future financial performance, which, to a certain extent, is subject to economic, competitive, regulatory and other factors beyond our control. We rely on our accounts receivable securitization program to provide liquidity. Any change in this program that reduced our ability to obtain liquidity could have an adverse effect on our cash flow. We cannot guarantee that we will have sufficient cash from our operations or other sources to service our debt. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or seek to obtain additional equity capital or restructure or refinance our debt. We cannot guarantee that such alternative measures would be successful or would permit us to meet our scheduled debt service obligations. In the absence of operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service obligations. We cannot guarantee our ability to consummate any asset sales or that any proceeds from an asset sale would be sufficient to meet the obligations then due.

If we are unable to generate sufficient cash flow and we are unable to obtain the funds required to meet payments of principal and interest on our indebtedness, or if we otherwise fail to comply with the various covenants in the instruments governing our indebtedness, including those under the HI Credit Facilities and the indentures governing our outstanding HI Notes, we could be in default under the terms of those agreements. In the event of a default by us, a holder of the indebtedness could elect to declare all of the funds borrowed under those agreements to be due and payable together with accrued and unpaid interest, the lenders under the HI Credit Facilities could elect to terminate their commitments thereunder and we could be forced into bankruptcy or liquidation. Any default under the agreements governing our indebtedness could have a material adverse effect on our ability to pay principal and interest on our HI Notes and on the market value of our HI Notes.

Certain events affecting Huntsman LLC could result in a "change of control" under the HI Notes and the HI Credit Facilities.

As of December 31, 2002, Huntsman LLC had approximately \$1.4 billion of outstanding borrowings under the HC Credit Facilities. As collateral for that indebtedness, Huntsman LLC has pledged its 100% equity interest in HSCHC and has caused HSCHC to pledge its 100% equity interest in Huntsman Specialty. Huntsman Specialty owns 60% of the equity of our direct parent, HIH. In connection with the December 2001 amendment of ICI's put option agreement, Huntsman Specialty pledged half its 60% equity interest in HIH to ICI. Huntsman Specialty has pledged its remaining 30% equity interest in HIH to Huntsman LLC's bank lenders in connection with the HC Credit Facilities. In addition, Huntsman Specialty is obligated to pledge the 30% equity interest in HIH to Huntsman LLC's bank lenders if the current pledge on this interest is released by ICI. Foreclosure on the stock of HSCHC, the stock of Huntsman Specialty or the HIH membership interests would constitute a "change of control" and an event of default under the HI Credit Facilities and would give certain put rights to the holders of the HI Notes and the holders of the HIH Notes.

On November 2, 2000, ICI, Huntsman Specialty, HIH and our Company entered into the ICI Agreements pursuant to which ICI had an option to transfer to Huntsman Specialty or its permitted designated buyers the ICI 30% Interest. Pursuant to these agreements, on October 30, 2001, ICI exercised its put right requiring Huntsman Specialty or its nominee to purchase the ICI 30% Interest. On December 20, 2001, ICI and Huntsman Specialty amended ICI's put option arrangement under the ICI Agreements to, among other things, provide that the purchase of the ICI 30% Interest would occur on July 1, 2003, or earlier under certain circumstances, and to provide for certain discounts to the purchase price for the ICI 30% Interest. The amended option agreement also requires Huntsman Specialty to cause HIH to pay up to \$112 million of dividends to its members, subject to certain conditions. These conditions include the receipt of consent from our senior secured lenders and our ability to make restricted payments under the indentures governing the HI Notes, as well as HIH's ability to make restricted payments under the indentures governing the HIH Notes. At December 31, 2002, the terms of the indentures governing the HIH Notes do not permit HIH to make restricted payments. In addition, in order to secure its obligation to pay the purchase price for the ICI 30% Interest under the ICI Agreements, Huntsman Specialty granted ICI a lien on the HIH Pledged Interest.

GOP has also entered into the Option Agreement with ICI. The Option Agreement provided BNAC, then a GOP subsidiary, with an option to acquire the ICI subsidiary that holds the ICI 30% Interest on or before May 15, 2003 upon the payment of \$180 million plus accrued interest from May 15, 2002, and subject to completion of the purchase of the B Notes (as discussed below). Concurrently, BNAC paid ICI \$160 million to acquire the B Notes, subject to certain conditions, including the obligation to make an additional payment of \$100 million plus accrued interest to ICI. The B Notes have been pledged to ICI as collateral security for such additional payment.

In connection with the restructuring of Huntsman LLC, all the shares in BNAC were contributed to Huntsman Holdings. Huntsman Holdings caused BNAC to be merged into HMP. HMP is a wholly-owned subsidiary of Huntsman Holdings and it now owns all the equity of Huntsman LLC. As a result of its merger with BNAC, HMP holds the interests formerly held by BNAC in the B Notes and the option to

acquire the subsidiary of ICI that holds the ICI 30% Interest.

The Option Agreement does not terminate Huntsman Specialty's obligations to ICI under the ICI Agreements. However, if HMP exercises the option, the ICI Agreements would be effectively terminated. If HMP does not exercise the option, Huntsman Specialty would continue to be obligated to ICI under the ICI Agreements. Accordingly, if neither HMP exercises its option nor Huntsman Specialty otherwise satisfies its obligation to ICI with respect to ICI's put right, ICI could foreclose on the HIH Pledged Interest. Such a foreclosure by ICI could result in a "change of control" under the

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indentures governing the HI Notes and the HIH Notes and under the HI Credit Facilities. A "change of control" would constitute a default under the HI Credit Facilities. It would also entitle both the holders of the HI Notes and the holders of the HIH Notes to exercise their rights to require the respective company to repurchase these notes from them. Under such circumstances there can be no assurance that our Company or HIH would have sufficient funds to purchase all the notes. If HMP does not pay the additional \$100 million purchase price in respect of the B Notes, ICI would have the right to foreclose on the pledge of the B Notes in its favor.

If our subsidiaries do not make sufficient distributions to us, then we will not be able to make payment on our debt.

Our debt is the exclusive obligation of our Company and any guarantors thereof and not of any of our other subsidiaries. Because a significant portion of our operations are conducted by our subsidiaries, our cash flow and our ability to service indebtedness are dependent to a large extent upon cash dividends and distributions or other transfers from our subsidiaries. Any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to restrictions on dividends or repatriation of earnings under applicable local law, monetary transfer restrictions and foreign currency exchange regulations in the jurisdictions in which our subsidiaries operate, and any restrictions imposed by the current and future debt instruments of our subsidiaries. In addition, payments to us by our subsidiaries are contingent upon our subsidiaries' earnings.

Our subsidiaries are separate and distinct legal entities and, except for the guarantors of our notes, have no obligation, contingent or otherwise, to pay any amounts due pursuant to our debt or to make any funds available therefore, whether by dividends, loans, distributions or other payments, and do not guarantee the payment of interest on, or principal of, our debt. Any right that we have to receive any assets of any of our subsidiaries that are not guarantors upon the liquidation or reorganization of any such subsidiary, and the consequent right of holders of our debt to realize proceeds from the sale of their assets, will be junior to the claims of that subsidiary's creditors, including trade creditors and holders of debt issued by that subsidiary. In addition, the guarantees of our debt are subordinated to all indebtedness of each guarantor that is secured to the extent of the value of the assets securing such indebtedness.

The significant price volatility of many of our raw materials may result in increased costs.

The prices for a large portion of our raw materials are cyclical. Recently, prices for derivatives of crude oil, our key raw materials, fluctuated dramatically. While we attempt to match raw material price increases with corresponding product price increases, we generally are not able to immediately raise product prices and, ultimately, our ability to pass on increases in the cost of raw materials to our customers is greatly dependent upon market conditions.

The industries in which we compete are highly competitive and we may not be able to compete effectively with our competitors that are larger and have greater resources.

The industries in which we operate are highly competitive. Among our competitors are some of the world's largest chemical companies and major integrated petroleum companies that have their own raw material resources. Some of these companies may be able to produce products more economically than we can. In addition, many of our competitors are larger and have greater financial resources, which may enable them to invest significant capital into their businesses, including expenditures for research and development. If any of our current or future competitors develop proprietary technology that enables them to produce products at a significantly lower cost, our technology could be rendered uneconomical or obsolete. Moreover, certain of our businesses use technology that is widely available. Accordingly, barriers to entry, apart from capital availability, are low in certain product segments of our business, and the entrance of new competitors into the industry may reduce our ability to capture improving profit margins in circumstances where capacity utilization in the industry is increasing.

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Further, petroleum-rich countries have become more significant participants in the petrochemical industry and may expand this role significantly in the future. Any of these developments would have a significant impact on our ability to enjoy higher profit margins during periods of increased demand. See "—Demand for some of our products is cyclical and we may experience prolonged depressed market conditions for our products."

If we are unable to integrate successfully the businesses that we acquire, then our ability to meet our debt service obligations may be impaired.

We may acquire new businesses in the future. You should consider the risks we will encounter during our process of integrating any acquired businesses and during the continued integration of our businesses, including:

- our potential inability to successfully integrate acquired operations and businesses or to realize anticipated synergies, economies of scale or other value;
- diversion of our management's attention from business concerns;
- difficulties in increasing production at acquired sites and coordinating management of operations at the acquired sites;
- delays in implementing consolidation plans;
- legal liabilities; and
- loss of key employees of acquired operations.

The full benefit of the businesses that we acquire generally requires the integration of administrative functions and the implementation of appropriate operations, financial and management systems and controls. If we are unable to integrate our various businesses effectively, our business, financial condition, results of operations and cash flows may suffer.

Part of our business strategy may include expansion through strategic acquisitions. We cannot be certain that we will be able to identify suitable acquisition candidates, negotiate acquisitions on terms acceptable to us or obtain the necessary financing to complete any acquisition. In addition, the negotiation and consummation of any acquisition and the integration of any acquired business may divert our management from our day to day operations, which could have an adverse effect on our business.

Our ability to repay our debt may be adversely affected if our joint venture partners do not perform their obligations or we have disagreements with them.

We conduct a substantial amount of our operations through our joint ventures. Our ability to meet our debt service obligations depends, in part, upon the operation of our joint ventures. If any of our joint venture partners fails to observe its commitments, that joint venture may not be able to operate according to its business plans or we may be required to increase our level of commitment to give effect to those plans. In general, joint venture arrangements may be affected by relations between the joint venture partners. Differences in views among the partners may, for example, result in delayed decisions or in failure to agree on significant matters. Such circumstances may have an adverse effect on the business and operations of the joint ventures, adversely affecting the business and operations of our Company. If we cannot agree with our joint venture partners on significant issues, we may experience a material adverse effect on our business, financial condition, results of operations or cash flows.

Pending or future litigation or legislative initiatives related to MTBE may subject us to products or environmental liability or materially adversely affect our sales.

The presence of MTBE in groundwater in some regions of California and other states (primarily due to gasoline leaking from underground storage tanks) and in surface water (primarily from recreational water craft) has led to public concern about MTBE's potential to contaminate drinking and other water supplies. California has sought to ban MTBE use commencing in 2003. Heightened public awareness has resulted in several other state, federal and foreign initiatives and proposed legislation to rescind the oxygenate requirements for reformulated gasoline, or to restrict or prohibit the use of MTBE in particular. Ongoing debate regarding this issue is continuing at all levels of government in the United States, including Congress.

In Europe, the EU issued a final risk assessment report on MTBE on September 20, 2002. While no ban of MTBE was recommended, several risk reduction measures relating to storage and handling of MTBE-containing fuel were recommended. Separate from EU action, Denmark entered into a voluntary agreement with refiners to reduce the sale of MTBE in Denmark. Under this agreement, use of MTBE in 92- and 95-octane gasoline in Denmark ceased by May 1, 2002; however, MTBE is still an additive in a limited amount of 98-octane gasoline sold in about 100 selected service stations in Denmark.

Any phase-out of or prohibition against the use of MTBE could result in a significant reduction in demand for our MTBE. In that event, we may be required to make significant capital expenditures to modify our PO production process to make alternative co-products other than MTBE. In addition, we could incur a material loss in revenues or material costs or expenditures in the event of a widespread decrease or cessation of use of MTBE.

Furthermore, we cannot give any assurance that we will not be named in litigation by citizens groups, municipalities or others relating to the environmental effects of MTBE, or that such litigation will not have a material adverse effect on our business, financial condition, results of operations or cash flows.

For additional information on recent developments concerning MTBE, see "Item 1—Business—Polyurethanes—MTBE Developments."

If our key suppliers are unable to provide the raw materials necessary in our production, then we may not be able to obtain raw materials from other sources on favorable terms, it at all.

As of December 31, 2002, approximately 37% of our raw materials purchased were from our four key suppliers. If any of these suppliers is unable to meet its obligations under present supply agreements, we may be forced to pay higher prices to obtain the necessary

raw materials and we may not be able to increase prices for our finished products. In addition, if some of the raw materials that we use become unavailable within the geographic area from which we now source our raw materials, then we may not be able to obtain suitable and cost effective substitutes. Any interruption of supply or any price increase of raw materials could have a material adverse effect on our business, financial condition, results of operations or cash flows.

If we are unable to maintain our relationships with Huntsman LLC and ICI, then we may not be able to replace on favorable terms our contracts with them or the services and facilities that they provide, if at all.

We have entered and will continue to enter into certain agreements, including service, supply and purchase contracts with Huntsman LLC, ICI and their respective affiliates. If Huntsman LLC, ICI or any of their respective affiliates fail to perform their obligations under any of these agreements, or if any of these agreements terminate or we are otherwise unable to obtain the benefits thereunder for any reason, there could be a material adverse effect on our business, financial condition, results of

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operations or cash flows if we are unable to obtain similar service, supply or purchase contracts on the same terms from third parties. For example, we have only one operating facility for our production of PO, which is located in Port Neches, Texas. The facility is dependent on Huntsman LLC's existing infrastructure and its adjacent facilities for certain utilities, raw materials, product distribution systems and safety systems. In addition, we depend upon employees of Huntsman LLC to operate our Port Neches facility. We purchase all of the propylene used in the production of PO through Huntsman LLC's pipeline, which is the only existing propylene pipeline connected to our PO facility. If we were required to obtain propylene from another source, we would need to make a substantial investment in an alternative pipeline. This could have a material adverse effect on our business, financial condition, results of operations or cash flows. See "Item 13—Certain Relationships and Related Transactions."

We are subject to many environmental and safety regulations that may result in unanticipated costs or liabilities.

We are subject to extensive federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, the protection of the environment and the use or cleanup of hazardous substances and wastes. We may incur substantial costs, including fines, damages and criminal or civil sanctions, or experience interruptions in our operations for actual or alleged violations or compliance requirements arising under environmental laws, including with respect to any facilities acquired in connection with our pending or future acquisitions. Our operations could result in violations under environmental laws, including spills or other releases of hazardous substances to the environment. In the event of a catastrophic incident, we could incur material costs as a result of addressing and implementing measures to prevent such incidents. Given the nature of our business, violations of environmental laws may result in restrictions imposed on our operating activities, substantial fines, penalties, damages or other costs, any of which could have a material adverse effect on our business, financial condition, results of operations or cash flows. See "Item 1—Business—Environmental Regulations."

In addition, we could incur significant expenditures in order to comply with existing or future environmental laws. Capital expenditures and, to a lesser extent, costs and operating expenses relating to environmental matters will be subject to evolving regulatory requirements and will depend on the timing of the promulgation and enforcement of specific standards which impose requirements on our operations. Therefore, we cannot assure you that capital expenditures beyond those currently anticipated will not be required under environmental laws. See "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Environmental Matters."

Furthermore, we may be liable for the costs of investigating and cleaning up environmental contamination on or from our properties or at off-site locations where we disposed of or arranged for the disposal or treatment of hazardous wastes. Based on available information and the indemnification rights that we possess, we believe that the costs to investigate and remediate known contamination will not have a material adverse effect on our business, financial condition, results of operations or cash flows; however, if such indemnities do not fully cover the costs of investigation and remediation or we are required to contribute to such costs, and if such costs are material, then such expenditures may have a material adverse effect on our business, financial condition, results of operations or cash flows. See "Item 1—Business—Environmental Regulations."

Huntsman LLC and ICI may have conflicts of interest with us, and these conflicts could adversely affect our business.

For so long as Huntsman LLC and ICI retain their ownership interests in our Company, conflicts of interest could arise with respect to transactions involving business dealings between us and them, potential acquisitions of businesses or properties, the issuance of additional securities, the payment of dividends by us and other matters. See "Item 13—Certain Relationships and Related Transactions." In addition, most of our executive officers currently serve as executive officers and/or directors of

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Huntsman LLC and its various affiliates. Any such conflicts of interest could result in decisions that adversely affect our business. See "Item 10—Directors and Executive Officers of the Registrant" and "Item 13—Certain Relationships and Related Transactions" for more detailed descriptions of the relationships between our Company and our subsidiaries, Huntsman LLC and its affiliates, and ICI and its affiliates, and among the management of these companies.

Our business may be adversely affected by international operations and fluctuations in currency exchange rates.

We conduct a significant portion of our business outside the United States. Our operations outside the United States are subject to risks normally associated with international operations. These risks include the need to convert currencies which we may receive for our products into currencies required to pay our debt, or into currencies in which we purchase raw materials or pay for services, which could result in a gain or loss depending on fluctuations in exchange rates. Other risks of international operations include trade barriers, tariffs, exchange controls, national and regional labor strikes, social and political risks, general economic risks, required compliance with a variety of foreign laws, including tax laws and the difficulty of enforcing agreements and collecting receivables through foreign legal systems.

Our business is dependent on our intellectual property. If our patents are declared invalid or our trade secrets become known to our competitors, our ability to compete may be adversely affected.

Proprietary protection of our processes, apparatuses and other technology is important to our business. Consequently, we rely on judicial enforcement for protection of our patents. While a presumption of validity exists with respect to patents issued to us in the United States, there can be no assurance that any of our patents will not be challenged, invalidated, circumvented or rendered unenforceable. Furthermore, if any pending patent application filed by us does not result in an issued patent, or if patents are issued to us, but such patents do not provide meaningful protection of our intellectual property, then the use of any such intellectual property by our competitors could have a material adverse effect on our business, financial condition, results of operations or cash flows. Additionally, our competitors or other third parties may obtain patents that restrict or preclude our ability to lawfully produce or sell our products in a competitive manner, which could have a material adverse effect on our business, financial condition, results of operations or cash flows.

We also rely upon unpatented proprietary know-how and continuing technological innovation and other trade secrets 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, these confidentiality agreements may be breached, may not provide meaningful protection for our trade secrets or proprietary know-how, or adequate remedies may not be available in the event of an unauthorized use or disclosure of such trade secrets and know-how. In addition, others could obtain knowledge of such trade secrets through independent development or other access by legal means. The failure of our patents or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets or proprietary know-how could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Terrorist attacks, such as the attacks that occurred on September 11, 2001, instability in Venezuela and the Middle East and other attacks or acts of war may adversely affect the markets in which we operate, our operations and our profitability.

The attacks of September 11, 2001, and subsequent events have caused instability in the United States and other financial markets and have led, and may continue to lead, to further armed hostilities or to further acts of terrorism in the United States or elsewhere, which could cause further instability in financial markets. In addition, armed hostilities and further acts of terrorism may directly impact our physical facilities and operations or those of our customers. Current regional tensions in the Middle

East and Venezuela have caused, and may continue to cause, escalated raw material costs, specifically raising the prices of oil and gas, which are used in our operations. Furthermore, the terrorist attacks, subsequent events and future developments may result in reduced demand from our customers for our products. These developments will subject our worldwide operations to increased risks and, depending on their magnitude, could have a material adverse effect on our business, financial condition, results of operations or cash flows.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to market risk, including changes in interest rates, currency exchange rates and certain commodity prices. Our exposure to foreign currency market risk is somewhat limited since our sales prices are typically denominated in euros or U.S. dollars. From time to time, we may enter into foreign currency derivative instruments to minimize the short-term impact of movements in foreign currency rates. Our exposure to changing commodity prices is somewhat limited since the majority of our raw materials are acquired at posted or market related prices, and sales prices for finished products are generally at market related prices which are set on a quarterly basis in line with industry practice. To manage the volatility relating to these exposures, from time to time, we enter into various derivative transactions. We hold and issue derivative financial instruments for economic hedging purposes only.

Our cash flows and earnings are subject to fluctuations due to exchange rate variation. Short-term exposures to changing foreign currency exchange rates at certain foreign subsidiaries are first netted with exposures of other subsidiaries and the remaining exposures then, from time to time, may be managed through financial market transactions, principally through the purchase of forward foreign exchange contracts (with maturities of nine months or less) with various financial institutions, to reflect the currency denomination of our cash flows. We do not hedge our currency exposures in a manner that would entirely eliminate the effect of changes in exchange rates on our cash flows and earnings. As of December 31, 2002, we had outstanding forward foreign exchange contracts with third party banks with a fair value of \$1.8 million. Predominantly, our hedging activity is to sell forward the majority of our surplus non-dollar receivables for U.S. dollars.

Under the terms of the HI Credit Facilities, we are required to hedge a significant portion of our floating rate debt. As of December 31, 2002, we had entered into approximately \$352.4 million notional amount of interest rate swap, cap and collar transactions, which have remaining terms ranging from approximately eighteen to twenty-one months. The majority of these transactions hedge against movements in U.S. dollar interest rates. The U.S. dollar swap transactions obligate us to pay fixed amounts ranging from approximately 5.84% to approximately 6.91%. The U.S. dollar collar transactions carry floors ranging from 5.0% to 6.25% and caps ranging from 6.75% to 7.5%. We have also entered into a euro-denominated swap transaction that obligates us to pay a fixed rate of approximately 4.31%. We do not hedge our interest rate exposure in a manner that would entirely eliminate the effects of changes in market interest rates on our cash flow and earnings. Assuming a 1.0% (100 basis point) increase in interest rates, without giving effect to interest rate hedges, the effect on

the annual interest expense would be an increase of approximately \$13.7 million. This increase would be reduced by approximately \$3.5 million, on an annualized basis, as a result of the effects of the interest rate swap, cap and collar transactions described above.

In order to reduce our overall raw material costs, we enter into various commodity contracts to hedge our purchase of commodity products. We do not hedge our commodity exposure in a manner that would entirely eliminate the effects of changes in commodity prices on our cash flows and earnings. At December 31, 2002, we had forward purchase contracts for 54,000 tonnes of naphtha and 10,000 tonnes of other hydrocarbons, which do not qualify for hedge accounting. Assuming a 10% increase or a 10% decrease in the price per ton of naphtha, the change would result in losses and gains of approximately \$1.2 million, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our Consolidated Financial Statements required by this item are included on the pages immediately following the Index to Consolidated Financial Statements appearing on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no changes in our independent accountants, Deloitte & Touche LLP, or disagreements with them on matters of accounting or financial disclosure.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Members of our current board of managers and executive officers are listed below. The members of the board of managers are appointed by the owner of our membership interests and hold office until their successors are duly appointed and qualified. All officers serve at the pleasure of our board of managers.

Board of Managers and Executive Officers

Name	Age	Position
Jon M. Huntsman*	65	Chairman of the Board of Managers and Manager
Peter R. Huntsman*	40	President, Chief Executive Officer and Manager
Patrick W. Thomas	45	President, Polyurethanes
Douglas A.L. Coombs	62	President, Pigments
Gabriel C.M. Kow	54	President, Surface Sciences
J. Kimo Esplin	40	Executive Vice President and Chief Financial Officer
Samuel D. Scruggs	43	Executive Vice President, General Counsel and Secretary
Michael J. Kern	53	Senior Vice President, Environmental, Health & Safety
Kevin J. Ninow	39	Senior Vice President, Base Chemicals Manufacturing
Brian V. Ridd	45	Senior Vice President, Purchasing
Sean Douglas	38	Vice President and Treasurer
Curtis C. Dowd	43	Vice President, Surface Sciences
Kevin C. Hardman	39	Vice President, Tax
L. Russell Healy	47	Vice President, Finance
John R. Heskett	34	Vice President, Corporate Development
James H. Huntsman*	32	Vice President, European Base Chemicals Sales
Karen H. Huntsman*	64	Vice President
Richard H. Johnigan, Jr.	56	Vice President and Controller
James R. Moore	58	Vice President and Deputy General Counsel
David S. Parkin*	30	Vice President, Purchasing

* Such persons are related as follows: Karen H. Huntsman is the wife of Jon M. Huntsman. Jon M. Huntsman and Karen H. Huntsman are the parents of Peter R. Huntsman and James H. Huntsman. David S. Parkin is a son-in-law of Jon M. Huntsman and Karen H. Huntsman and brother-in-law of Peter R. Huntsman and James H. Huntsman.

Jon M. Huntsman is Chairman of the Board of Managers of both the Company and HIH, the parent of the Company, and has held those positions since those entities were formed. He has been Chairman of the Board of Directors of Huntsman LLC and all Huntsman companies since he founded his first company in 1970. Mr. Huntsman served as Chief Executive Officer of Huntsman LLC and its affiliated companies from 1970 to 2000, and of our Company and HIH from 1999 to 2000. In addition,

Mr. Huntsman serves or has served on numerous corporate and industry boards, including the American Red Cross, The Wharton School, University of Pennsylvania, Primary Children's Medical Center Foundation, the Chemical Manufacturers Association and the American Plastics Council. Mr. Huntsman was selected in 1994 as the chemical industry's top CEO for all businesses in Europe and North America. Mr. Huntsman formerly served as Special Assistant to the President of the United States and as Vice Chairman of the U.S. Chamber of Commerce.

Peter R. Huntsman is President, Chief Executive Officer and a Manager of both the Company and HIH. Prior to his appointment in July 2000 as Chief Executive Officer, Mr. Huntsman had served as President, Chief Operating Officer and a Manager of both our Company and HIH since they were formed in 1999. He also serves as President, Chief Executive Officer and a Manager of Huntsman LLC and many of its subsidiaries. Previously, Mr. Huntsman was Senior Vice President of Huntsman Chemical Corporation and a Senior Vice President of Huntsman Packaging Corporation, a former subsidiary of Huntsman LLC. Mr. Huntsman also served as Vice President—Purchasing, then as Senior Vice President and General Manager for Huntsman Polypropylene Corporation, also a former subsidiary of Huntsman LLC.

Patrick W. Thomas is President of Polyurethanes. Mr. Thomas has held this position since he joined the Company in 1999. Since 2000, Mr. Thomas has also served as a Manager and President of several subsidiaries of our Company. From 1979 to 1999, Mr. Thomas worked at ICI, a 30% shareholder of HIH. At ICI, Mr. Thomas held numerous management positions, including Polyurethanes Business Director, Europe from 1993 to 1997, Polyurethanes International Marketing and Planning Manager from 1991 to 1993 and Polyurethanes Business Engineering & Investment Manager from 1989 to 1991.

Douglas A.L. Coombs is President of Pigments. Mr. Coombs has held this position since he joined the Company in 1999. Prior to joining our Company, Mr. Coombs spent 35 years with ICI where he held a number of management positions, including Chairman & Chief Executive Officer of Tioxide Group from 1996 through June 1999.

Gabriel C.M. Kow is President, Surface Sciences. Mr. Kow has served in this position since April 2001. Mr. Kow joined the Company in 2001, following the acquisition of the Albright & Wilson Surfactants Europe business from Rhodia S.A. From 1997, Mr. Kow had been a Director of Albright & Wilson plc and President of its European and Asia/Pacific operations. Prior to this, he held a number of senior management positions in Glaxo Wellcome.

J. Kimo Esplin is Executive Vice President and Chief Financial Officer. Mr. Esplin has served in this position since 1999. Mr. Esplin also serves as Senior Vice President and Chief Financial Officer of Huntsman LLC and as an officer or director of many Huntsman companies. Previously, Mr. Esplin served as Treasurer of Huntsman LLC. Prior to joining Huntsman in 1994, Mr. Esplin was a Vice President in the Investment Banking Division of Bankers Trust Company, where he worked for seven years.

Samuel D. Scruggs is Executive Vice President, General Counsel and Secretary. Mr. Scruggs served as our Vice President and Treasurer from 1999 to 2002 and as Executive Vice President from 2002 until he was appointed to his current position in 2003. Mr. Scruggs also serves as Executive Vice President and General Counsel of Huntsman LLC. Mr. Scruggs previously served as Vice President and Associate General Counsel and as Vice President and Treasurer of Huntsman LLC. Prior to joining Huntsman in 1995, Mr. Scruggs was an associate with the law firm of Skadden, Arps, Slate, Meagher & Flom LLP.

Michael J. Kern is Senior Vice President—Environmental, Health & Safety. Mr. Kern has served in senior management positions of our Company, including Executive Vice President, Manufacturing, since 1999. Mr. Kern also serves as Senior Vice President, Environmental, Health & Safety of Huntsman LLC. Prior to joining Huntsman, Mr. Kern held a variety of positions within Texaco

Chemical Company, including Area Manager—Jefferson County Operations from April 1993 until joining the Company, Plant Manager of the Port Neches facility from August 1992 to March 1993, Manager of the PT/MTBE project from October 1989 to July 1992, and manager of Oxides and Olefins from April 1988 to September 1989.

Kevin J. Ninow is Senior Vice President, Base Chemicals Manufacturing. Mr. Ninow has served as an officer of our Company since it was formed in 1999. Mr. Ninow has served in a variety of executive, manufacturing and engineering positions in Huntsman LLC and its subsidiaries, including Vice President European Petrochemicals, Vice President International Manufacturing, Plant Manager—Oxides and Olefins, Plant Manager—C4's, Operations Manager—C4's, Manager of Technology, Process Control Group Leader, and Project Engineer.

Brian V. Ridd is Senior Vice President, Purchasing. Mr. Ridd has held this position since 2002. Mr. Ridd is also Senior Vice President, Purchasing of Huntsman LLC. Since joining Huntsman in 1984, Mr. Ridd has served as an officer of many Huntsman LLC subsidiaries, including Vice President of Olympus Oil and Vice President, Purchasing of Huntsman Petrochemical Corporation and Huntsman Chemical Corporation.

Sean Douglas is Vice President and Treasurer of the Company. Mr. Douglas is also Vice President and Treasurer of Huntsman LLC and many of its affiliated companies. Since joining Huntsman LLC in 1990, he has served in a number of executive roles, including Vice President Administration and Assistant Treasurer of Huntsman LLC, Vice President of various affiliated companies, Controller of an affiliated company and as a financial analyst for Huntsman's European businesses. Mr. Douglas is a CPA and, prior to joining Huntsman, worked for Price Waterhouse.

Curtis C. Dowd is Vice President, Surface Sciences. Mr. Dowd served as Vice President, Corporate Development from 1999 through 2001, when he was appointed to his current position. Mr. Dowd also serves as Vice President, Surface Sciences of Huntsman LLC. Mr. Dowd served as Vice President and General Counsel of Huntsman Petrochemical Corporation from 1994 to 1998. Prior to joining Huntsman in 1994, Mr. Dowd was an associate with the law firm of Skadden, Arps, Slate, Meagher & Flom LLP and had spent over six years as a CPA with the accounting firm of Price Waterhouse.

Kevin C. Hardman is Vice President, Tax. Mr. Hardman served as Chief Tax Officer from 1999 until he was appointed to his current position in 2002. Mr. Hardman is also Vice President, Tax of Huntsman LLC. Prior to joining Huntsman in 1999, Mr. Hardman was a tax Senior Manager with Deloitte & Touche, where he worked for 10 years. Mr. Hardman is a CPA and holds a master's degree in tax accounting.

L. Russell Healy is Vice President, Finance. Mr. Healy also serves as Vice President, Finance of Huntsman LLC and as an officer or director of several subsidiaries of Huntsman LLC and Huntsman International. Previously, Mr. Healy served as Vice President, Tax for Huntsman LLC. Prior to joining Huntsman in 1995, Mr. Healy was a partner with the accounting firm of Deloitte & Touche, LLP. Mr. Healy is a CPA and holds a master's degree in accounting.

John R. Heskett is Vice President, Corporate Development. Mr. Heskett has held this position since 2002. Mr. Heskett also serves as Vice President, Corporate Development for Huntsman LLC and as Vice President of Huntsman Surfactants Technology Corporation. Mr. Heskett previously served as Assistant Treasurer for Huntsman LLC and its subsidiaries, Huntsman Petrochemical Corporation and Huntsman Polymers Corporation. Prior to joining Huntsman in 1997, Mr. Heskett was Assistant Vice President and Relationship Manager for PNC Bank, N.A., where he worked for several years.

James H. Huntsman is Vice President, European Base Chemicals Sales. Mr. Huntsman has held this position since 2002. Since 1995, Mr. Huntsman has served as Vice President and a Manager of

Huntsman LLC, currently holding the position of Vice President. Mr. Huntsman also serves on the boards of directors of other Huntsman companies.

Karen H. Huntsman is Vice President. Mrs. Huntsman has served in this position since 1999. Mrs. Huntsman performs an active role in all the Huntsman LLC businesses and currently serves as an officer and/or board member for many of the Huntsman companies. Mrs. Huntsman has served as a member of the Utah State Board of Regents and on the board of directors of First Security Corporation. She also serves on the board of directors of various not-for-profit entities.

Richard H. Johnigan, Jr. is Vice President and Controller. Mr. Johnigan has held this position since 2001. Mr. Johnigan also serves as Vice President and Controller of Huntsman LLC. Prior to joining Huntsman in 1997, Mr. Johnigan was Vice President and Controller of Oxychem, where he worked for 23 years. Mr. Johnigan, a CPA, held several executive positions at Oxychem, including Vice President and Chief Financial Officer of the Polymers and Agricultural Chemicals Divisions.

James R. Moore is Vice President and Deputy General Counsel. Mr. Moore served as Vice President and Chief Environmental Counsel from 2002 until he was appointed to his current position in 2003. Mr. Moore also serves as Vice President and Chief Environmental Counsel of Huntsman LLC. Prior to joining Huntsman in 1998, Mr. Moore was a partner at the Seattle law firm of Perkins Coie and also served in various environmental counsel positions with the U.S. Department of Justice and Environmental Protection Agency.

David S. Parkin is Vice President, Purchasing. Mr. Parkin has served in this position since 2002. Mr. Parkin is also Vice President, Surface Sciences Intermediates and Manager of Huntsman LLC. Since 1995, Mr. Parkin has served in a number of management roles for Huntsman companies.

ITEM 11. EXECUTIVE COMPENSATION

Summary of Compensation

The following summary compensation table sets forth information concerning compensation earned in the fiscal year ended December 31, 2002, by our chief executive officer and our remaining four most highly compensated executive officers at the end of the last fiscal year.

All of the compensation of Messrs. Peter R. Huntsman, J. Kimo Esplin and Kevin J. Ninow was paid entirely by Huntsman LLC, our affiliate, and we were charged a management overhead allocation with respect to this compensation. Compensation figures for these executive officers represent a prorated percentage of Huntsman LLC compensation attributable to services rendered to the Company and its subsidiaries. All of the compensation of Messrs. Thomas and Coombs was paid entirely by the Company.

SUMMARY COMPENSATION TABLE

Annual Compensation(1)	Long-Term Compensation Awards
	Number of Securities Underlying

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation(2)	Options/EARs Granted(20)	All Other Compensation
Peter R. Huntsman	2002	\$ 572,000	\$ 375,000	\$ 226,217(3)	0	\$ 67,760(4)
President, Chief	2001	\$ 564,850	\$ 250,000	\$ 339,085(5)	131,579	\$ 834,023(4)
Executive Officer and Manager	2000	\$ 548,077	\$ 125,000	\$ 66,160(6)	0	\$ 199,808(4)
J. Kimo Esplin	2002	\$ 198,659	\$ 200,000		0	\$ 11,732(7)
Executive Vice	2001	\$ 193,125	\$ 125,000	\$ 190,837(8)	46,053	\$ 46,211(7)
President and Chief Financial Officer	2000	\$ 184,375	\$ 150,000		0	\$ 28,264(7)
Patrick W. Thomas	2002	\$ 484,544	\$ 452,136	\$ 143,329(9)	0	\$ 0
President—	2001	\$ 381,323	\$ 385,998	\$ 123,699(10)	0	\$ 125,000(11)
Polyurethanes	2000	\$ 372,706	\$ 122,706	\$ 85,287(12)	7,386	\$ 26,345(11)
Douglas A.L. Coombs	2002	\$ 284,928	\$ 1,081,227	\$ 384,077(13)	0	\$ 0
President—Tioxide	2001	\$ 243,163	\$ 658,565	\$ 354,782(14)	0	\$ 0
	2000	\$ 247,896	\$ 363,694	\$ 360,568(15)	0	\$ 0
Kevin J. Ninow	2002	\$ 201,713	\$ 112,500	\$ 676,855(16)	0	\$ 26,996(17)
Senior Vice President—	2001	\$ 191,250	\$ 90,000	\$ 384,374(18)	17,763	\$ 116,994(17)
Base Chemicals Manufacturing	2000	\$ 165,375	\$ 135,000	\$ 283,235(19)	0	\$ 64,781(17)

- (1) All compensation for Messrs. Peter R. Huntsman, J. Kimo Esplin and Kevin J. Ninow was paid entirely by Huntsman LLC, our parent company; a charge for management overhead allocation for the fiscal year 2002 was paid by the Company to Huntsman LLC, which payment included, among other things, a portion of the 2002 annual compensation shown on this table. Compensation figures for these three executives represent a pro-rated percentage of Huntsman LLC compensation attributable to services rendered to the Company and to its subsidiaries.
- (2) Any blank items in this column reflect perquisites and other personal benefits, securities or property received by the named executive officer which are less than either \$50,000 or 10% of the total annual salary and bonus reported for the named executive officer.
- (3) Perquisites and other personal benefits in the amount of \$226,217 were provided for the named executive officer, including \$24,723 for use of company airplane, \$172,622 for taxes paid in connection with foreign assignment, \$21,512 for education and housing expenses for overseas assignment, \$1,811 for use of an automobile and \$5,549 for an allowance for foreign assignment.
- (4) Consists of \$2,000, \$2,913 and \$1,700 employer's contribution to the 401(k) Plan for 2002, 2001 and 2000, respectively, \$9,415 and \$9,262 employer's contribution to the Supplemental 401(k) Plan for 2001 and 2000, respectively, \$8,000, \$6,800 and \$6,800 employer's contribution to the Money Purchase Plan for 2002, 2001 and 2000, respectively, \$57,760, \$68,520 and \$57,046 employer's contribution to the money purchase pension plan portion of the Huntsman SERP for 2002, 2001 and 2000, respectively, \$246,375 and \$125,000 employer's contribution to the Equity Deferral Plan for 2001 and 2000, respectively and a \$500,000 equity credit for foreign service under the Equity Deferral Plan for 2001.
- (5) Perquisites and other personal benefits in the amount of \$339,085 were provided for the named executive officer, including relocation expenses of \$108,710 and \$156,775 for education and housing expenses for overseas assignment.
- (6) Payment of \$66,160 for living expenses.
- (7) Consists of \$2,000, \$1,712 and \$1,638 employer's contribution to the 401(k) Plan for 2002, 2001 and 2000, respectively, \$2,938, and \$1,093 employer's contribution to the Supplemental 401(k) Plan for 2001 and 2000, respectively, \$3,000, \$2,567 and \$893 employer's contribution to the Money Purchase Plan for 2002, 2001 and 2000, respectively, \$6,732, \$7,744 and \$2,279 employer's contribution to the money purchase pension plan portion of the Huntsman SERP for 2002, 2001 and 2000, respectively, and \$31,250 and \$22,361 employer's contribution to the Equity Deferral Plan for 2001 and 2000, respectively.
- (8) Perquisites and other personal benefits in the amount of \$190,837 were provided for the named executive officer, including \$126,513 for taxes paid in connection with overseas assignment and \$25,707 for education and housing expenses for overseas assignment.
- (9) Perquisites and other personal benefits in the amount of \$143,329, including a payment of \$82,180 for housing expenses, \$21,889 for education expenses and \$39,260 for location and other allowances for working abroad.
- (10) Perquisites and other personal benefits in the amount of \$123,699, including a payment of \$69,461 for living expenses, \$32,087 for educational expenses, and a foreign services payment of \$18,785 as a cost of living adjustment for working abroad.
- (11) Consists of \$125,000 and \$26,435 employer's contribution to the Equity Deferral Plan for 2001 and 2000, respectively.

- (12) Perquisites and other personal benefits in the amount of \$85,287, including a payment of \$60,550 for housing accommodations and a foreign services payment of \$19,979 as a cost of living adjustment for living abroad.
- (13) Perquisites and other personal benefits in the amount of \$384,077, including a payment of \$116,186 for housing and other living expenses for foreign assignment, and \$267,891 for taxes paid in connection with foreign assignment.
- (14) Perquisites and other personal benefits in the amount of \$354,782, including a payment of \$88,511 for living expenses, \$16,507 for use of an automobile and \$244,360 for taxes paid in connection with foreign assignment.
- (15) Perquisites and other personal benefits in the amount of \$360,568, including a payment of \$87,909 for housing accommodations, \$250,979 for taxes paid in connection with foreign assignment, and \$13,497 for use of an automobile.
- (16) Perquisites and other personal benefits in the amount of \$676,855, including \$154,831 for housing, educational and living expenses, \$469,706 for foreign and other taxes paid in connection with foreign assignment, and \$52,318 for location and other allowances for working abroad. Under foreign tax credit rules, it is anticipated that a significant portion of the foreign taxes currently paid will be credited in subsequent years against U.S. tax liabilities.
- (17) Consists of \$3,600, \$3,060 and \$2,700 employer's contribution to the 401(k) Plan for 2002, 2001 and 2000, respectively, \$1,321 employer's contribution to the Supplemental 401(k) Plan for 2001, \$14,400, \$12,240 and \$10,800 employer's contribution to the Money Purchase Plan for 2002, 2001 and 2000, respectively, \$8,996, \$13,860 and \$2,597 employer's contribution to the money purchase pension plan portion of the Huntsman SERP for 2002, 2001 and 2000, respectively, \$28,837 and

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\$16,228 employer's contribution to the Equity Deferral Plan for 2001 and 2000, respectively, and \$57,675 and \$32,457 equity credit under the Equity Deferral Plan for 2001 and 2000 respectively.

- (18) Perquisites and other personal benefits in the amount of \$384,374, including \$126,969 for housing, educational and living expenses, \$196,945 for taxes paid in connection with foreign assignment, and \$60,459 for location and other allowances for working abroad and excess group term life.
- (19) Perquisites and other personal benefits in the amount of \$283,235, including \$100,840 for housing, educational and living expenses, \$137,728 for foreign taxes and taxes in excess of those that would have otherwise been incurred, and \$44,668 for location and other allowances for working abroad.
- (20) "EARs" means equity appreciation rights.

Equity Options and Equity Appreciation Rights

There were no grants of equity options or equity appreciation rights ("EARs") during the last fiscal year.

Exercise of Options and Equity Appreciation Rights

The following table sets forth information concerning the exercise of EARs during the last fiscal year by each of the Company's chief executive officer and its other four most highly compensated executive officers and the fiscal year-end value of unexercised EARs. The EARs represent a right to a cash payment upon exercise equal to the difference between the value (determined by a formula) of a share of Huntsman Corporation stock (prior to the Restructuring) at exercise and the dollar amount per share set forth in the EAR at grant, multiplied by the number of shares represented by the EAR. There is no right under the EARs to receive any form of stock or equity interest in the Company or any other entity. The Company is reviewing possible alternative incentive compensation programs and may allow selected participants to exchange EARs for rights in an alternative program.

AGGREGATED OPTION/EAR EXERCISES IN LAST FISCAL YEAR, AND FY-END OPTION/EAR VALUES

Name	Securities Acquired on Exercise (#)	Value Realized	Number of Securities Underlying Unexercised Options/EARs at FY-End (#)		Value of Unexercised In-the-Money Options/EARs at FY-End	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Peter R. Huntsman	0	\$ 0	32,895(1)	98,684(1)	\$ 0	\$ 0
J. Kimo Esplin	0	\$ 0	11,513	34,540	\$ 0	\$ 0
Patrick W. Thomas	0	\$ 0	3,693	3,693	\$ 0	\$ 0
Douglas A.L. Coombs	0	\$ 0	0	0	\$ 0	\$ 0
Kevin J. Ninow	0	\$ 0	4,440	13,323	\$ 0	\$ 0

- (1) In connection with the Restructuring, Mr. Peter Huntsman agreed to give up all of his EARs.

Retirement Plans

The following table shows the estimated annual benefits payable under Huntsman LLC's tax-qualified defined benefit pension plan (the "Huntsman Pension Plan") and supplemental pension plan ("Huntsman SERP") in specified final average earnings and years-of-service classification.

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Huntsman Pension Plans Table

Final Average Compensation	Years of Benefit Service at Retirement							
	5	10	15	20	25	30	35	40
\$250,000	\$ 18,800	\$ 37,500	\$ 56,300	\$ 75,000	\$ 93,800	\$ 112,500	\$ 131,300	\$ 150,000
300,000	22,500	45,000	67,500	90,000	112,500	135,000	157,500	180,000
350,000	26,300	52,500	78,800	105,000	131,300	157,500	183,800	210,000
400,000	30,000	60,000	90,000	120,000	150,000	180,000	210,000	240,000
450,000	33,800	67,500	101,300	135,000	168,800	202,500	236,300	270,000
500,000	37,500	75,000	112,500	150,000	187,500	225,000	262,500	300,000
600,000	45,000	90,000	135,000	180,000	225,000	270,000	315,000	360,000
700,000	52,500	105,000	157,500	210,000	262,500	315,000	367,500	420,000
800,000	60,000	120,000	180,000	240,000	300,000	360,000	420,000	480,000
900,000	67,500	135,000	202,500	270,000	337,500	405,000	472,500	540,000
1,000,000	75,000	150,000	225,000	300,000	375,000	450,000	525,000	600,000
1,250,000	93,750	187,500	281,250	375,000	468,750	562,500	656,250	750,000

The current Huntsman Pension Plan benefit is based on the following formula: 1.5% of final average compensation multiplied by years of credited service, minus 1.5% of estimated Social Security benefits multiplied by years of credited service (maximum of 50% of Social Security benefits). For years of credited service prior to 2000, benefits are based on a 1.4% formula. Final average compensation is based on the highest average of three consecutive years of compensation. Messrs. Peter R. Huntsman, J. Kimo Esplin and Kevin J. Ninow were participants in the Huntsman Pension Plan in 2002. For the foregoing named executive officers, covered compensation under this plan consists of base salary and is reflected in the "Salary" column of the Summary Compensation Table. Federal regulations require that for the 2002 plan year, no more than \$200,000 in compensation be considered for the calculation of retirement benefits under the Huntsman Pension Plan, and the maximum annual benefit paid from a qualified defined benefit plan cannot exceed \$160,000. Benefits are calculated on a straight life annuity basis. The benefit amounts under the Huntsman Pension Plan shown in the above table do not reflect the offset for Social Security that is part of the formula set forth above.

The Huntsman SERP is a nonqualified supplemental pension plan for designated executive officers that provides benefits based on certain compensation amounts not included in the calculation of benefits payable under the Huntsman Pension Plan.(2) Messrs. Peter R. Huntsman, J. Kimo Esplin and Kevin J. Ninow were participants in the Huntsman SERP in 2002. The compensation amounts taken into account for these named executive officers under the Huntsman SERP include bonuses (as reflected in the "Bonus" columns of the Summary Compensation Table) and base salary in excess of the qualified plan limitations. The Huntsman SERP benefit related to the Huntsman Pension Plan is calculated as the difference between (1) the benefit determined using the Huntsman Pension Plan formula with unlimited base salary plus bonus, and (2) the benefit determined using base salary as limited by federal regulations.

- (2) The Huntsman SERP also provides benefits not available under the Huntsman Money Purchase Pension Plan (a qualified money purchase pension plan in which Messrs. Peter R. Huntsman, J. Kimo Esplin and Kevin J. Ninow participate) because of limits on compensation that can be counted and amounts that can be allocated to accounts under federal law within the Huntsman Money Purchase Pension Plan. The amount of benefits accrued for the year under the Huntsman SERP relating to the Huntsman Money Purchase Pension Plan for the executives mentioned above allocable to the Company is included in the Summary Compensation Table under the "All Other Compensation" column.

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The number of completed years of credited service as of December 31, 2002 under the Huntsman Pension Plan and Huntsman SERP for the named executive officers participating in the plans were 19, 8 and 13 years for Messrs. Peter R. Huntsman, J. Kimo Esplin and Kevin J. Ninow, respectively.

Mr. Thomas participates in the Huntsman Pension Fund VZW in Belgium (the "Huntsman Belgium Pension Fund"). The following table shows the estimated lump sum retirement benefit payable under the Huntsman Belgium Pension Fund in specified final pensionable earnings and years-of-benefit service classification.

HUNTSMAN BELGIUM PENSION FUND TABLE—(LUMP SUM BENEFIT)

Final Pensionable Compensation	Years of Benefit Service at Retirement							
	5	10	15	20	25	30	35	40
(\$ in thousands)								

\$250	\$ 228	\$ 455	\$ 683	\$ 911	\$ 1,138	\$ 1,366	\$ 1,593	\$ 1,821
\$300	\$ 273	\$ 546	\$ 819	\$ 1,093	\$ 1,366	\$ 1,639	\$ 1,912	\$ 2,186
\$350	\$ 319	\$ 637	\$ 956	\$ 1,275	\$ 1,593	\$ 1,912	\$ 2,231	\$ 2,549
\$400	\$ 364	\$ 728	\$ 1,093	\$ 1,457	\$ 1,821	\$ 2,186	\$ 2,549	\$ 2,914
\$450	\$ 410	\$ 819	\$ 1,229	\$ 1,639	\$ 2,049	\$ 2,458	\$ 2,868	\$ 3,278
\$500	\$ 455	\$ 911	\$ 1,366	\$ 1,821	\$ 2,276	\$ 2,732	\$ 3,187	\$ 3,642
\$550	\$ 501	\$ 1,002	\$ 1,502	\$ 2,003	\$ 2,504	\$ 3,005	\$ 3,505	\$ 4,006
\$600	\$ 546	\$ 1,093	\$ 1,639	\$ 2,186	\$ 2,732	\$ 3,278	\$ 3,824	\$ 4,370
\$650	\$ 592	\$ 1,184	\$ 1,775	\$ 2,367	\$ 2,959	\$ 3,551	\$ 4,143	\$ 4,735
\$700	\$ 637	\$ 1,275	\$ 1,912	\$ 2,549	\$ 3,187	\$ 3,824	\$ 4,461	\$ 5,099
\$750	\$ 683	\$ 1,366	\$ 2,049	\$ 2,732	\$ 3,414	\$ 4,097	\$ 4,780	\$ 5,463

The Huntsman Belgium Pension Fund formula provides a lump sum benefit equal to 8.57% of final pensionable compensation up to the Belgian Social Security earnings ceiling, plus 18.21% of pensionable compensation above the ceiling, times years of service. Final pensionable compensation is the base salary for the final year of employment. Covered compensation for Mr. Thomas under the plan is reflected in the "Salary" column of the Summary Compensation Table. As of December 31, 2002, Mr. Thomas had 13.5 years of service in Belgium. The benefit amounts for the Huntsman Belgium Pension Fund shown in the table do not reflect the integration with Belgian Social Security that is part of the formula set forth above.

Mr. Thomas also participates in the International Pension Plan (the "IPP") which is a nonregistered plan designed to protect the pension benefits of employees whose service involves participation in pension plans in more than one country. In addition to his service in Belgium, Mr. Thomas also has 9.83 years of service in the UK which is covered under the ICI UK Pension Scheme. Through the IPP, Mr. Thomas at retirement can elect to receive a total pension benefit (which includes his retirement benefits being provided by the Huntsman Belgium Pension Fund and the ICI UK Pension Scheme) that is the greater of: (1) the benefit under the ICI UK Pension Scheme (with slight modifications if Mr. Thomas has less than 10 years of actual UK service) based upon his combined service in Belgium and the UK, or (2) the benefit under the Huntsman Belgium Pension Fund based upon his combined service in Belgium and the UK.

The ICI UK Pension Scheme formula is 2.2% of final pensionable compensation up to \$18,107 (£11,250), plus 1.83% of final pensionable compensation above \$18,107 (£11,250), minus 1/50th of the current State pension benefit, times actual years of service; subject to a maximum limit of 2/3rd of final pensionable compensation times actual years of service, divided by total possible service to retirement. Mr. Thomas has 9.83 years of service under the ICI UK Pension Scheme. Currently, the benefit under the IPP using the Huntsman Belgium Pension Fund for his 23.33 years of total service is the most beneficial.

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Mr. Douglas A.L. Coombs has a pension promise from September 1, 1999 that guarantees him a pension as if he were employed in Canada. The formula for this plan is based on the formula for the Pension Plan of ICI Canada Inc. for Senior Managers (the "Canadian Pension Plan"). The following table shows the estimated annual benefits payable under the Canadian Pension Plan in specified final average compensation and years-of-benefit service classification.

CANADIAN PENSION PLAN TABLE

Years of Benefit Service at Retirement

Final Average Compensation	Years of Benefit Service at Retirement							
	5	10	15	20	25	30	35	40
\$250,000	\$ 25,500	\$ 51,000	\$ 76,500	\$ 102,000	\$ 127,500	\$ 153,000	\$ 178,600	\$ 204,100
\$275,000	\$ 28,100	\$ 56,300	\$ 84,400	\$ 112,500	\$ 140,700	\$ 168,800	\$ 196,900	\$ 225,100
\$300,000	\$ 30,800	\$ 61,500	\$ 92,300	\$ 123,000	\$ 153,800	\$ 184,500	\$ 215,300	\$ 246,100
\$325,000	\$ 33,400	\$ 66,800	\$ 100,100	\$ 133,500	\$ 166,900	\$ 200,300	\$ 233,700	\$ 267,100
\$350,000	\$ 36,000	\$ 72,000	\$ 108,000	\$ 144,000	\$ 180,000	\$ 216,000	\$ 252,100	\$ 288,100
\$375,000	\$ 38,600	\$ 77,300	\$ 115,900	\$ 154,500	\$ 193,200	\$ 231,800	\$ 270,400	\$ 309,100
\$400,000	\$ 41,300	\$ 82,500	\$ 123,890	\$ 165,000	\$ 206,300	\$ 247,500	\$ 288,800	\$ 330,100
\$450,000	\$ 46,500	\$ 93,000	\$ 139,500	\$ 186,000	\$ 232,500	\$ 279,000	\$ 325,600	\$ 372,100
\$500,000	\$ 51,800	\$ 103,500	\$ 155,300	\$ 207,000	\$ 258,800	\$ 310,500	\$ 362,300	\$ 414,100
\$550,000	\$ 57,000	\$ 114,000	\$ 171,000	\$ 228,000	\$ 285,000	\$ 342,000	\$ 399,100	\$ 456,100
\$600,000	\$ 62,300	\$ 124,500	\$ 186,800	\$ 249,000	\$ 311,300	\$ 373,500	\$ 435,800	\$ 498,100

For each year of benefit service the Canadian Pension Plan provides an annual pension at retirement equal to 1.5% of final average compensation up to the maximum pensionable earnings ceiling in Canada ("YMPE"), plus 2.1% of the final average compensation above YMPE. The normal form of payment is a life pension with a 60% benefit to the surviving spouse. In 2002, YMPE is \$24,747 (C\$39,100). Final average compensation is defined as the final average earnings over the final three-year period of employment. For Mr. Coombs, covered compensation under this plan formula consists of notional salary. Notional salary is the amount reflected in the "Salary" column of the Summary Compensation Table together with a tax gross-up which is included in the amount reflected in the "Other Annual Compensation" column of the Summary Compensation Table. For 2002, the notional salary of Mr. Coombs for purposes of the plan was \$411,335. As of December 31, 2002, Mr. Coombs has completed 3.33 years of benefit service under this plan formula.

Compensation of Managers

The managers do not receive any additional compensation for their service as managers.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

The Company has 1,000 member equity units issued and outstanding. The Company is a wholly-owned subsidiary of HIH which is owned 60% by Huntsman Specialty, 30% by ICI and its affiliates, approximately 9% by institutional investors and approximately 1% by HMP.

Security Ownership of Management

The table below sets forth information concerning the ownership of equity securities in Huntsman Holdings, our ultimate parent, by each of the following: the members of our board of managers; our

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chief executive officer and our remaining four most highly compensated executive officers at the end of the last fiscal year; and the members of our board of managers and our executive officers as a group.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class
Jon M. Huntsman 500 Huntsman Way, Salt Lake City, UT 84108	Class B Common	6,740,690	67.4%
Peter R. Huntsman 3040 Post Oak Blvd. Houston, TX 77056	Class A Common Class B Common(1) Preferred	28,993 409,020 1,122,065	0.3% 4.1% 0.3%
J. Kimo Esplin 500 Huntsman Way, Salt Lake City, UT 84108	Class A Common Preferred	14,497 561,032	0.1% 0.1%
Patrick W. Thomas Everslaan 45 B-3078 Everburg Belgium	None	—	—
Douglas A. L. Coombs Haverton Hill Road Billingham Stockton-on-Tees TS23 1PS United Kingdom	None	—	—
Kevin J. Ninow Seaton Road Port Clarence Middlesbrough TS2 1TT United Kingdom	None	—	—
Members of our board of managers and our executive officers as a group	Class A Common Class B Common(1)(2) Preferred	69,585 7,854,439 2,692,954	0.7% 78.5% 0.7%

(1) Includes trust ownership of executive officers who are members of the Huntsman family.

(2) Includes trust ownership of spouses of executive officers who are members of the Huntsman family.

Changes in Control

As of December 31, 2002, Huntsman LLC had approximately \$1.4 billion of outstanding borrowings under the HC Credit Facilities. As collateral for that indebtedness, Huntsman LLC has pledged its 100% equity interest in HSCHC and has caused HSCHC to pledge its 100% equity interest in Huntsman Specialty. Huntsman Specialty owns 60% of the equity of our direct parent, HIH. In connection with the December 2001 amendment of ICI's put option agreement, Huntsman Specialty pledged half its 60% equity interest in HIH to ICI. Huntsman Specialty has pledged its remaining 30% equity interest in HIH to Huntsman LLC's bank lenders in connection with the HC Credit Facilities. In addition, Huntsman Specialty is obligated to pledge the 30% equity interest in HIH to Huntsman LLC's bank lenders if the current pledge on this interest is released by ICI. Foreclosure on the stock of HSCHC, the stock of Huntsman Specialty or the HIH membership interests would constitute a "change of control" and an event of default under the HI Credit Facilities and would give certain put rights to the holders of the HI Notes and the holders of the HIH Notes.

On November 2, 2000, ICI, Huntsman Specialty, HIH and our Company entered into the ICI Agreements, pursuant to which ICI had an option to transfer to Huntsman Specialty or its permitted

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designated buyers the ICI's 30% Interest. Pursuant to these agreements, on October 30, 2001, ICI exercised its put right requiring Huntsman Specialty or its nominee to purchase the ICI 30% Interest. On December 20, 2001, ICI and Huntsman Specialty amended ICI's put option arrangement under the ICI Agreements to, among other things, provide that the purchase of the ICI 30% Interest would occur on July 1, 2003, or earlier under certain circumstances, and to provide for certain discounts to the purchase price for the ICI 30% Interest. The amended option agreement also requires Huntsman Specialty to cause HIH to pay up to \$112 million of dividends to its members, subject to certain conditions. These conditions include the receipt of consent from our senior secured lenders and our ability to make restricted payments under the indentures governing our HI Notes, as well as the outstanding HIH Notes. At December 31, 2002, the terms of the indentures governing the HIH Notes do not permit HIH to make restricted payments. In addition, in order to secure its obligation to pay the purchase price for the ICI 30% Interest under the ICI Agreements, Huntsman Specialty granted ICI a lien on the HIH Pledged Interest.

GOP has also entered into an Option Agreement with ICI. The Option Agreement provided BNAC, then a GOP subsidiary, with an option to acquire the ICI subsidiary that holds the ICI 30% Interest on or before May 15, 2003 upon the payment of \$180 million plus accrued interest from May 15, 2002, and subject to completion of the purchase of the B Notes (as discussed below). Concurrently, BNAC paid ICI \$160 million to acquire the B Notes, subject to certain conditions, including the obligation to make an additional payment of \$100 million plus accrued interest to ICI. The B Notes have been pledged to ICI as collateral security for such additional payment.

In connection with the restructuring of Huntsman LLC, all the shares in BNAC were contributed to Huntsman Holdings. Huntsman Holdings caused BNAC to be merged into HMP. HMP is a wholly-owned subsidiary of Huntsman Holdings and it now owns all the equity of Huntsman LLC. As a result of its merger with BNAC, HMP holds the interests formerly held by BNAC in the B Notes and the option to acquire the subsidiary of ICI that holds the ICI 30% Interest.

The Option Agreement does not terminate Huntsman Specialty's obligations to ICI under the ICI Agreements. However, if HMP exercises the option, the ICI Agreements would be effectively terminated. If HMP does not exercise the option, Huntsman Specialty would continue to be obligated to ICI under the ICI Agreements. Accordingly, if neither HMP exercises its option nor Huntsman Specialty otherwise satisfies its obligation to ICI with respect to ICI's put right, ICI could foreclose on the HIH Pledged Interest. Such a foreclosure by ICI could result in a "change of control" under the indentures governing the HI Notes and the HIH Notes and under the HI Credit Facilities. A "change of control" would constitute a default under the HI Credit Facilities. It would also entitle both the holders of the HI Notes and the holders of the HIH Notes to exercise their rights to require the respective company to repurchase these notes from them. Under such circumstances there can be no assurance that our Company or HIH would have sufficient funds to purchase all the notes. If HMP does not pay the additional \$100 million purchase price in respect of the B Notes, ICI would have the right to foreclose on the pledge of the B Notes in its favor. While there can be no assurance that HMP will be successful in obtaining the necessary funding to complete the transactions contemplated by the Option Agreement, HMP is currently in discussions with financial institutions concerning such funding and believes it will obtain the necessary funding to complete the contemplated transactions.

Equity Compensation Plan Information

The Company does not have any compensation plans under which equity securities of the Company are authorized for issuance.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

General

We share numerous services and resources with Huntsman LLC and ICI. We also rely on Huntsman LLC and ICI to supply some of our raw materials and to purchase a significant portion of the products. During the year ended December 31, 2002, purchases from and sales to Huntsman LLC and its subsidiaries were \$226.6 million and \$57.7 million, respectively, and purchases from, and sales to, ICI and its subsidiaries were \$188.6 million and \$252.6 million, respectively.

We have entered into an agreement with Huntsman LLC under which Huntsman LLC provides us with administrative support and a range of services, including treasury and risk management, human resources, technical and legal services for our businesses in the U.S. and elsewhere. In 2002, we paid \$25.0 million for these services. We also participate in Huntsman LLC's worldwide insurance program. Furthermore, we provide a limited range of services to Huntsman LLC and certain of its subsidiaries, including treasury, human resources, technical and legal services for Huntsman LLC's businesses in Europe and elsewhere. These agreements provide for fees based on an equitable allocation of the general and administrative costs and expenses. See "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Cautionary Statement for Forward-Looking Information—If we are unable to maintain our relationships with Huntsman LLC and ICI, then we may not be able to replace on favorable terms our contracts with them or the services and facilities that they provide, if at all."

Private Equity Investment

Under the terms of an agreement, as amended, between Huntsman Specialty and BT Capital Investors, L.P., J.P. Morgan Partners (BHCA), L.P., a GS Mezzanine Partners, L.P. and GSMP(HICI), Inc., each of these institutional investors has the right to require Huntsman Specialty to purchase their respective membership interests in HIH contemporaneously with the purchase by Huntsman Specialty of the ICI equity interests or if ICI sells its equity interests to a third party, in each case except as described below. In addition, each such institutional investor has the right to require Huntsman Specialty to purchase its membership interest in HIH at any time after June 30, 2004. Each such

institutional investor also has an option to require Huntsman Specialty to purchase its membership interest in HIH following the occurrence of a change of control of HIH or Huntsman LLC. Huntsman Specialty has the option to purchase all outstanding membership interests owned by the institutional investors at any time after June 30, 2006. The exercise price for each of these put and call options will be the value of our business as agreed between Huntsman Specialty and the institutional investors or as determined by a third party at the time of the exercise of the put or call option. If Huntsman Specialty, having used commercially reasonable efforts, does not purchase such membership interests, the selling institutional investor will have the right to require HIH to register such membership interests for resale under the Securities Act.

In November, 2002, HMP purchased the approximately 1% equity interest in HIH previously held by GS Mezzanine Partners, L.P. and GSMP(HICI), Inc. In addition, the HIH membership interest originally held by BT Capital Investors, L.P. has been transferred to MidOcean Partners, L.P.

Senior Management Investment

In conjunction with the restructuring of Huntsman LLC, certain members of senior management, including members of the Huntsman family, contributed \$2.1 million in exchange for approximately 0.2% of the voting membership interests of Huntsman Holdings, parent of HMP, and, indirectly, 0.6% of the non-voting preferred units of Huntsman Holdings.

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Tax Sharing Arrangement

Pursuant to our limited liability company agreement and the limited liability company agreement of HIH, we have a tax sharing arrangement with all of our and HIH's membership interest holders. Under the arrangement, because we are treated as a partnership for United States income tax purposes, we will make payments to our parent, HIH, which will in turn make payments to its membership interest holders, in an amount equal to the United States federal and state income taxes we and HIH would have paid had HIH been a consolidated or unitary group for federal tax purposes. The arrangement also provides that we will receive cash payments from the membership interest holders (through HIH) in amounts equal to the amount of United States federal and state income tax refunds or benefit against future tax liabilities equal to the amount we would have received from the use of net operating losses or tax credits generated by us.

Polyurethanes

Integration with Huntsman LLC's Polyols Businesses

Huntsman LLC produces certain polyols. Polyols are reacted with isocyanates, primarily MDI and TDI, to produce finished polyurethane products. We manage certain aspects of Huntsman LLC's polyols businesses. We purchase from Huntsman LLC and resell polyols produced by Huntsman LLC to be sold outside the Americas. We have also entered into certain related technology licensing arrangements with Huntsman LLC.

Supply Contracts

We are interdependent with Huntsman LLC with respect to the supply of certain feedstock, utilities and products. Under a supply agreement that expires in 2012, we are required to sell, and Huntsman LLC is required to purchase, a portion of the steam that we purchase from outside parties. Huntsman LLC reimburses us for the cost of the steam that it purchases from us. Under separate supply agreements, we have agreed to purchase our requirements of mono-ethylene glycol and tri-ethylene glycol from Huntsman LLC at market prices for use in our PO operations. Furthermore, in exchange for Huntsman LLC's PG tolling services, we pay Huntsman LLC a reservation fee, adjusted annually for inflation, plus a variable toll fee equal to Huntsman LLC's cost of operating the PG plant. In 2002, we paid Huntsman LLC approximately \$4 million in fees under these contracts and received approximately \$10 million in reimbursements from Huntsman LLC.

PO Supply Agreement

Pursuant to an existing agreement with Huntsman LLC that expires in 2012, we are obligated to sell, and Huntsman LLC is obligated to buy, all PO produced at our PO facility in Port Neches, Texas which is not purchased by our other customers. We are entitled to receive market prices for the PO purchased by Huntsman LLC. During 2002, although Huntsman LLC was not required to purchase any PO from us under this agreement, it did purchase approximately \$29 million of PO from us for use in its operations.

Propylene Supply Agreement

Pursuant to an agreement that expires in 2012, Huntsman LLC is obligated to provide 100% of the propylene required by us for operation of our PO facility, up to a maximum of 350 million pounds per year. We pay market prices for the propylene supplied by Huntsman LLC. In 2002, we spent approximately \$54 million under this agreement.

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Services Contracts

In order to operate our PO business, we have entered into a series of contracts with Huntsman LLC that expire in 2012 under which

Huntsman LLC operates and maintains the PO facility, including the provision of management, personnel, transportation, information systems, accounting, tax and legal services, and research and development. Generally, under these agreements, we pay Huntsman LLC an amount equal to its actual costs for providing us with each of these services. In 2002, we paid Huntsman LLC approximately \$33 million under these agreements, which we believe to be equivalent to that which would be paid under arm's length arrangements.

Performance Products

Integration with Huntsman LLC's Amines Businesses

Huntsman LLC produces certain amines. Amines are used to make products used in agricultural herbicides, personal care products, polyurethane foams, fuel and lubricant additives and paints and coatings. We manage certain aspects of Huntsman LLC's amines businesses. We purchase from Huntsman LLC and resell amines produced by Huntsman LLC to be sold outside the Americas. We have also entered into certain related technology licensing arrangements with Huntsman LLC.

Integration with Huntsman LLC's Surface Sciences Business

Certain other subsidiaries of Huntsman LLC, including Huntsman Petrochemical Corporation and Huntsman Corporation Australia Pty Limited, produce surfactants. We provide global management services for those surfactants businesses, and have entered into agreements with those companies covering marketing, technical support, technology licenses, and product purchase and sales agreements.

Ethylene and Ethylene Oxide Supply

Currently, Huntsman LLC supplies ethylene and ethylene oxide required by us for the operation of our ethyleneamines facility. We pay market prices for the ethylene supplied by Huntsman LLC. In 2002, we spent approximately \$11 million to purchase ethylene from Huntsman LLC.

Services Contracts

In order to operate our ethyleneamines business, we have entered into a series of contracts with Huntsman LLC that expire in 2012 under which Huntsman LLC operates and maintains our ethyleneamines facility, including the provision of management, personnel, transportation, information systems, accounting, tax and legal services, and research and development. Generally, under these agreements, we pay Huntsman LLC an amount equal to its actual costs for providing us with each of these services. In 2002, we paid Huntsman LLC approximately \$9.4 million for these services.

Pigments

Supply Agreement with ICI Paints

We have an existing agreement with the paints business of ICI to supply TiO₂. At the current level of commitment, we supply approximately 60,000 tonnes of TiO₂ per year at market prices. We have revised and extended the agreement to ensure that it remains consistent with developments in the market. The revised agreement expires no earlier than December 31, 2003 upon at least twelve months' prior notice. At present, no notice has been given. In 2002, ICI spent approximately \$92 million under this agreement.

Feedstock Supply Contracts

Through January 9, 2001, when ICI sold its interest in a supplying business to INEOS, we had several agreements whereby ICI and its affiliates supplied us with sulphur, sulphuric acid, caustic soda and chlorine. The terms and conditions of the agreements with ICI were substantially the same as agreements or non-contractual arrangements existing prior to the closing of the transfer of ICI's businesses to us, which generally reflect market prices. In 2001, we spent approximately \$14 million under these agreements.

We have also operated an agreement with an affiliate of ICI relating to the supply of titanium tetrachloride. The terms and conditions of this agreement with ICI were substantially the same as agreements or non-contractual arrangements existing prior to the closing of the transfer of ICI's businesses to us, which generally reflect market prices. In 2002, ICI spent approximately \$1.7 million under this agreement.

Services Contracts

During 2002 we continued to purchase certain services from ICI or its affiliates, notably waste disposal services. In 2002, we spent approximately \$1.0 million under these agreements.

Base Chemicals

Naphtha Supply Agreement

We entered into a product supply agreement with ICI, which requires ICI to supply to us, and us to buy, the entire naphtha output (up to 1.98 billion pounds per year) of the Phillips Imperial Petroleum Limited (now Petroplus Limited) refinery at Teesside and specified amounts of other feedstock available to ICI from operations on Teesside. We purchase these products on terms and conditions which reflect

market prices. During 2002, we spent approximately \$195 million under this agreement.

On January 6, 2002, we provided ICI notice of our intent to terminate this contract. The contract terminated on January 6, 2003 with a \$5 million payment by us to ICI. Replacement contracts, not involving ICI, have been established to source feedstock requirements during 2003.

Supply Contracts

We have entered into several agreements with ICI and an affiliate for the supply of ethylene and the supply of hydrogen to and from affiliates of ICI. During 2001, ICI's major hydrogen supplying plant was closed. The terms and conditions of these agreements are substantially the same as agreements or non-contractual arrangements existing prior to the closing of the transfer of ICI's petrochemicals business to us, which generally reflect market prices. ICI divested its interests in these businesses at the end of 2000, with the exception of one ethylene customer. During 2002, ICI spent approximately \$36 million under its residual ethylene agreement. Following the 2001 closure of the ICI hydrogen supplying plant, there were no purchases of hydrogen from ICI in 2002.

In addition, there are certain supply agreements with ethylene customers which have not yet been novated from ICI to us. Until these contracts are novated, we continue to invoice ICI which in turn invoices the customer. During the twelve months ended December 31, 2002, ICI made purchases of approximately \$119 million relating to these agreements.

Utilities Contracts

During 2002, we continued to purchase utilities under a contract with ICI pursuant to which utilities were supplied by ETOL. Utilities included electricity, steam, water, natural gas and compressed air. During 2002, we spent approximately \$27 million under this agreement. Effective January 2002, the natural gas supply contract was discontinued.

ITEM 14. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. This information is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Our management, including our principal executive officer and our principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures within 90 days of the filing date of this report. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective in alerting them on a timely basis to material information required to be disclosed in our periodic filings.

Changes in Internal Controls

There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation referenced in the foregoing paragraph.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

- (a) 1. Consolidated Financial Statements:
See Index to Consolidated Financial Statements on page F-1
- (a) 2. Financial Statement Schedule:
See Index to Consolidated Financial Statements on page F-1
- (a) 3. Description of Exhibits
 - 3.1 Certificate of Formation of Huntsman International LLC (incorporated by reference to Exhibit 3.1 to our registration statement on Form S-4 (File No. 333-85141))
 - 3.2 Second Amended and Restated Limited Liability Company Agreement of Huntsman International LLC dated December 20, 2001 (incorporated by reference to Exhibit 3.2 to our amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
 - 3.3 Certificate of Formation of Huntsman International Financial LLC (incorporated by reference to Exhibit 3.3 to our registration statement on Form S-4 (File No. 333-85141))

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- 3.4 Limited Liability Company Agreement of Huntsman International Financial LLC dated June 18, 1999, as amended by the First Amendment dated June 19, 1999 (incorporated by reference to Exhibit 3.4 to our registration statement on Form S-4 (File No. 333-85141))
 - 3.5 Memorandum of Association of Tioxide Group (incorporated by reference to Exhibit 3.5 to our registration statement on Form S-4 (File No. 333-85141))
 - 3.6 Articles of Association of Tioxide Group (incorporated by reference to Exhibit 3.6 to our registration statement on Form S-4 (File No. 333-85141))
 - 3.7 Memorandum of Association of Tioxide Americas Inc. (incorporated by reference to Exhibit 3.7 to our registration statement on Form S-4 (File No. 333-85141))
 - 3.8 Articles of Association of Tioxide Americas Inc. (incorporated by reference to Exhibit 3.8 to our registration statement on Form S-4 (File No. 333-85141))
 - 3.9 Certificate of Amendment to Certificate of Formation of Huntsman International LLC (incorporated by reference to Exhibit 3.9 to our annual report on Form 10-K for the year ended December 31, 2000)
 - 3.10 Certificate of Amendment to Certificate of Formation of Huntsman International Financial LLC (incorporated by reference to Exhibit 3.10 to our annual report on Form 10-K for the year ended December 31, 2000)
 - 4.1 Indenture, dated as of June 30, 1999, among Huntsman International LLC (f/k/a/ Huntsman ICI Chemicals LLC), the Guarantors party thereto and Bank One, N.A., as Trustee, relating to the 10¹/₈% Senior Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.1 to our registration statement on Form S-4 (File No. 333-85141))
 - 4.2 Form of certificate of 10¹/₈% Senior Subordinated Note due 2009 denominated in dollars (included as Exhibit A-3 to Exhibit 4.1)
 - 4.3 Form of certificate of 10¹/₈% Senior Subordinated Note due 2009 denominated in euros (included as Exhibit A-4 to Exhibit 4.1)
 - 4.4 Form of Guarantee (included as Exhibit E of Exhibit 4.1)
 - 4.5 First Amendment, dated January 5, 2000, to Indenture, dated as of June 30, 1999, among Huntsman International LLC (f/k/a/ Huntsman ICI Chemicals LLC), as Issuer, each of the Guarantors named therein and Bank One, N.A., as Trustee (incorporated by reference to Exhibit 4.6 to our registration statement on Form S-4 (File No. 333-85141))
 - 4.6 Indenture, dated as of March 13, 2001, among Huntsman International LLC, as Issuer, the Guarantors named therein and The Bank of New York, as Trustee, relating to 10¹/₈% Senior Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.6 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
 - 4.7 First Supplemental Indenture, dated as of January 11, 2002, among Huntsman International LLC, as Issuer, the Guarantors named therein and The Bank of New York, as Trustee, relating to 10¹/₈% Senior Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.7 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
 - 4.8 Indenture, dated as of March 21, 2002, among Huntsman International LLC, as Issuer, the Guarantors named therein and Wells Fargo Bank Minnesota, National Association, as Trustee, relating to the 9⁷/₈% Senior Notes due 2009 (incorporated by reference to Exhibit 4.8 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)

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- 4.9 Exchange and Registration Rights Agreement, dated as of March 21, 2002, among Huntsman International LLC, the Guarantors as defined therein, and the Purchasers as defined therein, relating to the 9⁷/₈% Senior Notes due 2009 (incorporated by reference to Exhibit 4.9 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
 - 10.1 Contribution Agreement, dated as of April 15, 1999, by and among Imperial Chemical Industries PLC, Huntsman Specialty Chemicals Corporation, HIH LLC (f/k/a/ Huntsman ICI HIH LLC) and Huntsman International LLC (f/k/a/ Huntsman ICI Chemicals LLC) as amended by the first Amending Agreement, dated June 4, 1999, the second Amending Agreement, dated

- June 30, 1999, and the third Amending Agreement, dated June 30, 1999, (incorporated by reference to Exhibit 10.1 to our registration statement on Form S-4 (File No. 333-85141))
- 10.2 Purchase and Sale Agreement (PO/MTBE Business), dated March 21, 1997, among Texaco, Texaco Chemical Inc. and Huntsman Specialty Chemicals Corporation (incorporated by reference to Exhibit 10.2 to our registration statement on Form S-4 (File No. 333-85141))
- 10.3 Operating and Maintenance Agreement, dated as of March 21, 1997, by and between Huntsman Specialty Chemicals Corporation and Huntsman Petrochemical Corporation (incorporated by reference to Exhibit 10.3 to our registration statement on Form S-4 (File No. 333-85141))
- 10.4 Credit Agreement, dated as of June 30, 1999, by and among Huntsman International LLC (f/k/a/ Huntsman ICI Chemicals LLC), HIH LLC (f/k/a/ Huntsman ICI Holdings LLC), Bankers Trust Company, Goldman Sachs Credit Partners LP, The Chase Manhattan Bank, and Warburg Dillon Read and various lending institutions party thereto (incorporated by reference to Exhibit 10.4 to our registration statement on Form S-4 (File No. 333-85141))
- 10.5 Asset Sale Agreement, dated June 30, 1999, by and between BP Chemicals Limited and Huntsman International LLC (f/k/a/ Huntsman ICI Chemicals LLC) (incorporated by reference to Exhibit 10.5 to our registration statement on Form S-4 (File No. 333-85141))
- 10.6 Joint Venture Agreement, dated as of October 18, 1993, between Tioxide Americas Inc. and Kronos Louisiana, Inc. (incorporated by reference to Exhibit 10.6 to our registration statement on Form S-4 (File No. 333-85141))
- 10.7 Shareholders Agreement, dated as of January 11, 1982, by and among Imperial Chemical Industries PLC, ICI American Huntsman International Holdings, Inc. and Uniroyal, Inc. (incorporated by reference to Exhibit 10.7 to our registration statement on Form S-4 (File No. 333-85141))
- 10.8 Operating Agreement, dated December 28, 1981, between Uniroyal, Inc., Rubicon Chemicals, Inc. and Rubicon, Inc. (incorporated by reference to Exhibit 10.8 to our registration statement on Form S-4 (File No. 333-85141))
- 10.9 Liability and Indemnity Agreement, dated December 28, 1981, by and among Rubicon Inc., Rubicon Chemicals Inc., Imperial Chemical Industries PLC, ICI American Huntsman International Holdings, Inc., ICI Americas Inc. and Uniroyal Inc. (incorporated by reference to Exhibit 10.9 to our registration statement on Form S-4 (File No. 333-85141))
- 10.10 Titanium Dioxide Supply Agreement, dated July 3, 1997, by and between Imperial Chemical Industries PLC and Tioxide Group (incorporated by reference to Exhibit 10.10 to our registration statement on Form S-4 (File No. 333-85141))*

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- 10.11 Slag Sales Agreement, dated July 10, 1997, by and between Richards Bay Iron and Titanium (Proprietary) Limited and Tioxide S.A. (Pty) Limited (incorporated by reference to Exhibit 10.11 to our registration statement on Form S-4 (File No. 333-85141))*
- 10.12 Slag Sales Agreement, dated April 19, 2000, by and between Qit-Fer Et Titane Inc. and Tioxide Europe Limited (incorporated by reference to Exhibit 10.12 to our annual report on Form 10-K for the year ended December 31, 2000)**
- 10.13 Supply Agreement, dated April 13, 1998, by and between Shell Trading International Limited and ICI Chemicals & Polymers Limited (incorporated by reference to Exhibit 10.13 to our registration statement on Form S-4 (File No. 333-85141)) *
- 10.14 Amendment, dated February 7, 2001, to the Supply Agreement, dated April 13, 1998, by and between Shell Trading International Limited and ICI Chemicals & Polymers Limited (incorporated by reference to Exhibit 10.14 to our annual report on Form 10-K for the year ended December 31, 2000)**
- 10.15 First Amendment, dated as of December 21, 2000, by and among Huntsman International LLC, HIH LLC, the financial institutions named therein, as Lenders, Bankers Trust Company, as Lead Arranger, Administrative Agent for the Lenders and Sole Book Manager, Goldman Sachs Credit Partners L.P., as Syndication Agent and Co-Arranger and The Chase Manhattan Bank and Warburg Dillon Read (a division of UBS AG), as Co-Arrangers and as Co-Documentation Agents, to the Credit Agreement dated as of June 30, 1999 (incorporated by reference to Exhibit 10.15 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.16 Second Amendment, dated as of March 5, 2001, is entered into by and among Huntsman International LLC, HIH LLC, the undersigned financial institutions, including Bankers Trust Company, in their capacities as lenders hereunder, Bankers Trust Company, as Lead Arranger, Administrative Agent for the Lenders and Sole Book Manager, Goldman Sachs Credit Partners L.P., as Syndication Agent and Co-Arranger and The Chase Manhattan Bank and UBS Warburg LLC (as successor to Warburg Dillon Read), as Co-Arrangers and as Co-Documentation Agents, to the Credit Agreement dated as of June 30, 1999 (incorporated by reference to Exhibit 10.16 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.17 Contribution Agreement, among Huntsman International LLC, as Contributor and Originator, and Huntsman Receivables Finance LLC, as the Company, dated as of December 20, 2000 (incorporated by reference to Exhibit 10.17 to our annual

report on Form 10-K for the year ended December 31, 2000)

- 10.18 Huntsman Master Trust Pooling Agreement, dated as of December 21, 2000, among Huntsman Receivables Finance LLC, as Company, Huntsman (Europe) BVBA, as Master Servicer, and Chase Manhattan Bank (Ireland) Plc, as Trustee (incorporated by reference to Exhibit 10.18 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.19 Huntsman Master Trust, Series 2000-1 Supplement, dated as of December 21, 2000, to Pooling Agreement dated as of December 21, 2000, among Huntsman Receivables Finance LLC, as Company, Huntsman (Europe), BVBA, as Master Servicer, The Chase Manhattan Bank, as Funding Agent, Park Avenue Receivables Corp., as Series 2000-1 Initial Purchaser, the several financial institutions party thereto from time to time as Series 2000-1 APA Banks, and Chase Manhattan Bank (Ireland) Plc, as Trustee (incorporated by reference to Exhibit 10.19 to our annual report on Form 10-K for the year ended December 31, 2000)

- 10.20 Servicing Agreement, dated as of December 21, 2000, among Huntsman Receivables Finance LLC, as the Company, Huntsman (Europe) BVBA, as Master Servicer, Tioxide Americas Inc., Huntsman ICI Holland B.V., Tioxide Europe Limited, Huntsman International LLC, Huntsman Petrochemicals (U.K.) Limited, Huntsman Propylene Oxide Ltd., Huntsman International Fuels L.P., as Local Servicers, Chase Manhattan Bank (Ireland) Plc, as Trustee, Pricewaterhousecoopers, as Liquidation Servicer, and Huntsman International LLC, as Servicer Guarantor (incorporated by reference to Exhibit 10.20 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.21 U.S. Receivables Purchase Agreement, Huntsman International LLC, as Purchaser, and Tioxide Americas Inc., Huntsman Propylene Oxide Ltd. and Huntsman International Fuels, L.P., each as a Seller and an Originator (incorporated by reference to Exhibit 10.21 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.22 Dutch Receivables Purchase Agreement, dated as of December 21, 2000, between Huntsman International LLC, as Purchaser, Huntsman ICI Holland B.V., as Originator, Huntsman ICI (Europe) B.V.B.A., as Master Servicer (incorporated by reference to Exhibit 10.22 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.23 U.K. Receivables Purchase Agreement, dated as of December 20, 2000, between Huntsman International LLC, as Purchaser, Tioxide Europe Limited and Huntsman Petrochemicals (U.K.) Limited, as Originators, and Huntsman (Europe) B.V.B.A., as Master Servicer (incorporated by reference to Exhibit 10.23 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.24 Third Amendment, dated as of November 30, 2001, by and among Huntsman International LLC, HIH LLC and the various agents and lending institutions party thereto (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed December 4, 2001)
- 10.25 Fourth Amendment to Credit Agreement, dated as of March 15, 2002, by and among Huntsman International LLC, HIH LLC and the various agents and lending institutions party thereto (incorporated by reference to Exhibit 10.25 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
- 10.26 Amendment Agreement, dated December 20, 2001, between Imperial Chemicals Industries PLC, ICI Alta, Inc. and Huntsman Specialty Chemicals Corporation, to amend the Contribution Agreement dated as of April 15, 1999 (incorporated by reference to Exhibit 10.26 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
- 10.27 Second Amendment, dated as of October 21, 2002, between Huntsman Receivables Finance LLC, Huntsman (Europe), BVBA, and J.P. Morgan (Ireland) PLC, to Series 2000-1 Supplement, dated as of December 21, 2000
- 10.28 First Amendment to Series 2001-1 Supplement, dated as of October 21, 2002, among Huntsman Receivables Finance LLC, Huntsman (Europe) BVBA and J.P. Morgan Bank (Ireland) PLC
- 10.29 First Amendment to Amended and Restated Pooling Agreement, dated as of October 21, 2002, among Huntsman Receivables Finance LLC, Huntsman (Europe) BVBA and J.P. Morgan Bank (Ireland) PLC

- 10.30 Amended and Restated Servicing Agreement, dated as of October 21, 2002, among Huntsman Receivables Finance LLC, as the Company, Huntsman (Europe) BVBA, as Master Servicer, Tioxide Americas Inc., Huntsman Holland B.V., Tioxide Europe Limited, Huntsman International LLC, Huntsman Petrochemicals (UK) Limited, Huntsman Propylene Oxide Ltd., Huntsman International Fuels L.P., Tioxide Europe SRL, Huntsman Surface Sciences Italia SRL, Huntsman Patrica S.R.L., Tioxide Europe S.L., Huntsman Surface Sciences Ibérica, S.L., Tioxide Europe SAS, Huntsman Surface Sciences (France) S.A.S., Huntsman Surface Sciences UK Ltd, Huntsman Ethyleneamines Ltd., as Local Servicers, J.P. Morgan Bank (Ireland) PLC, as Trustee, Pricewaterhousecoopers, as Liquidation Servicer, and Huntsman International LLC, as Servicer Guarantor

CERTIFICATIONS

I, Peter R. Huntsman, certify that:

1. I have reviewed this annual report on Form 10-K of Huntsman International LLC;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

/s/ PETER R. HUNTSMAN

Peter R. Huntsman
Chief Executive Officer

I, J. Kimo Esplin, certify that:

1. I have reviewed this annual report on Form 10-K of Huntsman International LLC;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the

filing date of this annual report (the "Evaluation Date"); and

- c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

/s/ J. KIMO ESPLIN

J. Kimo Esplin
Chief Financial Officer

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**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
ITEMS 8 AND 14(a)
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RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Company management is responsible for the preparation, accuracy and integrity of the consolidated financial statements and other financial information included in this Annual Report. This responsibility includes preparing the statements in accordance with accounting principles generally accepted in the United States of America and necessarily includes estimates based upon management's best judgment.

To help ensure the accuracy and integrity of Company financial data, management maintains internal controls which are designed to provide reasonable assurance that transactions are executed as authorized, that they are accurately recorded and that assets are properly safeguarded. It is essential for all Company employees to conduct their business affairs in keeping with the highest ethical standards as outlined in our code of conduct policy, "Business Conduct Guidelines." Careful selection of employees, and appropriate divisions of responsibility also help us to achieve our control objectives.

The consolidated balance sheets of Huntsman International LLC and subsidiaries as of December 31, 2002 and 2001, and the related

consolidated statements of operations and comprehensive income (loss), equity, and cash flows for the years ended December 31, 2002, 2001 and 2000 have been audited by the Company's independent accountants Deloitte & Touche LLP. Their report is shown on page F-3.

The Board of Managers oversees the adequacy of the Company's control environment. Representatives of the Board of Managers meet periodically with representatives of Deloitte & Touche LLP, internal financial management and the internal auditor to review accounting, control, auditing and financial reporting matters. The independent accountants and the internal auditor also have full and free access to meet privately with the Committee.

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INDEPENDENT AUDITORS' REPORT

To the Board of Managers and Members of Huntsman International LLC

We have audited the accompanying consolidated balance sheets of Huntsman International LLC and subsidiaries (the "Company") as of December 31, 2002 and 2001, and the related consolidated statements of operations and comprehensive income (loss), equity, and cash flows for the each of the three years in the period ended December 31, 2002. Our audits also included the financial statement schedule listed in the table of contents. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Huntsman International LLC and subsidiaries at December 31, 2002 and 2001 and the results of the Company's operations and its cash flows for each of the three years in the period ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards, No. 142 effective January 1, 2002 and changed its method of accounting for derivative financial instruments effective January 1, 2001, to conform to Statement of Financial Accounting Standards No. 133, as amended.

DELOITTE & TOUCHE LLP

Salt Lake City, Utah
February 28, 2003

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HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

Consolidated Balance Sheets

(Millions of Dollars)

	December 31, 2002	December 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 75.4	\$ 83.9
Accounts and notes receivables (net of allowance for doubtful accounts of \$14.5 and \$15.2, respectively)	467.9	501.6
Inventories	561.3	501.4
Prepaid expenses	22.0	10.7
Deferred income taxes	31.2	—
Other current assets	75.4	47.4
	1,233.2	1,145.0
Total current assets	1,233.2	1,145.0

Property, plant and equipment, net	3,071.1	2,839.5
Investment in unconsolidated affiliates	133.9	147.0
Intangible assets, net	309.7	368.5
Other noncurrent assets	331.9	362.1
Total assets	\$ 5,079.8	\$ 4,862.1
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 314.8	\$ 266.7
Accrued liabilities	523.8	496.7
Current portion of long-term debt	43.9	5.3
Deferred income taxes	—	5.7
Other current liabilities	28.7	61.1
Total current liabilities	911.2	835.5
Long-term debt	2,729.9	2,632.6
Deferred income taxes	215.1	262.6
Other noncurrent liabilities	158.3	131.9
Total liabilities	4,014.5	3,862.6
Minority interests	0.1	7.8
Commitments and contingencies (Notes 17 and 18)		
Equity:		
Member's equity, 1,000 units	1,026.1	1,026.1
Retained earnings	186.5	166.4
Accumulated other comprehensive loss	(147.4)	(200.8)
Total equity	1,065.2	991.7
Total liabilities and equity	\$ 5,079.8	\$ 4,862.1

See accompanying notes to consolidated financial statements.

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HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

Consolidated Statements of Operations and Comprehensive Income (Loss)

(Millions of Dollars)

	Year Ended December 31, 2002	Year Ended December 31, 2001	Year Ended December 31, 2000
Revenues:			
Trade sales	\$ 4,159.9	\$ 4,178.2	\$ 3,940.8
Related party sales	333.7	376.0	464.5
Tolling fees	24.5	21.0	42.6
Total revenues	4,518.1	4,575.2	4,447.9
Cost of goods sold	3,902.7	3,990.1	3,705.4
Gross profit	615.4	585.1	742.5
Expenses:			
Selling, general and administrative	325.0	304.8	261.4

Research and development	54.6	62.5	59.3
Restructuring and plant closing costs	7.7	46.6	—
Total expenses	387.3	413.9	320.7
Operating income	228.1	171.2	421.8
Interest expense	(247.0)	(243.0)	(238.0)
Interest income	1.6	3.4	4.9
Loss on sale of accounts receivable	(5.5)	(12.8)	(1.9)
Other income (expense)	1.3	(2.0)	(3.2)
Income (loss) before income taxes	(21.5)	(83.2)	183.6
Income tax benefit (expense)	41.5	26.0	(30.1)
Minority interests in subsidiaries' income (loss)	0.1	(2.2)	(2.8)
Income (loss) before accounting change	20.1	(59.4)	150.7
Cumulative effect of accounting change	—	(1.5)	—
Net income (loss)	20.1	(60.9)	150.7
Other comprehensive income (loss)	53.4	(80.1)	(118.0)
Comprehensive income (loss)	\$ 73.5	\$ (141.0)	\$ 32.7

See accompanying notes to consolidated financial statements.

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HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

Consolidated Statements of Equity

(Millions of Dollars)

	Member's Equity		Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares/Units	Amount			
Balance, January 1, 2000	1,000	\$ 1,026.1	\$ 80.6	\$ (2.7)	\$ 1,104.0
Distribution to Holdings		—	(8.0)	—	(8.0)
Net income		—	150.7	—	150.7
Other comprehensive loss		—	—	(118.0)	(118.0)
Balance, December 31, 2000	1,000	1,026.1	223.3	(120.7)	1,128.7
Capital contribution from Holdings		—	4.0	—	4.0
Net loss		—	(60.9)	—	(60.9)
Other comprehensive loss		—	—	(80.1)	(80.1)
Balance, December 31, 2001	1,000	1,026.1	166.4	(200.8)	991.7
Net income		—	20.1	—	20.1
Other comprehensive income		—	—	53.4	53.4
Balance, December 31, 2002	1,000	\$ 1,026.1	\$ 186.5	\$ (147.4)	\$ 1,065.2

See accompany notes to consolidated financial statements.

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HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Millions of Dollars)

	Year Ended December 31, 2002	Year Ended December 31, 2001	Year Ended December 31, 2000
Cash Flows From Operating Activities:			
Net income (loss)	\$ 20.1	\$ (60.9)	\$ 150.7
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	256.2	229.0	205.5
Noncash interest expense	12.9	11.3	10.7
Deferred income taxes	(59.8)	(43.1)	6.3
Gain on foreign currency transactions	(48.3)	(4.8)	(8.2)
Loss on disposals of fixed assets	—	6.6	2.9
Minority interests in subsidiaries	(0.1)	2.2	2.8
Equity in earnings of investment in unconsolidated affiliates	(0.2)	(0.1)	(0.1)
Proceeds from initial sale of receivables	—	—	175.0
Changes in operating assets and liabilities—net of effects of acquisitions:			
Accounts and notes receivables	103.6	116.5	(104.5)
Inventories	(12.6)	17.3	(118.9)
Prepaid expenses	(9.1)	4.5	0.3
Other current assets	(15.0)	1.7	(13.8)
Other noncurrent assets	(9.4)	10.3	(52.0)
Accounts payable	(0.5)	(106.7)	(27.1)
Accrued liabilities	(15.4)	(16.2)	179.4
Other current liabilities	(48.7)	45.3	(28.4)
Other noncurrent liabilities	(16.2)	(10.5)	30.9
Net cash provided by operating activities	157.5	202.4	411.5
Investing Activities:			
Capital expenditures	(190.5)	(291.0)	(204.5)
Acquisition of businesses and minority interest	(9.0)	(209.5)	(149.6)
Net cash received from unconsolidated affiliates	8.0	11.3	7.5
Advances to unconsolidated affiliates	(3.3)	(2.5)	(9.0)
Proceeds from sale of fixed assets	5.9	—	—
Net cash used in investing activities	(188.9)	(491.7)	(355.6)
Financing Activities:			
Net borrowings under revolving loan facilities	\$ —	\$ 79.5	\$ 8.0
Issuance of senior and senior subordinated notes	300.0	233.2	—
Proceeds from other long-term debt	—	4.4	—
Repayment of long-term debt	(288.6)	(2.4)	(131.0)
Debt issuance costs	(10.3)	(6.5)	—
Cash contributions by Holdings	—	4.0	—
Cash distribution to Holdings	—	—	(8.0)
Net cash provided by (used in) financing activities	1.1	312.2	(131.0)
Effect of exchange rate changes on cash	21.8	(5.1)	2.3
Increase (decrease) in cash and cash equivalents	(8.5)	17.8	(72.8)
Cash and cash equivalents at beginning of year	83.9	66.1	138.9
Cash and cash equivalents at end of year	\$ 75.4	\$ 83.9	\$ 66.1
Supplemental cash flow information:			
Cash paid for interest	235.0	222.2	234.6
Cash paid for income taxes	12.3	15.0	22.0

Supplemental non-cash financing activities:

The Company partially finances its property and liability insurance premiums. During the years ended December 31, 2002, the Company issued notes payable for approximately \$2.6 million and recorded prepaid insurance for the same amount, which will be amortized over the period covered.

See accompanying notes to consolidated financial statements.

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

Huntsman International LLC (the "Company") is a global manufacturer and marketer of differentiated and commodity chemicals through its four principal businesses: Polyurethanes, Performance Products, Pigments and Base Chemicals. The Company is a wholly-owned subsidiary of Huntsman International Holdings LLC ("HIH").

Effective June 30, 1999, pursuant to a contribution agreement and ancillary agreements between HIH, Huntsman Specialty Chemicals Corporation ("Huntsman Specialty"), Imperial Chemicals Industries PLC ("ICI") and the Company, the Company acquired assets and stock representing ICI's polyurethane chemicals, selected petrochemicals (including ICI's 80% interest in the Wilton olefins facility) and titanium dioxide businesses and Huntsman Specialty's propylene oxide business. In addition, the Company also acquired the remaining 20% ownership interest in the Wilton olefins facility from BP Chemicals, Limited ("BP Chemicals").

HIH is owned 60% by Huntsman Specialty, 30% by ICI and its affiliates, approximately 9% by institutional investors and approximately 1% by HMP Equity Holdings Corporation ("HMP").

2001 Acquisition

On March 31, 2001, the Company closed a definitive purchase agreement with an affiliate of Rhodia S.A. for the acquisition of the European surfactants business of Albright & Wilson, a subsidiary of Rhodia S.A., for approximately \$180 million.

2000 Acquisition

On August 31, 2000, the Company acquired the Morton global thermoplastic polyurethanes business from Rohm and Haas Company for an aggregate purchase price of \$120 million.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of the Company include its majority owned subsidiaries. Intercompany transactions and balances are eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Flow Information

Highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents.

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Securitization of Accounts Receivable

In September 2000, Statement of Financial Accounting Standards ("SFAS") No. 140, "*Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*," was issued. SFAS No. 140 provides consistent standards for distinguishing transfers of financial assets that are sales from those that are secured borrowings. The Company adopted SFAS No. 140 during the year ended December 31, 2001 as required. Adoption of the accounting requirements of this standard did not have a material impact on the statement of operations or financial position.

The Company securitizes certain trade receivables in connection with a revolving securitization program. The Company retains the servicing rights which are a retained interest in the securitized receivables. Losses are recorded on the sale and are based on the carrying value of the receivables as allocated between the receivables sold and the retained interests and their relative fair value at the date of the transfer. Retained interests are subsequently carried at fair value which is estimated based on the present value of expected cash flows, calculated using management's best estimates of key assumptions including credit losses and discount rates commensurate with the risks involved. For more information, see "Note 11—Securitization of Accounts Receivable" below.

Inventories

Inventories are stated at the lower of cost or market using the weighted average method.

Property, Plant and Equipment

Property, plant and equipment is stated at cost. Depreciation is provided utilizing the straight line method over the estimated useful lives of the assets ranging from 3 to 20 years. Upon disposal of assets, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is included in income. Of the total plant and equipment, approximately \$458 million is depreciated using the straight-line method on a group basis at a 5% composite rate. When capital assets representing complete groups of property are disposed of, the difference between the disposal proceeds and net book value is credited or charged to income. When miscellaneous assets are disposed of, the difference between asset costs and salvage value is charged or credited to accumulated depreciation.

Periodic maintenance and repairs applicable to major units of manufacturing facilities are accounted for on the prepaid basis by capitalizing the costs of the turnaround and amortizing the costs over the estimated period until the next turnaround. Normal maintenance and repairs of all other plant and equipment are charged to expense as incurred. Renewals, betterments and major repairs that materially extend the useful life of the assets are capitalized, and the assets replaced, if any, are retired.

Interest costs are capitalized as part of major construction projects. Interest expense capitalized as part of plant and equipment was \$10.5 million, \$9.3 million, and \$10.3 million for the years ended December 31, 2002, 2001 and 2000, respectively.

Investment in Unconsolidated Affiliates

Investments in companies in which the Company exercises significant influence, generally ownership interests from 20% to 50%, are accounted for using the equity method.

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Intangible Assets and Goodwill

Intangible assets, which consist of patents, trademarks, technology and certain other agreements, are stated at their fair market values at the time of acquisition, and are amortized using the straight line method over their estimated useful lives of five to fifteen years or over the life of the related agreement. Prior to January 1, 2002, the company amortized goodwill over 20 years.

Carrying Value of Long-term Assets

The Company evaluates the carrying value of long-term assets based upon current and anticipated undiscounted cash flows and recognizes an impairment when such estimated cash flows will be less than the carrying value of the asset. Measurement of the amount of impairment, if any, is based upon the difference between carrying value and fair value.

Financial Instruments

The carrying amount reported in the balance sheet for cash and cash equivalents, accounts receivable and accounts payable approximates fair value because of the immediate or short-term maturity of these financial instruments. The carrying value of the Company's senior credit facilities approximates fair value since they bear interest at a floating rate plus an applicable margin. The fair value of the Company's senior notes approximates book value. The fair value of the Company's senior subordinated notes was \$893.7 million and \$963.0 million at December 31, 2002 and 2001, respectively.

Derivatives and Hedging Activities

Effective January 1, 2001, the Company adopted SFAS No. 133, "*Accounting for Derivative Instruments and Hedging Activities*." SFAS No. 133 requires that an entity recognize all derivative instruments as assets or liabilities in the balance sheet and measure those instruments at fair value. The accounting for the change in the fair value depends on the use of the instrument. The adoption of SFAS No. 133 resulted in a cumulative increase in net loss of \$1.5 million and a cumulative increase to accumulated other comprehensive loss of \$1.1 million. For more information, see "Note 13—Derivative Instruments and Hedging Activities."

Income Taxes

The Company and its U.S. subsidiaries are organized as limited liability companies. These entities are treated similar to a partnership for U.S. income tax purposes, and therefore are not subject to U.S. federal tax on their income. Subsidiaries outside the U.S. are generally taxed on the income generated in the local country.

Deferred income taxes are provided for temporary differences between financial statement income and taxable income using the asset and liability method in accordance with SFAS No. 109, "*Accounting for Income Taxes*." The Company does not provide for income taxes or benefits on the undistributed earnings of its international subsidiaries as earnings are reinvested and, in the opinion of management, will continue to be reinvested indefinitely.

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Environmental Expenditures

Environmental related restoration and remediation costs are recorded as liabilities and expensed when site restoration and environmental remediation and cleanup obligations are either known or considered probable and the related costs can be reasonably estimated. Other environmental expenditures, which are principally maintenance or preventative in nature, are recorded when incurred and are expensed or capitalized as appropriate.

Foreign Currency Translation

Generally, the accounts of the Company's subsidiaries outside of the United States consider local currency to be functional currency. Accordingly, assets and liabilities are translated at rates prevailing at the balance sheet date. Revenues, expenses, gains and losses are translated at a weighted average rate for the period. Cumulative translation adjustments are recorded to equity as a component of accumulated other comprehensive income. Transaction gains and losses are recorded in the statement of operations and were net gains of \$48.3 million, \$4.8 million and \$8.2 million for the years ended December 31, 2002, 2001 and 2000, respectively.

Revenue Recognition

The Company generates revenues through sales in the open market, raw material conversion agreements and long-term supply contracts. The Company recognizes revenue when it is realized or realizable and earned, which is generally when the product is shipped to the customer.

Research and Development

Research and development costs are expensed as incurred.

Earnings per Member Equity Unit

Earnings per member equity unit is not presented because it is not considered meaningful information due to the Company's ownership by a single equity holder.

Reclassifications

Certain amounts in the consolidated financial statements for prior periods have been reclassified to conform with the current presentation.

Recently Adopted Financial Accounting Standards

On January 1, 2002, the Company adopted SFAS No. 142, "*Goodwill and Other Intangible Assets*." SFAS No. 142 changes the accounting for goodwill and intangible assets with indefinite lives from an amortization method to an impairment-only approach. Upon adoption of SFAS No. 142, the Company was required to reassess the useful lives of all acquired intangibles and perform an impairment test on goodwill. In the first quarter of 2002, the Company completed the assessment of useful lives and concluded that no adjustment to the amortization period of intangible assets was necessary.

The Company has completed its initial assessment of goodwill impairment as of January 1, 2002 and has concluded that there is no indication of impairment. The Company has elected to test goodwill

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for impairment annually as of April 1 as required by SFAS No. 142. The annual assessment has been completed as of April 1, 2002 and the Company has concluded that there is no indication of impairment.

The initial adoption of SFAS No. 142 had no impact on the Company's financial statements for the year ended December 31, 2002. The pro forma net loss, assuming the change in accounting principle was applied retroactively to January 1, 2000, would not have been materially different for the years ended December 31, 2001 and 2000.

On January 1, 2002, the Company adopted SFAS No. 144, "*Accounting for the Impairment or Disposal of Long-Lived Assets*." This statement establishes a single accounting model for the impairment or disposal of long-lived assets. The impact of adopting this pronouncement was not material.

Recently Issued Financial Accounting Standards

In August 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143, "*Accounting for Asset Retirement Obligations*." SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible, long-lived assets and the associated asset retirement costs. This statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred by capitalizing it as part of the carrying amount of the long-lived assets. As required by SFAS No. 143, the Company will adopt this new accounting standard on January 1, 2003. The Company is currently evaluating the effects of adopting this pronouncement.

In April 2002, the FASB issued SFAS No. 145, "*Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Other Technical Corrections*." In addition to amending or rescinding pronouncements to make various technical corrections, clarify meanings or describe applicability, SFAS No. 145 precludes companies from recording gains or losses from extinguishment of debt as an extraordinary item. The Company was required to adopt this statement as of January 1, 2003. The adoption of SFAS No. 145 is not expected to have a material effect on our consolidated financial statements.

In June 2002, the FASB issued SFAS No. 146, "*Accounting for Costs Associated With Exit or Disposal Activities*." SFAS No. 146 requires recording costs associated with exit or disposal activities at their fair values when a liability has been incurred. Under previous guidance, certain exit costs were accrued upon management's commitment to an exit plan, which is generally before an actual liability has

been incurred. We will adopt this pronouncement in the first quarter of 2003. The adoption of SFAS No. 146 is not expected to have a material effect on the consolidated financial statements.

In January 2003, the FASB issued Financial Interpretation No. ("FIN") 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Guarantees of Indebtedness of Others." FIN No. 45 requires recognition of a liability for the obligation undertaken upon issuing a guarantee. This liability would be recorded at the inception date of the guarantee and would be measured at fair value. The disclosure provisions of the interpretation are effective for the financial statements as of December 31, 2002. The liability recognition provisions apply prospectively to any guarantees issued or modified after December 31, 2002. The Company is currently evaluating the effects of adopting this statement.

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3. Inventories

Inventories consist of the following (in millions):

	December 31, 2002	December 31, 2001
Raw materials	\$ 130.2	\$ 132.5
Work in progress	25.9	20.4
Finished goods	385.8	328.7
Total	541.9	481.6
Materials and supplies	19.4	19.8
Net	\$ 561.3	\$ 501.4

In the normal course of operations, the Company exchanges raw materials with other companies. No gains or losses are recognized on these exchanges, and the net open exchange positions are valued at the Company's cost. The Company did not owe any inventory under open exchange agreements at December 31, 2002. The amount deducted from inventory under open exchange agreements owed by the Company at December 31, 2001 was \$4.4 million (16.7 million pounds of feedstock and products), which represented the amount payable by the Company under open exchange agreements.

4. Property, Plant and Equipment

The cost and accumulated depreciation of property, plant and equipment are as follows (in millions):

	December 31, 2002	December 31, 2001
Land	\$ 42.9	\$ 36.3
Buildings	157.7	129.9
Plant and equipment	3,446.3	2,919.0
Construction in progress	172.7	231.4
Total	3,819.6	3,316.6
Less accumulated depreciation	(748.5)	(477.1)
Net	\$ 3,071.1	\$ 2,839.5

5. Investments in Unconsolidated Affiliates

The Company's ownership percentage and investments in unconsolidated affiliates, primarily manufacturing joint ventures, are as follows (in millions):

	December 31, 2002	December 31, 2001
Louisiana Pigment Company, L.P. (50%)	\$ 131.4	\$ 139.8
Rubicon, Inc. (50%)	1.3	5.7
Others	1.2	1.5
Total	\$ 133.9	\$ 147.0

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Summarized approximate financial information of such affiliated companies as a group as of December 31, 2002 and 2001 and for the years then ended is presented below (in millions):

	December 31, 2002	December 31, 2001
Assets	\$ 488.3	\$ 533.1
Liabilities	222.5	229.3
Revenues	651.3	681.4
Net income	0.4	0.5
The Company's equity in:		
Net assets	133.9	147.0
Net income	0.2	0.1

6. Intangible Assets

The gross carrying amount and accumulated amortization of intangible assets as of December 31, 2002 and 2001 were as follows (dollars in millions):

	December 31, 2002			December 31, 2001		
	Carrying Amount	Accumulated Amortization	Net	Carrying Amount	Accumulated Amortization	Net
Patents, trademarks, and technology	\$ 348.7	\$ 89.9	\$ 258.8	\$ 356.6	\$ 66.0	\$ 290.6
Non-compete agreements	49.1	30.9	18.2	50.1	24.3	25.8
Other intangibles	38.0	5.3	32.7	30.8	1.9	28.9
Subtotal	435.8	126.1	309.7	437.5	92.2	345.3
Goodwill	—	—	—	28.6	5.4	23.2
Total	\$ 435.8	\$ 126.1	\$ 309.7	\$ 466.1	\$ 97.6	\$ 368.5

During 2002, the Company's recorded amount of goodwill was reduced by \$23.2 million relating to the reversal of a valuation allowance on a net operating loss carry forward and the settlement of certain representations and warranties with ICI related to the June 30, 1999 acquisition.

Amortization expense for intangibles for the years ended December 31, 2002, 2001 and 2000 was \$33.9 million, \$33.0 million and \$26.3 million, respectively. Estimated future amortization expense for intangible assets through December 31, 2007 is as follows (dollars in millions):

	Annual Expense
2003 through 2004	\$ 46.7
2005 through 2007	\$ 38.1

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7. Other Noncurrent Assets

Other noncurrent assets consist of the following (in millions):

	December 31, 2002	December 31, 2001
Prepaid pension assets	\$ 146.2	\$ 198.4
Debt issuance costs	53.8	56.4
Capitalized turnaround expense	47.6	33.0
Receivables from affiliates	18.6	16.7
Spare parts inventory	46.2	36.2
Other noncurrent assets	19.5	21.4
Total	\$ 331.9	\$ 362.1

8. Accrued Liabilities

Accrued liabilities consist of the following (in millions):

	December 31, 2002	December 31, 2001
Raw materials and services	\$ 217.7	\$ 212.7
Interest	61.3	59.1
Taxes (income, property and VAT)	41.4	18.4
Payroll, severance and related costs	67.4	49.7
Volume and rebates accruals	52.5	50.1
Restructuring and plant closing costs	7.1	31.3
Other miscellaneous accruals	76.4	75.4
Total	\$ 523.8	\$ 496.7

9. Other Noncurrent Liabilities

Other noncurrent liabilities consist of the following (in millions):

	December 31, 2002	December 31, 2001
Pension liabilities	\$ 82.3	\$ 54.6
Other postretirement benefits	10.8	10.4
Environmental accruals	19.3	22.9
Payable to affiliate	37.9	37.5
Other noncurrent liabilities	8.0	6.5
Total	\$ 158.3	\$ 131.9

10. Restructuring and Plant Closing Costs

The Company has incurred restructuring and plant closing costs totaling \$7.7 million and \$46.6 million for the years ended December 31, 2002 and 2001, respectively.

2002 Restructuring

During 2002, the Performance Products segment recorded \$4.6 million in charges which relate to restructuring and the write-down of fixed assets. Property, plant and equipment was reduced by

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\$3.0 million as a charge of \$1.4 million was recorded to write-down the assets at the surfactants plant in Alcover, Spain which was closed during 2002, and an additional \$1.6 million was recorded to write-down the assets of the Italy ETO plant and various closed sales offices. The remaining \$1.6 million are for other costs related to the restructuring.

In 2002, the Pigments segment recorded \$3.1 million in asset write-downs related to the closure of the Company's titanium dioxide manufacturing facility in Greatham, UK.

2001 Restructuring

During 2001, the Polyurethanes segment announced a cost reduction program which included closure of the Shepton Mallet, U.K. polyols manufacturing facility by the end of 2002 resulting in a charge of \$44.7 million. The program included reduction in workforce of approximately 270 employees at the Shepton Mallet facility and other locations. Approximately \$7.8 was recorded to write-down the fixed assets, \$36.1 for employee termination benefits and \$0.8 for other exit costs.

The Pigments segment recorded \$1.9 million in restructuring charges which related to a workforce reduction of approximately 50 employees.

The restructuring and plant closing cost were recorded in the following accounts: \$7.8 million in property, plant, and equipment, and \$38.8 million in accrued liabilities. At December 31, 2002 there remained \$7.1 million of these costs in accrued liabilities for workforce reductions and other exit costs.

11. Securitization of Accounts Receivable

On December 21, 2000, the Company initiated a five-year revolving securitization program under which certain trade receivables were and will be transferred to an off balance sheet special purpose entity at a discount. Under the terms of the agreements, the Company and its subsidiaries continue to service the receivables in exchange for a 1% fee of the outstanding receivables and is subject to recourse provisions. In 2000, proceeds from initial sales totaled approximately \$175 million. In October 2002, the Company expanded its accounts

receivable securitization program by \$25 million. At December 31, 2002, the special purpose entity had outstanding \$180 million in mid-term notes and \$100 million in commercial paper.

For the years ended December 31, 2002 and 2001, new sales totaled approximately \$3,220 million and \$3,132 million, respectively, and cash collections reinvested totaled approximately \$3,160 million and \$3,180 million, respectively. Servicing fees received were approximately \$3 million each year for the years 2002 and 2001, and are recorded as a reduction in the loss on sale of accounts receivable in the statements of operations. The retained interest in the receivables was approximately \$112 million and \$60 million, and as of December 31, 2002 and 2001, respectively. The value of the retained interest is subject to credit and interest rate risk.

The key economic assumptions used in valuing the residual interest at December 31, 2002 are presented below:

Weighted average life (in months)	2
Credit losses (annual rate)	Less than 1%
Discount rate (annual rate)	5%

A 10% and 20% adverse change in any of the key economic assumptions would not have a material impact on the fair value of the retained interest. Total receivables over 60 days past due as of December 31, 2002 and 2001 were \$11.2 million and \$15.6 million, respectively.

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12. Long-term Debt

Long-term debt outstanding as of December 31, 2002 and 2001 is as follows (in millions):

	December 31, 2002	December 31, 2001
Senior Secured Credit Facilities:		
Revolving loan facility	\$ 67.0	\$ 110.6
Term A dollar loan	109.7	195.6
Term A euro loan (in U.S. dollar equivalent)	138.5	208.6
Term B loan	526.3	553.7
Term C loan	526.3	553.7
Senior Notes	300.0	—
Senior Subordinated Notes	1,076.8	1,003.1
Other long-term debt	29.2	12.6
	2,773.8	2,637.9
Subtotal	2,773.8	2,637.9
Less current portion	(43.9)	(5.3)
	2,729.9	2,632.6
Total	\$ 2,729.9	\$ 2,632.6

Senior Secured Credit Facilities

The revolving loan facility of up to \$400 million matures on June 30, 2005 with no scheduled commitment reductions. Both the term A dollar loan and the term A euro loan facilities mature on June 30, 2005 and are payable in semi-annual installments commencing December 31, 2003 with the amortization increasing over time. The term B loan facility matures on June 30, 2007 and the term C loan facility matures on June 30, 2008. The term B and term C loan facilities require payments in annual installments of \$5.48 million each, commencing June 30, 2004, with the remaining unpaid balances due on final maturity.

Interest rates for the Company's senior secured credit facilities (the "Senior Secured Credit Facilities") are based upon, at the Company's option, either a eurocurrency rate (libor) or a base rate (prime) plus the applicable spread. The applicable spreads vary based on a pricing grid, in the case of eurocurrency based loans, from 1.25% to 4.25% per annum depending on the loan facility and whether specified conditions have been satisfied and, in the case of base rate loans, from zero to 3.00% per annum. As of December 31, 2002, 2001 and 2000 the average interest rates on the Senior Secured Credit Facilities were 5.8%, 7.6% and 9.2%, respectively.

The obligations under the Senior Secured Credit Facilities are supported by guarantees of the Company's domestic and certain foreign subsidiaries (collectively the "Guarantors") and HIH as well as pledges of 65% of the voting stock of certain non-U.S. subsidiaries.

The Senior Secured Credit Facilities contain covenants relating to incurrence of debt, purchase and sale of assets, limitations on investments, affiliate transactions, change in control provisions and maintenance of certain financial ratios. The financial covenants include a leverage ratio, interest coverage ratio, minimum consolidated net worth level and a limit on capital expenditures. The Senior Secured Credit Facilities also limit the payment of dividends generally to the amount required by the members to pay income taxes. Management believes that the Company is in compliance with the covenants of the Senior Secured Credit Facilities as of December 31, 2002.

Huntsman Specialty has an obligation to purchase ICI's 30% interest in HIH (the "ICI 30% Interest") on or before July 1, 2003. In

addition, HMP has an option to acquire the ICI 30% Interest on or before May 15, 2003, which was originally granted to GOP pursuant to an agreement with ICI

(the "Option Agreement"). The Huntsman Specialty obligation is secured by a lien on 30% of the outstanding membership interests in HIH held by Huntsman Specialty (the "HIH Pledged Interest"). The Option Agreement does not terminate Huntsman Specialty's obligations to ICI. If HMP does not exercise the option, Huntsman Specialty would continue to be obligated to ICI. However, if HMP exercises the option, Huntsman Specialty's obligation would be effectively terminated. Accordingly, if neither HMP exercises its option nor Huntsman Specialty otherwise satisfies its obligation to ICI with respect to ICI's put right, ICI could foreclose on the HIH Pledged Interest. Such a foreclosure would constitute a "change of control" and an event of default under the HI Credit Facilities and would give certain put rights to the holders of the HI Notes and the holders of the HIH Notes.

Senior Notes and Senior Subordinated Notes

In March 2002, the Company issued \$300 million 9.875% Senior Notes (the "Senior Notes"). Interest on the notes is payable semi-annually and the Senior Notes mature on March 1, 2009. The Senior Notes are fully and unconditionally guaranteed on a joint and several basis by the Guarantors. The Senior Notes may be redeemed, in whole or in part, at any time by the Company prior to March 1, 2006 at 100% of the face value plus a "make whole" premium, as defined in the applicable indenture. After March 1, 2006, the Senior Notes may be redeemed, in whole or in part, at a redemption price decline from 104.937% to 100% after March 1, 2008.

The Company also has outstanding \$600 million and €450 million 10.125% Senior Subordinated Notes (the "Notes"). Interest on the Notes is payable semi-annually and the Notes mature on July 1, 2009. The Notes are fully and unconditionally guaranteed on a joint and several basis by the Guarantors. The Notes may be redeemed, in whole or in part, at any time by the Company on or after July 1, 2004, at percentages ranging from 105% to 100% at July 1, 2007 of their face amount, plus accrued and unpaid interest.

The Senior Notes and the Notes contain covenants relating to the incurrence of debt, limitations on distributions, asset sales and affiliate transactions, among other things. They also contain a change of control provision requiring the Company to offer to repurchase the Senior Notes and the Notes upon a change of control. Management believes that the Company is in compliance with the covenants of the Senior Notes and the Notes as of December 31, 2002.

The scheduled maturities of long-term debt are as follows (in millions):

	December 31, 2002
2003	43.9
2004	148.6
2005	156.2
2006	12.9
2007	517.1
Later Years	1,895.1
	\$ 2,773.8

13. Derivative Instruments and Hedging Activities

The Company is exposed to market risks, such as changes in interest rates, currency exchange rates and commodity pricing. As a result, the Company enters into transactions including derivative instruments to manage these risks. The overall risk management philosophy of the Company is to

manage the downside risks of these activities. Primary goals of the Company's risk management activities include: (1) reducing the impact of fluctuations in variable interest rates and meeting the requirements of certain credit agreements; (2) reducing the short-term impact from certain movements in foreign exchange rates on earnings; (3) reducing the variability in the purchase price of certain feedstocks; and (4) hedging the net investment position in euro functional currency entities.

Interest Rate Hedging

Through the Company's borrowing activities, it is exposed to interest rate risk. Such risk arises due to the structure of the Company's debt portfolio, including the duration of the portfolio and the mix of fixed and floating interest rates. The Company's senior credit facilities require that a certain portion of debt be at fixed rates through either interest rate hedges or through other means that provide a similar effect. Actions taken to reduce interest rate risk include managing the mix and rate characteristics of various interest bearing liabilities as well as entering into interest rate swaps, collars and options.

As of December 31, 2002 and 2001, the Company had entered into various types of interest rate contracts to manage its interest rate risk on its long-term debt as indicated below (in millions):

	December 31, 2002	December 31, 2001
Pay fixed swaps		
Notional amount	\$ 202.4	\$ 319.2
Fair value	\$ (11.8)	\$ (12.7)
Weighted average pay rate	5.72%	5.84%
Maximum weighted average pay rate	6.62%	6.55%
Maturing	2004	2002-2004
Interest rate collars		
Notional amount	\$ 150.0	\$ 275.0
Fair value	\$ (11.6)	\$ (8.3)
Weighted average cap rate	7.00%	7.00%
Weighted average floor rate	5.08%	5.35%
Maximum weighted average floor rate	6.25%	6.12%
Maturing	2004	2002-2004

The Company purchases both interest rate swaps and interest rate collars to reduce the impact of changes in interest rates on its floating-rate long-term debt. Under interest rate swaps, the Company agrees with other parties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional principal amount. The collars entitle the Company to receive from the counterparties (major banks) the amounts, if any, by which the Company's interest payments on certain of its floating-rate borrowings exceed a certain rate, and require the Company to pay to the counterparties (major banks) the amount, if any, by which the Company's interest payments on certain of its floating-rate borrowings are less than a certain rate.

The majority of the interest rate contracts have been designated as cash flow hedges of future interest payments on its variable rate debt. The fair value of these interest rate contracts designated as hedges as of December 31, 2002 and 2001 was a loss of approximately \$15.6 million and \$13.4 million, respectively, which is recorded in other noncurrent liabilities and in accumulated other comprehensive income (loss) to the extent of the effective portions of the hedging instruments. Gains and losses related to these contracts will be reclassified from other comprehensive income (loss) into earnings in the periods in which the related hedged interest payments are made. As of December 31, 2002, losses of approximately \$9.8 million are expected to be reclassified into earnings over the next twelve months.

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Gains and losses on these agreements, including amounts recorded related to hedge ineffectiveness, are reflected as interest expense in the statement of operations. A net loss of \$4.2 million was recorded in interest expense in the year ended December 31, 2002. A net gain of \$2.9 million was recorded in interest expense in the year ended December 31, 2001.

As of December 31, 2002 and 2001 swap agreements with a fair value liability of \$7.8 million and \$7.6 million, respectively have not been designated as a hedge for financial reporting purposes. Accordingly, \$0.2 million and \$7.6 million for the years ended December 31, 2002 and 2001 is recognized in interest expense.

The Company is exposed to credit losses in the event of nonperformance by a counterparty to the derivative financial instruments. The Company anticipates, however, that the counterparties will be able to fully satisfy their obligations under the contracts. Market risk arises from changes in interest rates.

Foreign Currency Rate Hedging

The Company may enter into foreign currency derivative instruments to minimize the short-term impact of movements in foreign currency rates. These contracts are not designated as hedges for financial reporting purposes and are recorded at fair value. As of December 31, 2002, there was a notional amount of \$1.8 million outstanding for such contracts. At December 31, 2001, there were no outstanding contracts. During the years ended December 31, 2002 and 2001, the Company recognized losses of \$0.1 million and \$3.0 million, respectively, from these activities.

Commodity Price Hedging

Because feedstocks used by the Company are subject to price volatility, the Company uses commodity futures and swaps to reduce the risk associated with certain of these feedstocks. These instruments are designated as cash flow hedges of future inventory purchases and fair value hedges of inventory currently held and trading activities. The mark-to-market gains and losses of qualifying cash flow hedges are recorded as a component of other comprehensive income until the underlying transactions are recognized in earnings. The mark-to-market gains and losses of non-qualifying, excluded and ineffective portions of hedges are recorded in cost of goods sold in the accompanying statement of operations. For the year ended December 31, 2002, there were no gains or losses on derivatives qualifying as cash flow hedges. As of December 31, 2002, the fair value of all commodity derivatives included in other current liabilities was \$0.8 million. For the year ended December 31, 2001, the net losses on derivatives qualifying as cash flow hedges were \$0.9 million and were recorded in other comprehensive income. As of December 31, 2001 the fair value of all commodity derivatives included as other current assets and current

liabilities was \$1.0 million and \$1.1 million, respectively.

During the year ended December 31, 2002 and 2001, the Company recorded \$3.5 million and \$11.1 million, respectively, as an increase in cost of goods sold related to net losses from settled contracts and the change in fair value (unrealized gains and losses) on the contracts that are effective economic hedges of commodity price exposures, but do not meet the SFAS No. 133 definition of hedging instruments. As of December 31, 2002, \$0.8 million and \$0.2 million, were included in other current assets and liabilities, respectively. As of December 31, 2001, \$2.0 million and \$1.0 million were included in other current assets and liabilities, respectively.

Net Investment Hedging

The Company hedges its net investment position in euro functional currency entities. To accomplish this, a portion of the Company's debt is euro denominated and designated as a hedge of

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net investments. Currency effects of these hedges produced net losses of approximately \$95.9 million and net gains of approximately \$19.5 million, in other comprehensive income (foreign currency translation adjustments) for the years ended December 31, 2002 and 2001, respectively. As of December 31, 2002 and 2001, there was a cumulative net loss of approximately \$32.7 million and a cumulative net gain of approximately \$63.2 million, respectively.

14. Income Taxes

The income (loss) before income tax consists of the following (in millions):

	Year Ended December 31, 2002	Year Ended December 31, 2001	Year Ended December 31, 2000
U.S. income (loss)	\$ 101.3	\$ (33.5)	\$ 45.4
Foreign income (loss)	(122.8)	(49.7)	138.2
Total	\$ (21.5)	\$ (83.2)	\$ 183.6

The provision (benefit) for income taxes consists of the following (in millions):

	Year Ended December 31, 2002	Year Ended December 31, 2001	Year Ended December 31, 2000
U.S.:			
Current	\$ 1.4	\$ 0.4	\$ 0.3
Deferred	—	—	—
Foreign:			
Current	16.9	16.7	23.5
Deferred	(59.8)	(43.1)	6.3
Total	\$ (41.5)	\$ (26.0)	\$ 30.1

The following schedule reconciles the differences between the United States federal income taxes at the United States statutory rate to the Company's provision (benefit) for income taxes (in millions):

	Year Ended December 31, 2002	Year Ended December 31, 2001	Year Ended December 31, 2000
Income taxes at U.S. federal statutory rate	\$ (7.5)	\$ (29.1)	\$ 64.3
Income not subject to U.S. federal income tax	(23.1)	13.0	(14.7)
State income taxes	0.4	0.4	0.3
Foreign country incentive tax benefits	(17.0)	(14.5)	(13.3)
Foreign country currency exchange gain (loss)	0.8	0.3	(4.4)
Foreign income tax rate in excess of federal statutory rate	8.8	4.4	0.4
Other	(3.9)	(0.5)	(2.5)
Total	\$ (41.5)	\$ (26.0)	\$ 30.1
Effective income tax rate	193%	31%	16%

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The components of deferred tax assets and liabilities are as follows (in millions):

	December 31, 2002		December 31, 2001	
	Current	Long-term	Current	Long-term
Deferred income tax assets:				
Net operating loss carryforwards	\$ —	\$ 200.9	\$ —	\$ 122.5
Tax basis of plant and equipment in excess of book basis	—	38.9	—	38.7
Employee benefits	—	6.1	—	3.6
Other accruals and reserves	45.2	—	10.8	—
Valuation allowance	—	(10.1)	(6.5)	(22.7)
Total	45.2	235.8	4.3	142.1
Deferred income tax liabilities:				
Book basis of plant and equipment in excess of tax basis	—	(381.4)	—	(346.7)
Employee benefits	—	(69.5)	—	(58.0)
Other accruals and reserves	(14.0)	—	(10.0)	—
Total	(14.0)	(450.9)	(10.0)	(404.7)
Net deferred tax asset (liability)	\$ 31.2	\$ (215.1)	\$ (5.7)	\$ (262.6)

The Company has net operating loss carryforwards ("NOLs") of approximately \$622 million in various foreign jurisdictions. Most of the NOLs have no expiration date. The remaining NOLs begin to expire in 2006. If the valuation allowance is reversed, substantially all of the benefit will be allocated to reduce other noncurrent intangible assets. During 2002 and 2001, respectively, the Company reversed \$19.1 million and \$18.2 million of the valuation allowance and reduced goodwill by \$17.5 million and \$18.2 million, respectively.

The Company does not provide for income taxes or benefits on the undistributed earnings of its international subsidiaries as earnings are reinvested and, in the opinion of management, will continue to be reinvested indefinitely. In consideration of the Company's corporate structure, upon distribution of these earnings, certain of the Company's subsidiaries would be subject to both income taxes and withholding taxes in the various international jurisdictions. It is not practicable to estimate the amount of taxes that might be payable upon distribution.

The Company is treated as a partnership for U.S. federal income tax purposes and as such is generally not subject to U.S. income tax, but rather such income is taxed directly to the Company's owners. The net difference of the book basis of the U.S. assets and liabilities over the tax basis of those assets and liabilities is approximately \$377 million.

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15. Other Comprehensive Income (loss)

The components of other comprehensive income (loss) are as follows (in millions):

	December 31, 2002		December 31, 2001		December 31, 2000		January 1, 2000
	Accumulated income (loss)	Income (loss)	Accumulated income (loss)	Income (loss)	Accumulated income (loss)	Income (loss)	Accumulated income (loss)
Foreign currency translation adjustments	\$ (38.5)	\$ 147.2	\$ (185.7)	\$ (65.0)	\$ (120.7)	\$ (118.0)	(2.7)
Additional minimum pension liability, net of tax of \$37.7 million	(88.1)	(88.1)	—	—	—	—	—
Additional minimum pension liability—unconsolidated affiliate	(5.4)	(5.4)	—	—	—	—	—
Unrealized loss on securities	(2.7)	(2.7)	—	—	—	—	—
Net unrealized loss on derivative instruments	(11.6)	2.4	(14.0)	(14.0)	—	—	—
Cumulative effect of accounting change	(1.1)	—	(1.1)	(1.1)	—	—	—
Total	\$ (147.4)	\$ 53.4	\$ (200.8)	\$ (80.1)	\$ (120.7)	\$ (118.0)	(2.7)

16. Employee Benefit Plans

Defined Benefit and Other Postretirement Benefit Plans

The Company sponsors various contributory and non-contributory defined benefit pension plans covering employees in the U.S., the U.K., Netherlands, Belgium, Canada and a number of other countries. The Company funds the material plans through trust arrangements (or local equivalents) where the assets of the fund are held separately from the employer. The level of funding is in line with local practice and in accordance with the local tax and supervisory requirements. The plan assets consist primarily of equity and fixed income securities.

The Company also sponsors unfunded post-retirement benefit plans other than pensions which provide medical and life insurance benefits covering certain employees in the U.S. and Canada. In 2002, the healthcare trend rate used to measure the expected increase in the cost of benefits was assumed to be 11% per annum decreasing to 5.0% per annum after five years. In 2001, the healthcare trend rate used to measure the expected increase in the cost of benefits was assumed to be 8% per annum decreasing to 5% per annum after seven years.

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The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet at December 31, 2002 and 2001 (in millions):

	Year Ended December 31, 2002		Year Ended December 31, 2001	
	Defined Benefit Plans	Other Postretirement Benefit Plans	Defined Benefit Plans	Other Postretirement Benefit Plans
Change in benefit obligation				
Benefit obligation as of beginning of year	\$ 959.0	\$ 10.3	\$ 857.3	\$ 10.0
Service cost	34.1	0.4	28.9	0.3
Interest cost	56.4	0.7	52.4	0.6
Plan losses	1.8	0.8	20.4	1.4
Foreign exchange impact	124.3	—	(26.0)	(0.1)
Benefits paid	(42.1)	(0.6)	(27.3)	(0.6)
Employee contributions	2.4	—	2.0	—
Plan amendments	4.3	—	0.7	—
Acquisitions	—	—	50.3	—
Other	4.2	—	0.3	(1.3)
Benefit obligation as of end of year	\$ 1,144.4	\$ 11.6	\$ 959.0	\$ 10.3
Change in plan assets				
Market value of plan assets as of beginning of year	\$ 930.8	\$ —	\$ 1,001.4	\$ —
Actual return on plan assets	(129.3)	—	(80.4)	—
Company contributions	34.4	—	20.9	—
Foreign exchange impact	110.3	—	(31.9)	—
Benefits paid	(41.8)	—	(26.7)	—
Employee contributions	2.4	—	2.0	—
Acquisitions	0.5	—	44.4	—
Other	0.6	—	1.1	—
Market value of plan assets as of end of year	\$ 907.9	\$ —	\$ 930.8	\$ —
Funded status				
Funded status	\$ (236.5)	\$ (11.6)	\$ (28.2)	\$ (10.3)
Unrecognized net actuarial loss	427.1	2.4	194.8	1.6
Unrecognized prior service cost	5.8	(1.6)	5.1	(1.7)
Adjustment to recognize minimum pension liability in other comprehensive income	(131.5)	—	—	—
Accrued benefit cost	\$ 64.9	\$ (10.8)	\$ 171.7	\$ (10.4)
Change in funded status				

Prepaid (accrued) expense as of beginning of year	\$	171.7	\$	(10.4)	\$	172.2	\$	(10.1)
Net periodic pension cost		(34.8)		(1.0)		(8.0)		(1.0)
Employer contributions		34.4		—		20.9		—
Foreign exchange impact		27.9		—		(6.9)		0.1
Benefits paid		0.6		0.6		0.5		0.6
Other items		(3.4)		—		(7.0)		—
Adjustment to recognize minimum pension liability in other comprehensive income		(131.5)		—		—		—
Prepaid (accrued) expense as of end of year	\$	64.9	\$	(10.8)	\$	171.7	\$	(10.4)
Components of net periodic benefit cost								
Service cost	\$	36.4	\$	0.5	\$	31.0	\$	0.3
Employee contributions		(2.4)		—		(2.1)		—
Interest cost		56.4		0.8		52.4		0.6
Return on plan assets		(67.5)		—		(73.4)		—
Unrecognized gains		11.9		(0.1)		0.1		0.1
Net periodic cost	\$	34.8	\$	1.2	\$	8.0	\$	1.0

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The following assumptions were used in the above calculations:

	Year Ended December 31, 2002		Year Ended December 31, 2001	
	Defined Benefit Plans	Other Postretirement Benefit Plans	Defined Benefit Plans	Other Postretirement Benefit Plans
Weighted-average assumptions as of December 31, 2002				
Discount rate	5.51%	6.62%	5.74%	7.03%
Expected return on plan assets	7.00%	N/A	7.05%	N/A
Rate of compensation increase	3.39%	4.00%	3.46%	4.00%

The following table sets forth the projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the defined benefit plans as of December 31, 2002 and 2001:

	December 31, 2002	December 31, 2001
Defined benefit plans with accumulated benefit obligations in excess of plan assets:		
Projected benefit obligation	\$ 765.4	\$ 65.2
Accumulated benefit obligation	616.3	48.6
Fair value of plan assets	544.8	25.1
Defined benefit plans with plan assets in excess of accumulated benefit obligations:		
Projected benefit obligation	\$ 379.0	\$ 893.9
Accumulated benefit obligation	341.7	781.3
Fair value of plan assets	363.1	904.7

In addition to the benefit plans described above, certain employees of Huntsman International participate in pension plans of Huntsman LLC. As of December 31, 2002 and 2001, an allocation of the pension liability of \$3.1 million and \$2.8 million, respectively, was recorded as other noncurrent liabilities.

Defined Contribution Plans

The Company has defined contribution plans covering its domestic employees and employees in some foreign subsidiaries who have completed at least two years of service.

The Company's total combined expense for the above defined contribution plans for the years ended December 31, 2002, 2001 and

2000 were approximately \$6.1 million, \$6.3 million, and \$2.9 million, respectively.

17. Commitments and Contingencies

The Company has various purchase commitments for materials and supplies entered into in the ordinary course of business. These agreements extend from three to ten years and the purchase price is generally based on market prices subject to certain minimum price provisions.

The Company is a party to various proceedings instituted by private plaintiffs, governmental authorities and others arising under provisions of applicable laws, including various environmental,

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products liability and other laws. Based in part on the indemnities provided to the Company by ICI and Huntsman Specialty in connection with the transfer of businesses to the Company and insurance coverage, management does not believe that the outcome of any of these matters will have a material adverse effect on financial condition or results of operations.

18. Environmental Matters

The operation of any chemical manufacturing plant and the distribution of chemical products and their related production of by-products and wastes, entails risk of adverse environmental effects. As a result, the Company is subject to extensive federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, protection of the environment and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. In the ordinary course of business, the Company is subject to frequent environmental inspections and monitoring by governmental enforcement authorities. In addition, the Company's production facilities require operating permits that are subject to renewal, modification and, in certain circumstances, revocation. Actual or alleged violations of environmental laws or permit requirements could result in restrictions or prohibitions on plant operations, substantial fines and civil or criminal sanctions. Moreover, changes in environmental regulations could inhibit or interrupt the Company's operations, or require it to change its equipment or operations, and any such changes could have a material adverse effect on its businesses. Accordingly, given the Company's businesses, environmental or regulatory matters may cause us significant unanticipated losses, costs or liabilities.

Under some environmental laws, the Company may be jointly and severally liable for the costs of environmental contamination on or from its properties and at off-site locations where it disposed of or arranged for the disposal or treatment of hazardous wastes. For example, in the United States under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and similar state laws, a current owner or operator of real property may be liable for such costs regardless of whether the owner or operator owned or operated the real property at the time of the release of the hazardous substances and regardless of whether the release or disposal was in compliance with law at the time it occurred. In addition, under the United States Resource Conservation and Recovery Act of 1976, as amended, and similar state laws, as the holder of permits to treat or store hazardous wastes, the Company may, under some circumstances, be required to remediate contamination at its properties regardless of when the contamination occurred. Similar laws are being developed or are in effect to varying degrees in other parts of the world, most notably in the EU. For example, in the U.K., the contaminated land regime now provides a detailed framework for the identification, management and remediation of contaminated sites. This law will likely increase governmental scrutiny of the Company's U.K. facilities.

The Company may also incur future costs for capital improvements and general compliance under environmental laws, including costs to acquire, maintain and repair pollution control equipment. Capital expenditures are planned, for example, under national legislation implementing the EU Directive on Integrated Pollution Prevention and Control. Under this directive the majority of the Company's European plants will, over the next few years, be required to obtain governmental authorizations which will regulate air and water discharges, waste management and other matters relating to the impact of operations on the environment, and to conduct site assessments to evaluate environmental conditions. Although the implementing legislation in most Member States is not yet in effect, it is likely that additional expenditures may be necessary in some cases to meet the requirements of authorizations under this directive. In particular, the Company believes that related expenditures to upgrade its wastewater treatment facilities at several sites may be necessary and associated costs may be material. Wastewater treatment upgrades unrelated to this initiative also are planned at certain

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facilities. In addition, the Company may also incur material expenditures, beyond currently anticipated expenditures, in complying with EU Directives, including the Directive on Hazardous Waste Incineration, the Seveso II Directive, which governs major accident hazards, as well as the Water Framework Directive. It is also possible that additional expenditures to reduce air emissions at two of the Company's U.K. facilities may be material. Capital expenditures and, to a lesser extent, costs and operating expenses relating to environmental matters will be subject to evolving regulatory requirements and will depend on the timing of the promulgation and enforcement of specific standards which impose requirements on the Company's operations. Therefore, the Company cannot assure you that material capital expenditures beyond those currently anticipated will not be required under environmental laws.

The Company's operations involve the handling, transportation and use of numerous hazardous substances. From time to time, these operations may result in violations under environmental laws including spills or other releases of hazardous substances into the environment. In the event of a catastrophic incident, the Company could incur material costs or experience interruption in its operations as a result of addressing the incident and implementing measures to prevent such incidents in the future. Currently, the Company is aware of

the following matters:

The Texas Commission on Environmental Quality (the "TCEQ," formerly the Texas Natural Resource Conservation Commission or TNRCC) has issued certain notices of violation relating to air emissions and wastewater issues at the Company's Port Neches, Texas facility and filed an amended administrative petition with respect to certain of these violations on January 12, 2001. The Company met with the TCEQ on several occasions in 2001 and early 2002 and reached a tentative settlement with the agency on penalties totaling \$100,000. Although management does not anticipate it, it is possible that the terms of an air permit, which the Company applied for as a result of the settlement, may cause it to incur costs related to equipment serving this plant and others in the vicinity that could be material.

On October 6, 2002, a leak of sulphuric acid from two tanks located near the Company's Whitehaven, U.K. plant was discovered. About 342 to 347 tonnes of acid were released onto the ground and into the soil near the tanks. Although the Company took immediate steps to contain the spillage and recover acid, a quantity of acid reached a nearby beach via a geological fault. The Company believes the tanks were not owned by the Company; however, it did own the acid in the tanks. The EA and the Health and Safety Executive are investigating the incident. Whether charges will be brought or other actions taken by the regulatory authorities is unknown at this time. Although the Company can give no assurances, based on currently available information and its understanding of similar investigations and penalties in the past, the Company believes that, if any charges are brought or actions taken and the Company is ultimately found to be legally responsible, the probable penalties would not be material to its financial position or results of operations.

The Company is aware that there is or may be soil or groundwater contamination at some of its facilities resulting from past operations. Based on available information and the indemnification rights (including indemnities provided by Huntsman Specialty, ICI, Rhodia S.A. and The Dow Chemical Company, for the facilities that each of them transferred to the Company), the Company believes that the costs to investigate and remediate known contamination will not have a material adverse effect on its financial condition, results of operations or cash flows; however, it cannot give any assurance that such indemnities will fully cover the costs of investigation and remediation, that it will not be required to contribute to such costs or that such costs will not be material.

By letter dated March 6, 2003, the Company's subsidiary, Huntsman Ethyleneamines Ltd., was notified by the TCEQ of a probable enforcement action arising out of the inspection of the Freeport,

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Texas facility on December 16-19, 2002. Seven types of violations relating to Texas Clean Air Act requirements were cited. No penalty demand was made, although penalties are expected.

Given the nature of the Company's business, violations of environmental laws may result in restrictions imposed on its operating activities, substantial fines, penalties, damages or other costs, any of which could have a material adverse effect on its business, financial condition, results of operations or cash flows.

19. Related-party Transactions

The Company shares numerous services and resources with Huntsman LLC (the 60% owner of HIH), ICI, and subsidiaries of both companies. In accordance with various agreements Huntsman LLC and ICI provide management, operating, maintenance, steam, electricity, water and other services to the Company. The Company also relies on Huntsman LLC, ICI and their subsidiaries to supply certain raw materials and to purchase products. Rubicon, Inc., and Louisiana Pigment Company are unconsolidated 50 percent owned affiliates of the Company. The amounts which the Company purchased from or sold to related parties are as follows (in millions):

	Year Ended December 31, 2002		Year Ended December 31, 2001		Year Ended December 31, 2000	
	Purchases From	Sales To	Purchases From	Sales To	Purchases From	Sales To
Huntsman LLC and subsidiaries	\$ 226.6	\$ 57.7	\$ 217.5	\$ 73.8	\$ 194.9	\$ 80.3
ICI and subsidiaries	188.6	252.6	235.5	286.2	393.6	370.2
Unconsolidated affiliates	392.7	23.4	537.5	16.0	580.7	14.0

Included in purchases from Huntsman LLC and its subsidiaries for the years ended December 31, 2002, 2001 and 2000 is \$65 million, \$54 million, and \$64 million, respectively, of allocated management costs which are reported in selling, general and administrative expenses. The amounts which the Company is owed or owes to related parties are as follows (in millions):

	December 31, 2002		December 31, 2001	
	Receivables From	Payables To	Receivables From	Payables To
Huntsman LLC and subsidiaries	\$ 16.3	\$ 47.1	\$ 14.7	\$ 44.0
ICI and subsidiaries	39.9	6.3	34.5	2.5
Unconsolidated affiliates	9.0	29.5	16.1	70.2

20. Lease Commitments

The Company leases a number of assets which are accounted for as operating leases. The lease obligation reflected in the Company's

statement of operations as rental expense, totaled \$15.8 million, \$18.5 million and \$23.7 million for the three years ended December 31, 2002, 2001 and 2000,

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respectively. The minimum future rental payments due under existing agreements are by year (in millions):

Year	Amount
2003	16.8
2004	12.5
2005	8.7
2006	6.1
2007	5.3
Later years	51.0

The Company also has lease obligations accounted for as capital leases which are included in other long term debt. The present value of the future net minimum lease payments is \$13.7 million at December 31, 2002.

21. Industry Segment and Geographic Area Information

The Company derives its revenues, earnings and cash flows from the manufacture and sale of a wide variety of specialty and commodity chemical products. The Company has four reportable operating segments: Polyurethanes, Performance Products, Pigments and Base Chemicals. During 2002 the Company realigned its principal operating segments. The most significant change was the split of the former Specialty Chemicals segment into two segments: Polyurethanes and Performance Products. The former Tiioxide segment was renamed Pigments and the former Petrochemicals segment was renamed Base Chemicals.

The major products of each reportable operating segment are as follows:

Segment	Products
Polyurethanes	MDI, TDI, TPU, polyols, aniline, PO, TBA and MTBE
Performance Products	Surfactants, ethyleneamines and other performance chemicals
Pigments	Titanium dioxide
Base Chemicals	Ethylene, propylene, benzene, cyclohexane and paraxylene

Sales between segments are generally recognized at external market prices. For the years ended December 31, 2002, 2001 and 2000, sales to ICI and its affiliates accounted for approximately 6%, 6%, and 8% of consolidated revenues, respectively.

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Financial information for each of the Company's reportable operating segments is as follows (dollars in millions):

	Year Ended December 31, 2002	Year Ended December 31, 2001	Year Ended December 31, 2000
Net Sales:			
Polyurethanes	\$ 2,066.0	\$ 2,073.7	\$ 2,065.3
Performance Products	574.3	455.3	43.2
Pigments	880.3	872.1	955.8
Base Chemicals	1,097.5	1,268.6	1,485.5
Eliminations	(100.0)	(94.5)	(101.9)
Total	\$ 4,518.1	\$ 4,575.2	\$ 4,447.9
Segment Income (Loss)(1):			
Polyurethanes	\$ 230.4	\$ 132.7	\$ 218.3
Performance Products	16.6	16.4	—
Pigments	14.0	95.6	172.8
Base Chemicals	(33.4)	(23.0)	39.8
Total	227.6	221.7	430.9

Unallocated administrative and other items(3)		0.5	(50.5)	(9.1)
Operating Income	\$	228.1	\$ 171.2	\$ 421.8
EBITDA(2):				
Polyurethanes	\$	365.1	\$ 262.7	\$ 350.2
Performance Products		27.2	21.1	—
Pigments		68.3	139.4	214.4
Base Chemicals		13.8	20.4	86.6
Unallocated administrative and other items(3)		5.7	(58.2)	(29.0)
Total	\$	480.1	\$ 385.4	\$ 622.2
Depreciation and Amortization:				
Polyurethanes	\$	134.7	\$ 130.1	\$ 115.7
Performance Products		10.6	4.6	—
Pigments		54.2	43.8	41.8
Base Chemicals		47.3	43.4	42.9
Unallocated administrative and other items(3)		9.4	7.1	5.1
Total	\$	256.2	\$ 229.0	\$ 205.5
Capital Expenditures:				
Polyurethanes	\$	58.3	\$ 77.6	\$ 81.5
Performance Products		11.5	5.9	—
Pigments		97.4	161.4	86.3
Base Chemicals		23.3	29.3	32.5
Unallocated administrative and other items(3)		—	16.8	4.2
Total	\$	190.5	\$ 291.0	\$ 204.5
Total Assets:				
Polyurethanes	\$	3,489.4	\$ 3,217.4	\$ 3,236.8
Performance Products		307.7	316.2	—
Pigments		1,415.3	1,386.6	1,308.4
Base Chemicals		1,052.6	939.3	1,046.6
Unallocated administrative and other items(3)		3,372.7	3,281.7	3,182.2
Eliminations		(4,557.9)	(4,279.1)	(3,958.6)
Total	\$	5,079.8	\$ 4,862.1	\$ 4,815.4

- (1) Segment income is defined as operating income excluding unallocated corporate overhead.
- (2) EBITDA is defined as earnings from continuing operations before interest, depreciation and amortization and taxes.
- (3) Unallocated administrative and other items includes unallocated corporate overhead, loss on sale of accounts receivable, foreign exchange gains or losses and other non-operating income (expense).

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Year Ended December 31, 2002	Year Ended December 31, 2001	Year Ended December 31, 2000
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(In millions)

By Geographic Area

Net Sales:

United States	\$	1,742.4	\$ 1,573.1	\$ 1,537.7
United Kingdom		1,537.9	1,628.5	1,809.7
Netherlands		894.6	929.8	802.4

Other nations	1,457.6	1,344.5	1,116.4
Adjustments and eliminations	(1,114.4)	(900.7)	(818.3)
Total	\$ 4,518.1	\$ 4,575.2	\$ 4,447.9
Long-lived Assets:			
United States	\$ 1,172.0	\$ 1,251.4	\$ 1,278.1
United Kingdom	1,153.2	1,022.2	946.0
Netherlands	396.3	338.3	345.4
Other nations	714.3	611.7	534.6
Corporate	38.8	111.4	81.4
Total	\$ 3,474.6	\$ 3,335.0	\$ 3,185.5

22. Selected Quarterly Financial Data (Unaudited—in millions)

	Three Months Ended March 31, 2002	Three Months Ended June 30, 2002	Three Months Ended September 30, 2002	Three Months Ended December 31, 2002	Year Ended December 31, 2002
Revenues	\$ 997.9	\$ 1,175.0	\$ 1,195.2	\$ 1,150.0	\$ 4,518.1
Gross profit	125.5	157.6	174.9	157.4	615.4
Operating income	24.5	81.8	67.9	53.9	228.1
Net income (loss)	2.1	(0.2)	0.6	17.6	20.1
	Three Months Ended March 31, 2001	Three Months Ended June 30, 2001	Three Months Ended September 30, 2001	Three Months Ended December 31, 2001	Year Ended December 31, 2001
Revenues	\$ 1,151.6	\$ 1,284.1	\$ 1,133.4	\$ 1,006.1	\$ 4,575.2
Gross profit	166.0	170.6	139.6	108.9	585.1
Operating income (loss)	71.6	84.3	48.9	(33.6)	171.2
Net income (loss)	8.5	22.0	34.4	(125.8)	(60.9)
	Three Months Ended March 31, 2000	Three Months Ended June 30, 2000	Three Months Ended September 30, 2000	Three Months Ended December 31, 2000	Year Ended December 31, 2000
Revenues	\$ 1,054.9	\$ 1,154.7	\$ 1,136.9	\$ 1,101.4	\$ 4,447.9
Gross profit	181.3	205.8	195.4	160.0	742.5
Operating income	98.0	132.5	109.9	81.4	421.8
Net income (loss)	36.3	64.0	41.0	9.4	150.7

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During the three months ended December 31, 2002 and 2001, the Company incurred \$7.7 million and \$44.7 million of restructuring and plant closing costs, respectively. See, "Note 10—Restructuring and Plant Closing Costs."

During the quarter ended March 31, 2001, the Company adopted SFAS No. 133 and recorded a \$1.5 million loss.

23. Consolidating Condensed Financial Statements

The following are consolidating condensed financial statements which present, in separate columns: the Company carrying its investment in subsidiaries under the equity method; the Guarantors on a combined, or where appropriate, consolidated basis, carrying its investment in the Non-Guarantors under the equity method; and the Non-Guarantors on a consolidated basis. Additional columns present eliminating adjustments and consolidated totals as of December 31, 2002 and 2001 and for the years ended December 31, 2002, 2001 and 2000. There are no restrictions limiting transfers of cash from guarantor and non-guarantor subsidiaries to the Company. The combined Guarantors are wholly-owned subsidiaries of the Company and have fully and unconditionally guaranteed the Senior Notes and the Notes on a joint and several basis. The Company has not presented separate financial statements and other disclosures concerning the combined Guarantors because management has determined that such information is not material to investors.

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Consolidating Balance Sheets

December 31, 2002

(Millions of Dollars)

	<u>Parent Only Huntsman International</u>	<u>Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated Huntsman International</u>
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 19.0	\$ 0.3	\$ 56.1	\$ —	\$ 75.4
Accounts and notes receivables, net	91.3	113.8	378.2	(115.4)	467.9
Inventories	53.2	63.4	444.7	—	561.3
Prepaid expenses	4.3	1.9	15.8	—	22.0
Other current assets	74.5	245.5	130.7	(344.1)	106.6
Total current assets	242.3	424.9	1,025.5	(459.5)	1,233.2
Property, plant and equipment, net	562.3	339.3	2,169.5	—	3,071.1
Investment in unconsolidated affiliates	3,098.0	717.4	1.5	(3,683.0)	133.9
Intangible assets, net	296.3	6.3	7.1	—	309.7
Other noncurrent assets	81.0	1,599.0	245.0	(1,593.1)	331.9
Total assets	\$ 4,279.9	\$ 3,086.9	\$ 3,448.6	\$ (5,735.6)	\$ 5,079.8
LIABILITIES AND EQUITY					
Current liabilities:					
Accounts payable	\$ 52.1	\$ 59.7	\$ 318.4	\$ (115.4)	\$ 314.8
Accrued liabilities	100.0	26.3	428.2	(30.7)	523.8
Current portion of long-term debt	43.2	—	0.7	—	43.9
Other current liabilities	229.9	11.7	100.5	(313.4)	28.7
Total current liabilities	425.2	97.7	847.8	(459.5)	911.2
Long-term debt	2,741.2	—	1,581.8	(1,593.1)	2,729.9
Deferred income taxes	—	—	215.1	—	215.1
Other noncurrent liabilities	48.3	3.8	106.2	—	158.3
Total liabilities	3,214.7	101.5	2,750.9	(2,052.6)	4,014.5
Minority interests	—	—	0.1	—	0.1
Equity:					
Member's equity	1,026.1	—	—	—	1,026.1
Subsidiary equity	—	2,408.8	772.8	(3,181.6)	—
Retained earnings	186.5	675.7	34.9	(710.6)	186.5
Accumulated other comprehensive loss	(147.4)	(99.1)	(110.1)	209.2	(147.4)
Total equity	1,065.2	2,985.4	697.6	(3,683.0)	1,065.2
Total liabilities and equity	\$ 4,279.9	\$ 3,086.9	\$ 3,448.6	\$ (5,735.6)	\$ 5,079.8

HUNTSMAN INTERNATIONAL LLC

Consolidating Balance Sheets

December 31, 2001

(Millions of Dollars)

	Parent Only Huntsman International	Guarantors	Non- Guarantors	Eliminations	Consolidated Huntsman International
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 21.0	\$ 2.8	\$ 60.1	\$ —	\$ 83.9
Accounts and notes receivables, net	65.8	87.2	450.0	(101.4)	501.6
Inventories	52.0	55.8	393.6	—	501.4
Prepaid expenses	2.5	0.7	7.5	—	10.7
Other current assets	128.7	130.7	50.0	(262.0)	47.4
Total current assets	270.0	277.2	961.2	(363.4)	1,145.0
Property, plant and equipment, net	590.8	359.5	1,889.2	—	2,839.5
Investment in unconsolidated affiliates	2,714.0	821.4	1.5	(3,389.9)	147.0
Intangible assets, net	335.8	8.1	24.6	—	368.5
Other noncurrent assets	81.7	1,294.7	271.9	(1,286.2)	362.1
Total assets	\$ 3,992.3	\$ 2,760.9	\$ 3,148.4	\$ (5,039.5)	\$ 4,862.1
LIABILITIES AND EQUITY					
Current liabilities:					
Accounts payable	\$ 70.8	\$ 55.7	\$ 241.6	\$ (101.4)	\$ 266.7
Accrued liabilities	93.5	23.7	409.8	(30.3)	496.7
Current portion of long-term debt	—	—	5.3	—	5.3
Deferred income taxes	—	—	5.7	—	5.7
Other current liabilities	125.4	18.1	149.3	(231.7)	61.1
Total current liabilities	289.7	97.5	811.7	(363.4)	835.5
Long-term debt	2,653.9	—	1,264.9	(1,286.2)	2,632.6
Deferred income taxes	—	—	262.6	—	262.6
Other noncurrent liabilities	57.0	3.8	71.1	—	131.9
Total liabilities	3,000.6	101.3	2,410.3	(1,649.6)	3,862.6
Minority interests	—	—	7.8	—	7.8
Equity:					
Member's equity	1,026.1	—	—	—	1,026.1
Subsidiary equity	—	2,400.5	720.5	(3,121.0)	—
Retained earnings	166.4	513.6	103.2	(616.8)	166.4
Accumulated other comprehensive loss	(200.8)	(254.5)	(93.4)	347.9	(200.8)
Total equity	991.7	2,659.6	730.3	(3,389.9)	991.7
Total liabilities and equity	\$ 3,992.3	\$ 2,760.9	\$ 3,148.4	\$ (5,039.5)	\$ 4,862.1

HUNTSMAN INTERNATIONAL LLC

Consolidating Statements of Operations and Comprehensive Income (Loss)

Year Ended December 31, 2002

(Millions of Dollars)

	Parent Only Huntsman International	Guarantors	Non- Guarantors	Eliminations	Consolidated Huntsman International
Revenues:					
Trade sales	\$ 674.3	\$ 604.6	\$ 2,881.0	\$ —	\$ 4,159.9
Related party sales	129.2	111.4	331.5	(238.4)	333.7
Tolling fees	—	23.9	0.6	—	24.5
Total revenue	803.5	739.9	3,213.1	(238.4)	4,518.1
Cost of goods sold	(573.2)	(603.2)	(2,964.7)	238.4	(3,902.7)
Gross profit	230.3	136.7	248.4	—	615.4
Expenses:					
Selling, general and administrative	100.1	8.1	216.8	—	325.0
Research and development	35.1	1.7	17.8	—	54.6
Restructuring and plant closing costs	—	—	7.7	—	7.7
Total expenses	135.2	9.8	242.3	—	387.3
Operating income	95.1	126.9	6.1	—	228.1
Interest expense	(252.3)	(0.5)	(115.4)	121.2	(247.0)
Interest income	3.4	118.4	1.0	(121.2)	1.6
Gain (loss) on sale of accounts receivable	0.6	(3.3)	(2.8)	—	(5.5)
Equity in earnings (losses) of unconsolidated affiliates	173.6	(79.6)	—	(93.8)	0.2
Other income (expense)	0.1	0.1	0.9	—	1.1
Income (loss) before income taxes	20.5	162.0	(110.2)	(93.8)	(21.5)
Income tax benefit (expense)	(0.4)	0.1	41.8	—	41.5
Minority interests in subsidiaries income	—	—	0.1	—	0.1
Net income (loss)	20.1	162.1	(68.3)	(93.8)	20.1
Other comprehensive income (loss)	53.4	155.9	(16.7)	(139.2)	53.4
Comprehensive income (loss)	\$ 73.5	\$ 318.0	\$ (85.0)	\$ (233.0)	\$ 73.5

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HUNTSMAN INTERNATIONAL LLC

Consolidating Statements of Operations and Comprehensive Income (Loss)

Year Ended December 31, 2001

(Millions of Dollars)

	Parent Only Huntsman International	Guarantors	Non- Guarantors	Eliminations	Consolidated Huntsman International
Revenues:					

Trade sales	\$ 615.1	\$ 638.6	\$ 2,924.5	\$ —	\$ 4,178.2
Related party sales	148.9	150.0	375.1	(298.0)	376.0
Tolling fees	—	20.5	0.5	—	21.0
Total revenue	764.0	809.1	3,300.1	(298.0)	4,575.2
Cost of goods sold	577.5	712.3	2,998.3	(298.0)	3,990.1
Gross profit	186.5	96.8	301.8	—	585.1
Expenses:					
Selling, general and administrative	93.6	19.3	191.9	—	304.8
Research and development	52.3	3.3	6.9	—	62.5
Restructuring and plant closure costs	3.4	—	43.2	—	46.6
Total expenses	149.3	22.6	242.0	—	413.9
Operating income	37.2	74.2	59.8	—	171.2
Interest expense	(249.8)	(0.4)	(104.3)	111.5	(243.0)
Interest income	2.8	108.1	4.0	(111.5)	3.4
Loss on sale of accounts receivable	(2.5)	(4.5)	(5.8)	—	(12.8)
Equity in earnings (losses) of unconsolidated affiliates	156.6	(25.4)	0.1	(131.2)	0.1
Other income (expense)	(3.5)	—	1.4	—	(2.1)
Income (loss) before income taxes	(59.2)	152.0	(44.8)	(131.2)	(83.2)
Income tax benefit (expense)	(0.2)	(0.1)	26.3	—	26.0
Minority interests in subsidiaries loss	—	—	(2.2)	—	(2.2)
Income (loss) before accounting change	(59.4)	151.9	(20.7)	(131.2)	(59.4)
Cumulative effect of accounting change	(1.5)	—	—	—	(1.5)
Net income (loss)	(60.9)	151.9	(20.7)	(131.2)	(60.9)
Other comprehensive income (loss)	(80.1)	(85.5)	(37.5)	123.0	(80.1)
Comprehensive income (loss)	\$ (141.0)	\$ 66.4	\$ (58.2)	\$ (8.2)	\$ (141.0)

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HUNTSMAN INTERNATIONAL LLC

Consolidating Statements of Operations and Comprehensive Income

Year Ended December 31, 2000

(Millions of Dollars)

	Parent Only Huntsman International	Guarantors	Non- Guarantors	Eliminations	Consolidated Huntsman International
Revenues:					
Trade sales	\$ 975.9	\$ 287.3	\$ 2,677.6	\$ —	\$ 3,940.8
Related party sales	173.8	57.8	494.4	(261.5)	464.5
Tolling fees	31.0	11.6	—	—	42.6
Total revenue	1,180.7	356.7	3,172.0	(261.5)	4,447.9
Cost of goods sold	915.5	313.6	2,737.8	(261.5)	3,705.4
Gross profit	265.2	43.1	434.2	—	742.5
Expenses:					

Selling, general and administrative	49.0	10.0	109.7	=	260.4
Research and development					
Total expenses	133.7	11.2	175.8	—	320.7
Operating income	131.5	31.9	258.4	—	421.8
Interest expense	(244.4)	(0.5)	(123.8)	130.7	(238.0)
Interest income	2.3	127.9	5.4	(130.7)	4.9
Loss on sale of accounts receivable	(0.5)	(0.5)	(0.9)	—	(1.9)
Equity in earnings of unconsolidated affiliates	260.9	104.3	(0.1)	(365.0)	0.1
Other income (expense)	0.2	—	(3.5)	—	(3.3)
Income before income taxes	150.0	263.1	135.5	(365.0)	183.6
Income tax benefit (expense)	0.7	(0.1)	(30.7)	—	(30.1)
Minority interests in subsidiaries loss	—	—	(2.8)	—	(2.8)
Net income(loss)	150.7	263.0	102.0	(365.0)	150.7
Other comprehensive income (loss)	(118.0)	(153.5)	(42.5)	196.0	(118.0)
Comprehensive income (loss)	\$ 32.7	\$ 109.5	\$ 59.5	\$ (169.0)	\$ 32.7

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HUNTSMAN INTERNATIONAL LLC

Consolidating Condensed Statements of Cash Flow

Year Ended December 31, 2002

(Millions of Dollars)

	Parent Only Huntsman International	Guarantors	Non- Guarantors	Eliminations	Consolidated Huntsman International
Net cash provided by operating activities	\$ (80.6)	\$ 227.3	\$ 10.8	\$ —	\$ 157.5
Investing activities:					
Capital expenditures	(9.4)	(3.1)	(178.0)	—	(190.5)
Acquisition minority interest	—	—	(9.0)	—	(9.0)
Net cash received from unconsolidated affiliates	—	8.0	—	—	8.0
Advances to unconsolidated affiliates	(3.3)	—	—	—	(3.3)
Proceeds from sale of fixed assets	(0.4)	—	6.3	—	5.9
Net cash provided by (used in) investing activities	(13.1)	4.9	(180.7)	—	(188.9)
Financing activities:					
Issuance of senior notes	300.0	—	—	—	300.0
Repayment of long term debt	(290.8)	—	2.2	—	(288.6)
Debt issuance costs	(10.3)	—	—	—	(10.3)
Cash contributions by parent	—	441.5	3,232.5	(3,674.0)	—
Cash distributions from subsidiaries	3,612.5	—	—	(3,612.5)	—
Cash distributions to parent	—	(431.8)	(3,180.7)	3,612.5	—
Cash distributions to subsidiaries	(3,674.0)	—	—	3,674.0	—
Intercompany advances—net of repayments	153.2	(244.4)	91.2	—	—
Net cash provided by (used in) financing activities	90.6	(234.7)	145.2	—	1.1

Effect of exchange rate changes on cash	1.1	—	20.7	—	21.8
Increase in cash and cash equivalents	(2.0)	(2.5)	(4.0)	—	(8.5)
Cash and cash equivalents at beginning of period	21.0	2.8	60.1	—	83.9
Cash and cash equivalents at end of period	\$ 19.0	\$ 0.3	\$ 56.1	—	\$ 75.4

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HUNTSMAN INTERNATIONAL LLC

Consolidating Condensed Statements of Cash Flow

Year Ended December 31, 2001

(Millions of Dollars)

	Parent Only Huntsman International	Guarantors	Non- Guarantors	Eliminations	Consolidated Huntsman International
Net cash provided by operating activities	\$ (117.0)	\$ 172.2	\$ 147.2	\$ —	\$ 202.4
Investing activities:					
Capital expenditures	(48.2)	(4.0)	(238.8)	—	(291.0)
Acquisition of other businesses	(33.8)	(29.1)	(146.6)	—	(209.5)
Cash received from unconsolidated affiliates	—	11.3	—	—	11.3
Advances to unconsolidated affiliates	(2.5)	—	—	—	(2.5)
Net cash provided by (used in) investing activities	(84.5)	(21.8)	(385.4)	—	(491.7)
Financing activities:					
Net borrowings under revolving loan facilities	79.5	—	—	—	79.5
Issuance of senior subordinated notes	233.2	—	—	—	233.2
Proceeds from other long-term debt	—	—	4.4	—	4.4
Repayment of other long-term debt	—	—	(2.4)	—	(2.4)
Debt issuance costs	(6.5)	—	—	—	(6.5)
Cash contributions by parent	4.0	831.3	3,183.1	(4,014.4)	4.0
Cash distributions from subsidiaries	3,935.9	—	—	(3,935.9)	—
Cash distributions to parent	—	(744.5)	(3,191.4)	3,935.9	—
Cash distributions to subsidiaries	(3,963.3)	(51.1)	—	4,014.4	—
Intercompany advances—net of repayments	(50.3)	(183.3)	233.6	—	—
Net cash provided by (used in) financing activities	232.5	(147.6)	227.3	—	312.2
Effect of exchange rate changes on cash	(15.7)	—	10.6	—	(5.1)
Increase in cash and cash equivalents	15.3	2.8	(0.3)	—	17.8
Cash and cash equivalents at beginning of period	5.7	—	60.4	—	66.1
Cash and cash equivalents at end of period	\$ 21.0	\$ 2.8	\$ 60.1	\$ —	\$ 83.9

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HUNTSMAN INTERNATIONAL LLC

Consolidating Condensed Statements of Cash Flow

Year Ended December 31, 2000

(Millions of Dollars)

	Parent Only Huntsman International	Guarantors	Non- Guarantors	Eliminations	Consolidated Huntsman International
Net cash provided by operating activities	\$ 47.1	\$ 176.6	\$ 187.8	\$ —	\$ 411.5
Investing activities:					
Acquisition of other businesses	(135.6)	—	(14.0)	—	(149.6)
Cash received from unconsolidated affiliates	—	7.5	—	—	7.5
Advances to unconsolidated affiliates	(9.0)	—	—	—	(9.0)
Capital expenditures	(45.2)	(2.2)	(157.1)	—	(204.5)
Net cash provided by (used in) investing activities	(189.8)	5.3	(171.1)	—	(355.6)
Financing activities:					
Net borrowings under revolving loan facilities	8.0	—	—	—	8.0
Repayment of long-term debt	(122.8)	—	(8.2)	—	(131.0)
Cash contributions by parent	—	291.9	367.0	(658.9)	—
Cash distributions from subsidiaries	691.0	—	—	(691.0)	—
Cash distributions to parent	(8.0)	(496.9)	(194.1)	691.0	(8.0)
Cash distributions to subsidiaries	(591.8)	(67.1)	—	658.9	—
Intercompany advances—net of repayments	150.1	106.7	(256.8)	—	—
Net cash provided by (used in) financing activities	126.5	(165.4)	(92.1)	—	(131.0)
Effect of exchange rate changes on cash	12.9	(16.7)	6.1	—	2.3
Increase in cash and cash equivalents	(3.3)	(0.2)	(69.3)	—	(72.8)
Cash and cash equivalents at beginning of period	9.0	0.2	129.7	—	138.9
Cash and cash equivalents at end of period	\$ 5.7	\$ —	\$ 60.4	\$ —	\$ 66.1

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HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

Schedule II — Valuation and Qualifying Accounts

December 31, 2002

Column A	Column B	Column C		Column D	Column E
Description	Balance at Beginning of Period	Additions		Deductions	Balance at End of Period
		Charged to cost and expenses	Charged to other accounts		
Allowance for Doubtful Accounts					

Year Ended December 31, 2002	\$	15.2	\$	4.1	\$	—	\$	(4.8)	\$	14.5
Year Ended December 31, 2001	\$	10.6	\$	2.8	\$	3.0(1)	\$	(1.2)	\$	15.2
Year Ended December 31, 2000	\$	9.5	\$	2.2	\$	—	\$	(1.1)	\$	10.6

(1) Represents specific reserves provided for receivables which were purchased with businesses acquired in 2001.

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EXHIBIT INDEX

Exhibit No.	Description
3.1	Certificate of Formation of Huntsman International LLC (incorporated by reference to Exhibit 3.1 to our registration statement on Form S-4 (File No. 333-85141))
3.2	Second Amended and Restated Limited Liability Company Agreement of Huntsman International LLC dated December 20, 2001 (incorporated by reference to Exhibit 3.2 to our amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
3.3	Certificate of Formation of Huntsman International Financial LLC (incorporated by reference to Exhibit 3.3 to our registration statement on Form S-4 (File No. 333-85141))
3.4	Limited Liability Company Agreement of Huntsman International Financial LLC dated June 18, 1999, as amended by the First Amendment dated June 19, 1999 (incorporated by reference to Exhibit 3.4 to our registration statement on Form S-4 (File No. 333-85141))
3.5	Memorandum of Association of Tioxide Group (incorporated by reference to Exhibit 3.5 to our registration statement on Form S-4 (File No. 333-85141))
3.6	Articles of Association of Tioxide Group (incorporated by reference to Exhibit 3.6 to our registration statement on Form S-4 (File No. 333-85141))
3.7	Memorandum of Association of Tioxide Americas Inc. (incorporated by reference to Exhibit 3.7 to our registration statement on Form S-4 (File No. 333-85141))
3.8	Articles of Association of Tioxide Americas Inc. (incorporated by reference to Exhibit 3.8 to our registration statement on Form S-4 (File No. 333-85141))
3.9	Certificate of Amendment to Certificate of Formation of Huntsman International LLC (incorporated by reference to Exhibit 3.9 to our annual report on Form 10-K for the year ended December 31, 2000)
3.10	Certificate of Amendment to Certificate of Formation of Huntsman International Financial LLC (incorporated by reference to Exhibit 3.10 to our annual report on Form 10-K for the year ended December 31, 2000)
4.1	Indenture, dated as of June 30, 1999, among Huntsman International LLC (f/k/a/ Huntsman ICI Chemicals LLC), the Guarantors party thereto and Bank One, N.A., as Trustee, relating to the 10 ¹ / ₈ % Senior Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.1 to our registration statement on Form S-4 (File No. 333-85141))
4.2	Form of certificate of 10 ¹ / ₈ % Senior Subordinated Note due 2009 denominated in dollars (included as Exhibit A-3 to Exhibit 4.1)
4.3	Form of certificate of 10 ¹ / ₈ % Senior Subordinated Note due 2009 denominated in euros (included as Exhibit A-4 to Exhibit 4.1)
4.4	Form of Guarantee (included as Exhibit E of Exhibit 4.1)
4.5	First Amendment, dated January 5, 2000, to Indenture, dated as of June 30, 1999, among Huntsman International LLC (f/k/a/ Huntsman ICI Chemicals LLC), as Issuer, each of the Guarantors named therein and Bank One, N.A., as Trustee (incorporated by reference to Exhibit 4.6 to our registration statement on Form S-4 (File No. 333-85141))

- 4.6 Indenture, dated as of March 13, 2001, among Huntsman International LLC, as Issuer, the Guarantors named therein and The Bank of New York, as Trustee, relating to 10¹/₈% Senior Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.6 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
- 4.7 First Supplemental Indenture, dated as of January 11, 2002, among Huntsman International LLC, as Issuer, the Guarantors named therein and The Bank of New York, as Trustee, relating to 10¹/₈% Senior Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.7 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
- 4.8 Indenture, dated as of March 21, 2002, among Huntsman International LLC, as Issuer, the Guarantors named therein and Wells Fargo Bank Minnesota, National Association, as Trustee, relating to the 9⁷/₈% Senior Notes due 2009 (incorporated by reference to Exhibit 4.8 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
- 4.9 Exchange and Registration Rights Agreement, dated as of March 21, 2002, among Huntsman International LLC, the Guarantors as defined therein, and the Purchasers as defined therein, relating to the 9⁷/₈% Senior Notes due 2009 (incorporated by reference to Exhibit 4.9 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
- 10.1 Contribution Agreement, dated as of April 15, 1999, by and among Imperial Chemical Industries PLC, Huntsman Specialty Chemicals Corporation, HIH LLC (f/k/a/ Huntsman ICI HIH LLC) and Huntsman International LLC (f/k/a/ Huntsman ICI Chemicals LLC) as amended by the first Amending Agreement, dated June 4, 1999, the second Amending Agreement, dated June 30, 1999, and the third Amending Agreement, dated June 30, 1999, (incorporated by reference to Exhibit 10.1 to our registration statement on Form S-4 (File No. 333-85141))
- 10.2 Purchase and Sale Agreement (PO/MTBE Business), dated March 21, 1997, among Texaco, Texaco Chemical Inc. and Huntsman Specialty Chemicals Corporation (incorporated by reference to Exhibit 10.2 to our registration statement on Form S-4 (File No. 333-85141))
- 10.3 Operating and Maintenance Agreement, dated as of March 21, 1997, by and between Huntsman Specialty Chemicals Corporation and Huntsman Petrochemical Corporation (incorporated by reference to Exhibit 10.3 to our registration statement on Form S-4 (File No. 333-85141))
- 10.4 Credit Agreement, dated as of June 30, 1999, by and among Huntsman International LLC (f/k/a/ Huntsman ICI Chemicals LLC), HIH LLC (f/k/a/ Huntsman ICI Holdings LLC), Bankers Trust Company, Goldman Sachs Credit Partners LP, The Chase Manhattan Bank, and Warburg Dillon Read and various lending institutions party thereto (incorporated by reference to Exhibit 10.4 to our registration statement on Form S-4 (File No. 333-85141))
- 10.5 Asset Sale Agreement, dated June 30, 1999, by and between BP Chemicals Limited and Huntsman International LLC (f/k/a/ Huntsman ICI Chemicals LLC) (incorporated by reference to Exhibit 10.5 to our registration statement on Form S-4 (File No. 333-85141))
- 10.6 Joint Venture Agreement, dated as of October 18, 1993, between Tioxide Americas Inc. and Kronos Louisiana, Inc. (incorporated by reference to Exhibit 10.6 to our registration statement on Form S-4 (File No. 333-85141))
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- 10.7 Shareholders Agreement, dated as of January 11, 1982, by and among Imperial Chemical Industries PLC, ICI American Huntsman International Holdings, Inc. and Uniroyal, Inc. (incorporated by reference to Exhibit 10.7 to our registration statement on Form S-4 (File No. 333-85141))
- 10.8 Operating Agreement, dated December 28, 1981, between Uniroyal, Inc., Rubicon Chemicals, Inc. and Rubicon, Inc. (incorporated by reference to Exhibit 10.8 to our registration statement on Form S-4 (File No. 333-85141))
- 10.9 Liability and Indemnity Agreement, dated December 28, 1981, by and among Rubicon Inc., Rubicon Chemicals Inc., Imperial Chemical Industries PLC, ICI American Huntsman International Holdings, Inc., ICI Americas Inc. and Uniroyal Inc. (incorporated by reference to Exhibit 10.9 to our registration statement on Form S-4 (File No. 333-85141))
- 10.10 Titanium Dioxide Supply Agreement, dated July 3, 1997, by and between Imperial Chemicals Industries PLC and Tioxide Group (incorporated by reference to Exhibit 10.10 to our registration statement on Form S-4 (File No. 333-85141))*
- 10.11 Slag Sales Agreement, dated July 10, 1997, by and between Richards Bay Iron and Titanium (Proprietary) Limited and Tioxide S.A. (Pty) Limited (incorporated by reference to Exhibit 10.11 to our registration statement on Form S-4 (File No. 333-85141))*
- 10.12 Slag Sales Agreement, dated April 19, 2000, by and between Qit-Fer Et Titane Inc. and Tioxide Europe Limited

- (incorporated by reference to Exhibit 10.12 to our annual report on Form 10-K for the year ended December 31, 2000)**
- 10.13 Supply Agreement, dated April 13, 1998, by and between Shell Trading International Limited and ICI Chemicals & Polymers Limited (incorporated by reference to Exhibit 10.13 to our registration statement on Form S-4 (File No. 333-85141))*
- 10.14 Amendment, dated February 7, 2001, to the Supply Agreement, dated April 13, 1998, by and between Shell Trading International Limited and ICI Chemicals & Polymers Limited (incorporated by reference to Exhibit 10.14 to our annual report on Form 10-K for the year ended December 31, 2000)**
- 10.15 First Amendment, dated as of December 21, 2000, by and among Huntsman International LLC, HIH LLC, the financial institutions named therein, as Lenders, Bankers Trust Company, as Lead Arranger, Administrative Agent for the Lenders and Sole Book Manager, Goldman Sachs Credit Partners L.P., as Syndication Agent and Co-Arranger and The Chase Manhattan Bank and Warburg Dillon Read (a division of UBS AG), as Co-Arrangers and as Co-Documentation Agents, to the Credit Agreement dated as of June 30, 1999 (incorporated by reference to Exhibit 10.15 to our annual report on Form 10-K for the year ended December 31, 2000)
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- 10.16 Second Amendment, dated as of March 5, 2001, is entered into by and among Huntsman International LLC, HIH LLC, the undersigned financial institutions, including Bankers Trust Company, in their capacities as lenders hereunder, Bankers Trust Company, as Lead Arranger, Administrative Agent for the Lenders and Sole Book Manager, Goldman Sachs Credit Partners L.P., as Syndication Agent and Co-Arranger and The Chase Manhattan Bank and UBS Warburg LLC (as successor to Warburg Dillon Read), as Co-Arrangers and as Co-Documentation Agents, to the Credit Agreement dated as of June 30, 1999 (incorporated by reference to Exhibit 10.16 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.17 Contribution Agreement, among Huntsman International LLC, as Contributor and Originator, and Huntsman Receivables Finance LLC, as the Company, dated as of December 20, 2000 (incorporated by reference to Exhibit 10.17 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.18 Huntsman Master Trust Pooling Agreement, dated as of December 21, 2000, among Huntsman Receivables Finance LLC, as Company, Huntsman (Europe) BVBA, as Master Servicer, and Chase Manhattan Bank (Ireland) Plc, as Trustee (incorporated by reference to Exhibit 10.18 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.19 Huntsman Master Trust, Series 2000-1 Supplement, dated as of December 21, 2000, to Pooling Agreement dated as of December 21, 2000, among Huntsman Receivables Finance LLC, as Company, Huntsman (Europe), BVBA, as Master Servicer, The Chase Manhattan Bank, as Funding Agent, Park Avenue Receivables Corp., as Series 2000-1 Initial Purchaser, the several financial institutions party thereto from time to time as Series 2000-1 APA Banks, and Chase Manhattan Bank (Ireland) Plc, as Trustee (incorporated by reference to Exhibit 10.19 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.20 Servicing Agreement, dated as of December 21, 2000, among Huntsman Receivables Finance LLC, as the Company, Huntsman (Europe) BVBA, as Master Servicer, Tioxide Americas Inc., Huntsman ICI Holland B.V., Tioxide Europe Limited, Huntsman International LLC, Huntsman Petrochemicals (U.K.) Limited, Huntsman Propylene Oxide Ltd., Huntsman International Fuels L.P., as Local Servicers, Chase Manhattan Bank (Ireland) Plc, as Trustee, Pricewaterhousecoopers, as Liquidation Servicer, and Huntsman International LLC, as Servicer Guarantor (incorporated by reference to Exhibit 10.20 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.21 U.S. Receivables Purchase Agreement, Huntsman International LLC, as Purchaser, and Tioxide Americas Inc., Huntsman Propylene Oxide Ltd. and Huntsman International Fuels, L.P., each as a Seller and an Originator (incorporated by reference to Exhibit 10.21 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.22 Dutch Receivables Purchase Agreement, dated as of December 21, 2000, between Huntsman International LLC, as Purchaser, Huntsman ICI Holland B.V., as Originator, Huntsman ICI (Europe) B.V.B.A., as Master Servicer (incorporated by reference to Exhibit 10.22 to our annual report on Form 10-K for the year ended December 31, 2000)
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- 10.23 U.K. Receivables Purchase Agreement, dated as of December 20, 2000, between Huntsman International LLC, as Purchaser, Tioxide Europe Limited and Huntsman Petrochemicals (U.K.) Limited, as Originators, and Huntsman (Europe) B.V.B.A., as Master Servicer (incorporated by reference to Exhibit 10.23 to our annual report on Form 10-K for the year ended December 31, 2000)
- 10.24 Third Amendment, dated as of November 30, 2001, by and among Huntsman International LLC, HIH LLC and the various agents and lending institutions party thereto (incorporated by reference to Exhibit 10.1 to our current

report on Form 8-K filed December 4, 2001)

- 10.25 Fourth Amendment to Credit Agreement, dated as of March 15, 2002, by and among Huntsman International LLC, HIH LLC and the various agents and lending institutions party thereto (incorporated by reference to Exhibit 10.25 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
- 10.26 Amendment Agreement, dated December 20, 2001, between Imperial Chemicals Industries PLC, ICI Alta, Inc. and Huntsman Specialty Chemicals Corporation, to amend the Contribution Agreement dated as of April 15, 1999 (incorporated by reference to Exhibit 10.26 to amendment no. 1 to our annual report on Form 10-K/A for the year ended December 31, 2001)
- 10.27 Second Amendment, dated as of October 21, 2002, between Huntsman Receivables Finance LLC, Huntsman (Europe), BVBA, and J.P. Morgan (Ireland) PLC, to Series 2000-1 Supplement, dated as of December 21, 2000
- 10.28 First Amendment to Series 2001-1 Supplement, dated as of October 21, 2002, among Huntsman Receivables Finance LLC, Huntsman (Europe) BVBA and J.P. Morgan Bank (Ireland) PLC
- 10.29 First Amendment to Amended and Restated Pooling Agreement, dated as of October 21, 2002, among Huntsman Receivables Finance LLC, Huntsman (Europe) BVBA and J.P. Morgan Bank (Ireland) PLC
- 10.30 Amended and Restated Servicing Agreement, dated as of October 21, 2002, among Huntsman Receivables Finance LLC, as the Company, Huntsman (Europe) BVBA, as Master Servicer, Tioxide Americas Inc., Huntsman Holland B.V., Tioxide Europe Limited, Huntsman International LLC, Huntsman Petrochemicals (UK) Limited, Huntsman Propylene Oxide Ltd., Huntsman International Fuels L.P., Tioxide Europe SRL, Huntsman Surface Sciences Italia SRL, Huntsman Patrica S.R.L., Tioxide Europe S.L., Huntsman Surface Sciences Ibérica, S.L., Tioxide Europe SAS, Huntsman Surface Sciences (France) S.A.S., Huntsman Surface Sciences UK Ltd, Huntsman Ethyleneamines Ltd., as Local Servicers, J.P. Morgan Bank (Ireland) PLC, as Trustee, Pricewaterhousecoopers, as Liquidation Servicer, and Huntsman International LLC, as Servicer Guarantor
- 10.31 Amended and Restated U.S. Receivables Purchase Agreement, dated as of October 21, 2002, among Huntsman International LLC, as Purchaser, and Tioxide Americas Inc., Huntsman Propylene Oxide Ltd., Huntsman International Fuels L.P., and Huntsman Ethyleneamines Ltd., each as a Seller and an Originator
- 10.32 Amended and Restated UK Receivables Purchase Agreement, dated as of October 21, 2002, among Huntsman International LLC, as Purchaser, Huntsman Surface Sciences UK Limited, Tioxide Europe Limited, and Huntsman Petrochemicals (UK) Limited, as Originators, Huntsman (Europe) B.V.B.A, as Master Servicer

10.33 Fifth Amendment to Credit Agreement, dated as of February 7, 2003, among Huntsman International LLC, Huntsman International Holdings LLC and the various agents and lending institutions party thereto

10.34 Deed of Amendment to Contribution Agreement, dated as of November 27, 2002, among Imperial Chemical Industries PLC, Huntsman Specialty Chemicals Corporation, Huntsman International Holdings, LLC, and Huntsman International LLC

21.1 Subsidiaries of Huntsman International LLC

99.1 Certification of Chief Executive Officer

99.2 Certification of Chief Financial Officer

* Confidential treatment pursuant to Rule 406 of the Securities Act has been previously granted by the SEC.

** Portions of this document have been omitted and previously filed separately with the SEC pursuant to requests for confidential treatment pursuant to Rule 406 of the Securities Act and Rule 24b-2 of the Exchange Act.

**SECOND AMENDMENT
dated as of October 21, 2002**

between

**HUNTSMAN RECEIVABLES FINANCE LLC,
as Company**

**HUNTSMAN (EUROPE), BVBA,
as Master Servicer**

and

**and J.P. MORGAN (IRELAND) PLC,
as Trustee**

to

SERIES 2000-1 SUPPLEMENT

Dated as of December 21, 2000

THIS AMENDMENT, dated as of October 21, 2002 (the "*Amendment*") between Huntsman Receivables Finance LLC (the "*Company*"), a Delaware limited liability company; Huntsman (Europe) BVBA (the "*Master Servicer*"); and J.P. Morgan (Ireland) plc, successor-in-interest to Chase Manhattan Bank (Ireland) plc, as trustee (the "*Trustee*"), modifies the Series 2000-1 Supplement dated as of December 21, 2000, as amended by an amendment dated as of December 18, 2001 (the "*Supplement*"), which supplements the Amended and Restated Pooling Agreement, dated as of June 26, 2001 (the "*Pooling Agreement*" and, together with the Supplement, the "*Agreement*") between the Company, the Master Servicer and the Trustee.

WHEREAS, the parties hereto (the "*Parties*") wish to amend the Supplement;

WHEREAS, Section 10.01(c) of the Pooling Agreement permits the amendment of the Supplement upon the terms and conditions specified therein;

WHEREAS, Section 11.07(b) of the Supplement permits the amendment of the Supplement with the written consent of the Funding Agent and the Series 2000-1 Majority Purchasers to add any other provisions to or change in any manner or eliminate any of the provisions of the Supplement; and

WHEREAS, the Parties have provided prior written notice of the Amendment to the Series 2000-1 Rating Agencies in accordance with the requirements of Section 11.07(c)(ii) of the Supplement;

NOW, THEREFORE, the Parties agree that the Supplement is hereby amended effective as of the date hereof and the Parties agree hereto as follows:

Section 1. *Definitions.* Capitalized terms used but not defined herein shall have the meaning assigned to such terms in Annex X to the Pooling Agreement.

Section 2. *Amendment.*

(a) The text of Section 1.01 is hereby deleted in its entirety and shall be replaced with the following:

"Capitalized terms used herein shall unless otherwise defined or referenced herein, have the meanings assigned to such terms in Annex X to the Pooling Agreement or Schedule III to this Supplement."

(b) All references in the Supplement to Chase and/or its affiliate entities shall refer to their respective successors in interest.

(c) Schedule 1 to the Supplement is hereby amended and restated in its entirety and replaced with Schedule 1 attached hereto

(d) An additional Schedule III is hereby added to the Supplement as follows:

Series 2000-1 Definitions

"Administrative Agent" shall mean Chase, a New York banking APA corporation, as administrative agent on behalf of PARCO, and its successors and assigns in such capacity.

"Affected APA Bank" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Aggregate Commitment" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

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"APA Bank Aggregate Invested Amount" shall have the meaning assigned to it in the Series 2000-1 Asset Purchase Agreement.

"APA Bank Invested Amount" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"APA Bank Purchase Percentage" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Available Commitment" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Certificate Payments" shall have the meaning assigned to such term in the 2000-1 Asset Purchase Agreement.

"Chase Roles" shall have the meaning assigned in Section 11.17 of the Series 2000-1 Supplement and Section 4.10 of the Series 2000-1 Asset Purchase Agreement.

"Commercial Paper" shall mean the short-term promissory notes of PARCO issued in the United States commercial paper market.

"Conduit Assignee" shall mean any special purpose vehicle issuing indebtedness in the commercial paper market that is administered by Chase.

"Deficit" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Eligible Assignee" shall mean the Series 2000-1 APA Banks, and with respect to any Series 2000-1 Purchaser, any Person that (A) is a Conduit Assignee; or (B) (i) is a financial institution formed under the laws of any OECD Country *provided* that such Person, if not a financial institution organized under the laws of the United States, is acting through a branch or agency located in the United States; (ii) has a short-term debt rating of at least "A-1" from S&P, and "P-1" from Moody's; and (iii) except as to the Series 2000-1 APA Banks which in any event shall be an Eligible Assignee, is reasonably acceptable to the Company.

"Eurodollar Rate" shall mean, with respect to any Series 2000-1 Eurodollar Period, a rate per annum equal to the sum (rounded upwards, if necessary, to the next higher $\frac{1}{16}$ of 1%) of (A) the rate obtained by dividing (i) the applicable LIBOR Rate by (ii) a percentage equal to 100% minus the reserve percentage used for determining the maximum reserve requirement as specified in Regulation D of the Board of Governors of the Federal Reserve System (including, without limitation, any marginal, emergency, supplemental, special or other reserves) that is applicable to the Funding Agent during such Series 2000-1 Eurodollar Period in respect of eurocurrency or eurodollar funding, lending or liabilities (or, if more than one percentage shall be so applicable, the daily average of such percentage for those days in such Series 2000-1 Eurodollar Period during which any such percentage shall be applicable) plus (B) the then daily net annual assessment rate (rounded upwards, if necessary, to the nearest $\frac{1}{16}$ of 1%) as estimated by the Funding Agent for determining the current annual assessment payable by the Funding Agent to the Federal Deposit Insurance Corporation in respect of eurocurrency or eurodollar funding, lending or liabilities.

"Face Amount" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Fee Letter" shall mean the Fee Letter, dated as of December 21, 2000, among the Company, the Funding Agent and the Series 2000-1 Initial Purchaser.

"Funding Account" shall have the meaning assigned in subsection 2.04(a) of the Series 2000-1 Asset Purchase Agreement.

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"LIBOR Rate" shall mean, with respect to any Series 2000-1 Eurodollar Period, the rate at which deposits in dollars are offered to the Funding Agent, in the London interbank market at approximately 11:00 a.m. London time two (2) Business Days before the first day of such Series 2000-1 Eurodollar Period in an amount approximately equal to the Series 2000-1 Eurodollar Tranche to which the Eurodollar Rate is to apply and for a period of time approximately equal to the applicable Series 2000-1 Eurodollar Period.

"Liquidity Fee Letter" shall have the meaning set forth in the Series 2000-1 Asset Purchase Agreement.

"Other Persons" shall have the meaning assigned to such term in subsection 2.10(a) of the Series 2000-1 Supplement.

"PARCO" shall mean Park Avenue Receivables Corporation, a Delaware corporation, and any successor thereto.

"PARCO Insolvency Event" shall have the meaning assigned such term in the Series 2000-1 Asset Purchase Agreement.

"PARCO Interest" shall mean, on any date of determination, the Series 2000-1 Invested Amount less any interest therein transferred to the Series 2000-1 APA Banks pursuant to Section 2.01 of the Series 2000-1 Asset Purchase Agreement.

"PARCO Invested Amount" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"PARCO Termination Event" shall have the meaning assigned such term in the Series 2000-1 Asset Purchase Agreement.

"Potential Series 2000-1 Early Amortization Event" shall mean an event which, with the giving of notice and/or the lapse of time, would constitute a Series 2000-1 Early Amortization Event.

"Pro Rata Share" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Purchased Percentage" shall have the meaning assigned to such term in the Series 2000-1 Supplement.

"Purchaser's Acquisition Cost" shall have the meaning assigned to such term in the Form of Transfer Supplement attached as Exhibit A to the Series 2000-1 Asset Purchase Agreement.

"Purchaser's Funding Balance" shall have the meaning assigned to such term in the Form of Transfer Supplement attached as Exhibit A to the Series 2000-1 Asset Purchase Agreement.

"Rating Confirmation" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Sale Notice" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Series 2000-1" shall mean the Series of Investor Certificates and the Subordinated Company Interests, the Principal Terms of which are set forth in the Series 2000-1 Supplement.

"Series 2000-1 Accrued Expense Adjustment" shall mean, for any Business Day in any Accrual Period, the amount, if any, which may be less than zero, equal to the difference between (a) the entire amount of (i) the sum of all accrued and unpaid Series 2000-1 Daily Interest Expense from the beginning of such Accrual Period to and including such Business Day, (ii) the Series 2000-1 Monthly Servicing Fee, (iii) the aggregate amount of all previously accrued and unpaid Series 2000-1 Monthly Interest for prior Distribution Dates, (iv) the aggregate amount of all

accrued and unpaid Series 2000-1 Additional Interest and (v) all accrued Series 2000-1 Program Costs, in each case for such Accrual Period determined as of such day, and (b) the aggregate of the amounts transferred to the Series 2000-1 Non-Principal Concentration Subaccount on or before such day in respect of such Accrual Period pursuant to subsection 3A.03(a)(i) of the Series 2000-1 Supplement, before giving effect to any transfer made in respect of the Series 2000-1 Accrued Expense Adjustment on such day pursuant to the proviso to such subsection.

"Series 2000-1 Accrued Expense Amount" shall mean, for each Business Day during an Accrual Period, the sum of (a) in the case of each of the first ten Business Days in the Accrual Period, one-tenth of the Series 2000-1 Monthly Servicing Fee, (in the case of the foregoing clause (a), up to the amount thereof due and payable on the succeeding Distribution Date), (b) in the case of each Business Day of each Accrual Period, an amount equal to the amount of accrued and unpaid Series 2000-1 Daily Interest Expense in respect of such day, (c) the aggregate amount of all previously accrued and unpaid Series 2000-1 Monthly Interest for prior Distribution Dates, (d) the aggregate amount of all accrued and unpaid Series 2000-1 Additional Interest and (e) all Series 2000-1 Program Costs that have accrued since the preceding Business Day.

"Series 2000-1 Accrued Interest Subaccount" shall have the meaning assigned in subsection 3A.02(a) of the Series 2000-1 Supplement.

"Series 2000-1 Acquiring Purchaser" shall have the meaning assigned to such term in subsection 11.10(b) of the Series 2000-1 Supplement.

"Series 2000-1 Acquisition Date" shall have the meaning assigned to such term in Section 7.01 of the Series 2000-1 Supplement.

"Series 2000-1 Additional Interest" shall have the meaning assigned to such term in subsection 3A.04(b) of the Series 2000-1 Supplement

"Series 2000-1 Adjusted Invested Amount" shall mean, as of any date of determination, (i) the Series 2000-1 Invested Amount on such date, minus (ii) the amount on deposit in the Series 2000-1 Principal Concentration Subaccount on such date up to a maximum of the Series 2000-1 Invested Amount.

"Series 2000-1 Aggregate Commitment Amount" shall mean, with respect to any Business Day, the aggregate amount of the Series 2000-1 Commitments of all Series 2000-1 APA Banks on such date, as reduced from time to time or terminated in their entirety pursuant to Section 2.08 of the Series 2000-1 Supplement.

"Series 2000-1 Aggregate Unpaid" shall mean, at any time, an amount equal to the sum of (i) the Series 2000-1 Invested Amount, (ii) the aggregate amount of all previously accrued and unpaid Series 2000-1 Monthly Interest for prior Distribution Dates, (iii) the aggregate amount of all accrued and unpaid Series 2000-1 Additional Interest, (iv) any Series 2000-1 Commitment Fee payable to the Funding Agent for the benefit of the Series 2000-1 Purchasers, and (v) all other amounts owed (whether due or accrued) under the Transaction Documents by the Company or the Master Servicer to PARCO and the Series 2000-1 APA Banks at such time.

"Series 2000-1 Allocable Charged-Off Amount" shall mean, with respect to any Special Allocation Settlement Report Date, the "Allocable Charged-Off Amount", if any, that has been allocated to Series 2000-1.

"Series 2000-1 Allocable Recoveries Amount" shall mean, with respect to any Special Allocation Settlement Report Date, the "Allocable Recoveries Amount", if any, that has been allocated to Series 2000-1.

"Series 2000-1 Allocated Receivables Amount" shall mean, on any date of determination, the lower of (i) the Series 2000-1 Target Receivables Amount on such day and (ii) the product of (x) the Aggregate Receivables Amount on such day times (y) the percentage equivalent of a fraction the numerator of which is the Series 2000-1 Target Receivables Amount on such day and the denominator of which is the Aggregate Target Receivables Amount on such day.

"Series 2000-1 Amortization Period" shall mean the period following the Series 2000-1 Revolving Period and ending on the earlier of (a) the date when the Series 2000-1 Invested Amount shall have been reduced to zero and all accrued interest and other amounts owing on the Series 2000-1 VFC Certificate and to the Funding Agent and the Series 2000-1 Purchasers under the Transaction Documents shall have been paid and (b) the Series 2000-1 Termination Date.

"Series 2000-1 APA Bank" shall mean any APA Bank party to the Series 2000-1 Supplement and the Series 2000-1 Asset Purchase Agreement including such APA Bank's permitted successors or assigns.

"Series 2000-1 Applicable Margin" shall mean on any date of determination, from and after the date of delivery of a Sale Notice or PARCO Insolvency Notice (i) for each Series 2000-1 Eurodollar Tranche applicable to Series 2000-1 VFC Certificate Interests held by the Series 2000-1 APA Banks, 3.50% per annum and (ii) for each Series 2000-1 Floating Tranche applicable to Series 2000-1 VFC Certificate Interests held by the Series 2000-1 APA Banks, 3.50% per annum.

"Series 2000-1 Article VII Costs" shall mean any amounts due pursuant to Article VII of the Series 2000-1 Supplement.

"Series 2000-1 Asset Purchase Agreement" shall mean the Asset Purchase Agreement, dated as of December 21, 2000 by and among PARCO, Chase, as Funding Agent, and the Series 2000-1 APA Banks from time to time party thereto and relating to the Trust, as the same from time to time may be amended, supplemented or otherwise modified and in effect.

"Series 2000-1 Available Pricing Amount" shall mean, on any Business Day, the sum of (i) the Series 2000-1 Unallocated Balance plus (ii) the Series 2000-1 Increase, if any, on such date.

"Series 2000-1 Benefited Purchaser" shall have the meaning assigned in Section 11.12 of the Series 2000-1 Supplement.

"Series 2000-1 Carrying Cost Reserve Ratio" shall mean, as of any Settlement Report Date and continuing until (but not including) the next Settlement Report Date, an amount (expressed as a percentage) equal to (a) the product of (i) 2.0 times Days Sales Outstanding as of such day and (ii) the greater of (1) 1.30 times the ABR in effect as of such day and (2) the Eurodollar Rate plus the Series 2000-1 Applicable Margin, each as in effect as of such day divided by (b) 365.

"Series 2000-1 Certificate Rate" shall mean, on any date of determination, the average (weighted based on the respective outstanding amounts of the Series 2000-1 Floating Tranche, each Series 2000-1 CP Tranche and each Series 2000-1 Eurodollar Tranche) of the ABR, the Series 2000-1 CP Rate and Eurodollar Rate in effect on such day plus, in the case of the ABR and the Eurodollar Rate, the applicable Series 2000-1 Applicable Margin and in the case of the CP Rate the Series 2000-1 Utilization Fee Rate.

"Series 2000-1 Collections" shall mean, with respect to any Business Day, an amount equal to the product of (i) the Series 2000-1 Invested Percentage on such Business Day and (ii) Aggregate Daily Collections.

"Series 2000-1 Commitment" shall mean, as to any Series 2000-1 APA Bank, its obligation to purchase the Series 2000-1 VFC Certificate on the Series 2000-1 Issuance Date, to acquire all or part of the Series 2000-1 Initial Purchaser's Series 2000-1 VFC Certificate Interest and to maintain

and, subject to certain conditions, increase, its Series 2000-1 Purchaser Invested Amount plus any accrued and unpaid discount therefrom, in an aggregate amount, in each case, not to exceed at any one time outstanding the amount set forth opposite such Series 2000-1 APA Bank's name on Schedule 1 of the Series 2000-1 Supplement and Annex I of the Series 2000-1 Asset Purchase Agreement under the caption "Commitment", or in its Series 2000-1 Commitment Transfer Supplement as such amount may be reduced from time to time pursuant to subsection 2.08(e) of the Series 2000-1 Supplement; collectively, as to all Series 2000-1 APA Banks, the "Series 2000-1 Commitments".

"Series 2000-1 Commitment Percentage" shall mean, as to any Series 2000-1 APA Bank and as of any date, the percentage equivalent of a fraction, the numerator of which is such Series 2000-1 APA Bank's Series 2000-1 Commitment as set forth on Schedule 1 of the Series 2000-1 Supplement and Annex I of the Series 2000-1 Asset Purchase Agreement or in its Series 2000-1 Commitment Transfer Supplement and the denominator of which is the Series 2000-1 Aggregate Commitment Amount as of such date.

"Series 2000-1 Commitment Period" shall mean the period commencing on the Series 2000-1 Issuance Date and terminating on the Series 2000-1 Commitment Termination Date.

"Series 2000-1 Commitment Reduction" shall have the meaning assigned to such term in subsection 2.08(a) of the Series 2000-1 Supplement.

"Series 2000-1 Commitment Termination Date" shall mean the earliest to occur of (a) the date on which all amounts due and owing to PARCO and the APA Banks in respect of the Series 2000-1 VFC Certificate have been indefeasibly paid in full to PARCO and the APA Banks (as certified by the Funding Agent), and the Series 2000-1 Aggregate Commitment Amount has been reduced to zero pursuant to Section 2.08 of the Series 2000-1 Supplement and Section 2.05 of the Series 2000-1 Asset Purchase Agreement and (b) the Series 2000-1 Scheduled Commitment Termination Date.

"Series 2000-1 Commitment Transfer Supplement" shall mean a commitment transfer supplement substantially in the form of Exhibit B attached to the Series 2000-1 Supplement.

"Series 2000-1 Concentration Accounts" shall have the meaning assigned to such term in subsection 3A.02(a) of the Series 2000-1 Supplement.

"Series 2000-1 Concentration Subaccounts" shall have the meaning assigned to such term in subsection 3A.02(a) of the Series 2000-1 Supplement.

"Series 2000-1 CP Rate" shall mean, with respect to any Series 2000-1 CP Rate Period, the rate equivalent to (i) the weighted average of the discount rates on all of the Series 2000-1 CP Tranches issued at a discount and outstanding during the related Series 2000-1 CP Rate Period, converted to an annual yield-equivalent rate on the basis of a 360-day year, which rates shall include dealer fees and commissions and (ii) the weighted average of the annual interest rates payable on all interest-bearing PARCO Commercial Paper outstanding during the related Series 2000-1 CP rate period, on the basis of a 360-day year, which rates shall include dealer fees and commissions; *provided* that, to the extent that the Series 2000-1 Invested Amount is funded by a specific issuance of PARCO's Commercial Paper, the "Series 2000-1 CP Rate" shall equal the rate or weighted average of the rates applicable to such issuance.

"Series 2000-1 CP Rate Period" shall mean, with respect to any Series 2000-1 CP Tranche, a Settlement Period.

"Series 2000-1 CP Tranche" shall mean a portion of the Series 2000-1 Invested Amount for which the Series 2000-1 Monthly Interest is calculated by reference to a particular Series 2000-1 CP Rate and a particular Series 2000-1 CP Rate Period.

"Series 2000-1 Daily Interest Deposit" shall mean, for any Business Day, an amount equal to (i) the amount of accrued and unpaid Series 2000-1 Daily Interest Expense in respect of such day plus (ii) the aggregate amount of all previously accrued and unpaid Series 2000-1 Daily Interest Expense that has not yet been deposited in the Series 2000-1 Accrued Interest Subaccount plus (iii) the aggregate amount of all accrued and unpaid Series 2000-1 Additional Interest.

"Series 2000-1 Daily Interest Expense" for any day in any Accrual Period, shall mean the sum of (A) the product of (i) the portion of the Series 2000-1 Invested Amount (calculated without regard to clauses (d) and (e) of the definition of Series 2000-1 Purchaser Invested Amount) allocable to the Series 2000-1 Floating Tranche on such day divided by 365 and (ii) the ABR plus the Series 2000-1 Applicable Margin in effect on such day plus the accrued and unpaid Series 2000-1 Unused Fee in respect of such day, (B) the product of (i) the portion of the Series 2000-1 Invested Amount (calculated without regard to clauses (d) and (e) of the definition of Series 2000-1 Purchaser Invested Amount) allocable to Series 2000-1 Eurodollar Tranches on such day divided by 360 and (ii) the Eurodollar Rate plus the Series 2000-1 Applicable Margin on such day in effect with respect thereto plus the accrued and unpaid Series 2000-1 Unused Fee in respect of such day and (C) the product of (i) the Series 2000-1 Invested Amount (calculated without regard to clauses (d) and (e) of the definition of Series 2000-1 Purchaser Invested Amount) allocable to Series 2000-1 CP

Tranches on such day divided by 360 and (ii) the Series 2000-1 CP Rate plus the accrued and unpaid Series 2000-1 Unused Fee in respect of such day plus the accrued and unpaid Series 2000-1 Utilization Fee in respect of such day; *provided, however*, that for the purposes of calculating Series 2000-1 Monthly Interest, the "Series 2000-1 Daily Interest Expense" for any day following the date of determination shall be based on the allocable portions of the Series 2000-1 Invested Amount, the ABR, Eurodollar Rate, the Series 2000-1 CP Rate and the applicable Series 2000-1 Margin and the Series 2000-1 Utilization Fee Rate, as of or in effect on such date of determination; *provided*, further, that for any such day during the continuation of a Series 2000-1 Early Amortization Period, the "Series 2000-1 Daily Interest Expense" for such day shall be equal to the greater of (i) the sum of the amounts calculated pursuant to clauses (A), (B) and (C) above and (ii) the product of (x) the Series 2000-1 Invested Amount on such day divided by 365 and (y) (A) the ABR in effect on such day plus 2.00% per annum or (B) the CP Rate plus 2.00% per annum.

"Series 2000-1 Decrease" shall have the meaning assigned to such term in subsection 2.07(a) of the Series 2000-1 Supplement.

"Series 2000-1 Defaulting APA Bank" shall have the meaning assigned to such term in subsection 2.06(c) of the Series 2000-1 Supplement or to the term "Defaulting APA Bank" in subsection 2.02(b) of the Series 2000-1 Asset Purchase Agreement.

"Series 2000-1 Dilution Reserve Ratio" shall mean, as of any Settlement Report Date, and continuing until (but not including) the next Settlement Report Date, an amount (expressed as a percentage) that is calculated as follows:

$$DRR = [(c * d) + [(e-d) * (e / d)]] * f$$

where:

DRR = Series 2000-1 Dilution Reserve Ratio;

c = 2.00;

d = the twelve-month rolling average of the Dilution Ratio that occurred during the period of twelve consecutive Settlement Periods ending immediately prior to such earlier Settlement Report Date;

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e = the highest Dilution Ratio that occurred during the period of twelve consecutive Settlement Periods ending prior to such earlier Settlement Report Date; and

f = the Dilution Period.

"Series 2000-1 Early Amortization Date Balance" shall have the meaning assigned to such term within the definition of "Termination Date Balance" in the Series 2000-1 Asset Purchase Agreement.

"Series 2000-1 Early Amortization Event" shall have the meanings assigned to such term in Section 5.01 of the Series 2000-1 Supplement.

"Series 2000-1 Early Amortization Period" shall have the meanings assigned to such term in Section 5.01 of the Series 2000-1 Supplement.

"Series 2000-1 Euro Concentration Account" shall mean the account established by the Trustee pursuant to Section 3A.02 of the Supplement.

"Series 2000-1 Eurodollar Period" shall mean, with respect to any Series 2000-1 Eurodollar Tranche:

- (a) initially, following a PARCO Termination Event or any other Series 2000-1 Purchase, the period commencing on such PARCO Termination Event or any other Series 2000-1 Purchase and ending one month thereafter; and
- (b) thereafter, each period commencing on the last day of the immediately preceding Series 2000-1 Eurodollar Period applicable to such Series 2000-1 Eurodollar Tranche and ending one month thereafter;

provided that, all of the foregoing provisions relating to Series 2000-1 Eurodollar Periods are subject to the following:

- (1) if any Series 2000-1 Eurodollar Period would otherwise end on a day that is not a Business Day, such Series 2000-1 Eurodollar Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Series 2000-1 Eurodollar Period into another calendar month in which event such Series 2000-1 Eurodollar Period shall end on the immediately preceding Business Day;
- (2) any Series 2000-1 Eurodollar Period that would otherwise extend beyond the Series 2000-1 Revolving Period shall end on the last day of the Series 2000-1 Revolving Period; and
- (3) any Series 2000-1 Eurodollar Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Series 2000-1 Eurodollar Period) shall end on the last Business Day of a calendar month.

"Series 2000-1 Eurodollar Tranche" shall mean a portion of the Series 2000-1 Invested Amount for which the Series 2000-1 Monthly Interest is calculated by reference to the Eurodollar Rate determined by reference to a particular Series 2000-1 Eurodollar Period.

"Series 2000-1 Excess Program Costs" shall have the meaning assigned to such term within the definition of "Series 2000-1 Program Costs".

"Series 2000-1 Excluded Taxes" shall have the meaning assigned to such term in subsection 7.03(a) of the Series 2000-1 Supplement.

"Series 2000-1 Floating Tranche" shall mean, on or after a PARCO Termination Event or any other Series 2000-1 Purchase, that portion of the Series 2000-1 Invested Amount not allocated to a

Series 2000-1 Eurodollar Tranche for which the Series 2000-1 Monthly Interest is calculated by reference to the ABR.

"Series 2000-1 Forward Rate" shall mean the forward exchange rate of the applicable maturity indicated by the Series 2000-1 FX Counterparty or the Trustee, for currency exchange into United States Dollars of the Pound Sterling, the Euro and any additional Approved Currency.

"Series 2000-1 FX Counterparty" shall mean (i) on the Effective Date, The Chase Manhattan Bank; and (ii) thereafter any FX counterparty or counterparties in any Series 2000-1 FX Hedging Agreement, which has a short-term unsecured rating of at least "A-1" by S&P and "P-1" by Moody's and that is located outside the United Kingdom.

"Series 2000-1 FX Hedging Agreements" shall mean each hedging agreement entered into by the Trustee and the Series 2000-1 FX Counterparty for the purpose of managing currency risk whether by way of forward exchange, cap, dollar, swap, forward rate agreement or otherwise.

"Series 2000-1 Increase" shall have the meaning assigned to such term in subsection 2.05(a) of the Series 2000-1 Supplement.

"Series 2000-1 Increase Amount" shall have the meaning assigned to such term in subsection 2.05(a) of the Series 2000-1 Supplement.

"Series 2000-1 Increase Date" shall have the meaning assigned to such term in subsection 2.05(a) of the Series 2000-1 Supplement.

"Series 2000-1 Indemnified Amounts" shall have the meaning assigned to such term in subsection 2.10(a) of the Series 2000-1 Supplement.

"Series 2000-1 Indemnified Parties" shall have the meaning assigned to such term in subsection 2.10(a) of the Series 2000-1 Supplement.

"Series 2000-1 Initial Invested Amount" shall mean \$125,000,000.

"Series 2000-1 Initial Purchaser" shall mean PARCO, including its successors and assigns and excluding, however, the Series 2000-1 APA Banks as assignees pursuant to Section 2.06 of the Series 2000-1 Supplement.

"Series 2000-1 Initial Purchaser Increase" shall have the meaning assigned to such term in the Series 2000-1 Supplement.

"Series 2000-1 Initial Subordinated Interest Amount" shall mean the Series 2000-1 Subordinated Interest Amount on the Series 2000-1 Issuance Date.

"Series 2000-1 Interest Shortfall" shall have the meaning assigned to such term in subsection 3A.04(b) of the Series 2000-1 Supplement.

"Series 2000-1 Invested Amount" shall mean, on any date of determination, the aggregate sum of the Series 2000-1 Purchaser Invested Amount for each Series 2000-1 Purchasers on such date.

"Series 2000-1 Invested Percentage" shall mean, with respect to any Business Day (i) during the Series 2000-1 Revolving Period, the percentage equivalent of a fraction, the numerator of which is the Series 2000-1 Allocated Receivables Amount as of the end of the immediately preceding Business Day and the denominator of which is the greater of (A) the Aggregate Receivables Amount as of the end of the immediately preceding Business Day and (B) the sum of the numerators used to calculate the Invested Percentage for all Outstanding Series on the Business Day for which such percentage is determined and (ii) during the Series 2000-1 Amortization Period, the percentage equivalent of a fraction, the numerator of which is the

Series 2000-1 Allocated Receivables Amount as of the end of the last Business Day of the Series 2000-1 Revolving Period (*provided* that if during the Series 2000-1 Amortization Period, the amortization periods of all other Outstanding Series which were outstanding prior to the commencement of the Series 2000-1 Amortization Period commence, then, from and after the date the last of such series commences its Amortization Period, the numerator shall be the Series 2000-1 Allocated Receivables Amount as of the end of the Business Day preceding such date) and the denominator of which is the greater of (A) the Aggregate Receivables Amount as of the end of the immediately preceding Business Day and (B) the sum of the numerators used to calculate the Invested Percentage for all Outstanding Series on the Business Day for which such percentage is determined.

"Series 2000-1 Issuance Date" shall mean December 21, 2000.

"Series 2000-1 Loss Amount" shall have the meaning assigned to such term within the definition of "Loss Amount" in the Series 2000-1 Asset Purchase Agreement.

"Series 2000-1 Loss Reserve Ratio" shall mean, on any Settlement Report Date, and continuing until (but not including) the next Settlement Report Date, an amount (expressed as a percentage) that is calculated as follows:

$$\text{LRR} = [(a * b)/c] * d * e$$

where:

LRR = Series 2000-1 Loss Reserve Ratio;

a = the aggregate Principal Amount of Receivables contributed by the Contributor to the Company (and in which a Participation and a security interest has been granted by the Company to the Trust) during the three Settlement Periods immediately preceding such earlier Settlement Report Date;

b = the highest three-month rolling average of the Aged Receivables Ratio that occurred during the period of twelve consecutive Settlement Periods ending prior to such earlier Settlement Report Date;

c = the Aggregate Receivables Amount as of the last day of the Settlement Period immediately preceding such earlier Settlement Report Date;

d = 2.00; and

e = Payment Terms Factor.

"Series 2000-1 Majority Purchasers" shall mean (i) on any day prior to the occurrence of a PARCO Termination Event, the Series 2000-1 Initial Purchaser and the Series 2000-1 APA Banks having, in the aggregate, more than 50% of the Series 2000-1 Aggregate Commitment Amount and (ii) on or after the occurrence of a PARCO Termination Event, the Series 2000-1 APA Banks having, in the aggregate, more than 50% of the Series 2000-1 Aggregate Commitment Amount.

"Series 2000-1 Maximum Commitment Amount" shall mean initially \$127,500,000, as such amount may be reduced from time to time in accordance with the Transaction Documents.

"Series 2000-1 Maximum Invested Amount" shall mean, on any day, the lesser of (a) the Series 2000-1 Maximum Commitment Amount as of such day divided by 1.02 and (b) the Aggregate Receivables Amount as of such day minus the Series 2000-1 Required Subordinated Amount as of such day.

"Series 2000-1 Maximum Percentage Factor" shall mean 100%.

"Series 2000-1 Minimum Ratio" shall mean, as of any Settlement Report Date and continuing until (but not including) the next Settlement Report Date, an amount (expressed as a percentage) that is calculated for the Series 2000-1 VFC Certificate as follows:

$$\text{MR} = (a * b) + c$$

where:

MR = Series 2000-1 Minimum Ratio;

a = the average of the Dilution Ratio during the period of the twelve consecutive Settlement Periods ending prior to such earlier Settlement Report Date;

b = the Dilution Period; and

c = with respect to Series 2000-1 VFC Certificate, 12%, provided that if Moody's rates the senior unsecured long-term debt

obligations of the Servicer Guarantor "B2" or better for a continuous period of 6 months, such percentage shall, with the consent of Moody's, be reduced to 11%.

"Series 2000-1 Monthly Interest" shall mean, with respect to any Accrual Period, the sum of the Series 2000-1 Daily Interest Expense for each day in such Accrual Period.

"Series 2000-1 Monthly Interest Distribution" shall have the meaning assigned to such term in subsection 3A.04(a) of the Series 2000-1 Supplement.

"Series 2000-1 Monthly Interest Payment" shall have the meaning assigned to such term in subsection 3A.06(a) of the Series 2000-1 Supplement.

"Series 2000-1 Monthly Principal Payment" shall have the meaning assigned to such term in subsection 3A.05(a) of the Series 2000-1 Supplement.

"Series 2000-1 Monthly Servicing Fee" shall have the meaning assigned to such term in Section 6.01 of the Series 2000-1 Supplement

"Series 2000-1 Non-Defaulting APA Bank" shall have the meaning assigned to such term in subsection 2.06(c) of the Series 2000-1 Supplement and Section 2.02(b) of the Series 2000-1 Asset Purchase Agreement.

"Series 2000-1 Non-Excluded Taxes" shall have the meaning assigned to such term in subsection 7.03(a) of the Series 2000-1 Supplement.

"Series 2000-1 Non-Principal Concentration Subaccount" shall have the meaning assigned to such term in subsection 3A.02(a) of the Series 2000-1 Supplement.

"Series 2000-1 Other Taxes" shall have the meaning assigned to such term in subsection 7.03(a) of the Series 2000-1 Supplement.

"Series 2000-1 Participants" shall have the meaning assigned in subsection 11.10(f) of the Series 2000-1 Supplement

"Series 2000-1 Percentage Factor" shall mean the fraction, expressed as a percentage, computed on any date of determination as follows: (i) the Series 2000-1 Target Receivables Amount on such date, divided by (ii) the Series 2000-1 Allocated Receivables Amount plus any funds on deposit in the subaccount for the General Reserve Account relating to Series 2000-1. The Series 2000-1 Percentage Factor shall be calculated by the Master Servicer on the Series 2000-1 Issuance Date. Thereafter, until the Series 2000-1 Termination Date, the Master Servicer shall recompute the Series 2000-1 Percentage Factor as of the close of business on each Business Day and report such recomputations to the Funding Agent in the Daily Report, Monthly Settlement Report and as otherwise requested by the Funding Agent. The Series 2000-1 Percentage Factor shall remain constant from the time as of which any such computation or recomputation is made until the time as of which the next such recomputation shall be made, notwithstanding any additional Receivables arising or any Series 2000-1 Increase or Series 2000-1 Decrease during any period between computations of the Series 2000-1 Percentage Factor. The Series 2000-1 Percentage Factor shall remain constant at 100% at all times on and after the Series 2000-1 Termination Date until such time as the Funding Agent, on behalf of PARCO and the Series 2000-1 APA Banks, shall have received the Series 2000-1 Aggregate Unpays in cash.

"Series 2000-1 Pound Sterling Concentration Account" shall mean the account established by the Trustee pursuant to Section 3A.02 of the Supplement.

"Series 2000-1 Principal Concentration Subaccount" shall mean the account established by the Trustee pursuant to Section 3A.02(a) of the Series 2000-1 Supplement.

"Series 2000-1 Program Costs" shall mean, for any Business Day, the sum of (i) all expenses, indemnities and other amounts due and payable to the Series 2000-1 Purchasers and the Funding Agent under the Pooling Agreement or the Series 2000-1 Supplement (including, without limitation, any Series 2000-1 Article VII Costs), (ii) the product of (A) all unpaid fees and expenses due and payable to counsel to, and independent auditors of, the Company (other than fees and expenses payable on or in connection with the closing of the issuance of the Series 2000-1 VFC Certificate) and (B) a fraction, the numerator of which is the Series 2000-1 Aggregate Commitment Amount on such Business Day, and the denominator of which is the sum of (x) the Invested Amount on such Business Day for all Series then Outstanding (excluding Series 2000-1), and (y) the Series 2000-1 Aggregate Commitment Amount on such Business Day, and (iii) all unpaid fees and expenses due and payable to the Series 2000-1 Rating Agencies; *provided, however*, that Series 2000-1 Program Costs shall not exceed \$100,000 in the aggregate in any fiscal year of the Master Servicer (any amount of the foregoing expenses, indemnities and fees in excess of \$100,000 shall be referred to herein as "Series 2000-1 Excess Program Costs").

"Series 2000-1 Purchase" shall mean any assignment by the Series 2000-1 Initial Purchaser to the Series 2000-1 APA Banks of all or a portion of the Series 2000-1 Initial Purchaser's right, title and interest in and to the Series 2000-1 Purchaser Invested Amount pursuant to Section 2.01 of the Series 2000-1 Asset Purchase Agreement and Section 2.06 of the Series 2000-1 Supplement.

"Series 2000-1 Purchase Amount" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Series 2000-1 Purchase Date" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Series 2000-1 Purchase Percentage" shall have the meaning assigned to such term in a Series 2000-1 Asset Purchase Agreement.

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"Series 2000-1 Purchased Percentage" shall have the meaning assigned to such term in a Series 2000-1 Commitment Transfer Supplement substantially in the form attached as Exhibit B to the Series 2000-1 Supplement.

"Series 2000-1 Purchase Price" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Series 2000-1 Purchaser" shall mean, prior to a PARCO Termination Event, the Series 2000-1 Initial Purchaser and each Series 2000-1 Acquiring Purchaser, and on and after a PARCO Termination Event or a Series 2000-1 Purchase, the Series 2000-1 APA Banks and each Series 2000-1 Acquiring Purchaser.

"Series 2000-1 Purchaser Invested Amount" shall mean, (i) with respect to the Series 2000-1 Initial Purchaser on the Series 2000-1 Issuance Date, an amount equal to the Series 2000-1 Initial Invested Amount (ii) if the Series 2000-1 Initial Purchaser does not fund any or all of the Series 2000-1 Initial Invested Amount on such Series 2000-1 Issuance Date (x) with respect to the Series 2000-1 Initial Purchaser, the Series 2000-1 Initial Invested Amount so funded by the Series 2000-1 Initial Purchaser (y) with respect to the Series 2000-1 APA Banks an amount equal to such Series 2000-1 APA Bank's Series 2000-1 Commitment Percentage of the Series 2000-1 Initial Invested Amount so funded by such Series 2000-1 APA Bank (iii) with respect to any date of determination after the Series 2000-1 Issuance Date, an amount equal to (a) the Series 2000-1 Initial Invested Amount allocable to the Series 2000-1 VFC Certificate Interest of such Series 2000-1 Purchaser on the immediately preceding Business Day, (or, with respect to the day as of which such Series 2000-1 Purchaser becomes a Series 2000-1 Purchaser, whether pursuant to Section 2.06 of the Series 2000-1 Supplement, by executing a counterpart of the Series 2000-1 Supplement, a Series 2000-1 Commitment Transfer Supplement or otherwise, the portion of the transferor's Series 2000-1 Purchaser Invested Amount being purchased) plus (b) the amount of any Series 2000-1 Increase Amount pursuant to Section 2.05 of the Series 2000-1 Supplement made on such day minus (c) the amount of any distributions received and applied to such Series 2000-1 Purchaser pursuant to Section 2.07 or subsection 3A.06(c)(ii) of the Series 2000-1 Supplement on such day, minus (d) the aggregate Series 2000-1 Allocable Charged Off Amount allocable to the Series 2000-1 VFC Certificate Interest of such Series 2000-1 Purchaser on or prior to such date pursuant to subsection 3A.05(b)(ii) of the Series 2000-1 Supplement, plus (e) the aggregate Series 2000-1 Allocable Recoveries Amount allocate to the Series 2000-1 VFC Certificate Interest of such Series 2000-1 Purchaser on or prior to such date pursuant to subsection 3A.05(c)(i) of the Series 2000-1 Supplement.

"Series 2000-1 Purchase Price Deficit" shall have the meaning assigned to such term in subsection 2.06(c) of the Series 2000-1 Supplement.

"Series 2000-1 Rating Agencies" shall mean the collective reference to S&P and Moody's.

"Series 2000-1 Ratio" shall mean the greater of (i) the sum of the Series 2000-1 Dilution Reserve Ratio and the Series 2000-1 Loss Reserve Ratio and (ii) the Series 2000-1 Minimum Ratio.

"Series 2000-1 Reduction Percentage" shall mean, with respect to any Series 2000-1 Purchase for which there is a Series 2000-1 Loss Amount, the percentage equivalent of a fraction, the numerator of which is the Series 2000-1 Loss Amount for such Series 2000-1 Purchase and the denominator of which is the sum of (i) the Series 2000-1 Early Amortization Date Balance and (ii) the Series 2000-1 Loss Amount.

"Series 2000-1 Register" shall have the meaning assigned to such term in subsection 11.10(d) of the Series 2000-1 Supplement.

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"Series 2000-1 Required APA Banks" shall mean, on any day, the Series 2000-1 APA Banks having, in the aggregate, more than 51% of the Series 2000-1 Aggregate Commitment Amount.

"Series 2000-1 Required Subordinated Amount" shall mean (a) on any date of determination during the Series 2000-1 Revolving Period, an amount equal to the sum of:

(i) an amount equal to the product of (A) the Series 2000-1 Adjusted Invested Amount on such day (after giving effect to any increase or decrease thereof on such day) and (B) a fraction the numerator of which is the Series 2000-1 Ratio and the denominator of which is one minus the Series 2000-1 Ratio;

(ii) the product of (A) the Series 2000-1 Invested Amount (after giving effect to any increase or decrease thereof on

such day) and (B) a fraction the numerator of which is the Series 2000-1 Carrying Cost Reserve Ratio in effect for the Accrual Period in which such day falls and the denominator of which is one minus the Series 2000-1 Ratio; and

(iii) the product of (A) the aggregate Principal Amount of Receivables in the Trust on such day, (B) a fraction the numerator of which is the Series 2000-1 Adjusted Invested Amount on such day, and the denominator of which is the sum of (1) the Series 2000-1 Aggregate Commitment Amount on such day (after giving effect to any increase or decrease thereof on such day) and (2) the Invested Amount on such day for all other Series then outstanding and (C) a fraction the numerator of which is the Servicing Reserve Ratio and the denominator of which is one minus the Series 2000-1 Ratio;

and (b) on any date of determination during the Series 2000-1 Amortization Period, an amount equal to the Series 2000-1 Required Subordinated Amount on the last Business Day of the Series 2000-1 Revolving Period; *provided* that such amount shall be adjusted on each Special Allocation Settlement Report Date, if any, as set forth in subsection 3A.05(b)(i) and subsection 3A.05(c)(ii) of the Series 2000-1 Supplement.

"Series 2000-1 Revolving Period" shall mean the period commencing on the Series 2000-1 Issuance Date and terminating on the earlier to occur of the close of business on (i) the date on which a Series 2000-1 Early Amortization Period is declared to commence or automatically commences and (ii) the Series 2000-1 Commitment Termination Date.

"Series 2000-1 Scheduled Commitment Termination Date" shall mean 364 days after the Effective Date, as may be extended for an additional 364 days from time to time in writing by PARCO, the Funding Agent and the Series 2000-1 APA Banks.

"Series 2000-1 Subordinated Interest Amount" shall mean, for any date of determination, an amount equal to (i) the Series 2000-1 Allocated Receivables Amount minus (ii) the Series 2000-1 Adjusted Invested Amount.

"Series 2000-1 Subordinated Interest Increase Amount" shall have the meaning assigned to such term in subsection 2.05(a) of the Series 2000-1 Supplement.

"Series 2000-1 Subordinated Interest Reduction Amount" shall have the meaning assigned in subsection 2.07(b) of the Series 2000-1 Supplement.

"Series 2000-1 Subordinated Interests" shall have the meaning assigned to such term in subsection 2.02(b) of the Series 2000-1 Supplement.

"Series 2000-1 Supplement" shall mean the Supplement to the Pooling Agreement relating to the Series 2000-1 Investor Certificates.

"Series 2000-1 Target Receivables Amount" shall mean, on any date of determination, the sum of (i) the Series 2000-1 Adjusted Invested Amount on such day and (ii) the Series 2000-1 Required Subordinated Amount for such day.

"Series 2000-1 Term" shall mean, with respect to each Series 2000-1 Commitment of a Series 2000-1 Purchaser, the period beginning on the Series 2000-1 Issuance Date and terminating on the Series 2000-1 Commitment Termination Date.

"Series 2000-1 Transfer Effective Date" shall have the meaning specified in the Form of Transfer Supplement attached as Exhibit A to the Series 2000-1 Asset Purchase Agreement.

"Series 2000-1 Transfer Effective Notice" shall have the meaning specified in the form of Transfer Supplement attached as Exhibit A to the Series 2000-1 Asset Purchase Agreement.

"Series 2000-1 Transfer Issuance Date" shall mean the date on which a Series 2000-1 Commitment Transfer Supplement becomes effective pursuant to the terms of such Series 2000-1 Commitment Transfer Supplement.

"Series 2000-1 Unallocated Balance" shall mean, on any Business Day with respect to the APA Banks and the APA Banks' Series 2000-1 Purchaser Invested Amount, the sum of (A) the portion of the Series 2000-1 Invested Amount for which interest is then being calculated by reference to the ABR and (B) the portion of the Series 2000-1 Invested Amount allocated to any Series 2000-1 Eurodollar Tranche that expires on such Business Day.

"Series 2000-1 Unused Fee" shall have the meaning assigned to such term in subsection 2.09(b) of the Series 2000-1 Supplement.

"Series 2000-1 Unused Fee Rate" shall have the meaning assigned to such term in the Fee Letter.

"Series 2000-1 U.S. Dollar Concentration Account" shall mean the account established by the Trustee pursuant to Section 3A.02 of the Series 2000-1 Supplement.

"Series 2000-1 Utilization Fee" shall have the meaning assigned to such term in subsection 2.09(c) of the Series 2000-1 Supplement.

"Series 2000-1 Utilization Fee Rate" shall have the meaning assigned to such term in the Fee Letter.

"Series 2000-1 VFC Certificate" shall mean the Series 2000-1 VFC Certificate executed and authenticated by the Trustee, substantially in the form of Exhibit A attached to the Series 2000-1 Supplement.

"Series 2000-1 VFC Certificate Interest" shall mean each undivided percentage interest in the Series 2000-1 VFC Certificate acquired by (i) the Series 2000-1 Initial Purchaser in connection with the initial purchase of such Series 2000-1 VFC Certificate or any Series 2000-1 Increase or (ii) any Series 2000-1 APA Bank becoming a Series 2000-1 Purchaser hereunder pursuant to a transfer in accordance with Section 2.03(a) of the Supplement of such Series 2000-1 VFC Certificate Interest or any Series 2000-1 Increase in the Series 2000-1 Invested Amount.

"Series 2000-1 VFC Certificateholder" shall mean the registered holder of a Series 2000-1 VFC Certificate.

"Series 2000-1 VFC Certificateholder's Interest" shall have the meaning assigned to such term in subsection 2.02(a) of the Series 2000-1 Supplement.

"Transaction Parties" shall have the meaning assigned to such term in subsection 2.06(d) of the Series 2000-1 Supplement or Section 3.01 of the Series 2000-1 Asset Purchase Agreement.

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"Transaction Supplement" shall have the meaning assigned to such term in subsection 5.05(c) of the Series 2000-1 Asset Purchase Agreement.

"Transfer Effective Date" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"Transferred Percentage" shall have the meaning specified in the form of Transfer Supplement attached as Exhibit A to the Series 2000-1 Asset Purchase Agreement.

"Unaccrued Discount" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"VFC Certificate Income" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

"VFC Certificate Non-Income" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement.

Section 3. *Ratification of Supplement.* The Supplement, as amended hereby, is in all respects ratified and confirmed.

Section 4. *Waiver of Notice by Funding Agent.* The Funding Agent hereby waives any prior notice and any notice period that may be required in connection with the execution of this Amendment by the Pooling Agreement or the Supplement.

Section 5. *Waiver of Notice by All Parties.* Each of the parties waives any prior notice and any notice period that may be required by any other agreement or document in connection with the execution of this Amendment.

Section 6. **GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CONFLICT OF LAW PRINCIPLES.**

Section 7. *Counterparts.* This Amendment may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

Section 8. *Headings.* The headings of Sections contained in this Amendment are provided for convenience only. They form no part of this Amendment or the Supplement and shall not affect the construction or interpretation of this Amendment or Supplement or any provisions hereof or thereof.

[Remainder of Page Intentionally Left Blank]

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date set forth on the first page hereof.

HUNTSMAN RECEIVABLES FINANCE LLC,
as Company

By: /s/ SAMUEL D. SCRUGGS

Name: Samuel D. Scruggs

Title: *Vice President and Treasurer*

HUNTSMAN (EUROPE) BVBA,
as Master Servicer

By: /s/ J. KIMO ESPLIN

Name: J. Kimo Esplin
Title: *Manager*

J.P. MORGAN (IRELAND) PLC,
not in its individual capacity but solely as Trustee

By: /s/ DEAN FLETCHER

Name: Dean Fletcher
Title: *Director*

CONSENTED AND ACKNOWLEDGED

JPMORGAN CHASE BANK,
as Funding Agent

By: /s/ LARA GRAFF

Name: Lara Graff
Title: *Vice President*

JP MORGAN CHASE BANK,
as APA Bank

By: /s/ BRADLEY SCHWARTZ

Name: Bradley Schwarts
Title: *Managing Director*

PARK AVENUE RECEIVABLES CORPORATION,
as Series 2000-1 Initial Borrower

By: /s/ ANDREW L. STIDD

Name: Andrew L. Stidd
Title: *President*

SCHEDULE 1

(Series 2000-1 Commitments)

JP Morgan Chase Bank

\$125,000,000

QuickLinks

[Exhibit 10.27](#)

[SECOND AMENDMENT dated as of October 21, 2002 between HUNTSMAN RECEIVABLES FINANCE LLC, as Company HUNTSMAN \(EUROPE\), BVBA, as Master Servicer and and J.P. MORGAN \(IRELAND\) PLC, as Trustee to SERIES 2000-1 SUPPLEMENT Dated as of December 21, 2000](#)

[SCHEDULE III to the Series 2000-1 Supplement](#)

[Series 2000-1 Definitions](#)

[SCHEDULE 1 \(Series 2000-1 Commitments\)](#)

FIRST AMENDMENT TO SERIES 2001-1 SUPPLEMENT

This First Amendment to Series 2001-1 Supplement, dated as of October 21, 2002 (this "*Amendment*"), is among HUNTSMAN RECEIVABLES FINANCE LLC, a limited liability company organized under the laws of the State of Delaware (the "*Company*"), HUNTSMAN (EUROPE) BVBA, a company organized under the laws of Belgium (in its capacity as master servicer, the "*Master Servicer*") and J.P. MORGAN BANK (IRELAND) PLC, (f/k/a CHASE MANHATTAN BANK (IRELAND) plc), a banking institution organized under the laws of Ireland, not in its individual capacity, but solely as trustee (in such capacity, the "*Master Trustee*").

WHEREAS, the parties hereto have previously entered into Amended and Restated Pooling Agreement, dated as of June 26, 2001 (the "*Pooling Agreement*");

WHEREAS, the parties hereto have previously entered into that certain Series 2001-1 Supplement to the Pooling Agreement (the "*Supplement*")

WHEREAS, pursuant to Section 9.05 of the Supplement, the Supplement may be amended (i) in writing from time to time by the Master Servicer, the Company and the Master Trustee with the written consent of the Funding Agent under certain circumstances;

WHEREAS, the parties hereto desire to amend the Supplement as set forth herein in connection with the addition of originators of receivables to the master trust securitization contemplated by the Pooling Agreement;

NOW, THEREFORE, the Company, the Master Servicer and the Trustee, with the consent of the Funding Agent, hereby agree as follows:

1. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Pooling Agreement.
2. The definition of "Series 2001-1 Minimum Ratio" set forth in Section 1.01 of the Supplement shall be amended by deleting, in its entirety, the definition of "c" as used in the formula to compute "MR," and replacing it with the following.

"c = with respect to Series 2001-1 Class A-1 Certificates, 14.5%, with respect to the Series 2001-1 Class A-2 Certificates, 14.5% and with respect to Series 2001-1 Class B Certificates, 12.5%, provided that if Moody's rates the senior unsecured long-term debt obligations of the Servicer Guarantor "B2" or better for a continuous period of 6 months, such percentages shall, with the consent of Moody's, be reduced as follows: the percentage with respect to the Series 2001-1 Class A-1 Certificates shall be reduced to 13.5%, the percentage with respect to the Series 2001-1 Class A-2 Certificates shall be reduced to 13.5% and the percentage with respect to the Series 2001-1 Class B Certificates shall be reduced to 11.5%."

3. Except as expressly amended by this Amendment, the Supplement is ratified and confirmed in all respects and the terms, provisions and conditions thereof are and shall remain in full force and effect.
4. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.
5. The headings of the paragraphs contained in this Amendment are provided for convenience only. They form no part of this Amendment and shall not affect its construction or interpretation. All references to sections or subsections herein refer to sections or subsections of the Supplement, as amended hereby.

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6. This Amendment may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

This First Amendment to Series 2001-1 Supplement shall amend the Supplement effective as of the date hereof.

By: HUNTSMAN RECEIVABLES FINANCE LLC,
as the Company

By: HUNTSMAN (EUROPE) BVBA,
as Master Servicer

By: /s/ PETER R. HUNTSMAN

By: /s/ J. KIMO ESPLIN

Authorized Signatory
Name: Peter R. Huntsman
Title: *President*

Authorized Signatory
Name: J. Kimo Esplin
Title: *Manager*

By: J.P. MORGAN BANK (IRELAND) PLC,
not in its individual capacity but solely as Trustee

By: /s/ DEAN FLETCHER

Authorized Signatory

Name: Dean Fletcher
Title: *Director*

QuickLinks

[Exhibit 10.28](#)

[FIRST AMENDMENT TO SERIES 2001-1 SUPPLEMENT](#)

EXECUTION COPY

FIRST AMENDMENT TO AMENDED AND RESTATED POOLING AGREEMENT

This First Amendment to Amended and Restated Pooling Agreement, dated as of October 21, 2002 (this "*Amendment*"), is among HUNTSMAN RECEIVABLES FINANCE LLC, a limited liability company organized under the laws of the State of Delaware (the "*Company*"), HUNTSMAN (EUROPE) BVBA, a corporation organized under the laws of Belgium (in its capacity as master servicer, the "*Master Servicer*") and J.P. MORGAN BANK (IRELAND) PLC, (f/k/a CHASE MANHATTAN BANK (IRELAND) plc), a banking institution organized under the laws of Ireland, not in its individual capacity, but solely as trustee (in such capacity, the "*Trustee*").

WHEREAS, the parties hereto have previously entered into Amended and Restated Pooling Agreement, dated as of June 26, 2001 (the "*Pooling Agreement*");

WHEREAS, pursuant to Section 10.01(a) of the Pooling Agreement, the Pooling Agreement may be amended in writing from time to time by the Master Servicer, the Company and the Trustee with the written consent of the Funding Agent and without the consent of any Holder under certain circumstances;

WHEREAS, the parties hereto desire to amend the Pooling Agreement as set forth herein in connection with the addition of originators of receivables to the master trust securitization contemplated by the Pooling Agreement;

NOW, THEREFORE, the Company, the Master Servicer and the Trustee, with the consent of the Funding Agent, hereby agree as follows:

1. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Pooling Agreement.
2. An additional definition "ABR" is added in Annex X to the Pooling Agreement which shall read:

""ABR" shall mean, for any day, a per annum alternate base rate (rounded upwards, if necessary, to the next $\frac{1}{16}$ of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% and (c) the Federal Funds Effective Rate in effect on such day plus $\frac{1}{2}$ of 1%. If for any reason, the Funding Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Base CD Rate or the Federal Funds Effective Rate or both for any reason, including the inability or failure of the Funding Agent to obtain sufficient quotations in accordance with the terms of the definitions thereof, the ABR shall be determined without regard to clause (b) or (c), or both, of the immediately preceding sentence, as appropriate, until the circumstances giving rise to such inability no longer exist. Any change in the ABR due to a change in the Prime Rate, the Base CD Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate, the Base CD Rate or the Federal Funds Effective Rate, respectively. The term "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Funding Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as being effective. The term "Base CD Rate" shall mean the sum of (a) the product of (i) the Three-Month Secondary CD Rate and (ii) Statutory Reserves and (b) the Assessment Rate. The term "Three-Month Secondary CD Rate" shall mean, for any day, the secondary market rate for three-month certificates of deposit reported as being in effect on such day (or, if such day shall not be a Business Day, the next preceding Business Day) by the Board through the public information telephone line of the Federal Reserve Bank of New York (which rate will, under the current practices of the Board, be published in Federal Reserve Statistical Release

H.15(519) during the week following such day), or, if such rate shall not be so reported on such day or such next preceding Business Day, the average of the secondary market quotations for three-month certificates of deposit of major money center banks in New York City received at approximately 10:00 a.m. New York City time, on such day (or, if such day shall not be a Business Day, on the next preceding Business Day) by the Funding Agent from three negotiable certificate of deposit dealers in New York City of recognized standing selected by it."

3. An additional definition "Aggregate Originator Country Overconcentration Amount" is added in Annex X to the Pooling Agreement which shall read:

""Aggregate Originator Country Overconcentration Amount" shall mean, on any date of determination, the aggregate Principal Amount of non-Defaulted Receivables sold by an Approved Originator which, when expressed as a percent of the Principal Amount of all Eligible Receivables in the Trust at such date of determination, exceeds the Approved Originator Country Overconcentration Limit."

4. The definition of "Aggregate Receivables Amount" set forth in Annex X to the Pooling Agreement shall be amended by deleting the existing definition in its entirety and replacing it with the following:

""Aggregate Receivables Amount" shall mean, on any date of determination, the aggregate Principal Amount of all

Eligible Receivables owned by the Company at the end of the Business Day immediately preceding such date minus (i) the Aggregate Obligor Overconcentration Amount; (ii) the Aggregate Obligor Country Overconcentration Amount; (iii) the Aggregate Originator Country Overconcentration Amount; (iv) an amount equal to Timely Payment Discounts and Commission Accruals; (v) an amount equal to the Volume Rebate Accrual; and (vi) the Potential Offset Amount."

5. The definition of "Approved Originator" set forth in Annex X to the Pooling Agreement shall be amended by deleting the existing definition in its entirety and replacing it with the following:

""Approved Originator" shall mean (i) (A) with respect to the U.S. Originators, Tioxide Americas Inc., Huntsman Propylene Oxide Ltd., Huntsman International Fuels L.P., Huntsman Ethyleneamines Ltd. and Huntsman International LLC; and (B) with respect to the European Originators, Huntsman Holland B.V., Tioxide Europe Limited, Huntsman Petrochemicals (UK) Limited, Huntsman Surface Sciences UK Ltd., Tioxide Europe SRL, Huntsman Surface Sciences Italia SRL, Huntsman Patrica S.R.L., Tioxide Europe S.L. and Huntsman Surface Sciences Ibérica, S.L., Tioxide Europe SAS and Huntsman Surface Sciences (France) S.A.S. and (ii) any entity that may be approved as an Additional Originator pursuant to, and in accordance with, the provisions of Section 2.09 of the Pooling Agreement."

6. An additional definition "Book-Entry Certificates" is added in Annex X to the Pooling Agreement which shall read:

""Book-Entry Certificates" shall mean Certificates evidencing a beneficial interest in the Investor Certificates, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 5.12 of the Pooling Agreement; provided, however, that after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Certificates are issued to the Certificate Book-Entry Holders, such Investor Certificates shall no longer be "Book-Entry Certificates"."

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7. An additional definition "Certificate Book-Entry Holder" is added in Annex X to the Pooling Agreement which shall read:

""Certificate Book-Entry Holder" shall mean, with respect to a Book-Entry Certificate, the Person who is listed on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency, as the beneficial owner of such Book-Entry Certificate (directly or as an indirect participant, in accordance with the rules of such Clearing Agency)."

8. An additional definition "Closing Date" is added in Annex X to the Pooling Agreement which shall read:

""Closing Date" shall mean the Effective Date."

9. An additional definition "Collection Account Bank" is added in Annex X to the Pooling Agreement which shall read:

""Collection Account Bank" shall mean any bank holding a Collection Account or a Master Collection Account which initially will be ABN AMRO, Citibank, Lloyds TSB and Bank of America and thereafter, any Eligible Institution appointed by the Company to be the Collection Account Bank."

10. The reference to "Section 9-306" contained within the definition of "Collections" set forth in Annex X to the Pooling Agreement shall be replaced with a reference to "Section 9-102(a)(64)".

11. An additional definition "Commission" is added in Annex X to the Pooling Agreement which shall read:

""Commission" shall have the meaning assigned to such term in any subscription agreement."

12. An additional definition "Confidential Information" is added in Annex X to the Pooling Agreement which shall read:

""Confidential Information" shall have the meaning assigned to such term in Section 8.16 of the Contribution Agreement."

13. An additional definition "Contributor" is added in Annex X to the Pooling Agreement which shall read:

""Contributor" shall mean Huntsman International LLC."

14. An additional definition "Contributor Adjustment Payment" is added in Annex X to the Pooling Agreement which shall read:

""Contributor Adjustment Payment" shall have the meaning assigned to such term in Section 2.06(a) of the Contribution Agreement."

15. An additional definition "Contributor Dilution Adjustment Payment" is added in Annex X to the Pooling Agreement which shall read:

""Contributor Dilution Adjustment Payment" shall have the meaning assigned to such term in Section 2.05 of the

Contribution Agreement."

16. An additional definition "Contributor Indemnification Payment" is added in Annex X to the Pooling Agreement which shall read:

""Contributor Indemnification Payment" shall have the meaning assigned to such term in Section 2.06(b) of the Contribution Agreement."

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17. An additional definition "Credit Enhancement" is added in Annex X to the Pooling Agreement which shall read:

""Credit Enhancement" shall have the meaning ascribed to such term in the Asset Purchase Agreement for the respective Series."

18. An additional definition "Credit Enhancer" is added in Annex X to the Pooling Agreement which shall read:

""Credit Enhancer" shall mean, with respect to any Series, that Person, if any, designated as such in the applicable Supplement."

19. An additional definition "Delinquency Ratio" is added in Annex X to the Pooling Agreement which shall read:

""Delinquency Ratio" shall mean, as of the last day of each Settlement Period, the percentage equivalent of a fraction, the numerator of which shall be the aggregate unpaid balance of Receivables contributed by the Contributor to the Company (and with respect to which the Company has granted a Participation and a security interest to the Trust) that were thirty one (31) to sixty (60) days past due during such Settlement Period, and the denominator of which shall be the aggregate Principal Amount of Receivables contributed by the Contributor to the Company (and, in each case, the Company has granted a Participation and a security interest to the Trust) during the third prior Settlement Period (including the Settlement Period ended on such day)."

20. An additional definition "Disclosure Documents" is added in Annex X to the Pooling Agreement which shall read:

""Disclosure Documents" shall have the meaning assigned to such term in any subscription agreement."

21. An additional definition "Early Program Termination" is added in Annex X to the Pooling Agreement which shall read:

""Early Program Termination" shall have the meaning assigned in Section 7.02 of the applicable Origination Agreement."

22. An additional definition "ECI Holder" is added in Annex X to the Pooling Agreement which shall read:

""ECI Holder" shall mean any holder of an Exchangeable Company Interest, but only to the extent of such Exchangeable Company Interest."

23. The definition of "Eligible Receivable" set forth in Annex X to the Pooling Agreement shall be amended as follows:

(1) eligibility criterion (h) is deleted in its entirety and replaced with the following:

"(h) (i) all right, title and interest in such Receivable has been legally and validly, directly or indirectly, sold to the Contributor by the related Originator and contributed by Huntsman International to the Company pursuant to the related Origination Agreement, or (ii) all right, title and interest in such Receivable has been legally and validly, directly or indirectly, transferred, assigned or sold to the Company by the related Originator pursuant to the related Origination Agreement;"

(2) eligibility criterion (j) is deleted in its entirety and replaced with the following:

"(j) the Contract related to such Receivables (i) expressly prohibits any offset, counterclaim, or defense with respect to such Receivables or (ii) does not contain

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such prohibition but (x) the Obligor with respect to such Receivables is not a supplier of goods or services purchased by the Originator of such Receivables or (y) the Aggregate Receivables Amount has been reduced by the Potential Offset provided that the aggregate Principal Amount of all such Receivables described in clause (ii) above does not exceed 10% of the Aggregate Receivables Amount;"

(3) eligibility criterion (p) is deleted in its entirety and replaced with the following:

"(p) it is not subject to any withholding taxes of any applicable jurisdiction or political subdivision and is assignable free and clear of any sales or other tax, impost or levy, unless an appropriate reserve, as

determined by the Funding Agent after consultation with the Rating Agencies, is made for such tax liability;"

(4) the reference to "Section 9-318(4)" set forth in eligibility criterion (r) shall be replaced with a reference to "Sections 9-406 and 9-407".

(5) the reference to "Section 9-106" set forth in eligibility criterion (w) shall be replaced with a reference to "Section 9-102".

24. An additional definition "Euroclear" is added in Annex X to the Pooling Agreement which shall read:

""Euroclear" shall mean Morgan Guaranty Trust Company of New York, Brussels Office, as operator of the Euroclear System."

25. An additional definition "European Receivables Purchase Agreements" is added in Annex X to the Pooling Agreement which shall read:

""European Receivables Purchase Agreements" shall mean, collectively, the Dutch Receivables Purchase Agreement and the U.K. Receivables Purchase Agreement."

26. An additional definition "Execution Date" is added in Annex X to the Pooling Agreement which shall read:

""Execution Date" shall mean the date of execution of the UK Receivables Purchase Agreement and the Contribution Agreement, which shall be at least one Business Day prior to the Effective Date."

27. An additional definition "Exempt Purchaser" is added in Annex X to the Pooling Agreement which shall read:

""Exempt Purchaser" shall have the meaning assigned to such term in any subscription agreement."

28. An additional definition "Federal Funds Effective Rate" is added in Annex X to the Pooling Agreement which shall read:

""Federal Funds Effective Rate" shall mean, for any day, an interest rate per annum equal to (a) the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, (b) if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 11:00 a.m. New York Time on such day on such transactions received by the Funding Agent from three (3) Federal funds brokers of recognized standing selected by it in its sole discretion."

29. An additional definition "Fiscal Period" is added in Annex X to the Pooling Agreement which shall read:

""Fiscal Period" shall have the meaning assigned to such term in the Servicing Agreement."

30. An additional definition "Foreign Clearing Agency" is added in Annex X to the Pooling Agreement which shall read:

""Foreign Clearing Agency" shall mean each of Clearstream and Euroclear."

31. An additional definition "Foreign Government Obligor" is added in Annex X to the Pooling Agreement which shall read:

""Foreign Government Obligor" shall mean any government of a nation or territory outside the United States or any subdivision thereof or any agency, department or instrumentality thereof."

32. An additional definition "Forward Rate" is added in Annex X to the Pooling Agreement which shall read:

""Forward Rate" shall mean the forward exchange rate of the applicable maturity indicated by the FX Counterparty or the Trustee, for currency exchange into United States Dollars of the Pound Sterling, the Euro and any additional Approved Currency."

33. An additional definition "Funding Amount" is added in Annex X to the Pooling Agreement which shall read:

""Funding Amount" shall mean, with respect to any Series, the amount so designated in the Asset Purchase Agreement with respect to such Series."

34. An additional definition "FX Counterparty" is added in Annex X to the Pooling Agreement which shall read:

""FX Counterparty" shall mean (i) on the Effective Date, The Chase Manhattan Bank; and (ii) thereafter any FX counterparty or counterparties in any FX Hedging Agreement, which has a short-term unsecured rating of at least "A-1" by S&P and "P-1" by Moody's and that is located outside the United Kingdom."

35. An additional definition "FX Hedging Agreement" is added in Annex X to the Pooling Agreement which shall read:

""FX Hedging Agreement" shall mean a currency hedge agreement entered into by the Master Trustee with a counterparty."

36. An additional definition "Guaranteed Obligations" is added in Annex X to the Pooling Agreement which shall read:

""Guaranteed Obligations" shall mean the obligations of the Master Servicer as set forth under Article VII of the Servicing Agreement."

37. An additional definition "Huntsman Group" is added in Annex X to the Pooling Agreement which shall read:

""Huntsman Group" means Huntsman International and its Subsidiaries."

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38. An additional definition "Indemnifying Person" is added in Annex X to the Pooling Agreement which shall read:

""Indemnifying Person" shall have the meaning assigned to such term in any subscription agreement."

39. An additional definition "Initial Contribution" is added in Annex X to the Pooling Agreement which shall read:

""Initial Contribution" shall mean the first contribution (if any) of Receivables and Receivables Assets related thereto, made pursuant to section 2.01 of the Contribution Agreement."

40. An additional definition "Initial Contribution Date" is added in Annex X to the Pooling Agreement which shall read:

""Initial Contribution Date" shall mean the date on which the Initial Contribution is made."

41. An additional definition "Institutional Accredited Investor" is added in Annex X to the Pooling Agreement which shall read:

""Institutional Accredited Investor" shall mean an institutional accredited investor, within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act."

42. An additional definition "Junior Claims" is added in Annex X to the Pooling Agreement which shall read:

""Junior Claims" shall mean any and all rights of the Company of any kind in the Participation Assets (other than any rights of the Company in the Participation Assets with respect to the Exchangeable Company Interests, if any), including without limitation any right to receive any distribution pursuant to the terms of any Supplement (other than any right of the Company to receive any distribution with respect to the Exchangeable Company Interests, if any)."

43. An additional definition "Limited Liability Company Agreement" is added in Annex X to the Pooling Agreement which shall read:

""Limited Liability Company Agreement" shall mean the Limited Liability Company Agreement dated as of October 10, 2000, between the Contributor, as Shareholder and Donald J. Puglisi, as the Special Member."

44. An additional definition "Liquidation Servicing Fee" is added in Annex X to the Pooling Agreement which shall read:

""Liquidation Servicing Fee" shall mean the fee payable to the Liquidation Servicer as set forth in the Liquidation Servicer Agreement."

45. An additional definition "Margin Stock" is added in Annex X to the Pooling Agreement which shall read:

""Margin Stock" shall have the meaning given to such term in Regulation U of the Board."

46. An additional definition "Marine Insurance Policy" is added in Annex X to the Pooling Agreement which shall read:

""Marine Insurance Policy" shall mean the policy number OMC 879 issued by Liberty Insurance Underwriters Inc. in favor of, amongst others, Huntsman International LLC."

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47. An additional definition "Master Servicer Indemnification Event" is added in Annex X to the Pooling Agreement which shall read:

""Master Servicer Indemnification Event" shall have the meaning assigned to such term in subsection 5.02(b) of the Servicing Agreement."

48. An additional definition "Master Servicer Indemnified Person" is added in Annex X to the Pooling Agreement which shall read:

""Master Servicer Indemnified Person" shall have the meaning assigned to such term in subsection 5.02(a) of the Servicing Agreement."

49. An additional definition "Master Servicer Site Review" is added in Annex X to the Pooling Agreement which shall read:

""Master Servicer Site Review" shall mean a review performed by the Liquidation Servicer of the servicing operations of the Master Servicer's central site location."

50. An additional definition "OECD Country" is added in Annex X to the Pooling Agreement which shall read:

""OECD Country" shall mean a country that is a member of the grouping of countries that are full members of the Organization of Economic Cooperation and Development."

51. An additional definition "One-Month LIBOR" is added in Annex X to the Pooling Agreement which shall read:

""One-Month LIBOR" shall mean, for any Accrual Period, the rate per annum, as determined by the Trustee, which is the arithmetic mean (rounded to the nearest 1/100th of 1%) of the offered rates for U.S. Dollar deposits having a maturity of one month commencing on the first day of such Accrual Period that appears on Page 3750 of the Telerate System Incorporated Service (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of the Telerate System Incorporated Service, as determined by the Trustee for purposes of providing interest rates applicable to U.S. Dollar deposits having a maturity of one month in the London interbank market) at approximately 11:00 a.m. London time, two Business Days prior to the commencement of such Accrual Period. In the event that such rate is not so available at such time for any reason, then "One-Month LIBOR" for such Accrual Period shall be the rate at which U.S. Dollar deposits in a principal amount of not less than \$1,000,000 maturing in one month are offered to the principal London office of the Trustee in immediately available funds in the London interbank market at approximately 11:00 a.m. London time, two Business Days prior to the commencement of such Accrual Period."

52. An additional definition "Optional Repurchase Percentage" is added in Annex X to the Pooling Agreement which shall read:

""Optional Repurchase Percentage" shall have, with respect to any Series, the meaning assigned to such term in the related Supplement for such Series."

53. The definition of "Origination Agreements" set forth in Annex X to the Pooling Agreement shall be amended by deleting the existing definition in its entirety and replacing it with the following:

""Origination Agreements" shall mean (i) the Contribution Agreement and each Receivables Purchase Agreement; and (ii) any contribution agreement or receivables

purchase agreement entered into by the Company or the Contributor (as the case may be) and any Additional Originator."

54. The definition of "Originator" set forth in Annex X to the Pooling Agreement shall be amended by deleting the existing definition in its entirety and replacing it with the following:

""Originator" shall mean any Approved Originator, except that for purposes of the Contribution Agreement, the term "Originator" shall not include Tioxide Europe SAS and Huntsman Surface Sciences (France) S.A.S. "

55. An additional definition "Originator Documents" is added in Annex X to the Pooling Agreement which shall read:

""Originator Documents" shall have the meaning assigned to such term in subsection 7.03(b)(iii) of the Origination Agreements."

56. An additional definition "Originator Payment Date" is added in Annex X to the Pooling Agreement which shall read:

""Originator Payment Date" shall have the meaning assigned to such term in subsection 2.03(a) of the U.K. Receivables Purchase Agreement and the corresponding provisions of the U.S. Receivables Purchase Agreement and the attachments to the Dutch Receivables Purchase Agreement."

57. An additional definition "Originator Purchase Price" is added in Annex X to the Pooling Agreement which shall read:

""Originator Purchase Price" shall have the meaning assigned to such term in Section 2.02 of the U.K. Receivables Purchase Agreement, and the corresponding provisions of the U.S. Receivables Purchase Agreement and the attachments to the Dutch Receivables Purchase Agreement."

58. An additional definition "Originator Termination Date" is added in Annex X to the Pooling Agreement which shall read:

""Originator Termination Date" shall have the meaning assigned to such term in Section 7.01 of the Origination

Agreements."

59. An additional definition "Originator Termination Event" is added in Annex X to the Pooling Agreement which shall read:

""Originator Termination Event" shall have the meaning assigned to such term in Section 7.01 of the Origination Agreements, or such other corresponding provision, as applicable."

60. An additional definition "Outstanding Amount Advanced" is added in Annex X to the Pooling Agreement which shall read:

""Outstanding Amount Advanced" shall mean, on any date of determination, the aggregate of all Servicer Advances remitted by the Master Servicer out of its own funds pursuant to Section 2.06 of the Servicing Agreement and Section 4A.04 of the Pooling Agreement, less the aggregate of all related Servicer Advance Reimbursement Amounts received by the Master Servicer."

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61. An additional definition "Outstanding Investor Certificates" is added in Annex X to the Pooling Agreement which shall read:

""Outstanding Investor Certificates" shall mean, at any time, Investor Certificates issued pursuant to an effective Supplement for which the Series Termination Date has not occurred."

62. An additional definition "Paying Agency Agreement" is added in Annex X to the Pooling Agreement which shall read:

""Paying Agency Agreement" shall mean the Paying Agency Agreement dated as of December 21, 2000, between Huntsman International Asset-Backed Securities Ltd., Chase and the Luxembourg Paying Agent."

63. An additional definition "PBGC" is added in Annex X to the Pooling Agreement which shall read:

""PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA and any Person succeeding to the functions thereof."

64. An additional definition "Placement Agent" is added in Annex X to the Pooling Agreement which shall read:

""Placement Agent" shall have the meaning assigned to such term in the Series 2000-1 Asset Purchase Agreement."

65. An additional definition "Potential Offset Amount" is added in Annex X to the Pooling Agreement which shall read:

""Potential Offset Amount" shall mean an amount determined by the Local Servicer and equal to the amount of any known potential offset, counterclaim, or defense with respect to an Eligible Receivable, and further aggregated by the Master Servicer for the purposes of calculating the Aggregate Receivable Amount."

66. An additional definition "Potential Originator Termination Event" is added in Annex X to the Pooling Agreement which shall read:

""Potential Originator Termination Event" shall mean any condition or act that, with the giving of notice or the lapse of time or both, would constitute an Originator Termination Event."

67. An additional definition "Potential Program Termination Event" is added in Annex X to the Pooling Agreement which shall read:

""Potential Program Termination Event" shall mean any condition or act that, with the giving of notice or the lapse of time or both, would constitute a Program Termination Event."

68. An additional definition "Principal Transfer Agent" is added in Annex X to the Pooling Agreement which shall read:

""Principal Transfer Agent" shall have the meaning assigned to such term in the Paying Agency Agreement."

69. An additional definition "Qualified Institutional Buyer" is added in Annex X to the Pooling Agreement which shall read:

""Qualified Institutional Buyer" shall have the meaning assigned to such term in Rule 144A(a) under the Securities Act."

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70. The definition of "Receivables Assets" set forth in Annex X to the Pooling Agreement shall be amended by deleting the existing definition in its entirety and replacing it with the following:

""Receivables Assets" shall, as used in any Origination Agreement, have the meaning assigned to it in Section 2.1(a)

(or the respective corresponding provision) of such Origination Agreement."

71. An additional definition "Receivables Purchase Agreement" is added in Annex X to the Pooling Agreement which shall read:

""Receivables Purchase Agreement" shall mean (i) any of (a) the U.S. Receivables Purchase Agreement, (b) the UK Receivables Purchase Agreement, or (c) the Dutch Receivables Purchase Agreement, and (ii) any receivables purchase agreement entered into by any Additional Originator and the Contributor or the Company, as the case may be, in accordance with the Transaction Documents."

72. An additional definition "Relevant Clearing System" is added in Annex X to the Pooling Agreement which shall read:

""Relevant Clearing System" shall mean Clearstream and Euroclear or any clearing system which is a central securities depository for the Series 2000-2 Term Certificates."

73. An additional definition "Reportable Event" is added in Annex X to the Pooling Agreement which shall read:

""Reportable Event" shall mean any reportable event as defined in Section 4043(b) of ERISA or the regulations issued thereunder with respect to a Plan (other than a Plan maintained by an ERISA Affiliate which is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code)."

74. An additional definition "Reported Day" is added in Annex X to the Pooling Agreement which shall read:

""Reported Day" shall have the meaning assigned to such term in section 4.01 of the Servicing Agreement."

75. An additional definition "Resignation Notice" is added in Annex X to the Pooling Agreement which shall read:

""Resignation Notice" shall have the meaning assigned to such term in subsection 6.02(a) of the Servicing Agreement."

76. An additional definition "Restricted Payments Test" is added in Annex X to the Pooling Agreement which shall read:

""Restricted Payments Test" shall mean, on any date of determination (a) with respect to Series 2000-1, that the Series 2000-1 Target Receivables Amount is at least equal to the sum of the Series 2000-1 Adjusted Invested Amount and the Series 2000-1 Required Subordinated Amount and (b) with respect to any other outstanding Series, unless otherwise specified in the related Supplement, means that the Target Receivables Amount for such Series is at least equal to the sum of the Adjusted Invested Amount for such Series and the required subordinated or reserve amount for such Series."

77. An additional definition "Restricted Period" is added in Annex X to the Pooling Agreement which shall read:

""Restricted Period" shall have the meaning assigned to such term in subsection 2.04(g)(i) of the Series 2000-2 Supplement."

78. An additional definition "Sale Date" is added in Annex X to the Pooling Agreement which shall read:

""Sale Date" shall have the meaning assigned to such term in Section 2.01(a) of the U.S. Receivables Purchase Agreement."

79. An additional definition "Section 42 Exemption" is added in Annex X to the Pooling Agreement which shall read:

""Section 42 Exemption" shall mean exemption from stamp duty under Section 42 of Finance Act 1930."

80. An additional definition "Senior Obligations" is added in Annex X to the Pooling Agreement which shall read:

""Senior Obligations" shall have the meaning assigned to such term in Section 8.04 of the related Receivables Purchase Agreement."

81. An additional definition "Series Amount" is added in Annex X to the Pooling Agreement which shall read:

""Series Amount" shall mean any amount which is held in any Series Concentration Account and "Series Amounts" shall mean all such amounts."

82. An additional definition "Servicing Fee Percentage" is added in Annex X to the Pooling Agreement which shall read:

"Servicing Fee Percentage" shall mean 1.0% per annum."

83. An additional definition "Servicing Reserve Ratio" is added in Annex X to the Pooling Agreement which shall read:

""Servicing Reserve Ratio" shall mean, as of any Settlement Report Date and continuing (but not including) until the next Settlement Report Date, an amount (expressed as a percentage) equal to (i) the product of (A) the Servicing Fee Percentage and (B) 2.0 times Days Sales Outstanding as of such earlier Settlement Report Date divided by (ii) 360."

84. An additional definition "Special Obligor" is added in Annex X to the Pooling Agreement which shall read:

""Special Obligor" shall mean (i) the Approved Obligor which has a long-term rating of at least "A+/"A1" by S&P and Moody's respectively and (ii) with respect to whom the percentage of the Principal Amount of the Eligible Receivables in the Company which are due from such Obligor represents more than 8% of the total Principal Amount of all Eligible Receivables in the Company on such date as reported on the Daily Report."

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85. An additional definition "Special Obligor Delinquency Ratio" is added in Annex X to the Pooling Agreement which shall read:

""Special Obligor Delinquency Ratio" shall mean, as of the last day of each Settlement Period, and with respect to any Obligor which has been reported as Special Obligor on the at least one Daily Report during the three prior Settlement Periods (including the Settlement Period ended on such date), the percentage equivalent of a fraction, the numerator of which shall be the aggregate unpaid balance of Receivables from such Special Obligor contributed by the Contributor to the Company (and with respect to which the Company has granted a Participation and security interest to the Trust) that were thirty one (31) to sixty (60) days past due during such Settlement Period, and the denominator of which shall be the aggregate Principal Amount of Receivables from such Special Obligor contributed by the Contributor to the Company (and with respect to which the Company has granted a Participation and security interest to the Trust) during the third prior Settlement Period (including the Settlement Period ended on such date)."

86. An additional definition "Statutory Reserves" is added in Annex X to the Pooling Agreement which shall read:

""Statutory Reserves" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority, domestic or foreign, to which any Funding Agent is subject for new negotiable nonpersonal time deposits in dollars of over \$100,000 with maturities approximately equal to three months. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage."

87. An additional definition "Sterling" is added in Annex X to the Pooling Agreement which shall read:

""Sterling" shall mean the legal currency of the United Kingdom."

88. An additional definition "Taxes" is added in Annex X to the Pooling Agreement which shall read:

""Taxes" shall mean any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority."

89. An additional definition "Termination Notice" is added in Annex X to the Pooling Agreement which shall read:

""Termination Notice" shall have the meaning assigned to such term in Section 6.01 of the Servicing Agreement."

90. An additional definition "Timely Payment Discount" is added in Annex X to the Pooling Agreement which shall read:

""Timely Payment Discount" shall mean, for the purposes of determining the Aggregate Receivables Amount, an aggregate amount of cash discounts relating to the Receivables contributed by the Contributor to the Company (directly or indirectly), and granted by the Originators to the Obligors for prompt payment in accordance with a Contract."

91. An additional definition "United States Person" is added in Annex X to the Pooling Agreement which shall read:

""United States Person" means an individual who is a citizen or resident of the United States, or a corporation, partnership or other entity created or organized in or under the

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laws of the United States or any political subdivision thereof, or an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source."

92. An additional definition "U.S. Dollars" is added in Annex X to the Pooling Agreement which shall read:

""U.S. Dollars" shall mean the legal currency of the United States of America."

93. An additional definition "U.S. Dollar Shortfall" is added in Annex X to the Pooling Agreement which shall read:

""U.S. Dollar Shortfall" has the meaning specified in Section 3.01(d)(ii) of the Pooling Agreement."

94. An additional definition "Volume Rebate" is added in Annex X to the Pooling Agreement which shall read:

""Volume Rebate" shall mean a discount periodically granted by the Originator to Obligor, as stipulated in the Contract for achieving certain sales volume."

95. The reference to "Schedule 4" in the definition of "Approved Contract Jurisdiction" set forth in Annex X to the Pooling Agreement is hereby deleted and replaced with a reference to "Schedule 3".

96. Section 2.01(a) of the Pooling Agreement is amended as follows:

(1) A new section 2.01(a)(ii) is added, which shall read "(ii) the Receivables subrogated, sold or otherwise transferred to the Company by Tioxide Europe SAS, Huntsman Surface Sciences (France) S.A.S. and any other Approved Originator from time to time prior to but not including the Trust Termination Date."

(2) The existing paragraphs (ii) through (xi) are renumbered accordingly.

(3) The section references in the new paragraph (xii) are renumbered accordingly.

(4) The sentence immediately following the renumbered Section 2.01(a)(xii) is deleted in its entirety and replaced with "Such assets described in the foregoing clauses (i) through (xii) shall constitute the "Participation Assets.""

97. Section 2.01(b) of the Pooling Agreement is amended by deleting the words "Receivables Assets" in the first paragraph and replacing them with the words "Participation Assets."

98. Section 2.09(b)(x) of the Pooling Agreement is amended by adding after the words "Receivables Purchase Agreement" the words: ", shall have otherwise acceded to an existing Receivables Purchase Agreements or shall have entered into a Receivables Purchase Agreement substantially similar to the existing Receivables Purchase Agreement with such modifications as necessary or appropriate to address jurisdiction-specific issues".

99. Section 2.09(b)(xiii) of the Pooling Agreement is amended by adding after the word "account" the words: "or shall have been established in the name of the Trustee (whereby the Trustee may grant to the Company a revocable authorization to operate such accounts), or, if the Trustee shall not have such first priority perfected security interest or ownership interest in such accounts, the Company shall have established, or shall have caused Huntsman International to establish, appropriate reserves, as determined by the Funding Agent after consultation with the Rating Agencies, to cover any failure of timely remittance in full of Collections from such accounts or shall have established, or shall have caused Huntsman International to establish, appropriate reserves, as determined by the Funding Agent after consultation with the Rating Agencies, to cover a failure of timely remittance in full of Collections from the Collection Accounts to the relevant Master Collection Account in accordance with the Transaction Documents, or shall have made

such other arrangements as appropriate or necessary, as determined by the Funding Agent after consultation with the Rating Agencies, to address jurisdiction-specific issues."

100. Section 3.01(a)(iv) is amended by deleting the word "projected" and replacing it with the word "perfected".

101. Section 3.01(a) of the Pooling Agreement is amended by adding a new subsection (vi) as follows:

""(vi) The Trustee shall establish and maintain for the benefit of the Company, as sole beneficial owner, a segregated account (the "Withholding Tax Reserve Account"), bearing a designation that the funds deposited therein are held for the benefit of the Company, which account shall be under the sole dominion and control of the Trustee and in which the Trustee shall have a first priority perfected security interest. If an amount is required to be credited to the Withholding Tax Reserve Account to satisfy a reserve requirement pursuant to paragraph (p) of the definition of "Eligible Receivables," the Company shall remit or cause to be remitted or withdraw such amounts as are necessary to ensure that the balance of the Withholding Tax Reserve Account is equal to the amount necessary to satisfy any such requirement. On or before October 21, 2002, the Company shall remit or cause to be remitted an amount equal to Euro[17,469] reserve for potential withholding tax liabilities regarding the Originators in Spain.][Amounts in the Withholding Tax Reserve Account shall be invested by the Trustee in accordance with Section 3.01(e). Investment Earnings on funds held in the Withholding Tax Reserve Account shall be deposited by the Trustee in such account. In the event of the imposition of a withholding tax on any Collections, the Trustee shall be permitted to remit an amount equal to the resulting shortfall from amounts on deposit in the Withholding Tax Reserve Account to the relevant Master Collection Account."

102. Section 3.01(a) of the Pooling Agreement is amended by adding a new subsection (vii) as follows:

""(vii) The Trustee shall establish and maintain for the benefit of the Company, as sole beneficial owner, a segregated account (the "Cash Management Reserve Account"), bearing a designation that the funds deposited therein are held

for the benefit of the Company, which account shall be under the sole dominion and control of the Trustee and in which the Trustee shall have a first priority perfected security interest. If an amount is required to be credited to the Cash Management Reserve Account to satisfy a reserve requirement pursuant to Section 2.09(b)(xiii), the Company shall remit or cause to be remitted or withdraw such amounts as are necessary to ensure that the balance of the Cash Management Reserve Account is equal to the amount necessary to satisfy any such requirement. On or before October 21, 2002, the Company shall remit or cause to be remitted an amount equal to Euro[644,266] to reserve for liabilities regarding the Originators in Spain, an amount equal to Euro[974,700] to reserve for liabilities regarding the Originators in France and an amount equal to Euro[884,552] to reserve for liabilities regarding the Originators in Italy.][Amounts in the Cash Management Reserve Account shall be invested by the Trustee in accordance with Section 3.01(e). Investment Earnings on funds held in the Cash Management Reserve Account shall be deposited by the Trustee in such account. In the event of a failure of timely remittance in full of Collections from the Collections Accounts to the relevant Master Collection Account in accordance with the Transaction Documents, the Trustee shall be permitted to remit an amount equal to the resulting shortfall from amounts on deposit in the Cash Management Reserve Account to the relevant Master Collection Account."

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103. Section 3.01(b) of the Pooling Agreement is amended adding the following words after the word Collection Accounts in its first sentence:

""(or the Collection Account shall have been established in the name of the Trustee (whereby the Trustee may grant to the Company a revocable authorization to operate such accounts), or, if the Trustee shall not have such first priority perfected security interest or ownership interest in such accounts, the Company shall have established, or shall have caused Huntsman International to establish, appropriate reserves, as determined by the Funding Agent after consultation with the Rating Agencies, to cover any failure of timely remittance in full of Collections from such accounts to the Master Collection Account or any other applicable account of the Trustee)".

104. All references in the Pooling Agreement (including, without limitation, Annex X) to Receivables "contributed from Huntsman International to the Company" or Receivables "contributed from the Contributor to the Company" shall be deemed to include Receivables subrogated, sold or otherwise transferred directly from an Originator or other entity to the Company.

105. All provisions of the Pooling Agreement (including, without limitation, Annex X) applicable to Receivables contributed to the Company from Huntsman International shall be deemed to be equally applicable to Receivables subrogated, sold or otherwise transferred directly from an Originator or other entity to the Company.

106. Schedule 3 to the Pooling Agreement is amended by adding Italy and Spain to the list of "Approved Contract Jurisdictions".

107. Schedule 3 to the Pooling Agreement is amended by adding a table labeled "(F) Approved Originator Country Overconcentration Limits," which shall read as follows:

"United States	100%
United Kingdom	100%
Belgium	100%
Italy	100%
The Netherlands	100%
France	15%
Spain	5%"

108. Except as expressly amended by this Amendment, the Pooling Agreement is ratified and confirmed in all respects and the terms, provisions and conditions thereof are and shall remain in full force and effect.

109. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.

110. The headings of the paragraphs contained in this Amendment are provided for convenience only. They form no part of this Amendment and shall not affect its construction or interpretation. All references to sections or subsections herein refer to sections or subsections of the Pooling Agreement, as amended hereby.

111. This Amendment may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

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This First Amendment to Pooling Agreement shall amend the Pooling Agreement effective as of the date hereof.

By: HUNTSMAN RECEIVABLES FINANCE LLC,
as the Company

By: HUNTSMAN (EUROPE) BVBA,
as Master Servicer

By: /s/ PETER R. HUNTSMAN

Authorized Signatory
Name: Peter R. Huntsman
Title: *President*

By: /s/ J. KIMO ESPLIN

Authorized Signatory
Name: J. Kimo Esplin
Title: *Manager*

By: J.P. MORGAN BANK (IRELAND) PLC,
not in its individual capacity but solely as Trustee

By: /s/ DEAN FLETCHER

Authorized Signatory
Name: Dean Fletcher
Title: *Director*

QuickLinks

[Exhibit 10.29](#)

[FIRST AMENDMENT TO AMENDED AND RESTATED POOLING AGREEMENT](#)

**AMENDED AND RESTATED
SERVICING AGREEMENT**

among

**HUNTSMAN RECEIVABLES FINANCE LLC,
as the Company**

**HUNTSMAN (EUROPE) BVBA,
as Master Servicer**

**TIOXIDE AMERICAS INC.,
HUNTSMAN HOLLAND B.V.,
TIOXIDE EUROPE LIMITED,
HUNTSMAN INTERNATIONAL LLC,
HUNTSMAN PETROCHEMICALS (UK) LIMITED,
HUNTSMAN PROPYLENE OXIDE LTD.,
HUNTSMAN INTERNATIONAL FUELS L.P.,
TIOXIDE EUROPE SRL,
HUNTSMAN SURFACE SCIENCES ITALIA SRL,
HUNTSMAN PATRICA S.R.L.,
TIOXIDE EUROPE S.L.,
HUNTSMAN SURFACE SCIENCES IBÉRICA, S.L.,
TIOXIDE EUROPE SAS,
HUNTSMAN SURFACE SCIENCES (FRANCE) S.A.S.,
HUNTSMAN SURFACE SCIENCES UK LTD,
HUNTSMAN ETHYLENEAMINES LTD.,
as Local Servicers**

**J.P. MORGAN BANK (IRELAND) plc,
as Trustee**

**PRICEWATERHOUSECOOPERS,
as Liquidation Servicer**

and

**HUNTSMAN INTERNATIONAL LLC,
as Servicer Guarantor**

Dated as of October 21, 2002

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(i) HUNTSMAN RECEIVABLES FINANCE LLC, a limited liability company organized under the laws of the State of Delaware (the "*Company*"), (ii) HUNTSMAN (EUROPE) BVBA, a company organized under the laws of Belgium, as the master servicer (the "*Master Servicer*"), (iii) HUNTSMAN INTERNATIONAL LLC, a Delaware limited liability company, TIOXIDE AMERICAS, INC., a company organized under the laws of the Cayman Islands, HUNTSMAN PROPYLENE OXIDE LTD., a limited partnership organized under the laws of Texas; HUNTSMAN INTERNATIONAL FUELS L.P., a limited partnership organized under the laws of Texas, HUNTSMAN HOLLAND B.V. (f/k/a HUNTSMAN ICI HOLLAND B.V.), a limited liability company organized under the laws of the Netherlands, TIOXIDE EUROPE LIMITED, a corporation organized under the laws of England and Wales, HUNTSMAN PETROCHEMICALS (UK) LIMITED, a corporation organized under the laws of England and Wales, TIOXIDE EUROPE SRL, a limited liability company organized under the laws of Italy, HUNTSMAN SURFACE SCIENCES ITALIA SRL, a limited liability company organized under the laws of Italy, HUNTSMAN PATRICA S.R.L., a limited liability company organized under the laws of Italy, TIOXIDE EUROPE S.L., a closed limited liability company organized under the laws of Spain, HUNTSMAN SURFACE SCIENCES IBÉRICA, S.L. (f/k/a HUNTSMAN SURFACTANTS IBERICA S.L.), a closed limited liability company organized under the laws of Spain, TIOXIDE EUROPE SAS, a closed, simplified limited liability company organized under the laws of France, HUNTSMAN SURFACE SCIENCES (FRANCE) S.A.S., a closed, simplified limited liability company organized under the laws of France, HUNTSMAN SURFACE SCIENCES UK LTD, a private limited company organized under the laws of England and Wales and HUNTSMAN ETHYLENEAMINES LTD., a limited partnership organized under the laws of Texas as Local Servicers (defined below) (iv) HUNTSMAN INTERNATIONAL LLC, a limited liability company established under the laws of the State of Delaware, as Servicer Guarantor (the "*Servicer Guarantor*" and, from time to time "*Huntsman International*"), and (v) J.P. MORGAN BANK (IRELAND) plc (f/k/a CHASE MANHATTAN BANK (IRELAND) plc) selected, not in its individual capacity, but solely as trustee (in such capacity, the "*Trustee*") and (vi) PRICEWATERHOUSECOOPERS as Liquidation Servicer (the "*Liquidation Servicer*") amends and restates the AMENDED AND RESTATED SERVICING AGREEMENT, dated as of June 26, 2001 (the "*Original Agreement*") among (i) the Company, (ii) the Master Servicer, (iii) HUNTSMAN INTERNATIONAL LLC, TIOXIDE AMERICAS, INC., HUNTSMAN PROPYLENE OXIDE LTD., HUNTSMAN INTERNATIONAL FUELS L.P., HUNTSMAN HOLLAND B.V., TIOXIDE EUROPE LIMITED and HUNTSMAN PETROCHEMICALS (UK) LIMITED, as Local Servicers thereunder (iv) the Servicer Guarantor and (v) the Trustee and (vi) the Liquidation Servicer.

WITNESSETH:

WHEREAS, Tioxide Americas Inc., Huntsman Propylene Oxide Ltd., Huntsman International Fuel L.P. and Huntsman Ethyleneamines Ltd. (each a "*U.S. Originator*" and together the "*U.S. Originators*") and Huntsman International have entered into an Amended and Restated U.S. Receivables Purchase Agreement, dated as of the date hereof (the "*U.S. Receivables Purchase Agreement*");

WHEREAS, pursuant to the U.S. Receivables Purchase Agreement, the U.S. Originators may sell to Huntsman International and Huntsman International may purchase from the U.S. Originators all of the U.S. Originators' right, title and interest in, to and under all Receivables now existing and hereafter arising from time to time and other U.S. Receivable Assets (as defined in the U.S. Receivables Purchase Agreement) related to such Receivables;

WHEREAS, Tioxide Europe Limited and Huntsman Petrochemicals (UK) Limited (each a "*UK Originator*" and together with Huntsman Surface Sciences UK Ltd, the "*UK Originators*") and Huntsman International have entered into an Amended and Restated UK Receivables Purchase Agreement, dated as of the date hereof (the "*UK Receivables Purchase Agreement*");

WHEREAS, pursuant to the UK Receivables Purchase Agreement, the UK Originators may sell to Huntsman International and Huntsman International may purchase from the UK Originators all of the UK Originators' right, title and interest in, to and under all Receivables now existing and hereafter

arising from time to time and other UK Receivable Assets (as defined in the UK Receivables Purchase Agreement) related to such Receivables;

WHEREAS, Huntsman Holland B.V. (the "*Dutch Originator*") and Huntsman International have entered into a Receivables Purchase Agreement, dated as of December 21, 2000 (the "*Dutch Receivables Purchase Agreement*");

WHEREAS, Tioxide Europe Srl, Huntsman Surface Sciences Italia Srl, and Huntsman Patrica Srl, (each an "*Italian Originator*" and together the "*Italian Originators*"), Tioxide Europe S.L., and Huntsman Surface Sciences Ibérica, S.L., (each a "*Spanish Originator*" and together the "*Spanish Originators*"), wish to enter into a receivables purchase agreement with Huntsman International;

WHEREAS, Tioxide Europe SAS, and Huntsman Surface Sciences (France) S.A.S., (each a "*French Originator*" and together the "*French Originators*" and collectively with the Italian Originators and the Spanish Originators, the "*New Originators*"), wish to enter into a receivables subrogation agreement with the Company;

WHEREAS the parties to the Dutch Receivables Purchase Agreement wish to amend and restate the terms of the Dutch Receivables Purchase Agreement;

WHEREAS, the Dutch Originator and the New Originators (each an "*Other European Originator*" and collectively, the "*Other European Originators*"), Huntsman International and the Company have entered into an Omnibus Receivables Purchase Agreement, dated as of the date hereof (the "*Omnibus Receivables Purchase Agreement*");

WHEREAS, pursuant to the Omnibus Receivables Purchase Agreement, the Other European Originators (except for the French Originators) may sell to Huntsman International and Huntsman International may purchase from the Other European Originators (except for the French Originators), all of such Other European Originators' right, title and interest in, to and under all Receivables originated by such Other European Originator now existing and hereafter arising from time to time and the other Receivable Assets related to such

Receivables;

WHEREAS, Huntsman International (collectively with the U.S. Originators, the UK Originators and the Other European Originators, the "*Originators*") and the Company have entered into a contribution agreement dated as of the date hereof (the "*Contribution Agreement*" and, collectively with the Receivables Purchase Agreements, the "*Origination Agreements*");

WHEREAS, pursuant to the Contribution Agreement, Huntsman International desires to transfer, contribute and assign from time to time all of its right, title and interest in, to and under all the Receivables purchased from the Other European Originators (except for the French Originators), as well as the Receivables originated by Huntsman International, now existing and hereafter arising from time to time and other Receivables Assets related to such Receivables to the Company as a capital contribution;

WHEREAS, pursuant to the Omnibus Receivables Purchase Agreement, the French Originators may sell to the Company, and the Company may purchase from the French Originators, all of the French Originators' right, title and interest in, to and under all Receivables originated by the French Originators now existing and hereafter arising from time to time and the other Receivable Assets related to such Receivables.

WHEREAS, the Company, the Master Servicer and the Trustee have entered into the Amended and Restated Pooling Agreement, dated as of June 26, 2001, as amended by the First Amendment to Amended and Restated Pooling Agreement, dated as of the date hereof (the "*Pooling Agreement*");

WHEREAS, pursuant to the Pooling Agreement, (i) the Company shall grant to the Trust, and the Trust will receive from the Company, a Participation (without effecting any transfer or conveyance of

any right, title or interest thereunder) in the Company's right, title and interest in, to and under the Receivables, and the related other Participation Assets owned by the Company, and (ii) the Company grants to the Trust a security interest in all of its right, title and interest in, to and under the Receivables and the related other Participation Assets and the Origination Agreements; and

WHEREAS, pursuant to the Letter Agreement, between the Liquidation Servicer and the Trustee (the "*Liquidation Servicer Agreement*"), the Liquidation Servicer may become a Successor Master Servicer under this Servicing Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. *Definitions.* Capitalized terms used herein shall, unless otherwise defined or referenced herein, have the meanings assigned to such terms in Annex X attached to the Pooling Agreement which Annex X is incorporated by reference herein.

Section 1.02. *Other Definitional Provisions.*

(a) All terms defined in this Agreement (directly or by incorporation by reference pursuant to Section 1.01) shall have the defined meanings when used in any certificates or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) As used herein and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined herein (directly or by incorporation by reference pursuant to *Section 1.01*) and accounting terms partly defined herein (directly or by incorporation by reference pursuant to *Section 1.01*), to the extent not defined, shall have the respective meanings given to them under GAAP. To the extent that the definitions of accounting terms herein or incorporated by reference herein are inconsistent with the meanings of such terms under GAAP, the definitions contained herein or incorporated by reference herein shall control.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Schedule and Exhibit references contained in this Agreement are references to Sections, subsections, Schedules and Exhibits in or to this Agreement unless otherwise specified.

(d) The definitions contained herein or incorporated by reference herein are applicable to the singular as well as the plural forms of such terms and to the masculine, the feminine and the neuter genders of such terms.

(e) Where reference is made in this Agreement to the principal amount of Receivables, such reference shall, unless explicitly stated otherwise, be deemed a reference to the Principal Amount of such Receivables.

(f) Any reference herein or in any other Transaction Document to a provision of the Code, 1940 Act, ERISA or the applicable UCC shall be deemed to be also a reference to any successor provision thereto.

(g) Any reference herein to a Schedule or Exhibit to this Agreement shall be deemed to be a reference to such Schedule or Exhibit as it may be amended, modified or supplemented from time to time to the extent that such Schedule or Exhibit may be amended, modified or

amending, modifying or supplementing information contained in such Schedule or Exhibit) in compliance with the terms of the Transaction Documents.

(h) Any reference in this Agreement to any representation, warranty or covenant "deemed" to have been made is intended to encompass only representations, warranties or covenants that are expressly stated to be repeated on or as of dates following the execution and delivery of this Agreement, and no such reference shall be interpreted as a reference to any implicit, inferred, tacit or otherwise unexpressed representation, warranty or covenant.

(i) The words "include", "includes" or "including" shall be interpreted as if followed, in each case, by the phrase "without limitation".

ARTICLE II

ADMINISTRATION AND SERVICING OF RECEIVABLES

Section 2.01. *Appointment of Master Servicer and Local Servicers; Delegation.* (a) The Company hereby appoints the Master Servicer to act as, and the Master Servicer hereby accepts its appointment and agrees to act as, Master Servicer under the Pooling and Servicing Agreements. The Master Servicer shall have responsibility for the management of the servicing and receipt of Collections in respect of the Receivables originated by the Originators. The Master Servicer shall have the authority to make any management decisions relating to each Receivable to the extent such authority is granted to the Master Servicer hereunder and under any Pooling and Servicing Agreement. Unless and until the Master Servicer has been replaced as Master Servicer in accordance with the provisions hereof, the Company, the Trustee and the Holders shall treat the Master Servicer as Master Servicer and may conclusively rely on the instructions, notices and reports of the Master Servicer for so long as the Master Servicer continues in its appointment as Master Servicer.

(b) In addition to the appointment of each of the Local Servicers pursuant to Section 2.01(c), and without limiting the generality of Section 2.02 and subject to Section 6.02, the Master Servicer is hereby further authorized and empowered to delegate or assign any or all of its servicing, collection, enforcement and administrative duties hereunder with respect to the Receivables to one or more Persons who agree to conduct such duties in accordance with the Policies; *provided, however*, that, with respect to any such Person, the Master Servicer shall give prior written notice to the Company, the Trustee, each Funding Agent and the Rating Agencies prior to any such delegation or assignment. Prior to such delegation or assignment being effective, the Master Servicer shall have received notice that the Rating Agency Condition shall be satisfied after giving effect to such delegation or assignment and the written consent of the Company, the Trustee and each Funding Agent to such delegation or assignment shall have been obtained. No delegation or assignment of duties by the Master Servicer permitted hereunder shall relieve the Master Servicer of its liability and responsibility with respect to such duties.

(c) In order to perform the obligations hereunder, the Master Servicer shall appoint each Originator as a local servicer (in such capacity, "*Local Servicer*") for the Receivables generated by such Originator. References to the servicing covenants, duties and obligations of the Master Servicer hereunder shall also be deemed to refer to the Local Servicers' covenants, duties and obligations; *provided, however*, that in the event that a Local Servicer shall resign or be removed from their position, unless an alternate Local Servicer can be found, the Master Servicer shall itself service the Receivables previously serviced by such Local Servicer.

(d) Each of the Local Servicers shall manage the servicing and administration of Receivables originated by it, the collection of payments due under such Receivables, the preparation and submission of the Originator Daily Report, and the charging off of any such Receivables as uncollectible, all in accordance with the Policies and the terms of the Pooling and Servicing Agreements. Notwithstanding any of the foregoing or any other provision contained herein, the preparation, delivery and submission

of the UK Originator Daily Reports shall solely be made in accordance with the UK Receivables Purchase Agreement and in accordance with Section 4.01 of this Agreement and only the Master Servicer will (among other things), manage the preparation and submission of the Daily Reports.

Section 2.02. *Servicing Procedures.*

(a) The Master Servicer shall have full power and authority, acting alone or through any party properly designated by it hereunder, to do any and all things in connection with such servicing and administration that it may deem necessary or desirable, but subject to the terms of this Agreement and the other Transaction Documents. Without limiting the generality of the foregoing and subject to Section 6.01, the Master Servicer or its designee is hereby authorized and empowered (i) to execute and deliver, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Receivables and, after the delinquency of any Receivable and to the extent permitted under and in compliance with the Policies and with applicable Requirements of Law, to commence enforcement proceedings with respect to Receivables and (ii) to make any filings, reports, notices, applications, registrations with, and to seek any consents or authorizations from the Securities and Exchange Commission, any state securities authority and any foreign securities authority on behalf of the Trust as may be necessary or advisable to comply with any Federal, state or foreign

securities or reporting requirements or laws.

(b) Without limiting the generality of the foregoing and subject to *Section 6.02*, the Master Servicer or its designee is hereby authorized and empowered to give written direction to the Trustee with respect to transfers within and withdrawals from the Company Concentration Accounts and payments to the Company Receipts Accounts (which directions may be in the form of a Daily Report) and as otherwise specified in the Pooling and Servicing Agreements.

(c) The Master Servicer or its designee shall, at its cost and expense and as agent for the Company, collect, and in accordance with the Policies, as and when the same becomes due, the amount owing on each Receivable. The Master Servicer or its designee shall not make any material change in its administrative, servicing and collection systems that deviates from the Policies, except as expressly permitted by the terms of the Pooling and Servicing Agreements and after giving written notice to the Trustee of any such change. In the event of default under any Receivable, the Master Servicer or its designee shall have the power and authority, on behalf of the Company, to take such action in respect of such Receivable as the Master Servicer or its designee may deem advisable. In the enforcement or collection of any Receivable, the Master Servicer or its designee shall be entitled, but not required, to sue thereon in (i) its own name or (ii) if, but only if, the Company consents in writing (which shall not be unreasonably withheld), as agent for the Company. In no event shall the Master Servicer or its designee be entitled to take any action that would make the Company, the Trustee, any Funding Agent or any Investor Certificateholder a party to any litigation without the express prior written consent of such Person.

(d) Except as provided in any Pooling and Servicing Agreements, neither the Master Servicer or its designee nor the Liquidation Servicer or any Successor Master Servicer shall be obligated to use separate servicing procedures, offices, employees or accounts for servicing the Receivables transferred to the Company from the procedures, offices, employees and accounts used by the Master Servicer or a Successor Master Servicer, as the case may be, in connection with servicing other receivables.

(e) The Master Servicer or its designee shall comply with and perform its servicing obligations with respect to the Receivables in accordance with the Contracts relating to the Receivables and the Policies.

(f) The Master Servicer or its designee shall not take any action to cause any U.S. Receivable not evidenced by any "instrument" or which does not constitute "chattel paper" (each as defined under the applicable UCC or other similar applicable law, statute or legislation) upon origination to become

evidenced by an "instrument" or become "chattel paper" and the Master Servicer or its designee shall not take any action to cause any interest in any U.S. Receivable to be evidenced by any title documents in bearer form, except in connection with its enforcement or collection of such Receivable. If any U.S. Receivable is evidenced by an "instrument" or "chattel paper" (as defined under the applicable UCC), the Master Servicer or its designee shall either (i) deliver such instrument or title documents to the Trustee as soon as reasonably practicable, but in no event more than three (3) calendar days after execution thereof or (ii) immediately stamp the Contract relating to such Receivable in red with words substantially to the following effect: "THIS RECEIVABLE HAS BEEN PLEDGED TO J.P. MORGAN BANK (IRELAND) PLC, (F/K/A CHASE MANHATTAN BANK (IRELAND) PLC) AS TRUSTEE PURSUANT TO THE TERMS AND CONDITIONS OF THE AMENDED AND RESTATED POOLING AGREEMENT, DATED AS OF JUNE 26, 2001, AMONG HUNTSMAN RECEIVABLES FINANCE, LLC, HUNTSMAN (EUROPE) BVBA AND J.P. MORGAN BANK (IRELAND) PLC."

Section 2.03. *Collections.*

(a) Obligor shall have been instructed to make all payments in respect of the Receivables to one of the Collection Accounts. Each of the Company and the Master Servicer represents, warrants and agrees that all Collections shall be collected, processed and deposited by it pursuant to, and in accordance with the terms of, the Pooling and Servicing Agreements. Without limiting the generality of the foregoing, the Master Servicer shall comply with the provisions of *subsection 3.01(d)* of the Pooling Agreement as to remittance of funds available in any Collection Account or Master Collection Account. All Collections in the Collection Accounts or Master Collection Accounts shall be transferred to the applicable Company Concentration Accounts by no later than 12:30 p.m. London time on the next Business Day following the day of receipt of Collections in the Collection Accounts. In the event that any payments in respect of any Receivable are made directly to the Master Servicer or any Local Servicer, the Master Servicer or the Local Servicer shall, within one (1) Business Day of receipt thereof, deliver or deposit such amounts to the appropriate currency Company Concentration Account and, prior to forwarding such amounts, the Master Servicer or the Local Servicer shall hold such payments on behalf of the Company.

(b) The Master Servicer shall administer amounts on deposit in the Collection Accounts and the Master Collection Accounts in accordance with the terms hereof and in the Pooling and Servicing Agreements. The Trustee (at the direction of the Master Servicer) shall administer amounts on deposit in the Company Concentration Accounts in accordance with the terms of the Pooling and Servicing Agreements. Each of the Company and the Master Servicer acknowledges and agrees that (i) it shall not have any right to withdraw any funds on deposit in any Collection Account and the Master Collection Account except pursuant to the terms hereof and the Pooling and Servicing Agreements and (ii) all amounts deposited in any Company Concentration Account shall be under the sole dominion and control of the Trustee (in each case pursuant to the security interest granted by the Company under the Pooling Agreement), subject to the Master Servicer's rights to direct the applications and transfers of any such amounts as provided by the terms of any Pooling and Servicing Agreements, such directions to be included in the Daily Report.

(c) If the Collections received in respect of a Receivable that is not set forth in a Daily Report can be identified by the Master Servicer within five (5) Local Business Days of receipt, the Master Servicer shall send written notice to the Trustee identifying such Receivable and setting forth the amount of Collections attributable to such Receivable. If the Trustee shall have received such written notice within five (5) Local Business Days of the Local Business Day on which such Collections have been deposited into a Collection Account, such Collections shall be transferred to the relevant Company Receipts Account by the Trustee. If the Collections received with respect to an

Excluded Receivable can be identified by the Master Servicer immediately upon receipt of such Collections in any Collection Account, such Collections may be transferred to the relevant Company Receipts

Account by the Trustee in accordance with the Daily Report, such transfers to be made in accordance with Section 3.01(d)(vii) of the Pooling Agreement. If the Collections with respect to such Excluded Receivable cannot be immediately identified by the Master Servicer upon receipt, such Collections shall be allocated as set forth in *subsections 3.01(d), 3.01(e), 3.01(f), 3.01(g) and 3.01(h)* of the Pooling Agreement, as applicable.

(d) The Master Servicer hereby agrees that if the Master Servicer can attribute a Collection to a specific Obligor and a specific Receivable, then such collection shall be applied to pay such Receivable of such Obligor; *provided, however*, that if the Master Servicer cannot attribute a Collection to a specific Receivable, then such Collection shall be applied to pay the Receivables of such Obligor in the order of maturity of such Receivables, beginning with the Receivable that has been outstanding the longest period of time and ending with the Receivable that has been outstanding the shortest period of time.

(e) The Master Servicer shall procure the Forward Rates from the FX Counterparty or the Funding Agent in order to prepare the Daily Report and the Monthly Settlement Report and the Company shall procure the Spot Rates from the FX Counterparty or the Funding Agent in order to make the distributions from the Series Concentration Accounts set forth in Sections 3.01(d), (e), (f), (g) and (h) of the Pooling Agreement.

Section 2.04. *Reconciliation of Deposits.* If in respect of Collections on account of a Receivable, the Master Servicer deposits into a Collection Account, or a Company Concentration Account (a) a check that is not honored for any reason or (b) an amount that is less than or more than the actual amount of such Collections, the Master Servicer shall, in lieu of making a reconciling withdrawal or deposit, as the case may be, adjust the amount subsequently deposited into such Collection Account or Company Concentration Account to reflect such dishonored check or deposit mistake. Any Receivable in respect of which a dishonored check is received shall be deemed not to have been paid; *provided*, that no adjustments made pursuant to this *Section 2.04* shall change any amount previously reported pursuant to *Section 4.02*.

Section 2.05. *Servicing Compensation.*

(a) Prior to the Liquidation Servicer Commencement Date, as compensation for the administration and servicing activities hereunder and reimbursement for the expenses set forth in *subsection 2.05(b)*, each Local Servicer and Master Servicer shall be entitled to receive on each Distribution Date in arrears, for the preceding Settlement Period prior to the termination of the Trust pursuant to *Section 9.01* of the Pooling Agreement, a portion (expressed as a percentage) of a servicing fee (the "*Servicing Fee*"), which shall be a maximum amount equal to the product of (A) the Servicing Fee Percentage, (B)(i) the average aggregate Principal Amount of the Receivables for such Settlement Period or (ii) with respect to the initial Accrual Period, the average aggregate Principal Amount of the Receivables from (and including) the Series 2000-1 Issuance Date to (but excluding) the last day of the initial Settlement Period and (C) the number of days in such Settlement Period *divided by 360*. The Company and the Initial Master Servicer may from time to time agree in writing to a reduced Servicing Fee. If there is a Master Servicer Default and a Successor Master Servicer Default is appointed by the Trustee, the servicing fee for such Successor Master Servicer shall be the fee agreed upon between the Trustee and such Successor Master Servicer; *provided, however*, that such servicing fee shall not exceed the maximum Servicing Fee payable hereunder to the Master Servicer. The servicing fee payable to the Liquidation Servicer shall be the Liquidation Servicing Fee. Except as otherwise set forth in the related Supplement, the share of the Servicing Fee allocable to Certificates of each Outstanding Series for any Settlement Period shall be an amount equal to the product of (i) the Servicing Fee for such Settlement Period and (ii) a fraction (expressed as a percentage) (A) the numerator of which is the daily average Invested Amount for such Settlement Period with respect to such Outstanding Series and (B) the denominator of which is the daily average Aggregate Invested Amount for such Settlement Period (with respect to any such Series, the "*Monthly Servicing Fee*"). The Master Servicer (acting in such capacity)

shall be entitled to 10% of the Servicing Fee. Each Local Servicer shall be entitled to receive a percentage of the remaining Servicing Fee in an amount equal to the percentage obtained by dividing the aggregate Principal Amount of Eligible Receivables conveyed by such Local Servicer to the Contributor or the Company, as the case may be, by the Aggregate Receivables Amount. The Servicing Fee shall be payable to such Local Servicers and the Master Servicer solely pursuant to the terms of, and to the extent amounts are available for payment under, Article III of the Pooling Agreement. Any such fee which is payable to a Local Servicer belonging in the United Kingdom shall be inclusive of United Kingdom value added tax and the application of Section 89 of the United Kingdom Value Added Tax Act 1994 shall be excluded in relation to such fee.

(b) The Company hereby directs the Master Servicer to pay amounts due to the Liquidation Servicer, in the event it has been appointed a Successor Master Servicer, including the Liquidation Servicer's reasonable out-of-pocket expenses relating to the Liquidation Servicer's inspections, if any, of the Master Servicer's servicing facilities which inspections shall occur not more frequently than once per calendar year (or, following the commencement and continuation of an Early Amortization Period), such inspection shall occur at the discretion of the Liquidation Servicer. The Liquidation Servicer shall ensure that the Liquidation Servicer has (i) completed the Master Servicer Site Review and (ii) reviewed the Master Servicer's Standby Liquidation System and confirmed to the Trustee that such system is operating to the Liquidation Servicer's satisfaction within sixty (60) days following the Effective Date; *provided, however*, that in no event shall the Master Servicer or the Liquidation Servicer, in the event it has been appointed as Successor Master Servicer, be liable for any

Federal, state or local income or franchise tax, or any interest or penalties with respect thereto, assessed on the Trust, the Trustee or the Investor Certificateholders or the Liquidation Servicer except in accordance with *Section 5.02* and as otherwise expressly provided herein. Notwithstanding anything to the contrary herein or in any other Pooling and Servicing Agreements, in the event that the Master Servicer fails to pay any amount due to the Liquidation Servicer pursuant to *Section 8.05* of the Pooling Agreement, or following the commencement and continuation (for a period greater than any applicable grace period) of an Early Amortization Period, the Liquidation Servicer shall be entitled, in addition to any other rights it may have under law and under the Pooling Agreement, to receive directly such amounts owing to it under the Pooling and Servicing Agreements from, and in the same order of priority as, the Servicing Fee before payment to the Master Servicer or Local Servicer of any portion thereof. The Master Servicer shall be required to pay expenses for its own account and shall not be entitled to any payment therefor other than the Servicing Fee. Nothing contained herein shall be construed to limit the obligation of the Master Servicer or the Company to pay any amounts due to the Liquidation Servicer pursuant to *Section 8.05* of the Pooling Agreement. Other than as provided herein or in any other Transaction Document, the Trustee may not set-off or apply funds except as permitted by Article III of the Pooling Agreement or any Supplement thereto and the Trustee hereby agrees that it shall have no right of setoff or banker's lien against, and no right to otherwise deduct from, the Servicing Fee for any amount owed to it by the Master Servicer, in its capacities the Master Servicer or otherwise, pursuant to the Transaction Documents.

Section 2.06. *Advances by the Master Servicer.*

(a) The Master Servicer to the extent it determines that such Advance would be recoverable from subsequent Collections may deposit into the applicable Series Concentration Principal Subaccounts monies in an Approved Currency in an amount equal to any projected liquidity shortfall as determined by the Master Servicer. The Master Servicer shall set forth in the Daily Report and the Monthly Settlement Report the amount of all Servicer Advances made by the Master Servicer during the related reporting period.

(b) On each Distribution Date, the Trustee shall reimburse the Master Servicer for the Outstanding Amount Advanced in accordance with the provisions of each Supplement.

ARTICLE III

***REPRESENTATIONS AND WARRANTIES OF THE MASTER SERVICER,
LOCAL SERVICERS AND THE SERVICER GUARANTOR***

As of (a) the date hereof and (b) each Issuance Date, each of the Master Servicer, each Local Servicer and the Servicer Guarantor hereby severally makes the following representations and warranties to the Company and the Trustee:

Section 3.01. *Organization; Powers.* It (i) is duly organized or formed, validly existing and, to the extent applicable, in good standing under the laws of the jurisdiction of its formation or organization, (ii) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, (iii) is qualified to do business in, and, to the extent applicable, in good standing in, every jurisdiction where the nature of its business so requires, except where the failure so to qualify could not reasonably be expected to result in a Material Adverse Effect with respect to it and (iv) has the power and authority to execute, deliver and perform its obligations under each of the Transaction Documents and each other agreement or instrument contemplated hereby or thereby to which it is or will be a party.

Section 3.02. *Authorization; No Conflict.* The execution, delivery and performance by it of each of the Transaction Documents to which it is a party and performance of the Transactions contemplated thereby (i) have been duly authorized by all requisite corporate and, if applicable and required, stockholder, member or partner action as applicable and (ii) will not (A) violate (1) any Requirement of Law applicable to it or (2) any provision of any Transaction Document or other material Contractual Obligation to which it is a party or by which it or any of its property is or may be bound, (B) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any Transaction Document or any other material Contractual Obligation to which it is a party or by which its property is or may be bound, except where any such conflict, violation, breach or default referred to in clause (A) or (B), individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect with respect to it, or (C) result in the creation or imposition of any Lien upon the Receivables (other than Permitted Liens and any Lien created under the Transaction Documents or contemplated or permitted thereby).

Section 3.03. *Enforceability.* This Agreement and each other Transaction Document to which it is a party has been duly executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance with such document's terms, subject (a) to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally, from time to time in effect and (b) to general principles of equity (whether enforcement is sought by a proceeding in equity or at law).

Section 3.04. *Governmental Approvals.* No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the Transactions, except for (i) the filing of UCC financing statements (or other applicable similar filings) in any applicable jurisdictions necessary to perfect the Company's ownership interest in the Receivables and the Trust's Participation and security interest in the Receivables, and (ii) such as have been made or obtained and are in full force and effect.

Section 3.05. *Litigation; Compliance with Laws.*

(a) There are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to its knowledge, threatened against it (i) in connection with the execution and delivery of the Transaction Documents and the consummation of

determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect with respect to it.

(b) It is not in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in a Material Adverse Effect with respect to it.

(c) It is not in default under or with respect to any Requirement of Law applicable to the collection and servicing of Receivables where such default would be reasonably likely to have a Material Adverse Effect with respect to it.

Section 3.06. *Agreements.*

(a) It is not a party to any agreement or instrument or subject to any corporate, restriction in its organizational documents that has resulted or could reasonably be expected to result in a Material Adverse Effect with respect to it.

(b) It is not in default in any manner under any provision of any Contractual Obligation to which it is a party or by which it or any of its properties or assets are bound, where such default could reasonably be expected to result in a Material Adverse Effect with respect to it.

Section 3.07. *No Master Servicer Default.* No Master Servicer Default or Potential Master Servicer Default has occurred and is continuing.

Section 3.08. *Servicing Ability.* As of the related Issuance Date, there has not been since the date of this Agreement any adverse change in its ability to perform its obligations as Master Servicer under any Transaction Document to which it is a party.

Section 3.09. *Location of Records.* The office at which it keeps its records concerning any Receivables either is located (i) at the address set forth in Schedule 5 of this Agreement or (ii) at another address of which the Master Servicer has notified the Company and the Trustee in accordance with the provisions of *Section 4.08.*

ARTICLE IV.

COVENANTS OF THE MASTER SERVICER AND THE SERVICER GUARANTOR

Section 4.01. *Delivery of Daily Reports.* Unless otherwise specified in the Supplement with respect to any Series, on each Local Business Day and with respect to each Outstanding Series, each Originator shall deliver to the Master Servicer, a written report (an "*Originator Daily Report*" or in the case of UK Originator the "*UK Originator Daily Report*") by 10 a.m. London time on the Local Business Day following each date of sale or contribution of Receivables, setting forth for such date of sale or offer, as the case may be, a description of Receivables sold or offered for sale, as the case may be, to Huntsman International or conveyed to the Company, as the case may be. In the case of the UK Originators, each UK Originator Daily Report shall be sent only to the Master Servicer at the same time as the making of an offer in accordance with Section 2 of the UK Receivables Purchase Agreement. Notwithstanding anything to the contrary in any of the Transaction Documents, no UK Originator Daily report shall be produced except in accordance with Section 2.1 of the UK Receivables Purchase Agreement and in accordance with this Section 4.01. The Master Servicer shall, immediately upon receipt of such UK Originator Daily Report and the related Offer Letter (all in accordance with Section 2.1 of the UK Receivables Purchase Agreement): (A) transmit a copy of such UK Originator Daily Report and Offer Letter to Huntsman International; (B) print out such UK Originator Daily Report and Offer Letter in full; (C) when the printing out referred to in (B) above has been completed, notify Huntsman International that it has received a copy of such UK Originator Daily Report and the related Offer Letter and has printed out the same in full; and (D) provide a copy of

such notification referred to in (C) above to the Trustee and Funding Agent. No such notification shall be sent to the Company. In no event shall any Originator Daily Report be signed by any party; *provided, however* that delivery of such Originator Daily Report to the Master Servicer shall constitute a deemed representation by such Originator that such Originator Daily Report is true and correct.

On each Business Day, the Master Servicer or its designee shall deliver to the Trustee, the Liquidation Servicer and each Funding Agent no later than 12:30 p.m. London time, a written report substantially in the form attached as Exhibit B to the Pooling Agreement (the "*Daily Report*") setting forth, for such Business Day the amount of Aggregate Daily Collections appearing in the Company Concentration Accounts, the amount of initial Collections received on the previous Business Day (the "*Reported Day*") and appearing in the Collection Accounts; the amount of Receivables contributed by the Contributor to the Company, and for which a Participation and security interest has been granted by the Company to the Trust; the amount of Ineligible Receivables (if any) identified on the Reported Day; the amount of Servicer Advances deposited in the Series Principal Subaccount on such day, plus the total amount of Servicer Advance outstanding and not yet repaid as of such date; and such other information as the Company, the Trustee or such Funding Agent may reasonably request. The Daily Report must be delivered in an electronic format mutually agreed upon by the Master Servicer, the Liquidation Servicer, the Trustee and the Funding Agent, or if such electronic copy is not available, by facsimile (electronic form of such Daily Report to be provided as soon

as it is available). By delivery of a Daily Report, the Master Servicer shall be deemed to have made a representation and warranty that all information set forth therein is true and correct.

Section 4.02. *Delivery of Monthly Settlement Report.* Unless otherwise specified in the Supplement with respect to any Outstanding Series, the Master Servicer hereby covenants and agrees that it shall deliver to each Funding Agent, the Liquidation Servicer, the Company, the Trustee and each Rating Agency by 12:30 p.m. London time, on each Settlement Report Date, a certificate of a Responsible Officer of the Master Servicer substantially in the form of Exhibit C to the Pooling Agreement (a "*Monthly Settlement Report*") setting forth, as of the last day of the Settlement Period most recently ended and for such Settlement Period, to the best of the Master Servicer's knowledge, (a) the information described in the form of the Monthly Settlement Report including such changes as may be agreed to by the Master Servicer, the Liquidation Servicer, the Company, the Trustee and each Funding Agent (if any) and subject to satisfaction of the Rating Agency Condition (unless a Responsible Officer of the Master Servicer certifies that such changes could not reasonably be expected to have a material adverse effect on the interest of the Trust or the Investor Certificateholders for the applicable Series under the Transaction Documents), (b) a list of any Obligor or Approved Obligor Countries with debt ratings that have been either reduced or withdrawn during such Settlement Period, (c) the amount of Servicer Advances made by the Master Servicer during the related Settlement Period and the Outstanding Amount Advanced as of the end of the related Settlement Period, (d) Day Sales Outstanding for the reported Settlement Period, provided that if the Day Sales Outstanding exceeds 60 days, a notice shall be given to the Series 2001-1 Rating Agencies and (e) such other information as the Trustee, the Liquidation Servicer or any Funding Agent may reasonably request. Such certificate shall include a certification by a Responsible Officer of the Master Servicer (subject to *Section 8.11* hereof) that, (i) to such Responsible Officer's knowledge, the information contained therein is true and correct in all material respects and (ii) the Master Servicer has performed all of its obligations in all material respects under each Transaction Document to which it is a party throughout such preceding Settlement Period (or, if there has been a default in the performance of any such obligation, specifying each such default known to such Responsible Officer and the nature and status thereof). A copy of each Monthly Settlement Report may be obtained by any Holder by a request in writing to the Trustee addressed to the Corporate Trust Office. The Monthly Settlement Report must be delivered in an electronic format mutually agreed upon by the Master Servicer, the Trustee, the Liquidation Servicer and each Funding Agent, or if such electronic copy is not available, by facsimile (electronic form of such Monthly Settlement Report to be provided as soon as it becomes available).

Section 4.03. *Delivery of Quarterly Master Servicer's Certificates.* The Master Servicer or the Servicer Guarantor, as the case may be, shall deliver to the Company, the Trustee, each Funding Agent and each Rating Agency, subject to *Section 8.11* hereof, a certificate of a Responsible Officer of the Master Servicer substantially in the form of *Schedule 1* hereto, certifying that:

(a) a review of its and the Company's activities during the preceding calendar year (or in the case of the first such certificate issued after the Effective Date, during the period from the Effective Date through and including the last day of the preceding calendar quarter), and of its performance under each Transaction Document was made under the supervision of such Responsible Officer;

(b) to the best of such Responsible Officer's knowledge, based on such review, it and the Company have each performed their respective obligations in all material respects under each Transaction Document throughout the period covered by such certificate (or, if there has been a material default in the performance of any such obligation, specifying each such default known to such Responsible Officer and the nature and status thereof); and

(c) to the best of such Responsible Officer's knowledge, each Daily Report and Monthly Settlement Report was at the time when delivered correct in all material respects.

Such certificate shall be delivered by the Master Servicer within 45 days after the end of each calendar year. A copy of each such certificate may be obtained by any Holder by a request in writing to the Trustee addressed to the Corporate Trust Office.

Section 4.04. *Delivery of Independent Public Accountants' Letter Related to Annual Review of Originator Daily Reports, Daily Reports and Monthly Settlement Reports.* The Master Servicer shall, at the expense of the Master Servicer cause Independent Public Accountants to furnish to the Company, the Trustee, the Liquidation Servicer, each Funding Agent and each Rating Agency within 120 days following the last day of the Master Servicer's fiscal year, beginning with the fiscal year ending December 31, 2000, a letter to the effect that such Independent Public Accountants have performed the agreed-upon procedures set forth in *Schedule 2* hereto relating to the (a) review of the Master Servicer's performance related to (i) the preparation of the Daily Reports and (ii) the preparation of the Monthly Settlement Reports, and (b) review of the preparation of the Originator Daily Reports prepared by the Originators, during the preceding fiscal year and describing such accountants' findings with respect to such procedures. A copy of such report may be obtained by any Holder by a request in writing to the Trustee addressed to the Corporate Trust Office.

Section 4.05. *Extension, Amendment and Adjustment of Receivables; Amendment of Policies.*

(a) The Master Servicer hereby covenants and agrees with the Company and the Trustee that it shall not extend, rescind, cancel, amend or otherwise modify, or attempt or purport to extend, rescind, cancel, amend or otherwise modify the terms of, or grant any Dilution Adjustment in respect of, any Receivable, or otherwise take any action that is intended to cause or permit a Receivable that is an Eligible Receivable to cease to be an Eligible Receivable, except in any such case (a) (i) such cancellation, termination, amendment, modification, or waiver is made in accordance with the Servicing Standard set forth in *Section 4.12* and in accordance with terms of the Policies (and would have been made in the ordinary course of business), (ii) if such cancellation, termination, amendment, modification or waiver arose as a result of a request from an Obligor, (iii) if any such amendment, modification or waiver does not cause such Receivable to cease to be an Eligible Receivable and (iv) such cancellation, termination, amendment, modification or waiver would not have a material and prejudicial effect on the collectability of the relevant Receivable, or (b) such Dilution Adjustment is the result of a pre-existing contractual obligation

between the Contributor, the Company or any Originator, as the case may be, and the related Obligor with respect to such Receivable, *provided*, that in the event the Originator cancels an invoice related to a Receivable, the Originator must make an Originator

Dilution Adjustment Payment in accordance with *Section 2.05* or the applicable corresponding section of the Origination Agreement. If the Master Servicer or the Originator cancels an invoice related to a Receivable, either (1) such invoice must be replaced with an invoice relating to the same transaction as the cancelled invoice of equal or greater Principal Amount on the same day, (2) such invoice must be replaced with an invoice relating to the same transaction as the cancelled invoice of a lesser Principal Amount on the same Business Day and the Originator must make an Originator Dilution Adjustment Payment to the Company, in an amount equal to the difference between such cancelled and replacement invoices or (3) the Originator must make an Originator Dilution Adjustment Payment to the Company in an amount equal to the full value of such cancelled invoice pursuant to *Section 2.05* (or the applicable corresponding section) of the Origination Agreement. Any Dilution Adjustment authorized to be made pursuant to the preceding sentence shall result in the reduction, on the Business Day on which such Dilution Adjustment arises or is identified, in the aggregate Principal Amount of Receivables and if as a result of such a reduction the Aggregate Target Receivables Amount exceeds the Aggregate Receivables Amount, the Company (in addition to the obligations of the Originators under the related Origination Agreement in respect of such Dilution Adjustment) will be required to pay into relevant the Series Principal Concentration Subaccount with respect to each Outstanding Series in immediately available funds, within one (1) Business Day of such determination, the pro rata share for such Series (based on a percentage equal to the Invested Amount for such Series *divided by* the Aggregate Invested Amount) of the Cash Dilution Payment.

(b) The Master Servicer shall not change or modify the Policies in any material respect, except (i) if such change or modification is necessary under any Requirement of Law, (ii) if such change or modification would not reasonably be expected to have a Material Adverse Effect or (iii) if the Rating Agency Condition is satisfied with respect thereto; *provided* that any material changes to the Policies must be approved in writing by the Company and the Funding Agent prior to such changes taking effect. The Master Servicer shall provide notice to the Company, the Trustee, each Funding Agent, the Liquidation Servicer and each Rating Agency of any change or modification of the Policies.

(c) The Master Servicer shall perform its obligations in accordance with and comply in all material respects with the Policies.

Section 4.06. Protection of Holders' Rights. The Master Servicer hereby agrees with the Company and the Trustee that it shall take no action, nor intentionally omit to take any action (*provided* that the Master Servicer shall have no obligation to make any payments on behalf of an Obligor that has defaulted under any Receivable except to the extent otherwise required pursuant to *Section 5.02*) that would reasonably be expected to result in a Material Adverse Effect under the Transaction Documents in respect of the Receivables or any Related Property, nor shall it reschedule, revise or defer payments due on any Receivable except in accordance with the Policies or *Section 4.05* above.

Section 4.07. Security Interest. The Master Servicer hereby covenants and agrees that it shall not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than Permitted Liens) on any Receivable, whether now existing or hereafter created, or any interest therein, and the Master Servicer shall defend the right, title and interest of the Company and the Trust in, to and under any Receivable, whether now existing or hereafter created, against all claims of third parties claiming through or under the Master Servicer or the Company.

Section 4.08. Location of Records. The Master Servicer hereby covenants and agrees that it (a) shall not move its chief executive office or any of the offices where it keeps its records with respect to any Receivables outside of the location specified in respect thereof on *Schedule 3* to the related Origination Agreement, in any such case, without giving thirty (30) days prior written notice to the Company, the Trustee, the Liquidation Servicer, each Funding Agent and the Rating Agencies and (b) shall promptly take all actions (including any filings under the UCC or other similar filings)

required or reasonably necessary in order to continue the valid and enforceable interest of the Company and the Trust in all Receivables.

Section 4.09. Visitation Rights.

(a) The Master Servicer shall, at any reasonable time during normal business hours on any Local Business Day and from time to time, upon reasonable prior notice, and as often as may reasonably be requested, subject to their respective security and confidentiality requirements, (i) permit the Company, the Trustee, the Liquidation Servicer, any Funding Agent or any of their respective agents or representatives, (A) to examine and make copies of and abstracts from its records, books of account and documents (including computer tapes and disks) relating to the Receivables and (B) following the occurrence of a Master Servicer Default or the termination of the Master Servicer's appointment as Master Servicer to be present at its offices and properties to administer and control the Collection of the Receivables and to allow the Trustee and the Liquidation Servicer access to documents, instruments and other records (including the documents, instruments and other records required to be transferred to a successor pursuant to *Section 6.01* upon a Master Servicer Transfer), equipment and personnel that are necessary to enable the Liquidation Servicer or Successor Master Servicer, as applicable, to continue servicing operations in accordance with the terms of the Transaction Documents and (ii) permit the Company, the Trustee, any Funding Agent or any of their respective agents or representatives to visit its properties to discuss its affairs, finances and accounts relating to the Receivables or its performance hereunder or under any of the other Transaction Documents to which it is a party with any of its officers or directors and with its independent certified public accountants.

(b) The Master Servicer shall provide the Trustee with such other information as the Trustee may reasonably request in connection with the fulfillment of the Trustee's obligations under any Pooling and Servicing Agreements.

Section 4.10. *Delivery of Financial Reports.* The Master Servicer shall furnish to the Company, the Trustee, each Funding Agent and with respect to clause (a) below, the Rating Agencies:

(a) copies of the following financial Reports, reports, notices and information;

(i) within 90 days after the end of each fiscal year, the Servicer Guarantor's consolidated balance sheet and related Reports of income, stockholders' equity and cash flows showing the consolidated financial condition of the Servicer Guarantor and its consolidated subsidiaries as of the close of such fiscal year and the consolidated results of its operations and the operations of such subsidiaries during such year (and showing, on a comparative basis, the figures for the previous year), all audited by Independent Public Accountants and accompanied by an opinion of such accountants (which shall not be qualified in any material respect except that qualifications relating to (i) preacquisition balance sheet accounts of Persons acquired by the Master Servicer and (ii) Reports in reliance on another accounting firm shall be permitted) to the effect that such consolidated financial Reports fairly present in all material respects the financial condition and results of operations of the Servicer Guarantor and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(ii) within 60 days after the end of each of the first three fiscal quarters of each fiscal year, the Servicer Guarantor's unaudited consolidated balance sheet and related Reports of income, stockholders' equity and cash flows showing the consolidated financial condition of the Servicer Guarantor, each of the European Originators and each of their consolidated subsidiaries as of the close of such fiscal quarter and the consolidated results of the Servicer Guarantor's operations and the operations of such subsidiaries during such fiscal quarter and the then elapsed portion of the fiscal year (and showing, on a comparative basis, such information as of and for the corresponding dates and periods of the preceding fiscal year), all

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certified by a Responsible Officer of the Servicer Guarantor as fairly presenting in all material respects the consolidated financial condition and results of operations of the Servicer Guarantor and its consolidated subsidiaries on a consolidated basis in accordance with GAAP (except for the absence of footnote disclosure) consistently applied, subject to year-end audit adjustments;

(iii) within 150 days after the end of each fiscal year audited balance sheet and related reports statements of income, stockholders' equity and cash flows showing the financial condition of the Servicer Guarantor each of its consolidated subsidiaries;

(iv) within 300 days after the end of each fiscal year audited balance sheet and related reports statements of income, stockholders' equity and cash flows showing the financial condition of each of the European Originators and each of their consolidated subsidiaries;

(b) concurrently with any delivery of financial Reports under sub-paragraph (a)(ii) above, subject to *Section 8.11* hereof, a certificate of the Responsible Officer certifying such Reports and stating to the best of such person's knowledge (i) no Early Amortization Event or Potential Early Amortization Event exists, or (ii) if any Early Amortization Event or Potential Early Amortization Event exists, stating the nature and status thereof;

(c) promptly after the filing thereof, copies of any registration statement (other than the exhibits thereto and excluding any registration statements on Form S-8 and any other registration statement relating exclusively to stock, bonus, option, 401(k) and other similar plans for officers, directors and employees) of each Originator and the Servicer Guarantor or any of its respective Subsidiaries or Affiliates;

(d) promptly upon the furnishings thereof to the shareholders of each Originator, copies of all financial statements, financial reports and proxy statements so furnished;

(e) (i) within ten (10) days after the date of any material change in the Policies, a copy of the Policies then in effect and (ii) within ten (10) calendar days after the date of the Master Servicer's receipt of notice of or the publication of any change in each Originator's public or private debt ratings by a Rating Agency, if any, a written certification of such Originator's public or private debt ratings by a Rating Agency after giving effect to such change; and

(f) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of each Originator, or compliance with the terms of any Transaction Document, in each case as any Funding Agent or any Trustee may reasonably request.

Section 4.11. *Notices.* The Master Servicer shall furnish written notice of the following events to the Company, the Trustee, each Funding Agent and each Rating Agency, promptly upon a Responsible Officer of such Person obtaining actual knowledge thereof: (i) the reduction or withdrawal of a relevant applicable rating of an Obligor, an Approved Obligor Country or an Approved Currency by a Rating Agency or (ii) the occurrence of any Originator Termination Event, Potential Originator Termination Event, Early Amortization Event, Potential Early Amortization Event, Master Servicer Default, Potential Master Servicer Default or Program Termination Event.

Section 4.12. *Master Servicer's Conduct.* The Master Servicer hereby agrees with the Trustee that as Master Servicer it shall exercise the same degree of skill and care in managing the administration and servicing of the Receivables, and performing its obligations hereunder, as it would exercise if it were the beneficial owner of all such Receivables.

Section 4.13. *Delivery of Information or Documents Requested by the Company.* The Master Servicer shall promptly furnish to the Company and each other Person identified by the Company all information and documents reasonably requested by the Company that are necessary in order for the Company to fulfill its obligations under the Transaction Documents.

ARTICLE V

OTHER MATTERS RELATING TO THE MASTER SERVICER

Section 5.01. *Merger, Consolidation, etc.* The Master Servicer shall not enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, transfer, lease, assign or otherwise dispose of, all or substantially all of its property, business or assets other than the assignments and transfers contemplated hereby; *provided* that the Master Servicer may merge into or consolidate with any other Person or convey, sell or transfer its property, business or assets substantially as an entirety to another Person, if:

(a) (i) the Master Servicer is the surviving entity or (ii) the surviving Person (A) expressly assumes, without execution or filing of any paper or any further act on the part of any of the parties hereto, the performance of every one of its covenants and obligations hereunder and (B) no Material Adverse Effect with respect to such Person shall result from such merger, consolidation, sale, lease, transfer or disposal of assets;

(b) subject to *Section 8.11* hereof, it has delivered to the Trustee a Responsible Officer's certificate and an Opinion of Counsel addressed to the Trust and the Trustee (i) each stating that such consolidation, merger, conveyance or transfer complies with this *Section 5.01* and (ii) further stating in the Responsible Officer's certificate that all conditions precedent herein provided for relating to such transaction have been complied with;

(c) such merger, consolidation, conveyance, sale, or transfer satisfies the Rating Agency Condition; and

(d) either (x) the corporation formed by such consolidation or into which the Master Servicer is merged or the Person which acquired by conveyance or transfer the properties and assets of the Master Servicer substantially as an entirety shall be an eligible Successor Master Servicer (taking into account, in making such determination, the experience and operations of the predecessor Master Servicer) or (y) upon the effectiveness of such consolidation, merger, conveyance or transfer, a Successor Master Servicer shall have assumed the obligations of the Master Servicer in accordance with this Agreement.

Section 5.02. *Indemnification of the Trust and the Trustee.*

(a) The Master Servicer hereby agrees to indemnify and hold harmless each of the Company and the Trustee for the benefit of the Investor Certificateholders, and each of their affiliates, and respective directors, managing members, officers, employees and agents and each person who controls any of them or their affiliates within the meaning of the Securities Act and any successors thereto (a "*Master Servicer Indemnified Person*") from and against any loss, liability, claim, expense, damage, penalty, judgment, or injury suffered or sustained by such Master Servicer Indemnified Person by reason of any acts, omissions or alleged acts or omissions arising out of, or relating to, the Master Servicer's or Local Servicer's activities pursuant to any Pooling and Servicing Agreement including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim; *provided* that the Master Servicer shall not indemnify any Master Servicer Indemnified Person for any liability, cost or expense of such Master Servicer Indemnified Person (i) arising from a default by an Obligor with respect to any Receivable (except that indemnification shall be made to the extent that such default arises out of the Master Servicer's failure to perform its duties or obligations as Master Servicer under this Agreement), or (ii) to the extent that such loss, liability, claim, damage, penalty, injury, judgment, liability or expense is finally judicially determined to have resulted primarily from the gross negligence or willful misconduct of, or willful breach of this Agreement by, such Master Servicer Indemnified Person. The provisions of this indemnity shall run directly to, and be enforceable by, the applicable

Master Servicer Indemnified Person and shall survive the termination, in whole or in part, of the Agreement and the resignation or removal, as applicable, of the Master Servicer.

(b) In addition to *subsection (a)* above, the Master Servicer shall indemnify and hold harmless each Master Servicer Indemnified Person from and against any loss, liability, expense, damage or injury suffered or sustained by reason of a breach by the Master Servicer or Local Servicer of any covenant contained in *subsections 2.02(f)* or *(g)* or *Sections 4.05, 4.06, 4.07* or *4.12* that materially adversely affects the interest of the Company, the Trust or the Investor Certificateholders under the Transaction Documents with respect to any Receivable or the collectibility of any Receivable (a "*Master Servicer Indemnification Event*"), in an amount equal to the outstanding Principal Amount of such Receivable at the time of such event. Payment shall occur on or prior to the 30th Business Day after the day such Master Servicer

Indemnification Event becomes known to the Master Servicer unless such Master Servicer Indemnification Event shall have been cured on or before such day.

Section 5.03. *Master Servicer Not to Resign.* The Master Servicer shall not resign from the obligations and duties hereby imposed on it except (a) upon determination that (i) the performance of its duties hereunder is no longer permissible under applicable law, and (ii) there is no reasonable course of action that it could take to make the performance of its duties hereunder permissible under applicable law or (b) if the Master Servicer is terminated as Master Servicer pursuant to *Section 6.01* or (c) if the Master Servicer obtains the prior written consent of each Funding Agent and provides evidence that such resignation satisfies the Rating Agency Condition; *provided, however,* that such resignation shall not in any way affect the Servicer Guarantor's obligations hereunder or under any other Transaction Document. Any such determination permitting the resignation of the Master Servicer shall be evidenced as to clause (a)(i) above by an Opinion of Counsel to such effect delivered to the Company, the Trustee and each Funding Agent. No such resignation shall become effective until the Servicer Guarantor, or in the event of a default under the Servicing Guarantee, a Successor Master Servicer shall have assumed the responsibilities and obligations of the Master Servicer in accordance with *Section 6.02*. The Trustee, the Company, each Funding Agent and each Rating Agency shall be notified of such resignation (or termination) by the Master Servicer.

Section 5.04. *Access to Certain Documentation and Information Regarding the Receivables.* The Master Servicer shall retain and hold in trust for the Company, each Originator, each Funding Agent, and the Trustee at the office of the Master Servicer all hard copies of the UK Originator Daily Reports, Originator Daily Reports and Offers received and printed out by the Master Servicer in accordance with Sections 2.1 and 2.2 of the UK Receivables Purchase Agreement, Sections 2.1 and 2.2 of each attachment to the Omnibus Receivables Purchase Agreement and Section 4.01 of this Agreement, and all copies and notifications received and/or sent pursuant to and in accordance with the UK Receivables Purchase Agreement and Section 4.01 of this Agreement and such computer programs, books of account and other records as are reasonably necessary to enable the Trustee to determine at any time the status of the Receivables and all collections and payments in respect thereof (including, without limitation, an ability to recreate records evidencing the Receivables in the event of the destruction of the originals thereof).

ARTICLE VI

MASTER SERVICER DEFAULTS; MASTER SERVICER TERMINATION

Section 6.01. *Master Servicer Defaults.* If any one of the following events (a "*Master Servicer Default*") shall occur and be continuing:

(a) failure by the Master Servicer to deliver within one (1) Business Day of when due, any Daily Report or, within three (3) Business Days of when due, any Monthly Settlement Report, in each case conforming in all material respects to the requirement of *Section 4.01* or *4.02*;

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(b) failure by the Master Servicer or Local Servicer to pay any amount required to be paid by it under any Pooling and Servicing Agreement (which, with respect to the Local Servicer, has not been paid by the Master Servicer) or to give any direction with respect to the allocation or transfer of funds under any Pooling and Servicing Agreement, on the date such payment is due or such allocation or transfer is required to be made;

(c) failure on the part of the Master Servicer or Local Servicer duly to observe or to perform in any material respect any other of their respective covenants or agreements set forth in any Pooling or Servicing Agreement that has a Material Adverse Effect on the Holders of any Outstanding Investor Certificates and that continues unremedied until five (5) Business Days after the earlier of (i) the date on which a Responsible Officer of the Master Servicer has knowledge of such failure and (ii) the date on which written notice of such failure, requiring the same to be remedied, shall have been given (A) to the Master Servicer by the Company or the Trustee, or (B) to the Company, the Trustee and to the Master Servicer by Holders of Investor Certificates evidencing 25% or more of the Aggregate Invested Amount or by any Funding Agent; *provided* that if such failure may be cured and the Master Servicer or the Servicer Guarantor is diligently pursuing such cure, such event shall not constitute a Master Servicer Default for an additional five (5) calendar days; and *provided, further,* that no Master Servicer Default shall be deemed to occur under this subsection with respect to a failure on the part of the Master Servicer if the Master Servicer shall have complied with the provisions of *Section 5.02(b)* with respect thereto;

(d) any representation, warranty or certification made by the Master Servicer, Local Servicer or Servicer Guarantor herein or in any Pooling or Servicing Agreement or in any certificate delivered pursuant thereto shall prove to have been incorrect in any material respect when made or deemed made, which incorrectness has a Material Adverse Effect on the Holders of any Outstanding Investor Certificates or on the collectibility of the Receivables as a whole and which Material Adverse Effect continues unremedied until five (5) Business Days after the earlier of (i) the date on which a Responsible Officer of the Master Servicer has knowledge of such failure and (ii) the date on which written notice thereof, requiring the same to be remedied, shall have been given (A) to the Master Servicer by the Company or the Trustee, or (B) to the Company, to the Trustee and to the Master Servicer by Holders of Investor Certificates evidencing 25% or more of the Aggregate Invested Amount; *provided,* that if such incorrectness may be cured and the Master Servicer is diligently pursuing such cure, such event shall not constitute a Master Servicer Default for an additional five (5) calendar days;

(e) an Insolvency Event shall have occurred with respect to the Master Servicer or the Servicer Guarantor;

(f) there shall have occurred and be continuing a Program Termination Event under any Origination Agreement;

(g) any of this Agreement, the Pooling Agreement, the Supplement or the Origination Agreements shall cease, for any reason, to be in full force and effect, or the Company, the Master Servicer, any Local Servicer or any Affiliate of any of the foregoing, shall so assert in writing;

(h) any action, suit, investigation or proceeding at law or in equity (including, without limitation, injunctions, writs or restraining orders) shall be brought or commenced or filed by or before any arbitrator, court or Governmental Authority against the Company, the Master Servicer or Local Servicer or any properties, revenues or rights of any thereof which could reasonably be expected to have a Material Adverse Effect on the Holders of any Outstanding Series of Investor Certificates; or

(i) the Servicer Guarantor or any of its Subsidiaries shall default in the observance or performance of any agreement or condition relating to any of its outstanding Indebtedness or

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contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause such Indebtedness to become due prior to its stated maturity; *provided, however*, that no Series 2002-1 Early Amortization Event shall be deemed to occur under this paragraph unless the aggregate amount of Indebtedness in respect of which any default or other event or condition referred to in this paragraph shall have occurred shall be equal to at least \$20,000,000;

then, in the event of any Master Servicer Default, so long as the Master Servicer Default shall not have been remedied (or waived in accordance with the terms of the Transaction Documents), the Trustee may, and at the written direction of the Holders of Investor Certificates evidencing more than 50% of the Aggregate Invested Amount voting as a single class, the Trustee shall, by notice then given in writing to the Master Servicer, each Funding Agent and to each Rating Agency (a "*Termination Notice*"), terminate all or any part of the rights and obligations of the Master Servicer and each Local Servicer hereunder and under the Pooling Agreement and Servicing Agreements (other than rights and obligations of the Master Servicer under the Pooling and Servicing Agreements existing prior to a Master Servicer Default); *provided* that so long as an Affiliate of the Company is the Master Servicer, unless otherwise designated in writing by the Company to the Trustee, any act or omission of the Master Servicer shall not constitute a Master Servicer Default hereunder if and to the extent that such act or omission results only in a failure to transfer to the Company Receipts Account (or otherwise to pay to the Company) any amount which should have been so transferred (or paid).

Notwithstanding anything to the contrary in this *Section 6.01*, a delay in or failure of performance referred to under clause (a) or (b) above for a period of five (5) Business Days after the applicable grace period shall not constitute a Master Servicer Default, if such delay or failure could not have been prevented by the exercise of reasonable diligence by the Master Servicer and such delay or failure was caused by a Force Majeure Delay with respect to the Master Servicer. After receipt by the Master Servicer of a Termination Notice or delivery by the Master Servicer of a Resignation Notice, on the date that the Liquidation Servicer or the Successor Master Servicer, as applicable, shall have been appointed by the Trustee pursuant to *Section 6.02*, all authority and power of the Master Servicer and each Local Servicer under any Pooling and Servicing Agreement to the extent specified in such Termination Notice shall pass to and be vested in the Liquidation Servicer (a "*Service Transfer*") or the Successor Master Servicer, as applicable, and, without limitation, the Trustee is hereby directed, authorized and empowered (upon the failure of the Master Servicer to cooperate) to execute and deliver, on behalf of the Master Servicer, as attorney-in-fact or otherwise, all documents and other instruments upon the refusal of the Master Servicer to execute or to deliver such documents or instruments, and to do and to accomplish all other acts or things necessary or appropriate to effect the purposes of such Service Transfer and the Trustee shall incur no liability in connection with effecting such Service Transfer. The Master Servicer and each Local Servicer agrees to cooperate with the Company, the Trustee and or the Liquidation Servicer or the Successor Master Servicer, as applicable, in effecting the termination of the responsibilities and rights of the Master Servicer and each Local Servicer to conduct their duties hereunder, including, without limitation, the transfer to the Liquidation Servicer or the Successor Master Servicer, as applicable, of all authority of the Master Servicer and each Local Servicer to service the Receivables, provided for under the Pooling and Servicing Agreements (including without limitation, all authority over all Collections that shall on the date of transfer be held by the Master Servicer for deposit, or that have been deposited by the Master Servicer, in any Collection Account, Master Collection Account or Company Concentration Account or that shall thereafter be received with respect to the Receivables), and in assisting the Liquidation Servicer or the Successor Master Servicer, as the case may be. Upon a Service Transfer, the terminated Master Servicer and each Local Servicer shall promptly (x) assemble all of its documents, instruments and other records (including credit files, licenses (to the extent transferable), rights, copies of all relevant computer programs and any necessary licenses (to the

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extent transferable) for the use thereof, related material, computer tapes, disks, cassettes and data) that (i) evidence or record Receivables which are the subject of the Participation and (ii) are otherwise necessary to enable the Liquidation Servicer or the Successor Master Servicer, as the case may be, to coordinate servicing of all such Receivables and to prepare and deliver Daily Reports and Monthly Settlement Reports, (iii) are otherwise necessary to enable the Liquidation Servicer or the Successor Master Servicer, as the case may be, to effect the immediate Collection of such Receivables, with or without the participation of an Originator or the Master Servicer and (y) deliver to the extent permitted by law or license (to the extent transferable) the use of all of the foregoing documents, instruments and other records to such Liquidation Servicer or the Successor Master Servicer, as the case may be, at a place designated by such Liquidation Servicer or the Successor Master Servicer, as the case may be; *provided, however*, that the Master Servicer shall not be required, to the extent it has an ownership interest in any electronic records, computer software or licenses, to transfer, assign, set-over or otherwise convey such ownership interests to the Liquidation Servicer or the

Successor Master Servicer, as the case may be. In recognition of the terminated Master Servicer's need to have access to any such documents, instruments and other records that may be transferred to the Liquidation Servicer or the Successor Master Servicer, as the case may be, hereunder, whether as a result of its continuing responsibility as a servicer of accounts receivable that are not the subject of the Participation or otherwise, such Liquidation Servicer or Successor Master Servicer, as the case may be, shall provide to such terminated Master Servicer reasonable access to such documents, instruments and other records transferred by such terminated Master Servicer to it in connection with any activity arising in the ordinary course of the terminated Master Servicer's business; *provided* that the terminated Master Servicer shall not disrupt or otherwise interfere with the Liquidation Servicer's or the Successor Master Servicer's, as the case may be, use of and access to such documents, instruments and other records. To the extent that compliance with this *Section 6.01* shall require the terminated Master Servicer to disclose to such Successor Master Servicer information of any kind that the terminated Master Servicer reasonably deems to be confidential, the Liquidation Servicer or the Successor Master Servicer, as the case may be, shall be required to enter into such customary licensing and confidentiality agreements as the terminated Master Servicer shall reasonably deem necessary to protect its interests. All costs and expenses incurred by the terminated Master Servicer and the Trustee in connection with any Service Transfer shall be for the account of the terminated Master Servicer and to the extent any costs or expenses incurred by the Trustee are not so paid, the Trustee shall be entitled to be paid such items from amounts that would otherwise be distributable to the Company under Article III of the Pooling Agreement.

Section 6.02. Trustee To Act; Appointment of Successor.

(a) Upon (i), in the case of a termination of the Master Servicer, the receipt by the Master Servicer of a Termination Notice pursuant to Section 6.01 or (ii), in the case of a resignation of the Master Servicer, notification by the Master Servicer to the Trustee, the Company, each Funding Agent and each Rating Agency in writing of its resignation pursuant to Section 5.03 (the "Resignation Notice"), the Master Servicer shall continue to perform all servicing functions under the Pooling and Servicing Agreements until (1) in the case of a termination of the Master Servicer, the earlier of (A) the date on which the appointment of the Liquidation Servicer as Successor Master Servicer has been activated and (B) the date occurring five (5) Business Days after delivery of the Termination Notice by the Trustee to the Master Servicer or, (2) in the case of a resignation of the Master Servicer, the earlier of (X) the date on which a Successor Master Servicer accepts its appointment and (Y) 60 days after the delivery of such Resignation Notice, as the case may be. In the case of a resignation of the Master Servicer, upon the receipt by the Trustee of a Resignation Notice, the Trustee shall endeavor to appoint an eligible Successor Master Servicer subject to satisfaction of the Rating Agency Condition (the "Successor Master Servicer") and such Successor Master Servicer shall accept its appointment by a written assumption in a form acceptable to the Trustee.

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(b) In the case of a resignation of the Master Servicer, in the event that a Successor Master Servicer has not been appointed or has not accepted its appointment at the time when the Master Servicer ceases to act as Master Servicer and in the case of the termination of the Master Servicer, the Trustee, without further action, shall in each case notify the Liquidation Servicer (in the case of a termination, concurrent with giving the Termination Notice) to activate the commencement of servicing by the Liquidation Servicer and to establish the Liquidation Servicer Commencement Date.

(c) Upon its appointment, the Successor Master Servicer shall be the successor in all respects to the Master Servicer and each Local Servicer with respect to servicing functions under the Pooling and Servicing Agreements (with such changes as are agreed to between such Successor Master Servicer and the Company (with the consent of the Rating Agencies) or the Company and the Trustee) and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Master Servicer by the terms and provisions hereof, and all references in any Pooling or Servicing Agreement to the Master Servicer shall be deemed to refer to such Successor Master Servicer. The Successor Master Servicer shall not be liable for, and the replaced Master Servicer shall indemnify the Successor Master Servicer against costs incurred by the Successor Master Servicer as a result of, any acts or omissions of such replaced Master Servicer or any events or occurrences occurring prior to the Successor Master Servicer's acceptance of its appointment as successor to the Master Servicer. Any Successor Master Servicer shall manage the servicing and administration of the Receivables in accordance with the Policies and the terms of the Pooling and Servicing Agreements.

(d) The Company and the Trustee hereby agree that the Successor Master Servicer shall receive the Servicing Fee as its servicing compensation and that the Trustee shall not be liable for any Servicing Fee differential as a result of the Master Servicer fulfilling its obligations hereunder.

Section 6.03. Waiver of Past Defaults. Holders of Investor Certificates evidencing more than 51% of the Aggregate Invested Amount may waive any continuing default by the Master Servicer or the Company in the performance of its respective obligations hereunder and its consequences, except a default in the failure to make any required deposits or payments in respect of any Series of Investor Certificates, which shall require a waiver by the Holders of all of the affected Investor Certificates. Upon any such waiver of a past default, such default shall cease to exist, and any default arising therefrom shall be deemed to have been remedied for every purpose of the Pooling and Servicing Agreements. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon except to the extent expressly so waived. The Company and the Master Servicer shall provide notice to each Rating Agency of any such waiver.

ARTICLE VII

GUARANTY

Section 7.01. Guaranty. In order to induce the Company and the Trustee to execute and deliver this Agreement, and in consideration thereof, the Servicer Guarantor hereby (i) unconditionally and irrevocably guarantees to the Company and the Trustee the

obligations of the Master Servicer and each Local Servicer to perform all of the terms, conditions, covenants and agreements to be made by the Master Servicer and each Local Servicer under this Agreement, the Pooling Agreement or the Origination Agreements, (ii) agrees to cause the Master Servicer and each Local Servicer to perform and observe duly and punctually all of the foregoing, and (iii) agrees that, if for any reason whatsoever the Master Servicer and each Local Servicer fails to so perform and observe such terms, conditions, covenants and agreements, the Servicer Guarantor will duly and punctually perform and observe the same (the obligations referred to in *clauses (i) through (iii)* above are collectively referred to as the "*Guaranteed Obligations*"). The liabilities and obligations of the Servicer Guarantor under the guaranty contained in this Article VII (this "*Guaranty*") will be absolute and unconditional under all circumstances. Notwithstanding anything to the contrary contained herein, the Company and the

Trustee acknowledge and agree that this Guaranty shall be a guaranty of performance and not of payment.

Section 7.02. *Scope of Guarantor's Liability.* The Guaranteed Obligations are independent of the obligations of the Master Servicer, any other guarantor or any other Person, and the Company and the Trustee may enforce any of their rights hereunder independently of any other right or remedy that the Company and the Trustee may at any time hold with respect to their Guaranteed Obligations or any security or other guaranty therefor. Without limiting the generality of the foregoing, the Company and the Trustee may bring a separate action against the Servicer Guarantor without first proceeding against the Master Servicer or any Local Servicer, any other guarantor or any other Person, and regardless of whether the Master Servicer or any other guarantor or any other Person is joined in any such action. The Servicer Guarantor's liability hereunder shall at all times remain effective with respect to Guaranteed Obligations and the obligations of the Master Servicer and each Local Servicer under the Pooling Agreement, notwithstanding any limitations on the liability of any Master Servicer or any Local Servicer to the Company and the Trustee contained in any of the Transaction Documents or elsewhere. The Company and the Trustee's rights hereunder shall not be exhausted by any action taken by the Company and the Trustee until all Guaranteed Obligations have been fully performed.

Section 7.03. *The Company and the Trustee's Right to Amend this Agreement.* The Servicer Guarantor authorizes the Company and the Trustee, at any time and from time to time without notice and, subject to the provisions of *Section 6.03*, without affecting the liability of the Servicer Guarantor hereunder, to: (a) alter the terms of all or any part of the Guaranteed Obligations; (b) waive, release, terminate, abandon, subordinate and enforce all or any part of the Guaranteed Obligations and any security or guaranties therefor, (c) release the Master Servicer, any guarantor or any other Person from any personal liability with respect to all or any part of the Guaranteed Obligations; and (d) assign its rights under this Guaranty in whole or in part.

Section 7.04. *Waiver of Certain Rights by Guarantor.* The Servicer Guarantor hereby waives each of the following to the fullest extent allowed by law:

(a) any defense based upon:

(i) any act or omission of the Company and the Trustee or any other Person that directly or indirectly results in the discharge or release of any of the Master Servicer or any other Person or any of the Guaranteed Obligations or any security therefor; or

(ii) any disability or any other defense of the Master Servicer with respect to the Guaranteed Obligations, whether consensual or arising by operation of law or any bankruptcy, insolvency or debtor-relief proceeding, or from any other cause;

(b) any right (whether now or hereafter existing) to require the Company and the Trustee, as a condition to the enforcement of this Guaranty, to proceed against the Master Servicer;

(c) presentment, demand, protest and notice of any kind, including without limitation notices of default and notice of acceptance of this Guaranty; and

(d) all other rights and defenses the assertion or exercise of which would in any way diminish the liability of the Servicer Guarantor hereunder in respect of the Guaranteed Obligations.

Section 7.05. *Master Servicer's Obligations to Guarantor and Guarantor's Obligations to Master Servicer Subordinated.* Until all of the Guaranteed Obligations have been performed, the Servicer Guarantor agrees that all existing and future obligations of the Master Servicer or Local Servicer to the Servicer Guarantor or the Servicer Guarantor to the Master Servicer or Local Servicer shall be and hereby are expressly subordinated to the full performance of the Guaranteed Obligations, on the terms set forth in *clauses (a) through (d)* below, and the performance thereof is expressly deferred in right to the full performance of the Guaranteed Obligations.

(a) The Servicer Guarantor authorizes and directs the Master Servicer and each Local Servicer and each of the Company and the Trustee authorizes and directs the Servicer Guarantor to take such action as may be necessary or appropriate to effectuate and maintain the subordination provided herein.

(b) No right of any holder of the Guaranteed Obligations to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Servicer Guarantor, the Company and the Trustee or any other

Person or by any noncompliance by the Servicer Guarantor, the Trustee, the Company and the Trustee or any other Person with the terms, provisions and covenants hereof or of the Transaction Documents regardless of any knowledge thereof that any such holder of the Guaranteed Obligations may have or be otherwise charged with.

(c) Nothing express or implied herein shall give any Person other than the Master Servicer, the Company, the Trustee, and the Servicer Guarantor any benefit or any legal or equitable right, remedy or claim hereunder.

(d) If the Servicer Guarantor shall institute or participate in any suit, action or proceeding against the Company or the Trustee or the Company or the Trustee shall institute or participate in any suit, action or proceeding against the Servicer Guarantor, in violation of the terms hereof, the Company or the Trustee or the Servicer Guarantor, as the case may be may interpose as a defense or dilatory plea this subordination, either the Company or the Trustee are irrevocably authorized to intervene and to interpose such defense or plea in their name or in the name of the Company or the Trustee, or the Servicer Guarantor, as the case may be.

Section 7.06. *Guarantor to Pay the Company and the Trustee's Expenses.* The Servicer Guarantor agrees to pay to the Company and the Trustee, on demand, all reasonable costs and expenses, including attorneys' fees, incurred by the Company and the Trustee in exercising any right, power or remedy conferred by this Guaranty, or in the enforcement of this Guaranty, whether or not any action is filed in connection therewith. Until paid to the Company and the Trustee, such amounts shall bear interest, commencing with the Company and the Trustee's demand therefor, for each Settlement Period during the period from the date of such demand until paid, at a rate equal to One-Month LIBOR plus 1.00% (calculated on the basis of a 360-day year).

Section 7.07. *Reinstatement.* This Guaranty shall continue to be effective or be reinstated, as the case may be, and the rights of the Company and the Trustee shall continue, if at any time performance of the General Obligations is discontinued by the Servicer Guarantor upon an event of bankruptcy, dissolution, liquidation or reorganization of the Company, the Trustee, the Servicer Guarantor, any other guarantor or any other Person or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for the foregoing, or any substantial part of their respective property, or they become otherwise insolvent.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01. *Amendment.* This Agreement may only be amended, supplemented or otherwise modified from time to time if such amendment, supplement or modification is effected in accordance with the provisions of *Section 10.01* of the Pooling Agreement.

Section 8.02. *Termination.*

(a) The respective obligations and responsibilities of the parties hereto shall terminate on the Trust Termination Date (unless such obligations or responsibilities are expressly stated to survive the termination of this Agreement).

(b) All authority and power granted to the Master Servicer under any Pooling or Servicing Agreement shall automatically cease and terminate on the Trust Termination Date, and shall pass to and be vested in the Company and, without limitation, the Company is hereby authorized and empowered to execute and deliver, on behalf of the Master Servicer as attorney-in-fact or otherwise, all documents and other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of rights from and after the Trust Termination Date. The Master Servicer shall cooperate with the Company in effecting the termination of its responsibilities and rights to conduct servicing of the Receivables on their respective behalf. The Master Servicer shall transfer all of its records relating to the Receivables to the Company in such form as the Company may reasonably request and shall transfer all other records, correspondence and documents to the Company in the manner and at such times as the Company will reasonably request. To the extent that compliance with this *subsection 8.02(b)* shall require the Master Servicer to disclose to the Company information of any kind that the Master Servicer deems to be confidential, the Company will be required to enter into such customary licensing and confidentiality agreements as the Master Servicer shall reasonably deem necessary to protect its interests.

Section 8.03. *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO ANY CONFLICTS OF LAWS PRINCIPLES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 8.04. **WAIVER OF TRIAL BY JURY AND SUBMISSION TO JURISDICTION.**

(a) THE PARTIES HERETO EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY PARTY AGAINST THE OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THE PARTIES HERETO EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS PLACEMENT AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS SERVICING AGREEMENT.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND

DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, OR ANY LEGAL PROCESS WITH RESPECT TO ITSELF OR ANY OF ITS PROPERTY, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE PARTIES HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

(c) THE PROVISIONS OF THIS *SECTION 8.04* SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT, IN WHOLE OR IN PART, AND THE ISSUANCE, PAYMENT AND DELIVERY OF THE CERTIFICATES.

Section 8.05. *Notices.* All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as set forth in *Section 10.05* of the Pooling Agreement or *Section 8.08* of the related Origination Agreement, or to such other address as may be hereafter notified by the respective parties hereto.

Section 8.06. *Counterparts.* This Agreement may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.07. *Third-Party Beneficiaries.* This Agreement shall inure to the benefit of and be binding upon the parties hereto and the Investor Certificateholders and their respective successors and permitted assigns. Except as provided in this Article VIII, no other person shall have any right or obligation hereunder.

Section 8.08. *Merger and Integration.* Except as specifically stated otherwise herein, this Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement. This Agreement may not be modified, amended, waived, or supplemented except as provided herein.

Section 8.09. *Headings.* The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 8.10. *No Set-Off.* Except as expressly provided in this Agreement, each of the Master Servicer and the Servicer Guarantor agrees that it shall have no right of set-off or banker's lien against, and no right to otherwise deduct from, any funds held in any Collection Account, Master Collection Accounts or Company Concentration Accounts for any amount owed to it by the Company, the Trust, the Trustee or any Holder.

Section 8.11. *No Bankruptcy Petition.*

(a) The Servicer Guarantor hereby covenants and agrees that solely in its capacity as a creditor of the Company it shall not institute against, or join any other Person in instituting against the Company any involuntary bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or

other proceedings (including, but not limited to, petitioning for the declaration of the Company's assets *en désastre*) under any Applicable Insolvency Laws.

(b) The Master Servicer hereby covenants and agrees that solely in its capacity as a creditor of the Company it shall not institute against, or join any other Person in instituting against the Company any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings (including, but not limited to, petitioning for the declaration of the Company's assets *en désastre*) under any Applicable Insolvency Laws.

(c) Notwithstanding anything elsewhere herein, the sole remedy of the Trust, the Trustee, the Holders, the Master Servicer and the Servicer Guarantor or of any other Person in respect of any obligation, covenant, representation, warranty or agreement of the Company under or related to this Agreement shall be against the assets of the Company. Neither the Trust, the Trustee, the Holders, the Master Servicer and the Servicer Guarantor, nor any other Person shall have any claim against the Company to the extent that such assets are insufficient to meet any such obligation, covenant, representation, warranty or agreement (the difference being referred to herein as "shortfall") and all claims in respect of the shortfall shall be extinguished.

Section 8.12. *Responsible Officer Certificates; No Recourse.* Any certificate executed and delivered by a Responsible Officer of the Master Servicer or the Servicer Guarantor, as the case may be pursuant to the terms of the Transaction Documents shall be executed by such Responsible Officer not in an individual capacity but solely in his or her capacity as an officer of the Master Servicer or the Servicer Guarantor, and such Responsible Officer will not be subject to personal liability as to the matters contained in the certificate. A director, officer, employee or shareholder, as such, of the Master Servicer, the Servicer Guarantor or the Company shall not have liability for any obligation of the Master Servicer, the Servicer Guarantor or the Company (as the case may be) hereunder or under any Transaction Document or for any claim based on, in respect of, or by reason of, any Transaction Document, unless such claim results from the gross negligence, fraudulent acts or willful misconduct of such director, officer, employee or shareholder.

Section 8.13. *Consequential Damages.* In no event shall the Master Servicer or The Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, lost profits), even if it has been advised of the likelihood of such loss or damage and regardless of the form of action.

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IN WITNESS WHEREOF, the Company, the Servicer Guarantor, the Master Servicer, each of the Local Servicers and the Trustee have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

HUNTSMAN RECEIVABLES FINANCE LLC,
as Company,

By: /s/ SEAN DOUGLAS

Name: Sean Douglas
Title: *Vice President*

HUNTSMAN (EUROPE) BVBA,
as Master Servicer,

By: /s/ CHRISTOPHE STRUYVELT

Name: Christophe Struyvelt
Title: *Director*

HUNTSMAN INTERNATIONAL LLC,
as Local Servicer,

By: /s/ SEAN DOUGLAS

Name: Sean Douglas
Title: *Vice President and Treasurer*

TIOXIDE AMERICAS, INC.,
as Local Servicer

By: /s/ L. RUSSELL HEALY

Name: L. Russell Healy
Title: *Vice President and Treasurer*

HUNTSMAN PROPYLENE OXIDE LTD.,
as Local Servicer

By: /s/ SEAN DOUGLAS

Name: Sean Douglas
Title: *Vice President*

HUNTSMAN INTERNATIONAL FUELS L.P.,
as Local Servicer

By: /s/ SEAN DOUGLAS

Name: Sean Douglas
Title: *Vice President*

[SIGNATURE PAGE TO THE AMENDED AND RESTATED SERVICING AGREEMENT]

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HUNTSMAN HOLLAND B.V.,
as Local Servicer

By: /s/ ERIK BARENTS

Name: Erik Barents
Title: *Managing Director*

TIOXIDE EUROPE LIMITED,
as Local Servicer

By: /s/ DUNCAN EMERSON

Name: Duncan Emerson
Title: *Director*

HUNTSMAN PETROCHEMICALS (UK) LIMITED,
as Local Servicer

By: /s/ DUNCAN EMERSON

Name: Duncan Emerson
Title: *Director*

TIOXIDE EUROPE SRL,
as Local Servicer

By: /s/ KATIE REGAN

Name: Katie Regan
Title: *Legal Counsel*

HUNTSMAN SURFACE SCIENCES ITALIA SRL,
as Local Servicer

By: /s/ KATIE REGAN

Name: Katie Regan
Title: *Legal Counsel*

HUNTSMAN PATRICA S.R.L.,
as Local Servicer

By: /s/ KATIE REGAN

Name: Katie Regan
Title: *Legal Counsel*

[SIGNATURE PAGE TO THE AMENDED AND RESTATED SERVICING AGREEMENT]

TIOXIDE EUROPE S.L.,
as Local Servicer

By: /s/ KATIE REGAN

Name: Katie Regan
Title: *Legal Counsel*

HUNTSMAN SURFACE SCIENCES IBÉRICA, S.L.,
as Local Servicer

By: /s/ KATIE REGAN

Name: Katie Regan
Title: *Legal Counsel*

TIOXIDE EUROPE SAS,

as Local Servicer

By: /s/ KATIE REGAN

Name: Katie Regan
Title: *Legal Counsel*

HUNTSMAN SURFACE SCIENCES (FRANCE) S.A.S.,
as Local Servicer

By: /s/ KATIE REGAN

Name: Katie Regan
Title: *Legal Counsel*

HUNTSMAN SURFACE SCIENCES UK LTD,
as Local Servicer

By: /s/ GABRIEL KOW

Name: Gabriel Kow
Title: *President*

HUNTSMAN ETHYLENEAMINES LTD.,
as Local Servicer

By: /s/ SEAN DOUGLAS

Name: Sean Douglas
Title: *Vice President*

J.P. MORGAN BANK (IRELAND) plc,
not in its individual capacity but solely as Trustee

By: /s/ DEAN FLETCHER

Name: Dean Fletcher
Title: *Director*

[SIGNATURE PAGE TO THE AMENDED AND RESTATED SERVICING AGREEMENT]

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HUNTSMAN INTERNATIONAL LLC,
as Servicer Guarantor

By: /s/ SEAN DOUGLAS

Name: Sean Douglas
Title: *Vice President and Treasurer*

PRICEWATERHOUSECOOPERS,
as Liquidation Servicer

By: /s/ C.J. ROBERTS

Name: C.J. Roberts
Title: *Director*

[SIGNATURE PAGE TO THE AMENDED AND RESTATED SERVICING AGREEMENT]

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Form of Quarterly Master Servicer's Certificate

(As required to be delivered within 45 days after the end of each calendar year of the Master Servicer pursuant to *Section 4.03* of the Servicing Agreement referred to below)

HUNTSMAN MASTER TRUST

The undersigned, a duly authorized representative of Huntsman (Europe) BVBA, as Master Servicer and Huntsman International as Servicer Guarantor pursuant to (a) the Pooling Agreement, dated as of December 21, 2000 (as amended, supplemented or otherwise modified from time to time, the "*Pooling Agreement*"), by and among Huntsman Receivables Finance LLC (the "*Company*"), Huntsman (Europe) BVBA, as Master Servicer and J.P. Morgan Bank (Ireland) plc (f/k/a Chase Manhattan Bank (Ireland) plc), as Trustee (the "*Trustee*") and (b) the Amended and Restated Servicing Agreement, dated as of October 21, 2002 by and among the Company, the Master Servicer, the Local Servicers (as specified therein), the Guarantor and the Trustee (as amended, supplemented or otherwise modified from time to time, the "*Servicing Agreement*"); the Pooling Agreement and the Servicing Agreement, collectively, the "*Pooling and Servicing Agreements*"), does hereby certify that:

1. Huntsman (Europe) BVBA is, as of the date hereof, the Master Servicer under the Pooling and Servicing Agreements.
2. The undersigned is duly authorized pursuant to the Pooling and Servicing Agreements to execute and deliver this Certificate to the Trustee.
3. A review of the activities of the Master Servicer and the Company during the calendar quarter ended [], and of their respective performance under each Transaction Document was conducted under my supervision.
4. Based on such review, to my knowledge, the Master Servicer and the Company have performed in all material respects all their respective obligations under each Transaction Document and no material default in the performance of such obligations has occurred or is continuing except as set forth in paragraph 5 below.
5. The following is a description of all material defaults in the performance of the Master Servicer and the Company under the provisions of the Transaction Documents known to us to have been made during the calendar quarter ended [], which sets forth in detail (i) the nature of each such default, (ii) the action taken by the Master Servicer and/or the Company, if any, to remedy each such default and (iii) the current status of each default:

[If applicable, insert "None."]

6. The following is a description of each material inaccuracy known to us to exist in any Daily Report and/or Monthly Settlement Report during the calendar year ended [].

Capitalized terms used in this certificate have the meanings ascribed to them in the Pooling and Servicing Agreements.

Schedule 1-1

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate this day of , 200 .

By:

Name:
Title:

Schedule 1-2

**SCHEDULE 2 to the
Servicing Agreement**

**Form of Annual Agreed-Upon Procedures for Auditing the Originator Report Daily
Report and Monthly Settlement Report**

[Date]

Mr. Russell Healy
Huntsman (Europe) BVBA
Everslaan 45

Dear Mr. Healy:

This letter confirms our engagement to perform certain agreed-upon procedures with respect to Huntsman (Europe) BVBA (the "Company") and JPMorgan Chase's (Chase) evaluation of the compliance of the Company with the servicing agreement between the Company, Huntsman Receivables Finance LLC, Tioxide Americas, Inc., Huntsman Holland B.V., Tioxide Europe Limited, Huntsman Petrochemicals LLC, Huntsman Petrochemicals (UK) Limited, Tioxide Europe SRL, Huntsman Surface Sciences Italia SRL, Huntsman Patrica S.R.L., Tioxide Europe S.L., Huntsman Surface Sciences Ibérica, S.L., Tioxide Europe SAS, Huntsman Surface Sciences (France) S.A.S., Huntsman Surface Sciences UK Ltd. and Huntsman Ethyleneamines Ltd., Chase, PriceWaterhouseCoopers, and Huntsman International LLC dated [date] (the "Servicing Agreement").

This engagement to perform agreed-upon procedures will be performed in accordance with standards established by the American Institute of Certified Public Accountants, subject to the terms and conditions set forth herein. The specific procedures that we are to perform are set forth in the accompanying appendix. These procedures have been established based on discussions with you, and the sufficiency of the procedures is solely the responsibility of the Company and Chase, as discussed below. In addition, these procedures may be changed or modified by mutual agreement if, for example, unforeseen circumstances arise. We will promptly discuss any such circumstances with the Company and Chase and, likewise, the Company and Chase agree to promptly notify Deloitte & Touche LLP ("D&T") if modifications to the procedures are requested.

Acknowledgments and Agreements

The Company and Chase each specifically acknowledges and agrees to the following:

- The performance of the agreed-upon procedures will not constitute an audit made in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion on the elements, accounts, or items of a financial statement. Therefore, D&T will not be in a position to express, and will not express, an opinion, or any other form of assurance, with respect to any matters, as a result of performing the agreed-upon procedures.
- The agreed-upon procedures that D&T is to perform at the request of the Company and Chase, and with the agreement of D&T, are limited in nature and do not comprehend all matters relating to the Servicing Agreement that might be pertinent or necessary to the Company's and Chase's evaluation of the Company's compliance with the terms of the Servicing Agreement.
- D&T's report will not extend to any financial statements of the Company or its internal control, taken as a whole, for any date or period.
- The nature, scope, and design of the agreed-upon procedures that D&T is requested to perform are solely the responsibility of the Company and Chase]. Furthermore, D&T has no

Schedule 2-1

responsibility to advise the Company or Chase] of other procedures that might be performed and makes no representations as to the sufficiency of such procedures for the purposes of the Company or Chase.

- D&T's responsibility is limited to performing the procedures specified and agreed to, and to reporting the resulting findings, subject to the limitations contained herein, and our engagement cannot be relied on to disclose errors or fraud should they exist. D&T has no responsibility for updating the procedures performed or for performing any additional procedures.
- The Company shall be solely responsible for providing accurate and complete information requested by D&T. D&T has no responsibility for the accuracy or completeness of the information provided by, or on behalf of, the Company, even if D&T had reason to know or should have known of such inaccuracy or incompleteness.
- Should D&T determine that significant restrictions are being placed on the performance of the agreed-upon procedures by the Company or Chase, D&T shall be entitled to withdraw from this engagement.
- Any report issued by D&T will not be used by, or circulated, quoted, disclosed, or distributed to, nor will reference to such report be made to, anyone who is not a member of management or of the board of directors of the Company or Chase.

Limitation on Liability

The Company and Chase each agrees that D&T and its personnel will not be liable to the Company and Chase for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by the Company to D&T pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of D&T. In no event will D&T or its personnel be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this engagement.

The Company and Chase also each agrees to indemnify and hold harmless D&T and its personnel from all claims, liabilities, and expenses relating to this engagement arising out of or relating to a breach or an alleged breach by the Company and Chase, respectively, of any provision of this engagement letter, including, without limitation, the restrictions on report use and distribution.

The limitation on liability and indemnification provisions of this engagement letter will apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise. The agreements and undertakings of the Company and Chase contained in this engagement letter, such as those pertaining to restrictions on report use and distribution, limitation on liability, and indemnification, will survive the completion or termination of this engagement.

Fees

[Include an appropriate section on engagement fee arrangements.]

* * * * *

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If the above terms are acceptable to you and the services outlined are in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Yours very truly,

DELOITTE & TOUCHE LLP [to be signed manually]

Accepted and agreed to by Huntsman (Europe) BVBA.

By: _____
 Title: _____
 Date: _____

Accepted and agreed to by JPMorgan Chase Bank:

By: _____
 Title: _____
 Date: _____

Accepted and agreed to by PricewaterhouseCoopers:

By: _____
 Title: _____
 Date: _____

Schedule 2-3

Appendix

Capitalized terms used herein shall, unless otherwise defined or referenced herein, have the meanings assigned to such terms in Annex X to the Pooling Agreement dated December 21, 2000 between, among others, the Trustee and the Huntsman Receivables Finance LLC.

The procedures that we will perform are described below.

1. ORIGINATOR DAILY REPORTS

A. Ending receivable balance

We will randomly select three dates from each calendar quarter of the year ending December 31, 200X and will obtain the Originator Daily Reports for each Originator for such dates, which are as follows:

Quarter Ended March 31, 200X	Quarter Ended June 30, 200X	Quarter Ended September 30, 200X	Quarter Ended December 31, 200X
[date]	[date]	[date]	[date]
[date]	[date]	[date]	[date]
[date]	[date]	[date]	[date]

1. For each Originator Daily Report selected, we will prove the arithmetical accuracy of the ending receivable balance

based on the following formula:

- (i) beginning receivable balance less
- (ii) Collections plus
- (iii) new sales less
- (iv) non-contractual dilutions less
- (v) timely payment discounts/commissions issued less
- (vi) volume rebates issued less
- (vii) write-offs prior to 60 days past due less
- (viii) write-offs past 60 days past due less
- (ix) repurchased receivables plus or less
- (x) other adjustments plus
- (xi) misdirected collections less
- (xii) accounts payable offsets.

2. For each Originator Daily Report selected, we will compare categories (i), (iii), (iv), (v), (vi), (vii), (viii) (ix), (x) and (xii) to the Originator's system-generated reports. With respect to categories (ii) and (xi), we will obtain details of the collection entries comprising the Collections balance and we will randomly select three entries and compare the amounts per those entries to the bank reports held by the Originator.

B. *Aging schedule balances*

The Originator Daily Reports selected in 1.A. above contain aging schedules with the following information:

- (i) current / not yet due balance

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- (ii) 1-30 days past due balance
- (iii) 31-60 days past due balance
- (iv) 61-90 days past due balance
- (iv) greater than 90 days past due balance.

Each of items (i) through (v) is hereafter referred to as an "Aging Category".

We will compare the aging balance of each Aging Category per the aging schedules contained in the selected Originator Daily Reports to the Originator's system-generated reports.

C. *Receivables' eligibility presentation*

For each Originator Daily Report selected in 1.A., we will obtain an analysis from the originator's accounts receivable system that details the receivable balance by invoice. We will compare the total per the detail to the amount per the Originator Daily Report. We will randomly select one invoice per the detail analysis and perform the procedures described below.

(a) *Defaulted receivables*

- (i) Using the invoices obtained in 1.C., we will calculate the number of days between such invoice due

date and the date of the Originator Daily Report, from which such receivable was selected.

- (ii) Using the invoices selected in 1.C., we will inquire of Originator's management whether they were aware of such receivables being due from Debtors either in liquidation or receivership.
- (iii) Using the invoices selected in 1.C., we will inquire of Originator's management whether or not such receivables have been written-off on or prior to the Originator Daily Report date.

(b) *Shipped goods*

- (i) Using the invoices selected in 1.C., we will compare the date on which each invoice was issued to the date on which the goods associated with such invoices were shipped as contained within the Originators' books and records.
- (ii) Using the invoices selected in 1.C., we will compare the date on which each invoice was issued and the amount indicated on the face of each invoice to the corresponding entry date and amount contained within the Originators' books and records.

D. *Receivable outstanding balance*

Using the invoices selected in 1.C., plus 7 more invoices per originator selected randomly from each calendar quarter, we will compare the outstanding balance of each receivable to the information contained within the Originators' books and records.

E. *Aging category allocation*

Using the invoices selected in 1.C. and the additional invoices selected in 1.D., we will perform the procedures described below:

- 1. If the selected invoice due date is subsequent to the date of the Originator Daily Report, we will compare the selected invoice to the items within the "current /not yet due" Aging Category.

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- 2. If the selected invoice due date is prior to the date of the Originator Daily Report, we will compute the age of such invoice by counting the number of days from such invoice due date to the date of the Originator Daily Report from which such invoice was selected. We will compare the age of the invoice as computed to the range of "days past due" Aging Category in which the selected invoice was included in the Originator Daily Report.

2. *DAILY REPORT*

A. *Ending receivable balance*

Using the dates selected in 1.A., we will obtain the Daily Reports for such dates and perform the procedures described below.

- 1. For each Daily Report selected, we will prove the arithmetical accuracy of the ending receivable balance based on the following formula:
 - (i) beginning receivable balance less
 - (ii) aggregate initial collections less
 - (iii) new sales less
 - (iv) non-contractual dilutions less
 - (v) timely payment discounts/commissions issued less
 - (vi) volume rebates issued less
 - (vii) write-offs prior to 60 days past due less
 - (viii) write-offs past 60 days past due plus or less

- (ix) other adjustments less
- (x) repurchased receivables less
- (xi) ineligible receivables plus
- (xii) misdirected collections less
- (xiii) accounts payable off-sets plus
- (xiv) mechanical zero off-sets less
- (xv) forward exchange adjustment.

2. For each Daily Report selected, we will compare the balances of categories (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xii) and (xiii) to the sum of the corresponding category from each of the Originator Daily Reports produced on such day.

B. *Aggregate receivable balance*

1. Using the Daily Reports selected in 2.A. above, we will prove the arithmetical accuracy of the Aggregate Receivable Balance reported therein based on the following formula:

(x) the ending receivable balance as indicated in the Daily Report as of such day less

(y) the sum of

- (i) Aggregate Obligor Country Overconcentration Amount
- (ii) Aggregate Obligor Overconcentration Amount

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(iii) Volume Rebate Accrual amount and

(iv) Defaulted Receivables

2. Using the ending receivables balance from the Daily Reports selected in 2.A. above, we will recalculate the country concentration percentages per the aging by dividing each country's receivable balance by the total receivable balance per the aging.
3. Using the ending receivables balance from the Daily Reports selected in 2.A. above, we will recalculate the obligor concentration percentages per the aging by dividing each obligor's receivable balance by the total receivable balance per the aging.
4. We will compare category (iii) to the sum of each corresponding category from each of the Originator Daily Reports produced on such day.
5. We will compare category (iv) to the sum of receivables greater than 60 days past due from all Originator Aging Reports produced on such day.

C. *Aging schedule balances*

The Daily Reports selected in 2.A. above contain aging schedules with the following information:

- (i) current / not yet due balance
- (ii) 1-30 days past due balance

- (iii) 31-60 days past due balance
- (iv) 61-90 days past due balance
- (v) greater than 90 days past due balance.

Each of items (i) through (v) is hereafter referred to as an "Aging Category". We will compare the aging balance of each Aging Category per the aging schedules contained in the selected Daily Reports to the sum of each corresponding category from all the Originator Daily Reports produced on such day.

D. *Aggregate collections balance*

1. For each Daily Report selected, we will compare the Aggregate Daily Collections balances to the corresponding aggregate US Dollar equivalent of the balances appearing in the Company Concentration Accounts on the day of the report being produced. We will recalculate the US Dollar equivalent of the aggregate amount in the Company Concentration Accounts by converting non-US Dollar balances to US Dollars using the blended forward rate of exchange as indicated in the Daily Report.
2. For each Daily Report selected, we will obtain a detail analysis of the collection entries comprising the Initial Collections on the corresponding Originator Daily Reports detailed in 1 above and we will randomly select three entries from each detail analysis and compare the amounts per those entries to the bank statements held by the Huntsman Receivables Finance LLC.

E. *Currency breakdown*

1. For each Daily Report selected, we will recalculate the currency percentages indicated in the Daily Report in relation to US Dollar, Pound Sterling and Euro receivables by dividing the aggregate US Dollar equivalent of the face amount of the receivables contributed on such day in various currencies by the total amount of receivables contributed on such day.

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3. *MONTHLY SETTLEMENT REPORT*

A. *Ending receivable balance*

We will randomly select one Monthly Settlement Reports from each calendar quarter of the year ending December 31, 200X and perform the procedures described below.

1. For each Monthly Settlement Report selected, we will prove the arithmetical accuracy of the ending receivable balance based on the following formula:
 - (i) beginning receivable balance less
 - (ii) aggregate initial collections plus
 - (iii) new sales less
 - (iv) non-contractual dilutions less
 - (v) timely payment discounts/commissions issued less
 - (vi) volume rebates issued less
 - (vii) write-offs prior to 60 days past due less
 - (viii) write-offs past 60 days past due plus or less
 - (ix) other adjustments less
 - (x) repurchased receivables less
 - (xi) ineligible receivables plus
 - (xii) misdirected collections less

- (xiii) accounts payable off-sets plus
- (xiv) mechanical zero off-sets less
- (xv) forward exchange adjustment.

2. For each Monthly Settlement Report selected, we will compare the balances in categories (i) through (xiv) to the sum of each such category from all Daily Reports produced by the Master Servicer during the relevant Settlement Period.

B. *Aggregate receivables balance*

1. Using the Monthly Settlement Reports selected in 1 above, we will prove the arithmetical accuracy of the aggregate receivable balance reported therein based on the following formula:

(x) the ending receivable balance as indicated in the Daily Report as of such day less

(y) the sum of

- (i) Aggregate Country Overconcentration Amount
- (ii) Aggregate Obligor Overconcentration Amount
- (iii) Volume Rebate closing balance amount and
- (iv) Defaulted Receivables.

2. For each Monthly Settlement Report selected, we will compare the balance in category (x) and categories (y) (i) through (iv) to the sum of each category from all Daily Reports produced by the Master Servicer during the relevant Settlement Period.

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C. *Aggregate Collections Balance*

For each Monthly Settlement Report selected, we will compare the Aggregate Collections balance to the sum of the corresponding collections balances from all Daily Reports produced during the relevant Settlement Period.

We were not engaged to, and will not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we will not express such an opinion. If we were to perform additional procedures, other matters might come to our attention that would be reported to you. This report related only to the accounts and items specified and does not extend to the financial statements of the Company or its affiliates.

This report is intended solely for the information and use of the Specified Parties and is not intended to be and should not be used by anyone other than the Specified Parties.

[date]

Appendix-6

**SCHEDULE 3 to the
Servicing Agreement**

**Identification of (A) Company Concentration Accounts, (B) Series Concentration Accounts,
(C) Collection Accounts and (D) Company Receipts Accounts**

- (A) Company Concentration Accounts

COMPANY CONCENTRATION ACCOUNTS

Bank Name	Location	Bank Address	Account Number	Account Currency
Chase Manhattan Bank (Ireland) plc	Dublin.	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071480	Euro
Chase Manhattan Bank (Ireland) plc	Dublin.	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071464	US Dollars
Chase Manhattan Bank (Ireland) plc	Dublin.	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071472	Pound Sterling

(B) Series Concentration Accounts and Subaccounts

**SERIES 2000-1 ACCOUNTS
SERIES 2000-1 ACCRUED INTEREST SUBACCOUNT**

Bank Name	Location	Bank Address	Account Number	Account Currency
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071613	US Dollars
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071647	Euro
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071670	Pound Sterling

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SERIES 2000-1 NON-PRINCIPAL CONCENTRATION SUBACCOUNTS

Bank Name	Location	Bank Address	Account Number	Account Currency
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071621	US Dollars
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071654	Euro
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071688	Pound Sterling

SERIES 200-1 PRINCIPAL CONCENTRATION SUBACCOUNTS

Bank Name	Location	Bank Address	Account Number	Account Currency
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071639	US Dollars
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071662	Euro
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071696	Pound Sterling

Dublin 1
Ireland

(C) Collection Accounts and Master Collection Accounts

COLLECTION ACCOUNTS

Originator Association	Bank Name	Location	Bank Address	Account Number	Account Currency
Huntsman Holland	ABN AMRO	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	567768384	Euro
Huntsman Holland	ABN AMRO	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	567768414	US Dollars
Huntsman Holland	ABN AMRO	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	577215329	US Dollars

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Huntsman Holland	ABN AMRO	Dublin	ABN AMRO Bank Ireland N.V. ABN AMRO House 1 Dublin Ireland SWIFT: ABNAIE2D	50058584	Euro
Huntsman Holland	ABN AMRO	Brussels	ABN AMRO Bank Belgium N.V. Regentlaan 53 1000 Brussels Belgium SWIFT: ABNABEBR	720-5406425-45	Euro
Huntsman Holland	ABN AMRO	Frankfurt	ABN AMRO Bank Germany A.G. Postfach 100138 60001 Frankfurt Germany SWIFT: ABNADEFFRA	1072133/008	Euro
Huntsman Holland	ABN AMRO	Frankfurt	ABN AMRO Bank Germany A.G. Postfach 100138 60001 Frankfurt Germany SWIFT: ABNADEFFRA	1072131/005	Euro
Huntsman Holland	ABN AMRO	Paris	ABN AMRO BANK FRANCE 3, Avenue Hoche 75008 Paris France SWIFT: ABNAFRPP	187390000100 002/0007255243	Euro
Huntsman Holland	ABN AMRO	Milan	ABN AMRO Bank Italy N.V. Casella Postale 928 20101 Milan Italy SWIFT: ABNAITMM	3060497	Euro
Huntsman Holland	ABN AMRO	Madrid	ABN AMRO Bank N.V. Edificio Beatriz, 5 th Floor c/Jose Ortega y Gasset, 29 28006 Madrid	100017878	Euro

			Spain		
Huntsman Holland	ABN AMRO	London	SWIFT: ABNAESM ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London United Kingdom SWIFT: ABNAGB2L	40077802	Euro
Huntsman Holland	ABN AMRO	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London United Kingdom SWIFT: ABNAGB2L	40077829	Pound Sterling
Huntsman Holland	ABN AMRO	Stockholm	ABN AMRO BANK SWEDEN N.V. Stureplan 3 Stockholm Sweden SWIFT: ABNASESS	90910060314	Euro
Huntsman Holland	ABN AMRO	Copenhagen	ABN AMRO BANK DENMARK A.G. Midtermolen 7 DK 2100 Copenhagen Denmark SWIFT: ABNADKKK	7014600	Euro
Huntsman Holland	ABN AMRO	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London United Kingdom SWIFT: ABNAGB2L	40088812	Pound Sterling

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Huntsman Holland	Citibank	Dublin	Citibank N.A. IFSC House Custom House Quay Dublin 1 Ireland SWIFT: CITIE2X	7551029	Euro
Huntsman Holland	Citibank	Brussels	Citibank International Boulevard Général Jaques 263 g B-1050 Brussels Belgium SWIFT: CITIBEBX	570 6169255 16	Euro
Huntsman Holland	Citibank	Frankfurt	Citibank Aktiengesellschaft Neue Mainzerstrasse 75 60311 Frankfurt Postfach 110333 60038 Frankfurt Germany SWIFT: CITIDEFF	021 2307 017	Euro
Huntsman Holland	Citibank	Paris	Citibank N.A. Citicenter 19 le Parvis 92073 Paris La Défense France SWIFT: CITIFRPP	0652064 027 RIB 60	Euro
Huntsman Holland	Citibank	Milan	Citibank N.A. Foro Buonaparte 16-20121 Milano Via Abruzzi, 2/4-00187 Roma Italy SWIFT: CITIITMM	0114305 022	Euro
Huntsman Holland	Citibank	Madrid	Citibank N.A. José Ortega y Gasset, 29	50754-014	Euro

28006 Madrid
Spain

SWIFT: CITIES2X

Huntsman Holland	Citibank	London	SWIFT: CITIGB2LXXX	8,301,212	Euro
Huntsman Holland	Citibank	London	SWIFT: CITIGB2LXXX	8,018,162	Pound Sterling
Huntsman Holland	Citibank	Amsterdam	Citibank N.A. PO box 23445 1100 DX Amsterdam Z.O. The Netherlands SWIFT: CITINL2X	266,054,625	Euro
Huntsman Holland	Citibank	New York	SWIFT: CITIUS33XXX	40,694,027	US Dollars
Huntsman Petrochemicals (UK) Limited	ABN AMRO	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	574927247	Euro
Huntsman Petrochemicals (UK) Limited	ABN AMRO	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	543325539	US Dollars
Huntsman Petrochemicals (UK) Limited	ABN AMRO	Brussels	ABN AMRO Bank Belgium N.V. Regentlaan 53 1000 Brussels Belgium SWIFT: ABNABEBR	720-5406259-73	Euro
Huntsman Petrochemicals (UK) Limited	ABN AMRO	Paris	ABN AMRO BANK FRANCE 3, Avenue Hoche 75008 Paris France SWIFT: ABNAFRPP	18739 00001002/0007256 019	Euro

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Huntsman Petrochemicals (UK) Limited	ABN AMRO	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London United Kingdom SWIFT: ABNAGB2L	040078728	Euro
Huntsman Petrochemicals (UK) Limited	ABN AMRO	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London United Kingdom SWIFT: ABNAGB2L	40041077	Pound Sterling
Huntsman Petrochemicals (UK) Limited	ABN AMRO	Frankfurt	ABN AMRO Bank Germany A.G. Postfach 100138 60001 Frankfurt Germany SWIFT: ABNADEFFRA	1072101/009	Euro
Tioxide Europe Ltd (UK)	ABN AMRO	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	569064694	Euro
Tioxide Europe Ltd (UK)	ABN AMRO	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingel 119 3012EG Rotterdam	569064856	US Dollars

Tioxide Europe Ltd (UK)	ABN AMRO	London	SWIFT: ABNANL2R ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London United Kingdom	40,079,317	Pound Sterling
Tioxide Europe Ltd (UK)	ABN AMRO	Frankfurt	SWIFT: ABNAGB2L ABN AMRO Bank Germany A.G. Postfach 100138 60001 Frankfurt Germany	1637428/006	Euro
Tioxide Europe SA (France)	Credit Lyonnais	Calais	SWIFT: ABNADEFFRA CREDIT LYONNAIS CALAIS Boulevard Jacquard 62100 Calais France	30002-06041-0000061011-F-63	Euro
Tioxide Europe SA (France)	ABN AMRO	Rotterdam	SWIFT: CRLYFRPPBX ABN AMRO Bank Netherlands N.V. Coolensingel 119 3012EG Rotterdam The Netherlands	444269118	Euro
Tioxide Europe SA (France)	ABN AMRO	Brussels	SWIFT: ABNANL2R ABN AMRO Bank Belgium N.V. Regentlaan 53 1000 Brussels Belgium	720-5405683-79	Euro
Tioxide Europe SL (Spain)	ABN AMRO	Huelva	SWIFT: ABNABEBR Banco Bilbao Vizcaya Argentaria (BBVA) Vazquez Lopez, 7 21001 Huelva Spain	ES84 0182 5452 8120 1001 7032	US Dollars

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Tioxide Europe SL (Spain)	BBVA	Huelva	SWIFT: BBVAESMM Banco Bilbao Vizcaya Argentaria (BBVA) Vazquez Lopez, 7 21001 Huelva Spain	ES19 0182 5452 8802 0150 4172	Euro
Tioxide Europe Srl (Italy)	CRF	Bagno Di Gavorrano	SWIFT: CRFIIT3F CASSA DI RISPARMIO DI FIRENZE Via Marconi 88 58021 Bagno Di Gavorrano Italy	ABI 016160 CAB 72250 4300	Euro
Huntsman Surface Sciences (France) SA	Credit Lyonnais	Nancy	SWIFT: CRLYFRPP CREDIT LYONNAIS NANCY 7bis, Rue St Georges / bp1711 54017 Nancy France	30002-07325-0000062132-W-38	Euro
Huntsman Surface Sciences (France) SA	Credit Lyonnais	Nancy	SWIFT: CRLYFRPP CREDIT LYONNAIS NANCY 7bis, Rue St Georges / bp1711 54017 Nancy France	30002-07325-0000062134-Y-69	US Dollars
Huntsman Surface Sciences (France) SA	Credit Lyonnais	Nancy	SWIFT: CRLYFRPP CREDIT LYONNAIS NANCY 7bis, Rue St Georges /	30002-07325-0000062133-X-05	Pound Sterling

			bp1711 54017 Nancy France SWIFT: CRLYFRPP		
Huntsman Surface Sciences (Italy) Srl	ABN AMRO	Milan	ABN AMRO Bank Italy N.V. Casella Postale 928 20101 Milan Italy SWIFT: ABNAITMM	K 03003 01600 303513114	Euro
Huntsman Surface Sciences (Italy) Srl	ABN AMRO	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119 3012EG Rotterdam SWIFT: ABNANL2R	59.52.00.931	US Dollars
Huntsman Surface Sciences (Italy) Srl	ABN AMRO	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London SWIFT: ABNAGB2L	40126935	Pound Sterling
Huntsman Surface Sciences Italy SRL	ABN AMRO Bank NV	Milan	Via Meravigli 7 20123 Milan Italy SWIFT: ABNAITMM	A 03003 01600 303509273	EUR
Huntsman Surface Sciences Italy SRL	ABN AMRO Bank N.V.	London	101 Moorgate London EC2M 6SB United Kingdom SWIFT: ABNAGB2L SORT.CODE: 405030	40103005	GBP
Huntsman Patrica Srl	ABN AMRO	Milan	ABN AMRO Bank Italy N.V. Casella Postale 928 20101 Milan Italy SWIFT: ABNAITMM	K 03003 01600 303513122	Euro
Huntsman Patrica Srl	ABN AMRO	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119 3012EG Rotterdam SWIFT: ABNANL2R	59.51.98.945	US Dollars
Huntsman Patrica Srl	ABN AMRO	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London SWIFT: ABNAGB2L	40126943	Pound Sterling

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Huntsman Patrica SRL	ABN AMRO Bank NV	Milan	Via Meravigli 7 20123 Milan Italy SWIFT: ABNAITMM	U 03003 01600 303509281	EUR
Huntsman Patrica SRL	ABN AMRO Bank N.V.	London	101 Moorgate London EC2M 6SB United Kingdom SWIFT: ABNAGB2L SORT.CODE: 405030	40102955	GBP
Huntsman Surface Sciences Iberica SL	BSCH	Barcelona	BANCO SANTANDER CENTRAL URGEL 257 08036 Barcelona Spain SWIFT: BSCHEM	0049-1819-14- 2810974300	Euro
Huntsman Surface Sciences Iberica SL	BSCH	Barcelona	BANCO SANTANDER CENTRAL URGEL 257 08036 Barcelona Spain SWIFT: BSCHEM	0049-1819-10- 2110974318	Pound Sterling
Huntsman Surface Sciences (UK) Ltd	ABN AMRO	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119	595188524	Euro

			3012EG Rotterdam The Netherlands SWIFT: ABNANL2R		
Huntsman Surface Sciences (UK) Ltd	ABN AMRO	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	595188087	US Dollar
Huntsman Surface Sciences (UK) Ltd	ABN AMRO	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London SWIFT: ABNAGB2L	40126951	Pound Sterling
Huntsman Surface Sciences (UK) Ltd	ABN AMRO Bank NV	London	101 Moorgate London EC2M 6SB United Kingdom SWIFT: ABNAGB2L SORT.CODE: 405030	40103056	GBP

MASTER COLLECTION ACCOUNTS

Bank Name	Location	Bank Address	Account Number	Account Currency
ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119 3012EG Rotterdam SWIFT: ABNANL2R	577301969	Euro
ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119 3012EG Rotterdam SWIFT: ABNANL2R	577301918	Euro
ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119 3012EG Rotterdam SWIFT: ABNANL2R	577301837	U.S. Dollars

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ABN	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London SWIFT: ABNAGB2L	40089045	Pound Sterling
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(D) Company Receipts Accounts

COMPANY RECEIPTS ACCOUNTS

Bank Name	Location	Bank Address	Account Number	Account Currency
ABN	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London SWIFT: ABNAGB2L	40092917	Pound Sterling
ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119 3012EG Rotterdam SWIFT: ABNANL2R	581746643	Euro
ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingsingel 119 3012EG Rotterdam SWIFT: ABNANL2R	581746635	US Dollars

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Business Day/Local Business Day Schedule

For purposes of determining a Business Day or Local Business Day, the following dates set forth with respect to each relevant city shall (together with Saturdays and Sundays) not be Business Days or Local Business Days for the period from the Effective Date through December 31, 2003.

With respect to Business Days

United States	Ireland
January 1	December 5
January 17	December 25
February 21	December 26
May 29	
July 4	
September 4	
October 9	
November 7	
November 23	
December 25	

With respect to Local Business Days

United States	United Kingdom	The Netherlands
January 1	January 1	January 1
January 15	April 13	April 13
February 12	April 16	April 15
February 19	May 7	April 16
May 28	May 28	April 30
July 4	August 27	May 24
September 3	December 25	June 3
October 8	December 26	June 4
November 6		December 25
November 22		December 26
December 25		

France	Spain	Italy
January 1	January 1	January 1
March 21	January 6	January 6
May 1	March 21	March 21
May 8	March 25	March 25
May 29	May 1	May 1
June 9	December 8	December 8
July 14	December 25	December 25
August 15	December 26	December 26
November 11		
December 25		

Schedule 4-1

Location of Records

Huntsman International LLC (as Servicer Guarantor)
500 Huntsman Way
Salt Lake City, Utah 84108 U.S.A.

Huntsman (Europe) BVBA (as Master Servicer)
Everslaan 45
B-3078 Everberg
Belgium

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QuickLinks

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[AMENDED AND RESTATED SERVICING AGREEMENT](#)

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**AMENDED AND RESTATED
U.S. RECEIVABLES PURCHASE AGREEMENT**

among

**HUNTSMAN INTERNATIONAL LLC,
as Purchaser**

and

**TIOXIDE AMERICAS INC.,
HUNTSMAN PROPYLENE OXIDE LTD.,
HUNTSMAN INTERNATIONAL FUELS L.P.,
and
HUNTSMAN ETHYLENEAMINES LTD.**

each as a Seller and an Originator

Dated as of October 21, 2002

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This AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT dated as of October 21, 2002 (this "*Agreement*"), among Huntsman International LLC, a limited liability company organized under the laws of the State of Delaware, as purchaser (the "*Purchaser*"), Tioxide Americas Inc., a company incorporated under the laws of the Cayman Islands, Huntsman Propylene Oxide Ltd., a limited partnership organized under the laws of Texas, Huntsman International Fuels L.P., a limited partnership organized under the laws of Texas (collectively, the "*Existing Originators*") and Huntsman Ethyleneamines Ltd., a limited partnership organized under the laws of Texas (the "*New Originator*"), each as a seller and an originator (the Existing Originators and the New Originator, collectively, the "*Originators*") amends and restates the Receivables Purchase Agreement dated as of December 21, 2000 (the "*Original Agreement*") among Tioxide Americas, Inc., Huntsman Propylene Oxide, Ltd., Huntsman International Fuels L.P. each as a seller and originator thereunder and the Purchaser.

WITNESSETH:

WHEREAS, Huntsman Ethyleneamines Ltd. wishes to become a party to a receivables purchase agreement and the parties to the Original Agreement wish to amend and restate the terms of the Original Agreement;

WHEREAS, the parties are entering into this Agreement under which each of the Existing Originators desires to sell, transfer, convey and assign from time to time, and the New Originator, commencing on the New Originator Effective Date (as defined herein) desires to sell, transfer, convey and assign from time to time, all of its right, title and interest in, to and under Receivables originated by such Originator, now existing and hereafter arising from time to time and all other Receivable Assets related to such Receivables to the Purchaser;

WHEREAS, Huntsman (Europe) BVBA (f/k/a Huntsman ICI (Europe) BVBA), as the Master Servicer (the "*Master Servicer*"), Huntsman Receivables Finance LLC (the "*Company*") and J.P. Morgan Bank (Ireland) plc (f/k/a Chase Manhattan Bank (Ireland) plc), not in its individual capacity but solely as trustee, as Trustee (the "*Trustee*"), have entered into an Amended and Restated Pooling Agreement, dated as of June 26, 2001, as amended by the First Amendment to Amended and Restated Pooling Agreement, dated as of the date hereof, (such agreement, as it may be amended, modified or otherwise supplemented from time to time, the "*Pooling Agreement*") in order to create a master trust into which the Company desires to grant to the Trustee on behalf of the Trust (as defined therein) a participation in and to all proceeds of, or payments in respect of, the Receivables and a security interest in relation to all of its right, title and interest in, to and under the Receivables and certain other assets now or hereafter owned by the Company in consideration for which the Trustee will make certain payments to the Company as specified therein; and

WHEREAS, the Master Servicer, the Company, the Servicer Guarantor, the Purchaser, the Liquidation Servicer, the Local Servicers and the Trustee have entered into an Amended and Restated Servicing Agreement dated as of the date hereof (such agreement, as it may be amended, modified or otherwise supplemented from time to time, the "*Servicing Agreement*") pursuant to which the Master Servicer has agreed to service and administer the Receivables on behalf of the Company.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

1. DEFINITIONS

1.01. *Defined Terms.* Capitalized terms used herein shall, unless otherwise defined or referenced herein, have the meanings assigned to such terms in Annex X attached to the Pooling Agreement which Annex X is incorporated by reference herein.

1.02. *Other Definitional Provisions.*

(a) The words "*hereof*", "*herein*", "*hereunder*" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, subsection, schedule and exhibit references are to this Agreement unless otherwise specified.

(b) As used herein and in any certificate or other document made or delivered pursuant hereto, accounting terms relating to any Originator and the Purchaser, unless otherwise defined or incorporated by reference herein, shall have the respective meanings given to them under GAAP.

(c) The meanings given to terms defined or incorporated by reference herein shall be equally applicable to both the singular and plural forms of such terms.

(d) Any reference herein to a Schedule or Exhibit to this Agreement shall be deemed to be a reference to such Schedule or Exhibit as it may be amended, modified or supplemented from time to time to the extent that such Schedule or Exhibit may be amended, modified or supplemented (or any term or provision of any Transaction Document may be amended that would have the effect of amending, modifying or supplementing information contained in such Schedule or Exhibit) in compliance with the terms of the Transaction Documents.

(e) Any reference in this Agreement to any representation, warranty or covenant "*deemed*" to have been made is intended to encompass only representations, warranties or covenants that are expressly stated to be repeated on or as of dates following the execution and delivery of this Agreement, and no such reference shall be interpreted as a reference to any implicit, inferred, tacit or otherwise unexpressed representation, warranty or covenant.

(f) The words "*include*", "*includes*" or "*including*" shall be interpreted as if followed, in each case, by the phrase "*without limitation*".

(g) Any reference herein to a provision of the Bankruptcy Code, Code, ERISA, 1940 Act or the UCC shall be deemed a reference to any successor provision thereto.

(h) As used herein and with respect to this Agreement only, (i) the term "Effective Date" shall mean October 21, 2002 and (ii) the term "New Originator Effective Date" shall mean such date, as determined by the New Originator and notified in writing to the Purchaser, the Trustee and the Funding Agent, on which the New Originator will commence to sell Receivables to the Purchaser in accordance with this Agreement.

2. PURCHASE AND SALE OF RECEIVABLES

2.01. *Purchase and Sale of Receivables.*

(a) Subject to the terms and conditions of this Agreement (including Article III), each of the Existing Originators and, commencing on the New Originator Effective Date, the New Originator, shall each sell, transfer, assign, and convey, without

recourse (except as expressly provided herein), to the Purchaser, all of its present and future right, title and interest in, to and under:

(i) Receivables originated by such Originator from time to time prior to but not including the date on which an Early Originator Termination occurs pursuant to and as indicated in the respective Originator Daily Report and delivered or transmitted electronically or by telecopier to the Purchaser on the applicable date of sale;

(ii) the Related Property;

(iii) all Collections in respect of the Receivables;

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(iv) all rights (including rescission, replevin or reclamation) of such Originator relating to any Receivable or arising therefrom; and

(v) all proceeds of or payments in respect of any and all of the foregoing clauses (i) through (iv) (including Collections).

Such property described in the foregoing clauses (i) through (v) shall be referred to collectively herein as the "*Receivable Assets*" and shall be considered to be assets that have been sold, transferred, assigned, set over and otherwise conveyed by the applicable Originator to the Purchaser upon the delivery to the Purchaser and acceptance by the Purchaser of the applicable Originator Daily Report (which Originator Daily Report shall not be signed by or on behalf of the Purchaser or any of the Originators provided that such Originator Daily Report shall be deemed accepted unless expressly rejected by the Purchaser in writing on the date of the delivery of the applicable Originator Daily Report to the Purchaser) (such date of acceptance hereinafter referred to as the "*Sale Date*").

(b) Each of the Originators and the Purchaser hereby acknowledge and agree that it is their mutual intent that (a) every transfer of Receivable Assets to the Purchaser hereunder shall be an absolute, unconditional, "*true*" conveyance and not a mere granting of a security interest to secure a loan to or from the Purchaser, (b) the Originators shall not retain any interest in the Receivable Assets after the sale thereof hereunder, and (c) the Receivables originated by each Originator shall not be part of such Originator's insolvency or bankruptcy estate in the event an insolvency or delinquency proceeding or a bankruptcy or other action shall be commenced or filed by or against such Originator under any insolvency or bankruptcy law. In the event, however, that notwithstanding such intent and agreement, such transfers are deemed by any relevant Governmental Authority for any reason whatsoever, whether for limited purposes or otherwise, to be a security interest granted to secure indebtedness of such Originator, such Originator shall be deemed to have granted to the Purchaser a first priority perfected security interest under Article 9 of the UCC in the applicable jurisdiction in all of its right, title and interest in, to and under, in each case, whether now owned or existing, or hereafter acquired or arising, and wherever located, the Receivables originated or purchased by such Originator and the other Receivable Assets related to such Receivables and this Agreement shall constitute a security agreement under applicable law, securing the repayment of the amounts paid hereunder, subject to the other terms and conditions of this Agreement, together with such other obligations or interests as may arise hereunder in favor of the parties hereto.

(c) In connection with any transfer, assignment, conveyance and sale pursuant to *subsection 2.01(a)*, each Originator hereby agrees to record and file, or cause to be recorded and filed, at its own expense, financing statements or other similar filings (and continuation statements with respect to such financing statements or other similar filings when applicable), (i) with respect to the Receivables and (ii) with respect to any other Receivable Assets for which an assignment or the creation of a security interest (as defined in the applicable UCC or other similar applicable laws, legislation or statute) may be perfected under the applicable UCC or other applicable laws, legislation or statute by such filing, in each case meeting the requirements of applicable law in such manner and in such jurisdictions as are necessary to perfect and maintain the perfection of the transfer, assignment, conveyance and sale of such Receivables and any other Receivable Assets related to such Receivables to the Purchaser, and to deliver to the Purchaser (a) on or prior to the Effective Date a photocopy, certified by a Responsible Officer of such Originator to be a true and correct copy, of each such financing statement or other filing to be made on or prior to the Effective Date and (b) within ten (10) days after the Effective Date a file-stamped copy or certified statement of such financing statement (or the similar filing) or other evidence of such filing.

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(d) In connection with the transfer, assignment, conveyance and sale pursuant to *subsection 2.01(a)*, each Originator agrees at its own expense, with respect to the Receivables, that it will, as agent of the Purchaser, (A) (i) on the Effective Date and thereafter, identify on its extraction records relating to Receivables from its master database of receivables, that the Receivables and all other Receivable Assets related thereto have been transferred, assigned, conveyed and sold to the Purchaser in accordance with this Agreement and (ii) acknowledge, deliver or transmit or cause to be delivered or transmitted to the Company and Master Servicer an Originator Daily Report containing at least the information specified in *Schedule 1* hereto as to all such Receivables, as of the applicable date of sale and (B) to (i) on the Effective Date and thereafter, to identify on its extraction records relating to Receivables from its master database of receivables, that all such Receivables and all other Receivable Assets related thereto have been transferred, assigned, conveyed and sold to the Purchaser in accordance with this Agreement and (ii) acknowledge, deliver or transmit or cause to be delivered or transmitted to the Purchaser and the Master Servicer an Originator Daily Report containing at

least the information specified in *Schedule 1* hereto as to all such Receivables, as of the applicable date of sale.

(e) All Receivables purchased by the Purchaser hereunder shall be without recourse to, or any representation or warranty of any kind (express or implied) by, the Originators except as otherwise specifically provided herein. The foregoing sale, assignment, transfer and conveyance does not constitute and is not intended to result in the creation or assumption by the Originators of any obligation of the Originators or any other person in connection with the Receivables or any agreement or instrument relating thereto, including any obligation any Obligor.

2.02. *Purchase Price.* The aggregate purchase price payable by the Purchaser to an Originator (the "*Originator Purchase Price*") for Receivables and other Receivable Assets on any Seller Payment Date under this Agreement shall be equal to the product of (i) the aggregate outstanding Principal Amount of Eligible Receivables as set forth in the applicable Originator Daily Report and (ii) one (1) minus the Discounted Percentage.

2.03. *Payment of Purchase Price.* Purchaser shall pay the Originator Purchase Price for each Receivable and other Receivable Assets (net of the deductions referred to in Section 2.03(b)) on each date of sale related to such purchased Receivable (each such day, an "*Originator Payment Date*").

(a) The Originator Purchase Price (net of the deductions referred to in Section 2.03(b)) shall be paid by Purchaser to the applicable Originator or to such accounts or such Persons as the applicable Originator may direct in writing (which direction may consist of standing instructions provided by the applicable Originator that shall remain in effect until changed by the applicable Originator in writing), on each Originator Payment Date.

(b) The Purchaser shall deduct from the Originator Purchase Price otherwise payable to the Originator on any Originator Payment Date, any Originator Dilution Adjustment Payments, Originator Adjustment Payments or Originator Indemnification Payments pursuant to Section 2.05, 2.06(a) or 2.06(b), respectively.

(c) All cash payments under this Agreement shall be made not later than 3:30 p.m. London time on the date specified therefor in same day funds.

(d) Whenever any payment to be made under this Agreement shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

2.04. *No Repurchase.* Subject to *Section 2.06*, the Originators shall not have any right or obligation under this Agreement, by implication or otherwise, to repurchase from the Purchaser any Receivables or other Receivable Assets related to such Receivables or to rescind or otherwise retroactively effect any purchase of any such Receivables or other Receivable Assets related to such Receivables after the date of sale relating thereto; provided that the foregoing shall not be interpreted

to limit the right of the Purchaser to receive an Originator Dilution Adjustment Payment, an Originator Adjustment Payment or an Originator Indemnification Payment.

2.05. *Rebates, Adjustments, Returns, Reductions and Modifications.* From time to time the Originators may make a Dilution Adjustment to a Receivable in accordance with this *Section 2.05* and *Section 6.02*; provided that if an Originator cancels an invoice related to such Receivable, either (i) such invoice must be replaced, or caused to be replaced, by such Originator with an invoice relating to the same transaction of equal or greater Principal Amount on the same Business Day that such cancellation was made, (ii) such invoice must be replaced, or caused to be replaced, by such Originator with an invoice relating to the same transaction of a lesser Principal Amount on the same Business Day that such cancellation was made and such Originator must make an Originator Dilution Adjustment Payment, to the Purchaser, in an amount equal to the difference between such cancelled and replacement invoices or (iii) such Originator must make an Originator Dilution Adjustment Payment, to the Purchaser in an amount equal to the full value of such cancelled invoice pursuant to this *Section 2.05*. The Originators agree to pay to the Purchaser, on the Sale Date immediately succeeding the date any Dilution Adjustment is granted or made pursuant hereto, the amount of any such Dilution Adjustment (an "*Originator Dilution Adjustment Payment*"). The amount of any Dilution Adjustment shall be set forth in the first Originator Daily Report prepared after the date on which such Dilution Adjustment was granted or made.

2.06. *Payments in Respect of Ineligible Receivables and Originator Indemnification Payments.*

(a) *Adjustment Payment Obligation.* In the event of a breach of any of the representations and warranties contained in *Sections 4.02(a), 4.02(b), 4.02(c), 4.02(d)* or *4.02(f)* in respect of any Receivable sold hereunder or if the Purchaser's interest in any Receivable is not a full legal and beneficial ownership, the respective Originator shall, within 30 days of the earlier of its knowledge or receipt of written notice of such breach or defect from the Purchaser, remedy the matter giving rise to such breach of representation or warranty if such matter is capable of being remedied. If such matter is not capable of being remedied or is not so remedied within said period of 30 days, such Originator upon request of the Purchaser shall repurchase the relevant Receivable from the Purchaser at a repurchase price (without duplication of any Originator Dilution Adjustment Payments made pursuant to *Section 2.05* hereof), equal to the original Principal Amount of such Receivable less Collections received by the Purchaser in respect of such Receivable (the "*Originator Adjustment Payment*"), which payment shall be in the same currency as such Receivable. Upon the payment of an Originator Adjustment Payment hereunder, the Purchaser shall automatically agree to pay to such Originator all Collections received subsequent to such repurchase with respect to such repurchased Receivable. The parties agree that if there is a breach of any of the representations and warranties of any Originator contained in *Section 4.02(a), 4.02(b)* or *4.02(c)* in respect of or concerning any Receivable, the respective Originator's obligation to pay the Originator Adjustment Payment under this *Section 2.06* is a reasonable pre-estimate of loss and not a penalty (and neither the Purchaser nor any other person or entity having an interest in

this Agreement through the Purchaser shall be entitled to any other remedies as a consequence of any such breach).

(b) *Special Indemnification.* In addition to its obligations under *Section 8.02* hereunder, each Originator agrees to pay, indemnify and hold harmless (without duplication of any Originator Dilution Adjustment Payments made pursuant to *Section 2.05* hereof) the Purchaser from any loss, liability, expense, damage or injury which may at any time be imposed on, incurred by or asserted against the Purchaser in any way relating to or arising out of (i) any Receivable becoming subject to any defense, dispute, offset or counterclaim of any kind (other than as expressly permitted by this Agreement or the Pooling Agreement or any Supplement) or (ii) such Originator breaching any covenant contained herein with respect to any Receivable (each of the foregoing events or circumstances being an "*Originator Indemnification Event*"), and such Receivable (or a portion

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thereof) ceasing to be an Eligible Receivable on the date on which such Originator Indemnification Event occurs. The amount of such indemnification shall be equal to the original Principal Amount of such Receivable less Collections received by the Purchaser in respect of such Receivable (the "*Originator Indemnification Payment*"). Such payment shall be made on or prior to the 10th Business Day after the day the Purchaser requests such payment or such Originator obtains knowledge thereof unless such Originator Indemnification Event shall have been cured on or before such 10th Business Day; *provided, however*, that in the event that (x) an Originator Termination Event with respect to an Originator has occurred and is continuing or (y) the Purchaser shall be required to make a payment with respect to such Receivable pursuant to *Section 2.05* of the Pooling Agreement and the Purchaser has insufficient funds to make such a payment, such Originator shall make such payment immediately. The Purchaser shall have no further remedy against such Originator in respect of such an Originator Indemnification Event unless such Originator fails to make an Originator Indemnification Payment on or prior to such 10th Business Day or on such earlier day in accordance with the proviso set forth in this *subsection 2.06(b)*. Upon an Originator Indemnification Payment, the Purchaser shall automatically agree to pay to such Originator all Collections received subsequent to such payment with respect to the Receivable in respect of which an Originator Indemnification Payment is made.

(c) The Originators shall from time to time on demand pay to the Purchaser an amount equal to the amount (if any) of funds required to be paid or deposited by the Purchaser in respect of Stamp Duty pursuant to *Sections 2.07(q) through 2.07(t)* of the Pooling Agreement.

2.07. *Certain Charges.* Each Originator and the Purchaser hereby agree that late charge revenue, reversals of discounts, other fees and charges and other similar items, whenever created, accrued in respect of Receivables shall be the property of the Purchaser notwithstanding the occurrence of an Early Originator Termination and all Collections with respect thereto shall continue to be allocated and treated as Collections in respect of the Receivables transferred, conveyed, assigned and sold to the Purchaser pursuant to *subsection 2.01(a)* hereof.

2.08. *Certain Allocations.* Each Originator, as Local Servicer, hereby agrees that if such Originator can attribute a Collection to a specific Obligor and a specific Receivable, then such Collection shall be applied to pay such Receivable of such Obligor; *provided, however*, that if such Originator cannot attribute a Collection to a specific Receivable, then such Collection shall be applied to pay the Receivables of such Obligor in the order of maturity of such Receivables, beginning with the Receivable that has been outstanding the longest and ending with the Receivable that has been outstanding the shortest.

3. **CONDITIONS TO SALES**

3.01. *Conditions Precedent to the Purchaser's Purchase of Receivables on the Effective Date.* The obligation of the Purchaser to purchase Receivables and the other Receivable Assets related to such Receivables on the Effective Date is subject to the satisfaction of the following conditions precedent which shall have been satisfied, on or prior to the Effective Date:

(a) the Purchaser shall have received copies of duly adopted resolutions (or, if applicable, a unanimous consent) of the Board of Directors or the members, as the case may be of the Originators, as in effect on such Effective Date, authorizing the execution of this Agreement and the consummation of the Transactions pursuant to the Transaction Documents;

(b) the Purchaser shall have received copies of a Certificate of Good Standing for each Originator issued by the Secretary of State of such Originator's state of incorporation or formation;

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(c) the Purchaser shall have received copies of a certificate of a Responsible Officer of each Originator certifying (i) the names and signatures of the officers authorized on its behalf to execute this Agreement and the other Transaction Documents to which it is a party and any other documents to be delivered by it hereunder or thereunder, (ii) that attached thereto is a true, correct, and complete copy of such Originator's certificate of incorporation or formation, as the case may be and by-laws, and (iii) that attached thereto is a true correct and complete copy of the document referred to in clause (a) above and (iv) that attached thereto is a true, correct and complete copy of the document referred to in clause (b) above;

(d) the Purchaser shall have received copies of fully executed counterparts of this Agreement and each other Transaction Document;

(e) the Purchaser shall have received copies of legal opinions, in each case, dated the Effective Date and addressed to:

(i) the Rating Agencies, the Funding Agent, the Purchaser and the Trustee from Counsel to each Originator in form and substance satisfactory to the Trustee and the Funding Agent; and

(ii) Intentionally Omitted;

(f) Intentionally Omitted;

(g) the Purchaser shall have received, to the extent in writing, the Policies of the Originators;

(h) the Purchaser shall have received copies of proper financing statements (Form UCC-1), which will be filed on or prior to the Effective Date naming each Originator as the debtor in favor of, in each case, the Purchaser as the secured party or other similar instruments or documents as may be necessary or in the reasonable opinion of the Purchaser desirable under the UCC of all appropriate jurisdictions to perfect the Purchaser's ownership interest in all Receivables and other Receivable Assets sold hereunder;

(i) the Purchaser shall have received certified copies of requests for information or copies (or a similar search report certified by parties acceptable to the Trustee and the Funding Agent) dated a date reasonably near the Effective Date listing all effective financing statements or charges which name any Originator (under its present name and any previous name) as debtor and which are filed in jurisdictions in which the filings were made pursuant to clause (h) above, together with copies of such financing statements (none of which shall cover any Receivables or Receivable Assets);

(j) the Purchaser shall have received a solvency certificate delivered by each Originator with respect to such Originator's solvency in the form of *Schedule 2* hereto;

(k) Intentionally Omitted; and

(l) the Purchaser shall have received such other approvals, opinions or documents as the Purchaser may reasonably request.

3.02. *Conditions Precedent to Purchase of Receivables.* The obligation of the Purchaser to purchase Receivables and other Receivable Assets on each Sale Date (including, in the case of the Existing Originators, the Effective Date and, in the case of the New Originators, the New Originator Effective Date) is subject to the satisfaction of the following conditions precedent, that, on and as of the related Originator Date, the following statements shall be true with respect to the Receivables originated by such Originator (and the delivery by such Originator of the Originator Daily Report for such Receivable on such Sale Date shall constitute a representation and warranty by such Originator

that on such Sale Date the statements in clauses (a) and (b) below are true with respect to the Receivables originated by such Originator):

(a) the representations and warranties of such Originator contained in *Sections 4.01* shall be true and correct on and as of such Sale Date as though made on and as of such date, except insofar as such representations and warranties are expressly made only as of another date (in which case they shall be true and correct as of such other date);

(b) after giving effect to such sale, no Originator Termination Event or Potential Originator Termination Event with respect to such Originator shall have occurred and be continuing;

(c) such Originator shall have delivered or transmitted via telecopy to the Purchaser, with respect to the Receivables, an Originator Daily Report with respect to Receivables sold by it to the Purchaser and originated by it, reasonably acceptable to the Purchaser and the Funding Agent showing, as of such Sale Date, at least the information specified in *Schedule 1* as to the Receivables to be sold, assigned, transferred and conveyed on such Sale Date;

(d) since the Effective Date, no material adverse change has occurred in the overall rate of collection of the Receivables; and

(e) the Purchaser shall have received such other approvals, opinions or documents as the Purchaser may reasonably request;

provided, however, that the failure of such Originator to satisfy any of the foregoing conditions shall not prevent such Originator from subsequently contributing Receivables originated by it, or purchased by it pursuant to a Receivables Purchase Agreement, upon satisfaction of all such conditions.

3.03. *Conditions Precedent to the Originators' Obligations on the Effective Date.* The obligations of the Originators on the Effective Date shall be subject to the conditions precedent, which may be waived by the Originators, that the Originators shall have received on or before the Effective Date the following, each dated the Effective Date and in form and substance satisfactory to the Originators:

(a) a Certificate of Good Standing for the Purchaser issued by the Secretary of State of Delaware, and certificates of qualification as a foreign limited liability company issued by the Secretaries of State or other similar officials of each jurisdiction where such qualification is material to the transactions contemplated by this Agreement and the other Transaction Documents; and

(b) a certificate of a Responsible Officer of the Purchaser certifying (i) the names and signatures of the managers authorized on its behalf to execute this Agreement and the other Transaction Documents to which it is a party and any other documents to be

delivered by it hereunder or thereunder, (ii) that attached thereto is a true, correct and complete copy of the Purchaser's Certificate of Formation and Limited Liability Company Agreement, and (iii) that attached thereto is a true correct and complete copy of duly adopted resolutions of the managers of the Purchaser, authorizing the execution of this Agreement and the consummation of the Transactions pursuant to the Transaction Documents.

4. REPRESENTATIONS AND WARRANTIES

4.01. *Representations and Warranties of the Originators.* Each Originator represents and warrants to the Purchaser as of the Effective Date that:

(a) *Organization; Powers.* It (i) is an entity duly incorporated or formed, as the case may be, validly existing and in good standing under the laws of its respective jurisdiction, (ii) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, (iii) is qualified to do business in, and is in good

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standing in, every jurisdiction where the nature of its business so requires, except where the failure so to qualify could not reasonably be expected to result in a Material Adverse Effect with respect to it and (iv) has the limited liability company power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Transaction Documents to which it is a party and each other agreement or instrument contemplated hereby or thereby to which it is or will be a party.

(b) *Authorization.* The execution, delivery and performance by each Originator of each of the Transaction Documents to which it is a party and the performance of the Transactions (i) have been duly authorized by all requisite company and, if applicable and required, member action and (ii) will not (A) violate (1) any Requirement of Law applicable to it or (2) any provision of any Transaction Document or other material Contractual Obligation to which it is a party or by which it or any of its property is or may be bound, (B) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any Transaction Document or any other material Contractual Obligation to which it is a party or by which it or any of its property is or may be bound except where any such conflict, violation, breach or default referred to in clause (A) or (B), individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect with respect to it or (C) result in the creation or imposition of any Lien upon the Receivables (other than Permitted Liens and any Lien created under the Transaction Documents or contemplated or permitted thereby).

(c) *Enforceability.* This Agreement and each of the other Transaction Documents to which it is a party have been duly executed and delivered by each Originator and constitutes a legal, valid and binding obligation of each Originator enforceable against each Originator in accordance with its respective terms, subject (a) to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally, from time to time in effect and (b) to general principles of equity.

(d) *Governmental Approvals.* No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the execution and delivery of this Agreement or the consummation of the Transactions contemplated hereby, except for (i) the filing of UCC financing statements (or other similar filings) in any applicable jurisdictions necessary to perfect the Purchaser's ownership interest in the Receivables pursuant to *subsection 3.01(h)*, (ii) such as have been made or obtained and are in full force and effect and (iii) such actions, consents, approvals and filings the failure of which to obtain or make could not reasonably be expected to result in a Material Adverse Effect with respect to it.

(e) *Litigation; Compliance with Laws.*

(i) There are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of such Originator, threatened against such Originator in respect of which there exists a reasonable possibility of an outcome that would result in a Material Adverse Effect with respect to it; and

(ii) Neither it nor any Originator is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in a Material Adverse Effect with respect to it.

(f) *Agreements.*

(i) It is not a party to any agreement or instrument or subject to any corporate restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect with respect to it; and

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(ii) It is not in default in any manner under any provision of any Contractual Obligation to which it is a party or by which it or any of its properties or assets are bound, where such default could reasonably be expected to result in a Material Adverse Effect with respect to it.

(g) *Federal Reserve Regulations.* It is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(h) *Investment Company Act.* It is not an "investment company" as defined in, or subject to regulation under, the 1940 Act or any successor statute thereto.

(i) *Tax Returns.* It has filed or caused to be filed all material tax returns and has paid or caused to be paid or made adequate provision for all taxes due and payable by it and all assessments received by it except to the extent that nonpayment (i) is being contested in good faith or (ii) could not reasonably be expected to result in a Material Adverse Effect with respect to it.

(j) *ERISA Matters.*

(i) it and each of its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the regulations and published interpretations thereunder with respect to any Plan of such Originator or any of its ERISA Affiliates, except for such noncompliance which could not reasonably be expected to result in a Material Adverse Effect with respect to it;

(ii) No Reportable Event has occurred as to which such Originator or any of its ERISA Affiliates was required to file a report with the PBGC, other than reports for which the 30-day notice requirement is waived, reports that have been filed and reports the failure of which to file would not reasonably be expected to result in a Material Adverse Effect with respect to it;

(iii) as of the Effective Date, the present value of all benefit liabilities under each Plan of such Originator or any of its ERISA Affiliates (on an ongoing basis and based on those assumptions used to fund such Plan) did not, as of the last valuation report applicable thereto, exceed the value of the assets of such Plan;

(iv) Neither it nor any of its ERISA Affiliates has incurred any Withdrawal Liability that could reasonably be expected to result in a Material Adverse Effect with respect to it; and

(v) Neither it nor any of its ERISA Affiliates has received any notification that any Multiemployer Plan is in reorganization or has been terminated within the meaning of Title IV of ERISA, or that a reorganization or termination has resulted or could reasonably be expected to result, through increases in the contributions required to be made to such Plan or otherwise, in a Material Adverse Effect with respect to it.

(k) *Accounting Treatment.* Except to the extent otherwise required by law, no Originator will prepare any financial statements that shall account for the transactions contemplated hereby, nor will it in any other respect account for the transactions contemplated hereby, in a manner that is inconsistent with the Purchaser's ownership interest in the Receivables and the other Receivable Assets related thereto. Each Originator intends to treat the sale and conveyance of the Receivables sold hereunder to the Purchaser as a sale of such Receivables for all tax, accounting and regulatory purposes.

(l) *Stamp Duty Group.* Each member of the Stamp Duty Group is associated within the meaning of Section 42 United Kingdom Finance Act 1930 (as amended) with each other member of the Stamp Duty Group.

(m) *Chief Executive Office.* The offices at which each Originator keeps its records concerning the Receivables either (x) are located as set forth on *Schedule 3* hereto or (y) are in

locations as to which each Originator has notified the Purchaser of the location thereof in accordance with *Section 5.06*. The chief executive office of each Originator is set forth on *Schedule 4* and is the place where the Originator is "located" for the purposes of Section 9-103(3)(d) of the applicable UCC that governs the perfection of the ownership interest of the Purchaser in the Receivables sold hereunder, and there have been no other such locations during the four months preceding the date of this Agreement.

(n) *Bulk Sales Act.* No transaction contemplated hereby with respect to any Originator requires compliance with, or will be subject to avoidance under, any bulk sales act or similar law in the United States.

(o) *Names.* The legal name of each Originator is as set forth in this Agreement. No Originator has trade names, fictitious names, assumed names or "doing business as" names except as set forth on *Schedule 5*.

(p) *Solvency.* No Insolvency Event with respect to any Originator has occurred and the sale, assignment, conveyance and transfer of the Receivables by each Originator to the Purchaser has not been made in contemplation of the occurrence thereof. Both prior to and after giving effect to the transactions occurring on the Effective Date and after giving effect to each subsequent transaction contemplated hereunder, (i) the fair value of the assets of each Originator, taken individually at a fair valuation, will exceed the debts and liabilities, subordinated, contingent or otherwise, of each Originator, as applicable; (ii) the present fair saleable value of the property of each Originator, taken individually and not on a consolidated basis, will be greater than the amount that will be required to pay the probable liability of each Originator, as applicable, on its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) each Originator will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) each Originator will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted. For all purposes of clauses (i) through (iv) above, the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. No Originator intends to, nor does it believe that it will incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of

cash to be received by each Originator and the timing of the amounts of cash to be payable on or in respect of its Indebtedness.

(q) *No Originator Termination Event.* As of the Effective Date, no Potential Originator Termination Event or Originator Termination Event with respect to any Originator has occurred and is continuing.

(r) *No Program Termination Event.* As of the Effective Date, no Potential Program Termination Event or Program Termination Event shall have occurred and be continuing.

(s) *No Fraudulent Transfer.* It is not entering into this Agreement with the actual or constructive intent to hinder, delay, or defraud its present or future creditors and is receiving reasonably equivalent value and fair consideration for the Receivables being sold hereunder.

(t) *Collection Procedures.* It has in place the Policies and has not acted in contravention of any such Policies with respect to the Receivables.

(u) *No Early Amortization Event.* No Early Amortization Event or Potential Early Amortization Event has occurred and is continuing.

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(v) *No Material Adverse Effect.* Since the Effective Date, no event has occurred which has had a Material Adverse Effect with respect to it.

The representations and warranties as of the date made set forth in this *Section 4.01* shall survive the transfer, assignment, conveyance and sale of the Receivables and the other Receivable Assets to the Purchaser. Upon discovery by a Responsible Officer of the Purchaser or the Master Servicer or by a Responsible Officer of an Originator of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other parties.

4.02. *Representations and Warranties of the Originators Relating to the Receivables.* Each Originator hereby represents and warrants to the Purchaser on each Sale Date with respect to the Receivables originated by it, being sold, transferred, assigned and conveyed to the Purchaser as of such date:

(a) *Receivables Description.* The Originator Daily Report delivered or transmitted pursuant to *subsection 2.01(a)* sets forth in all material respects an accurate and complete listing of all Receivables related thereto aggregated by Obligor, to be sold, transferred, assigned and conveyed to the Purchaser on such Sale Date and the information contained therein in accordance with *Schedule 1* with respect to each such Receivable is true and correct as of such date.

(b) *No Liens.* Each Receivable existing on the Effective Date or, in the case of Receivables sold, transferred, assigned and conveyed to the Purchaser after the Effective Date, on the date that each such Receivable shall have been sold, transferred, assigned and conveyed to the Purchaser, has been sold, transferred, assigned and conveyed to the Purchaser free and clear of any Liens, except for Permitted Liens and Trustee Liens.

(c) *Eligible Receivable.* On the Effective Date, each Receivable that is represented to be an Eligible Receivable on such date on the Originator Daily Reports is an Eligible Receivable on the Effective Date and, in the case of Receivables sold, transferred, assigned and conveyed to the Purchaser after the Effective Date, each such Receivable that is represented to be an Eligible Receivable sold, transferred, assigned and conveyed to the Purchaser on such Sale Date is an Eligible Receivable on such Sale Date.

(d) *Filings.* All filings and other acts (including but not limited to notifying related Obligor of the assignment of a Receivable) necessary or advisable under the UCC or under other applicable laws of jurisdictions outside the United States (to the extent applicable) shall have been made or performed in order to grant the Purchaser on the applicable Sale Date a full legal and beneficial ownership interest in respect of such Receivables then existing or thereafter arising free and clear of any Liens (except for Permitted Liens and Trustee Liens).

(e) *Policies.* Since the Effective Date, there have been no material changes in the Policies, other than as permitted hereunder.

(f) *True Sale.* Title to each Receivable sold, assigned, conveyed and transferred hereunder will be vested in the Purchaser as described in clauses (b) and (d) above, and such Receivables will not form part of the estate of any Originator upon a bankruptcy of such Originator.

The representations and warranties as of the date made set forth in this *Section 4.02* shall survive the sale, transfer, assignment and conveyance of the Receivables and other Receivable Assets to the Purchaser. Upon discovery by a Responsible Officer of the Purchaser or the Master Servicer or a Responsible Officer of an Originator of a breach of any of the representations and warranties (or of any Receivable encompassed by the representation and warranty in *subsection 4.02(c)* not being an Eligible Receivable as of the relevant Sale Date), the party discovering such breach shall give prompt written notice to the other parties.

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4.03. *Representations and Warranties of the Purchaser.* The Purchaser represents and warrants as to itself as follows:

(a) *Organization; Powers.* The Purchaser (i) is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, (ii) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, (iii) is qualified to do business in, and is in good standing in, each jurisdiction where the nature of its business so requires, except where the failure so to qualify would not have a Material Adverse Effect with respect to it and (iv) has the limited liability company power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Transaction Documents to which it is a party and each other agreement or instrument contemplated hereby or thereby to which it is or will be a party.

(b) *Authorization.* The execution, delivery and performance by the Purchaser of each of the Transaction Documents to which it is a party and the performance of the Transactions (i) have been duly authorized by all requisite company and, if applicable and required, member action and (ii) will not (A) violate (1) any Requirement of Law or (2) any provision of any Transaction Document or any other material Contractual Obligation to which the Purchaser is a party or by which it or any of its property is or may be bound, (B) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any Transaction Document or any other material Contractual Obligation to which it is a party or by which it or any of its properties is or may be bound, except where any such conflict, violation, breach or default referred to in clauses (A) or (B), individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect with respect to it or (C) result in the creation or imposition of any Lien upon the Receivables (other than Permitted Liens or Trustee Liens).

(c) *Enforceability.* This Agreement and each other Transaction Document to which it is a party have been duly executed and delivered by the Purchaser and constitutes, a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its respective terms, subject (a) to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally, from time to time in effect and (b) to general principles of equity.

(d) *Accounting Treatment.* Except to the extent otherwise required by law, the Purchaser will not prepare any financial statements that shall account for the transactions contemplated hereby, nor will it in any other respect account for the transactions contemplated hereby, in a manner that is inconsistent with the Purchaser's ownership interest in the Receivables.

5. **AFFIRMATIVE COVENANTS**

Each Originator hereby agrees that, in the case of the Existing Originators, commencing on the Effective Date, and in the case of the New Originator, commencing on the New Originator Effective Date, and in each case so long as there are any amounts outstanding with respect to Receivables or until an Early Originator Termination, whichever is later, such Originator shall:

5.01. *Financial Statements, Reports, etc.:*

(a) Furnish to the Purchaser, within 150 days after the end of each fiscal year, the balance sheet and related statements of income, members' equity and cash flows showing the financial condition of such Originator as of the close of such fiscal year and the results of its operations during such year, all audited by such Originator's Independent Public Accountants and accompanied by an opinion of such accountants (which shall not be qualified in any material

respect) to the effect that such financial statements fairly present in all material respects the financial condition and results of operations of such Originator in accordance with GAAP consistently applied;

(b) Furnish to the Purchaser, within 60 days after the end of each of the first three fiscal quarters of each fiscal year, such Originator's unaudited balance sheet and related statements of income, members' equity and cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by a Responsible Officer of such Originator;

(c) Furnish to the Purchaser, together with the financial statements required pursuant to clauses (i) and (ii) above, a compliance certificate signed by a Responsible Officer of such Originator stating that (x) the attached financial statements have been prepared in accordance with GAAP and accurately reflect the financial condition of such Originator and (y) to the best of such Responsible Officer's knowledge, no Early Amortization Event or Potential Early Amortization Event exists, or if any Early Amortization Event or Potential Early Amortization Event exists, stating the nature and status thereof;

(d) Furnish to the Purchaser copies of all financial statements, financial reports and proxy statements so furnished;

(e) Furnish to the Purchaser, promptly, all information, documents, records, reports, certificates, opinions and notices requested in connection with the execution and delivery of any Receivables Purchase Agreement; and

(f) Furnish to the Purchaser, promptly, from time to time, such historical information, including aging and liquidation schedules, in form and substance satisfactory to the Funding Agent and the Rating Agencies, as the Purchaser may reasonably request; and

(g) Furnish to the Purchaser, promptly, from time to time, such other information regarding the operations, business affairs and financial condition of such Originator, or compliance with the terms of any Transaction Document, in each case as the Purchaser may reasonably request.

5.02. *Compliance with Law and Policies.*

(a) Comply with all Requirements of Law and material Contractual Obligations to which it is subject and which are applicable to it except to the extent that non-compliance would not reasonably be likely to result in a Material Adverse Effect with respect to it.

(b) Perform its obligations in accordance with the Policies, as amended from time to time in accordance with the Transaction Documents, in regard to the Receivables and the other Receivable Assets.

5.03. *Preservation of Corporate Existence.* (i) Preserve and maintain its business existence, rights and privileges, if any, in the jurisdiction of its organization and (ii) qualify and remain qualified in good standing as a foreign company in each jurisdiction where the nature of its business so requires, except where the failure so to qualify would not, individually or in the aggregate with other such failures, have a Material Adverse Effect with respect to it.

5.04. *Inspection of Property; Books and Records; Discussions.* Keep proper books of records and account in which entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of the Purchaser upon reasonable advance notice to visit and inspect any of its properties and examine and make abstracts from any of its books and records during normal business hours on any Local Business Day and as often as may reasonably be requested, subject to such Originator's security and confidentiality requirements and to discuss the business, operations, properties and financial condition of such Originator with officers and employees of such Originator and with its Independent Public Accountants.

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5.05. *Location of Records.* Keep its chief executive office, and the offices where it keeps the records concerning the Receivables and the other Receivable Assets relating thereto (and all original documents relating thereto), at the locations referred to for it on *Schedule 3* and *Schedule 4* hereto or upon 60 days' prior written notice to the Purchaser, at such other locations in a jurisdiction where all action required by *Section 5.16* shall have been taken and completed and be in full force and effect.

5.06. *Computer Files and other Documents.* At its own cost and expense, retain the ledger used by it as a master record of the Obligors and retain copies of all documents relating to each Obligor as custodian and agent for the Purchaser and other Persons with interests in the Receivables originated by it, as well as retain all Originator Documents.

5.07. *Obligations.* Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its obligations of whatever nature (including, without limitation, all taxes, assessments, levies and other governmental charges imposed on it), except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of such Originator. Defend the right, title and interest of the Purchaser in, to and under the Receivables and the other Receivable Assets related thereto, whether now existing or hereafter created, against all claims of third parties claiming through such Originator. Each Originator will duly fulfill all obligations on its part to be fulfilled under or in connection with each Receivable and will do nothing to materially impair the rights of the Purchaser in such Receivable.

5.08. *Collections.* Instruct each Obligor to make payments in respect of its Receivables to the Collection Account and to comply in all material respects with procedures with respect to Collections reasonably specified from time to time by the Purchaser. In the event that any payments in respect of any such Receivables are made directly to an Originator (including, without limitation, any employees thereof or independent contractors employed thereby), such Originator shall within one (1) Local Business Day of receipt thereof, deliver or deposit such amounts to the Collection Account and, prior to forwarding such amounts, such Originator shall hold such payments in trust for the account and benefit of the Purchaser.

5.09. *Furnishing Copies, Etc.* Furnish to the Purchaser (subject to *Section 8.15* hereof):

(a) within five (5) Local Business Days of the Purchaser's request, a certificate of a Responsible Officer of such Originator, certifying, as of the date thereof, to the knowledge of such officer, that no Originator Termination Event has occurred and is continuing or if one has so occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto;

(b) promptly after a Responsible Officer of such Originator obtains knowledge of the occurrence of any Originator Termination Event or Potential Originator Termination Event, written notice thereof;

(c) promptly following request therefor, such other information, documents, records or reports regarding or with respect to the Receivables of such Originator, as the Purchaser may from time to time reasonably request; and

(d) promptly upon determining that any Receivable originated by it designated as an Eligible Receivable on the Originator Daily Report or Monthly Settlement Report was not an Eligible Receivable as of the date provided therefor, written notice of such determination.

5.10. *Responsibilities of the Originator as Local Servicer.* Notwithstanding anything herein to the contrary, (i) each Originator, while acting as Local Servicer, shall perform or cause to be performed all of its obligations under the Policies related to the Receivables to the same extent as if such Receivables had not been sold, assigned, transferred and conveyed to the Purchaser hereunder, (ii) the exercise by

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the Purchaser of any of its rights hereunder shall not relieve any Originator of its obligations with respect to such Receivables and (iii) except as provided by law, the Purchaser shall not have any obligation or liability with respect to any Receivables, nor shall the Purchaser be obligated to perform any of the obligations or duties of any Originator.

5.11. *Assessments.* Pay before the same become delinquent and discharge all taxes, assessments, levies and other governmental charges imposed on it except such taxes, assessments, levies and governmental charges which are being contested in good faith and for which such Originator has set aside on its books adequate reserves.

5.12. *Purchase of Receivables.* Purchase Receivables solely in accordance with the Receivables Purchase Agreements or this Agreement.

5.13. *Notices.* Promptly give written notice to the Trustee, each Rating Agency, the Purchaser and each Funding Agent for any Outstanding Series of the occurrence of any Liens on Receivables (other than Permitted Liens), Early Amortization Event or Potential Early Amortization Event, including the statement of a Responsible Officer of such Originator setting forth the details of such Early Amortization Event or Potential Early Amortization Event and the action taken, or which such Originator proposes to take, with respect thereto;

5.14. *Bankruptcy.* Cooperate with the Purchaser, the Company, the Funding Agent and Trustee in making any amendments to the Transaction Documents and take, or refrain from taking, as the case may be, all other actions deemed reasonably necessary by the Funding Agent and/or Trustee in order to comply with the structured finance statutory exemption set forth in legislative amendments to the U.S. Bankruptcy Code at or any time after such amendments are enacted into law; *provided, however,* that it shall not be required to make any amendment or to take, or omit from taking, as the case may be, any action which it reasonably believes would have the effect of materially changing the economic substance of the transaction contemplated by the Transaction Documents on the Effective Date.

5.15. *Further Action.* In addition to the foregoing:

(a) Each Originator agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action (including but not limited to notifying the related Obligors to the extent necessary to perfect the ownership interest of the Purchaser in the Receivables) that may be necessary in such Originator's reasonable judgment or that the Purchaser may reasonably request, in order to protect the Purchaser's right, title and interest in the Receivables, or to enable the Purchaser to exercise or enforce any of its rights in respect thereof. Without limiting the generality of the foregoing, each Originator will, upon the request of the Purchaser (i) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or, in the opinion of the Purchaser, advisable to protect the Purchaser's ownership interest in the Receivables and (ii) obtain the agreement of any Person having a Lien on any Receivables owned by such Originator (other than any Lien created or imposed under the Pooling Agreement or any Permitted Lien) to release such Lien upon the sale, assignment, transfer and conveyance of any such Receivables to the Purchaser.

(b) Until the termination of this Agreement, each Originator hereby irrevocably authorizes the Purchaser to file one or more financing or continuation statements (and other similar instruments), and amendments thereto, relative to all or any part of the Receivables and the other Receivable Assets related thereto, sold, assigned, conveyed or transferred or to be sold, assigned, conveyed or transferred by such Originator without the signature of such Originator to the extent permitted by applicable law.

(c) If any Originator fails to perform any of its agreements or obligations under this Agreement, following notice to such Originator detailing such delinquency, the Purchaser may (but

shall not be required to) perform, or cause performance of, such agreements or obligations, and the expenses of the Purchaser incurred in connection therewith shall be payable by such Originator as provided in Section 9.02. The Purchaser agrees promptly to notify such Originator after any such performance; provided, however, that the failure to give such notice shall not affect the validity of any such performance.

5.16. *Marking of Records.* Each Originator will maintain a system that will identify on its extraction records relating to the Receivables from its master database of receivables that the Receivables have been sold, assigned, conveyed or transferred to the Purchaser. Each Originator agrees that from time to time it will promptly execute and deliver all instruments and documents, and take all further action, that Purchaser may reasonably request in order to perfect, protect or more fully evidence the Trustee's first priority perfected security interest in such Receivables and the related Collections.

5.17. *Stamp Duty.*

It will procure that each member of the Stamp Duty Group shall remain associated within the meaning of Section 42 United Kingdom Finance Act 1930 (as amended) with each other member of the Stamp Duty Group.

6. **NEGATIVE COVENANTS**

Except as otherwise provided in *Section 6.11*, each Existing Originator and, commencing on the New Originator Effective Date, the New Originator each hereby agrees that, so long as there are any amounts outstanding with respect to Receivables originated by such Originator, previously sold, assigned, conveyed or transferred by such Originator to the Purchaser or until an Early Originator Termination, whichever is the later, such Originator shall not:

6.01. *Limitations on Transfers of Receivables, Etc.* At any time sell, convey, assign, transfer or otherwise dispose of any of the Receivables or other Receivable Assets relating thereto, except as contemplated by the Transaction Documents.

6.02. *Extension or Amendment of Receivables.* Whether acting as Local Servicer or otherwise, extend, make any Dilution Adjustment to, rescind, cancel, amend or otherwise modify, or attempt or purport to extend, amend or otherwise modify, the terms of any Receivables, unless (a) (i) such cancellation, termination, amendment, modification, or waiver is made in accordance with the Policies (and would have been made in the ordinary course of business), (ii) if such cancellation, termination, amendment, modification or waiver arose as a result of a request from an Obligor, (iii) if any such amendment, modification or waiver does not cause such Receivable to cease to be an Eligible Receivable and (iv) such cancellation, termination, amendment, modification or waiver would not have a material and prejudicial effect on the collectibility of the relevant Receivable or (b) such Dilution Adjustment is the result of a pre-existing contractual obligation between such Originator and the related Obligor with respect to such Receivable *provided*, that in the event such Originator cancels an invoice related to a Receivable, such Originator must make an Originator Dilution Adjustment Payment in accordance with *Section 2.05*; *provided, further* that in the event such Originator cancels an invoice related to a Receivable, either (i) such invoice must be replaced with an invoice relating to the same transaction as the cancelled invoice of equal or greater Principal Amount on the same day, (ii) such invoice must be replaced with an invoice relating to the same transaction as the cancelled invoice of a lesser Principal Amount on the same Business Day and such Originator must make an Originator Dilution Adjustment Payment, to the Purchaser, in an amount equal to the difference between such cancelled and replacement invoices or (iii) the Originator must make an Originator Dilution Adjustment Payment, to the Purchaser, in an amount equal to the full value of such cancelled invoice pursuant to *Section 2.05*.

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6.03. *Change in Payment Instructions to Obligors.* Instruct any Obligor of any Receivables to make any payments with respect to any Receivables other than, in accordance with *Section 5.09*, by check or wire transfer to the Collection Account.

6.04. *Change in Name.* Change its name, use an additional name, change its identity or business structure or change its chief executive officer unless at least 60 days' prior to the effective date of any such change it delivers to the Purchaser such documents, instruments or agreements as are necessary to reflect such change and to continue the perfection of the Purchaser's ownership interest in the Receivables.

6.05. *Policies.* Make any change or modification (or permit any change or modification to be made) in any material respect to the Policies, except (i) if such changes or modifications are necessary under any Requirement of Law, or (ii) if the Rating Agency Condition is satisfied with respect thereto; *provided, however*, that if any change or modification, other than a change or modification permitted pursuant to clause (i) above, would reasonably be expected to have a Material Adverse Effect with respect to a Series which is not rated by a Rating Agency, the consent of Investor Certificateholders representing Fractional Undivided Interests aggregating not less than 51% of the Adjusted Invested amount of such Series (or, as otherwise specified in the related Supplement) shall be required to effect such change or modification.

6.06. *Modification of Legend.* Delete or otherwise modify the identification on the extraction records referred to in *subsection 2.01(d)*.

6.07. *Accounting for Sales.* Except as otherwise required by law, prepare any financial statements which shall account for the transactions contemplated hereby in any manner other than as a sale of the Receivables to the Purchaser or in any other respect account for or treat the transactions contemplated hereby (including for financial accounting purposes, except as required by law) in any manner other than as a sale of the Receivables to the Purchaser.

6.08. *Instruments.* Unless delivered to the Trustee pursuant to *Section 2.01(b)* of the Pooling Agreement, take any action to cause any Receivable not evidenced by an "instrument" (as defined in *Section 9-105(1)(i)* of the applicable UCC) upon origination to become evidenced by an instrument, except in connection with the enforcement or collection of a Defaulted Receivable.

6.09. *Ineligible Receivables.* Without the prior written approval of the Purchaser, take any action which to its knowledge would cause, or would permit, a Receivable that was designated as an Eligible Receivable on the Sale Date relating to such Receivable to cease to be an Eligible Receivable, except as otherwise expressly provided by this Agreement.

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6.10. *Business of the Originator.* Fail to maintain and operate the business currently conducted by such Originator and business activities reasonably incidental or related thereto in substantially the manner in which it is presently conducted and operated if such failure would reasonably be expected to result in a Material Adverse Effect with respect to it.

6.11. *Limitation on Fundamental Changes.* Enter into any merger or consolidate with another Person or sell, lease, transfer or otherwise dispose of assets constituting all or substantially all of the assets of such Originator and its consolidated Subsidiaries (taken as a whole) to another Person or liquidate or dissolve unless:

(a) either (i) such Originator is the surviving entity or (ii) the surviving Person (A) assumes, without execution or filing of any paper or any further act on the part of any of the parties hereto other than such Originator, the performance of each covenant and obligation of such Originator hereunder and (B) no Material Adverse Effect with respect to it shall result from such merger, consolidation, sale, lease, transfer or disposal of assets;

(b) subject to Section 8.15 hereof, it has delivered to the Trustee a certificate executed by a Responsible Officer of such Originator addressed to the Trustee (i) stating that such consolidation, merger, conveyance or transfer complies with this Section 6.11 and (ii) further stating in the Responsible Officer's certificate that all conditions precedent herein provided for relating to such transaction have been complied with;

(c) it has delivered to the Trustee an Opinion of Counsel from a nationally recognized legal counsel to the effect that the sale of Receivables to the Purchaser by such Surviving Person, after the date of such merger, consolidation, sale, lease, transfer or disposal of assets, shall be treated as a "true sale" of any such Receivables;

(d) it has delivered to the Trustee a General Opinion; and

(e) the Rating Agency Condition has been satisfied.

6.12. *Offices.* Move the location of such Originator's chief executive office or of any of the offices where it keeps its records with respect to the U.S. Receivables, or its legal head office to a new location within or outside the jurisdiction where such office is now located, without (i) providing thirty (30) days' prior written notice to the Purchaser, the Trustee, each Funding Agent and each Rating Agency and (ii) taking all actions reasonably requested by the Trustee (including but not limited to all filings and other acts necessary or advisable under the applicable UCC or other applicable laws or similar statute of each relevant jurisdiction) in order to continue the Trust's first priority perfected security interest in all Receivables now owned by the Purchaser or hereafter created.

6.13. *Constitutive Documents.* Amend or make any change or modification to its constitutive documents without first satisfying the Rating Agency Condition and obtaining the consent of each Funding Agent (provided that, notwithstanding anything to the contrary in this Section 6.13, such Originator may make amendments, changes or modifications pursuant to changes in law of the jurisdiction of its organization or amendments to change such Originator's name (subject to compliance with Section 6.04 above), registered agent or address of registered office).

6.14. *Amendment of Transaction Documents or Other Material Documents.* Other than as set forth in the Transaction Documents, amend any Transaction Document or other material document related to any transactions contemplated hereby or thereby including, but not limited to, any of the Receivables Purchase Agreements.

7. TERMINATION EVENTS

7.01. *Originator Termination Events.* If any of the following events (herein called "*Originator Termination Events*") shall have occurred and be continuing with respect to any Existing Originator or, on or after the New Originator Effective Date, with respect to the New Originator:

(a) an Originator shall fail to pay any amount due hereunder in accordance with the provisions hereof and such failure shall continue unremedied for a period of two (2) Business Days from the earlier to occur of (i) the date upon which a Responsible Officer of such Originator obtains actual knowledge of such failure or (ii) the date on which written notice of such failure, requiring the same to be remedied, shall have been given (A) to such Originator by the Company, the Purchaser or the Trustee or (B) to the Purchaser, to the Company, to the Trustee and to such Originator by holders of Investor Certificates evidencing 25% or more of the Aggregate Invested Amount; or

(b) an Originator shall fail to observe or perform any other covenant or agreement applicable to it contained herein (other than as specified in paragraph (a) of this Section 7.01) that has a Material Adverse Effect with respect to it and that continues unremedied until ten (10) Local Business Days after the date on which written notice of such failure, requiring the same to be remedied shall have been given (A) to such Originator by the Purchaser, the Company or the Trustee or (B) to the Purchaser, to the Company, to the Trustee and to such Originator by holders of Investor Certificates evidencing 25% or more of the Aggregate Invested Amount, *provided* that if such failure may be cured and such Originator is diligently pursuing such cure, such event shall not constitute an Originator Termination Event for an additional thirty (30) days; or

(c) any representation or warranty made by such Originator in this Agreement or in any certificate delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made or deemed made, and which continues unremedied until ten (10) Local Business Days after the date on which written notice thereof, requiring the same to be remedied, shall have been given (A) to such Originator by the Purchaser, the Company or the Trustee or (B) to the Purchaser, to the Company, to the Trustee and to such Originator by holders of Investor Certificates evidencing 25% or more of the Aggregate Invested Amount, *provided* that if such incorrectness may be cured and such Originator is diligently pursuing such cure, such event shall not constitute an Originator Termination Event for an additional thirty (30) days and *provided further* that an Originator Termination Event shall not be deemed to have occurred under this paragraph (c) based upon a breach of any representation or warranty set forth in Section 4.02 if such Originator shall have complied with the provisions of Section 2.06 in respect thereof; or

(d) an Originator has been terminated as Local Servicer with respect to the Receivables originated by it, and not replaced as a Local Servicer by an affiliate of Huntsman International, following a Master Servicer Default under the Servicing Agreement,

then, in the case of any Originator Termination Event, so long as such Originator Termination Event shall be continuing, the Purchaser shall terminate its obligation to accept a sale of Receivables from such Originator and such Originator shall be terminated as an Originator upon 10 days written notice (the date on which such notice becomes effective, the "*Originator Termination Date*") to such Originator (any such termination, an "*Early Originator Termination*"); *provided* that such removal or termination shall be in accordance with Section 2.10

of the Pooling Agreement.

7.02. *Program Termination Events.* If any of the following events (herein called "*Program Termination Events*") shall have occurred and be continuing with respect to an Originator:

(a) an Insolvency Event shall have occurred with respect to an Originator; or

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(b) there shall have occurred and be continuing (i) an Early Amortization Event set forth in *Section 7.01* of the Pooling Agreement or (ii) the Amortization Period with respect to all Outstanding Series; or

(c) a notice of Lien shall have been filed by the PBGC against an Originator under Section 412(n) of the Code or Section 302(f) of ERISA for a failure to make a required installment or other payment to a plan to which Section 412(n) of the Code or Section 302(f) of ERISA applies unless there shall have been delivered to the Trustee and the Rating Agencies proof of release of such Lien; or

(d) a Federal (or equivalent) tax notice of Lien, in an amount equal to or greater than \$500,000, shall have been filed against an Originator unless there shall have been delivered to the Trustee and the Rating Agencies proof of release of such Lien; or

(e) any Originator Termination Event shall have occurred and be continuing with respect to an Originator that, as of the last Monthly Settlement Report, had originated more than 10% of the Aggregate Receivables Amount reflected on such report; or

(f) an Originator Termination Event shall have occurred but such Originator has not been terminated within 10 calendar days in accordance with Section 2.10 of the Pooling Agreement.

then, after the expiration of any applicable cure period, the obligation of the Purchaser to accept sales shall terminate without notice (such date of termination, the "*Program Termination Date*"), and there shall be an Early Amortization Event pursuant to Section 7.01 of the Pooling Agreement.

7.03. *Remedies.*

(a) If an Originator Termination Event or Program Termination Event has occurred and is continuing, the Purchaser (and its assignees) shall have all of the rights and remedies provided to an owner of accounts under applicable law in respect thereto.

(b) Each Originator agrees that, upon the occurrence and during the continuation of Program Termination Event as described in *subsection 7.02(a)* or *(b)(i)*:

(i) the Purchaser (and its assignees) shall have the right at any time to notify, or require that such Originator, at its expense, notify, the respective Obligors of the Company's ownership of the Receivables and other Receivable Assets and may direct that payment of all amounts due or to become due under the Receivables be made directly to the relevant current Concentration Accounts;

(ii) the Purchaser (and its assignees) shall have the right to (A) sue for collection on any Receivables or (B) sell any Receivables to any Person for a price that is acceptable to the Purchaser. If required by the applicable UCC (or analogous provisions of any other similar law, statute or legislation applicable to the Receivables), the Purchaser (and its assignees) may offer to sell any Receivable to any Person, together, at its option, with all other Receivables created by the same Obligor. Any Receivable sold hereunder (other than pursuant to the Pooling Agreement) shall cease to be a Receivable for all purposes under this Agreement as of the effective date of such sale;

(iii) such Originator in such capacity or in its capacity as Local Servicer, shall, upon the Purchaser's (or its assignees') written request and at such Originator's expense, (A) assemble all of its documents, instruments and other records (including credit files and computer tapes or disks) that (1) evidence or will evidence or record Receivables and (2) are otherwise necessary or desirable to effect Collections of such Receivables including (i) Receivable specific information including, when applicable, invoice number, invoice due date, invoice value, purchase order reference, shipping date, shipping address, shipping terms, copies of

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delivery notes, bills of lading, insurance documents, copies of letters of credit, bills of exchange or promissory notes, other security documents, and (ii) Obligor specific information, including copy of the Contract, correspondence file and details of any security held (collectively, the "Originator Documents") and (B) deliver such Originator Documents to the Purchaser or its designee at a place designated by the Purchaser. In recognition of each Originator's need to have access to any Originator Documents which may be transferred to the Purchaser hereunder, whether as a result of its continuing business relationship with any Obligor for Receivables or as a result of its responsibilities as Local Servicer, the Purchaser hereby grants to each Originator a license to access the Originator Documents transferred by such Originator to the Purchaser and to access any such transferred computer software in connection with any activity arising in the ordinary course of such Originator's business or in performance of such Originator's duties as Local Servicer; provided that such Originator shall not disrupt or

otherwise interfere with the Purchaser's use of and access to such Originator Documents and its computer software during such license period; and

(iv) upon written request of the Purchaser, each Originator will (A) deliver to the Purchaser all licenses, rights, computer programs, related material, computer tapes, disks, cassettes and data necessary for the immediate collection of the Receivables by the Purchaser, with or without the participation of such Originator (excluding software licenses which by their terms are not permitted to be so delivered; provided that each Originator shall use reasonable efforts to obtain the consent of the relevant licensor to such delivery but shall not be required, to the extent it has an ownership interest in any electronic records, computer software or licenses, to transfer, assign, set-over or otherwise convey such ownership interests to the Purchaser) and (B) make such arrangements with respect to the collection of the Receivables as may be reasonably required by the Purchaser.

8. MISCELLANEOUS

8.01. *Payments.* All payments to be made by a party ("*payor*") hereunder shall be made in Dollars on the applicable due date and in immediately available funds to the recipient's ("*payee*") account set forth in *Schedule 6* of this Agreement or to such other account as may be specified by such payee from time to time in a notice to such payor. Wherever any payment to be made under this Agreement shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

8.02. *Costs and Expenses.* Each Originator agrees (a) to pay or reimburse the Purchaser for all of its out-of-pocket costs and expenses incurred in connection with the preparation and execution of, and any amendment, supplement or modification to, this Agreement, the other Transaction Documents and any other documents prepared in connection herewith and therewith, the consummation and administration of the transactions contemplated hereby and thereby, including, without limitation, all reasonable fees and disbursements of counsel, (b) to pay or reimburse the Purchaser for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement and any of the other Transaction Documents, including, without limitation, the reasonable fees and disbursements of counsel to the Purchaser, (c) to pay, indemnify, and hold the Purchaser harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay caused by such Originator in paying, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of, any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement and any such other documents, and (d) to pay, indemnify, and hold the Purchaser harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (i) which may at any time be

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imposed on, incurred by or asserted against the Purchaser in any way relating to or arising out of this Agreement or the other Transaction Documents or the transactions contemplated hereby and thereby or in connection herewith or any action taken or omitted by the Purchaser under or in connection with any of the foregoing (all such other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements being herein called "*Originator Indemnified Liabilities*") or (ii) which would not have been imposed on, incurred by or asserted against the Purchaser but for its having acquired the Receivables hereunder; *provided, however*, that such indemnity shall not be available to the extent that such Originator Indemnified Liabilities are finally judicially determined to have resulted from the gross negligence or willful misconduct of the Purchaser. The agreements of each Originator in this *Section 8.02* shall survive the collection of all Receivables, the termination of this Agreement and the payment of all amounts payable hereunder.

8.03. *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of the Originators and the Purchaser and their respective successors (whether by merger, consolidation or otherwise) and permitted assigns. Each Originator agrees that it will not assign or transfer all or any portion of its rights or obligations hereunder without the prior written consent of the Purchaser. Each Originator acknowledges that the Purchaser shall grant a Participation and a security interest in all of its rights hereunder to the Trustee pursuant to the Pooling Agreement. Each Originator further agrees that, in respect of its obligations hereunder, it will act at the direction of and in accordance with all requests and instructions from the Trustee until all amounts due to the Investor Certificateholders are paid in full.

8.04. *Additional Originators.* Huntsman International may admit as an Originator under this Agreement any member of the Huntsman Group, provided such member is formed or organized in a State of the United States of America (such party or parties shall be referred to as an "*Additional Originator*") and such member is a wholly-owned Subsidiary (directly or indirectly) of Huntsman International. The admission of such Additional Originator shall be subject to the following conditions:

(a) the Company shall receive the documents and information specified in *Section 3.01* in respect of the Additional Originator, each in form and substance satisfactory to the Company where reference to the "Effective Date" shall be the date of admission as an Additional Originator;

(b) the Additional Contributor shall execute and deliver to the Company a duly completed agreement as set out in *Schedule 7* (the "*Admission of Additional Originator*");

(c) the consent of the Funding Agents shall have been obtained;

(d) the Rating Agency Condition shall have been satisfied;

(e) receipt by the Trustee and the Funding Agent and any agent for the Certificateholders of a certificate from the Master Servicer certifying that after giving effect to the addition of such Additional Originator, the Aggregate Allocated Receivables Amount shall equal the Aggregate Target Receivables Amount on the date of such admission; and

(f) the Trustee shall have established on or more Collection Accounts and executed a Collection Account Agreement with respect to the Collections received on the Receivables to be sold by such Additional Originator and contributed by the Company to the Trust;

provided, that satisfaction of the Rating Agency Condition shall not be a condition precedent to admission as an Additional Originator if:

(i) Huntsman International provides the Trustee with an Officer's certificate certifying that such Additional Originator is in the same line of business as the existing Originators; and

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(ii) immediately prior to giving effect to such addition, the ratio (expressed as a percentage) of (I) the aggregate Principal Amount of what would constitute all Eligible Receivables of such requesting Additional Originator at the end of the immediately preceding Business Day if it were an Additional Originator plus the aggregate Principal Amount of Eligible Receivables of all Additional Originators admitted during the then current calendar year, minus the amount that would constitute the Overconcentration Amount applicable to all such Receivables on such date if such requesting Additional Originator were an Additional Originator to (II) the Aggregate Receivables Amount on such date (before giving effect to such addition), is less than 10%.

Upon satisfaction of the above conditions, the Additional Originator shall be deemed to be a party to this Agreement, and for all purposes of the Transaction Documents shall be deemed to be a "U.S. Originator" and "Originator". The Additional Originator shall be under the same obligations towards each of the other parties to this Agreement as if it had been an original party hereto as an "*Originator*".

8.05. *Intentionally Omitted*

8.06. *Intentionally Omitted*

8.07. *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND WITHOUT REFERENCE TO ANY CONFLICT OF LAWS PRINCIPLES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW), SUBJECT TO THE RESERVATION OF THE LAWS OF ANOTHER JURISDICTION THAT MAY BE APPLICABLE TO ANY ISSUES RELATED TO PERFECTION OF ANY SALE HEREUNDER.

8.08. *No Waiver; Cumulative Remedies.* No failure to exercise and no delay in exercising, on the part of the Purchaser, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

8.09. *Amendments and Waivers.* Neither this Agreement nor any terms hereof may be amended, supplemented or modified except in a writing signed by the Purchaser and the Originators and that otherwise complies with any applicable provision in the other Transaction Documents. Any amendment, supplement or modification shall not be effective until the Rating Agency Condition has been satisfied.

8.10. *Severability.* Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.11. *Notices.* All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three (3) days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as

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follows in the case of the Purchaser and the Originator, or to such other address as may be hereafter notified by the respective parties hereto:

With respect to the Purchaser:

Huntsman International LLC
500 Huntsman Way
Salt Lake City
Utah 84108
USA

Attention: Office of the General Counsel
Telecopy: 1 (801) 584-5782

Copy to:

Huntsman (Europe) BVBA
Everslaan 45

B-3078 Everberg
Belgium

Attention: Treasury Department
Telecopy: 32 2759 5501

With respect to the Originators:

Tioxide Americas Inc.
500 Huntsman Way
Salt Lake City, Utah 84108
USA

Attention: Office of the General Counsel
Telecopy: 1 (801) 584-5782]

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Copy to:

Huntsman Propylene Oxide Ltd.
500 Huntsman Way
Salt Lake City, Utah 84108
USA

Attention: Office of General Counsel
Telecopy: 1 (801) 584-5782

Huntsman International Fuels L.P.
500 Huntsman Way
Salt Lake City, Utah 84108
USA

Attention: Office of the General Counsel
Telecopy: 1 (801) 584-5782

Huntsman (Europe) BVBA
Everslaan 45
B-3078 Everberg
Belgium

Attention: Treasury Department
Telecopy: 32 2759 5501

Huntsman Ethyleneamines Ltd.
3040 Post Oak Boulevard
Houston, TX 75201
USA

Attention: Office of the General Counsel
Telecopy: 1 (801) 584-5782

With Respect to the Trustee:

J.P. Morgan Bank (Ireland) plc
Institutional Trust Services
International Financial Center, Floor 1
Dublin, Ireland

Attention: Mick Devane
Telecopy: 00 353 1 612 3139

8.12. *Counterparts.* This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Purchaser.

8.13. *Submission to Jurisdiction; Service of Process.*

(a) Each of the parties hereto hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in the Borough of Manhattan, City of New York for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the parties hereto hereby irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court, any claim that any such proceeding brought in such a court has been brought in an inconvenient forum and any claim based on its immunity from suit. Nothing in this Section 8.12(a) shall affect the right of any party hereto to bring any action or proceeding against another or its property in the courts of other

(b) EACH PARTY WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY EITHER PARTY AGAINST THE OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH PARTY HERETO AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES HERETO FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION 8.12(b) AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISIONS HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

8.14. *No Bankruptcy Petition.*

(a) Each Originator, by entering into this Agreement, covenants and agrees, to the extent permissible under applicable law, that it will not institute against, or join any other Person in instituting against, the Purchaser any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings (including, but not limited to, petitioning for the declaration of the Purchaser's assets en désastre) under any Applicable Insolvency Laws.

(b) Notwithstanding anything elsewhere herein contained, the sole remedy of the Originators or any other Person in respect of any obligation, covenant, representation, warranty or agreement of the Purchaser under or related to this Agreement shall be against the assets of the Purchaser. None of the Originators nor any other Person shall have any claim against the Purchaser to the extent that such assets are insufficient to meet such obligation, covenant, representation, warranty or agreement (the difference being referred to herein as a "shortfall") and all claims in respect of the shortfall shall be extinguished.

8.15. *Termination.* This Agreement will terminate at such time as (a) the commitment of the Purchaser to accept a sale of Receivables from the Originators hereunder shall have terminated and (b) all Receivables have been collected, and the proceeds thereof turned over to the Purchaser and all other amounts owing to the Purchaser hereunder shall have been paid in full or, if Receivables have not been collected, such Receivables have become Defaulted Receivables and the Purchaser shall have completed its collection efforts in respect thereto; *provided, however*, that the indemnities of the Originators to the Purchaser set forth in this Agreement shall survive such termination and *provided further* that, to the extent any amounts remain due and owing to the Purchaser hereunder, the Purchaser shall remain entitled to receive any Collections on Receivables which have become Defaulted Receivables after it shall have completed its collection efforts in respect thereof. Notwithstanding anything to the contrary contained herein, if at any time, any payment made by any Originator is rescinded or must be restored or returned by the Purchaser as a result of any Insolvency Event with respect to such Originator then such Originator's obligations with respect to such payment shall be reinstated as though such payment had never been made.

8.16. *Responsible Officer Certificates; No Recourse.* Any certificate executed and delivered by a Responsible Officer of the Originators or the Purchaser pursuant to the terms of the Transaction Documents shall be executed by such Responsible Officer not in an individual capacity but solely in his or her capacity as an officer of the Originators or the Purchaser, as applicable, and such Responsible Officer will not be subject to personal liability as to the matters contained in the certificate. A director, officer, manager, employee, or member, as such, of the Originators or Purchaser shall not have liability for any obligation of the Originators or the Purchaser hereunder or under any Transaction Document

or for any claim based on, in respect of, or by reason of, any Transaction Document, unless such claim results from the gross negligence, fraudulent acts or willful misconduct of such director, officer, employee, manager or member.

[SIGNATURES COMMENCE ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Receivables Purchase Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

HUNTSMAN INTERNATIONAL LLC,
as Purchaser

By: /s/ J. KIMO ESPLIN

Name: J. Kimo Esplin
Title: *Executive Vice President and CFO*

TIOXIDE AMERICAS INC.,
as Seller and Originator

By: /s/ L. RUSSELL HEALY

Name: L. Russell Healy
Title: *Vice President and Treasurer*

HUNTSMAN PROPYLENE OXIDE LTD.,
as Seller and Originator

By: /s/ PATRICK W. THOMAS

Name: Patrick W. Thomas
Title: *President*

HUNTSMAN INTERNATIONAL FUELS L.P.,
as Seller and Originator

By: /s/ PATRICK W. THOMAS

Name: Patrick W. Thomas
Title: *President*

HUNTSMAN ETHYLENEAMINES LTD.,
as Seller and Originator

By: /s/ PATRICK W. THOMAS

Name: Patrick W. Thomas
Title: *President*

**SCHEDULE 1 to the
U.S. Receivables Purchase Agreement**

Form of Originator Daily Report

Huntsman Master Trust—Daily Report

	Report Date 02-Nov-00	Activity Date 01-Nov-00		
	Seller Interest	Series 2000-1 Investor Interest	Series 2000-2 Investor	Total
Pool Activity				
Beginning Receivables Balance				
Plus: FX Adjustment				
Less: Aggregate Initial Collections				
Plus: New Sales				
Less: Non-Contractual Dilutions				
Less: Timely Payment Discount Issued				
Less: Volume Rebate Issued				
Less: Write-Offs Prior to 60 days				
Less: Write-Offs Past to 60 days				
Less: Seller Adjustment/Payment Repurchased Receivables				
Less: Misdirected Receivables				
Plus: Mechanical Zero Offsets				
Plus: Other Adjustments				
Ending Receivables Balance				
Less: Defaulted Receivables				
Less: Obligor Overconcentration Amount				
Less: Country Overconcentration Amount				
Less: Commissions/Cash Discounts Accruals				

Less: Volume Rebate Accruals

Less: A/P Offsets

Aggregate Receivables Amount

Series 2000-1 Servicer Advance Outstanding

Series 2000-1 Servicer Advance Outstanding

Beginning Invested %

Invested Amount

Adjusted Invested Amount

Required Subordinated Amount

Target Receivables Amount

Allocated Receivables Amount

Collateral Compliance

Series 2000-1 Purchase Price

Ending Invested %

1-1

Form of Daily Report

Part 2 of 4

TOTAL USD EQUIVALENT

Daily Allocation of Collections

Total Collections in the Trust Accounts

A/R Collections Allocated

Servicer Advance

Total funds to allocate

Deposit to Accrued Interest Subaccount

Deposit to Non-Principal Conc Subacc

Deposit to Principal Conc Subacc (Servicer Advance)

Deposit to Servicer Account (Serv Advance Repayment)

Deposit to repay Invested Amount

Deposit to Company Receipts Account

Total Allocated

US DOLLAR

Daily Allocation of Collections and Servicer Advance

Total Collections in the Trust Accounts

A/R Collections Allocated

Servicer Advance

Total funds to allocate

Deposit to Accrued Interest Subaccount

Deposit to Non-Principal Conc Subacc

Deposit to Principal Conc Subacc (Servicer Advance)

Deposit to Servicer Account (Serv Advance Repayment)

Deposit to repay Invested Amount

Deposit to Company Receipts Account

Total Allocated

EURO

Daily Allocation of Collections

Total Collections in the Trust Accounts

A/R Collections Allocated

Servicer Advance

Total funds to allocate

Deposit to Accrued Interest Subaccount

Deposit to Non-Principal Conc Subacc

Deposit to Principal Conc Subacc (Servicer Advance)

Deposit to Servicer Account (Serv Advance Repayment)

Deposit to repay Invested Amount

Deposit to Company Receipts Account

Total Allocated

Beginning Balance	Beginning Balance
Deposit—funds from Collection Account	Deposit
Deposit—Servicer Advance	Withdrawal
Withdrawal—Servicer Advance Repayment	
Withdrawal—Tranche 1 Repayment	
Withdrawal—Tranche 2 Repayment	
Withdrawal—Funds to the Company Receipts Account	
Ending Balance	Ending Balance

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Form of Daily Report

Part 4 of 4

EURO	
Series 2000-1 Euro Accrued Interest Subaccount (7971071647)	Series 2000-2 Euro Accrued Interest Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit	Deposit
Withdrawal	Withdrawal
Ending Balance	Ending Balance

Series 2000-1 Euro Non-Principal Collection Subaccount (7971071654)	Series 2000-2 Euro Non-Principal Collection Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit—Collections	Deposit—Collections
Deposit—Interest Income	Deposit—Interest Income
Withdrawal	Withdrawal
Ending Balance	Ending Balance

Series 2000-1 Euro Principal Collection Subaccount (7971071662)	Series 2000-2 Euro Principal Collection Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit—funds from Collection Account	Deposit
Deposit—Servicer Advance	Withdrawal
Withdrawal—Servicer Advance Repayment	
Withdrawal—Tranche 1 Repayment	
Withdrawal—Tranche 2 Repayment	
Withdrawal—Funds to the Company	
Receipts Accounts	
Ending Balance	Ending Balance

STERLING	
Series 2000-1 GBP Accrued Interest Subaccount (7971071670)	Series 2000-2 GBP Accrued Interest Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit	Deposit
Withdrawal	Withdrawal
Ending Balance	Ending Balance

Series 2000-1 GBP Non-Principal Collection Subaccount (7971071688)	Series 2000-2 GBP Non-Principal Collection Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit—Collections	Deposit—Collections
Deposit—Interest Income	Deposit—Interest Income
Withdrawal	Withdrawal
Ending Balance	Ending Balance

Series 2000-1 GBP Principal Collection Subaccount (7971071696)	Series 2000-2 GBP Principal Collection Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit—funds from Collection Account	Deposit
Deposit—Servicer Advance	Withdrawal
Withdrawal—Servicer Advance Repayment	
Withdrawal—Tranche 1 Repayment	
Withdrawal—Tranche 2 Repayment	
Withdrawal—Funds to the Company	
Receipts Account	
Ending Balance	Ending Balance

The undersigned, an Officer of Huntsman (Europe) B.V.B.A, as Master Servicer, certifies that the information set forth above is true and correct and it has performed in all material respects all of its obligations as Servicer under the Pooling and Servicing Agreements required to be performed as of the date hereof.

Names:
Title:
Date:

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**SCHEDULE 2 to the
U.S. Receivables Purchase Agreement**

Form of Solvency Certificate

To: Huntsman International LLC
500 Huntsman Way
Salt Lake City
Utah 84108

Attention: General Counsel

Copy to: J.P. Morgan Bank (Ireland) plc, as Trustee

Attention: Padraic Dougherty

Facsimile: 00 353 1 612 5777

I, _____, a duly elected director/manager of [Tioxide Americas Inc.], [Huntsman Propylene Oxide Ltd.], [Huntsman International Fuels L.P.], [Huntsman Ethyleneamines Ltd.] (the "*Originator*") hereby certify (in my capacity as a director/manager of the Originator) in connection with the sale of certain Receivables on the date hereof to the Purchaser (as defined herein) pursuant to that certain Amended and Restated Receivables Purchase Agreement dated as of October 21, 2002 (the "*Receivables Purchase Agreement*"), between the Originator, and Huntsman International LLC, as purchaser (the "*Purchaser*") as follows:

The fair value of the assets of the Originator at a fair valuation exceeds the debts and liabilities (whether subordinated, contingent or otherwise) of the Originator. The assets of the Originator do not constitute unreasonably small capital to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted. The present fair saleable value of the property of the Originator will be greater than the amount that will be required to pay the probable liability of the Originator on its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured. The Originator does not intend to, or believe that it will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by the Originator and the timing of the amounts of cash to be payable on or in respect of its Indebtedness. The Originator does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of the Originator or any of its assets or revenue.

Capitalized terms used herein but not otherwise defined shall have the respective meanings assigned to such terms in Annex X to the Pooling Agreement.

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IN WITNESS WHEREOF, I have signed and delivered this solvency certificate this _____ day of [•].

[TIOXIDE AMERICAS INC.]

By: _____

Name:
Title:

[HUNTSMAN PROYLENE OXIDE LTD.]

By: _____

Name:
Title:

[HUNTSMAN INTERNATIONAL FUELS L.P.]

By: _____

Name:

Title:

[Huntsman Ethyleneamines Ltd.]

By:

Name:

Title:

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**SCHEDULE 3 to the
U.S. Receivables Purchase Agreement**

Location of Books and Records

Tioxide Americas Inc.
Esplanade at Locus Point
2001 Butterfield Road
Suite 601
Downers Grove, Illinois 60515
USA

Huntsman Propylene Oxide Ltd.
3040 Post Oak Boulevard
Houston, Texas 77056
USA

Huntsman International Fuels, L.P.
3040 Post Oak Boulevard
Houston, Texas 77056
USA

Huntsman Ethyleneamines Ltd.
3040 Post Oak Boulevard
Houston, Texas 75201
USA

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**SCHEDULE 4 to the
U.S. Receivables Purchase Agreement**

Chief Executive Office

Tioxide Americas Inc.
Esplanade at Locus Point
2001 Butterfield Road
Suite 601
Downers Grove, Illinois 60515
USA

Huntsman Propylene Oxide Ltd.
3040 Post Oak Boulevard
Houston, Texas 77056
USA

Huntsman International Fuels, L.P.
3040 Post Oak Boulevard
Houston, Texas 77056
USA

Huntsman Ethyleneamines Ltd.
3040 Post Oak Boulevard
Houston, Texas 75201
USA

**SCHEDULE 5 to the
U.S. Receivables Purchase Agreement**

Legal and Other Business Names

Originator: Legal Name	Other Business Names
Tioxide Americas Inc.	None
Huntsman Propylene Oxide Ltd.	None
Huntsman International Fuels, L.P.	None
Huntsman Ethyleneamines Ltd.	None

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**SCHEDULE 6 to the
U.S. Receivables Purchase Agreement**

**Identification of (A) Company Concentration Accounts, (B) Series Concentration Accounts,
(C) Collection Accounts and Master Collection, and
(D) Company Receipts Accounts**

(A) Company Concentration Accounts

CONCENTRATION ACCOUNTS

Bank Name	Location	Bank Address	Account Number	Account Currency
Chase Manhattan Bank (Ireland) plc	Dublin.	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071480	Euro
Chase Manhattan Bank (Ireland) plc	Dublin.	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071464	US Dollars
Chase Manhattan Bank (Ireland) plc	Dublin.	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071472	Pound Sterling

(B) Series Concentration Accounts and Subaccounts

(1) Series 2000-1 Concentration Accounts

SERIES 2000-1 ACCRUED INTEREST SUBACCOUNTS

Bank Name	Location	Bank Address	Account Number	Account Currency
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071613	US Dollars
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071647	Euro
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1	7971071670	Pound Sterling

SERIES 2000-1 NON-PRINCIPAL CONCENTRATION SUBACCOUNTS

Bank Name	Location	Bank Address	Account Number	Account Currency
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071621	US Dollars
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071654	Euro
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071688	Pound Sterling

SERIES 2000-1 PRINCIPAL CONCENTRATION SUBACCOUNTS

Bank Name	Location	Bank Address	Account Number	Account Currency
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071639	US Dollars
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071662	Euro
Chase Manhattan Bank (Ireland) plc	Dublin	Chase Manhattan House International Financial Services Centre. Dublin 1 Ireland	7971071696	Pound Sterling

(2) Series 2000-2 Concentration Accounts

(C) Collection Accounts and Master Collection Accounts

COLLECTION ACCOUNTS

Originator Association	Bank Name	Location	Bank Address	Account Number	Account Currency
HICI Holland	ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	567768384	Euro
HICI Holland	ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	567768414	US Dollars

HICI Holland	ABN	Dublin	ABN AMRO Bank Ireland N.V. ABN AMRO House 1 Dublin	50058584	Euro
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			Ireland SWIFT: ABNAIE2D		
HICI Holland	ABN	Brussels	ABN AMRO Bank Belgium N.V. Regentlaan 53 1000 Brussels Belgium SWIFT: ABNABEBR	720-5406425-45	Euro
HICI Holland	ABN	Frankfurt	ABN AMRO Bank Germany A.G. Postfach 100138 60001 Frankfurt Germany SWIFT: ABNADEFFRA	1072131/005	Euro
HICI Holland	ABN	Paris	ABN AMRO BANK FRANCE 3, Avenue Hoche 75008 Paris France SWIFT: ABNAFRPP	18739 0020007255243	Euro
HICI Holland	ABN	Milan	ABN AMRO Bank Italy N.V. Casella Postale 928 20101 Milan Italy SWIFT: ABNAITMM	3060497	Euro
HICI Holland	ABN	Madrid	ABN AMRO Bank N.V. Edificio Beatriz, 5 th Floor c/Jose Ortega y Gasset, 29 28006 Madrid Spain SWIFT: ABNAESMMXXX	100017878	Euro
HICI Holland	ABN	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London United Kingdom SWIFT: ABNAGB2L	40077829	Pound Sterling
HICI Holland	Citibank	Dublin	Citibank N.A. IFSC House Custom House Quay Dublin 1 Ireland SWIFT: CITIIE2X	7551029	Euro
HICI Holland	Citibank	Dublin	Citibank N.A. IFSC House Custom House Quay Dublin 1 Ireland SWIFT: CITIIE2X	7551002	IEP

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HICI Holland	Citibank	Brussels	Citibank International Boulevard Général Jaques 263 g B-1050 Brussels Belgium SWIFT: CITIBEBX	570 6169255 16	Euro
HICI Holland	Citibank	Brussels	Citibank International Boulevard Général Jaques 263 g B-1050 Brussels Belgium SWIFT: CITIBEBX	570-6169203-61	BEF
HICI Holland	Citibank	Frankfurt	Citibank Aktiengesellschaft Neue Mainzerstrasse 75 60311 Frankfurt Postfach 110333 60038 Frankfurt Germany SWIFT: CITIDEFF	021 2307 017	Euro
HICI Holland	Citibank	Frankfurt	Citibank Aktiengesellschaft Neue Mainzerstrasse 75 60311 Frankfurt	021 2307 009	DEM

Postfach 110333
60038 Frankfurt
Germany
SWIFT: CITIDEFF

HICI Holland	Citibank	Paris	Citibank N.A. Citicenter 19 le Parvis 92073 Paris La Défense France SWIFT: CITIFRPP	0652064 027 RIB 60	Euro
HICI Holland	Citibank	Paris	Citibank N.A. Citicenter 19 le Parvis 92073 Paris La Défense France SWIFT: CITIFRPP	0652064 019 RIB 84	FF
HICI Holland	Citibank	Milan	Citibank N.A. Foro Buonaparte 16-20121 Milano Via Abruzzi, 2/4-00187 Roma Italy SWIFT: CITITMM	0114305 022	Euro
HICI Holland	Citibank	Milan	Citibank N.A. Foro Buonaparte 16-20121 Milano Via Abruzzi, 2/4-00187 Roma Italy SWIFT: CITITMM	0114305 014	ITL
HICI Holland	Citibank	Madrid	Citibank N.A. José Ortega y Gasset, 29 28006 Madrid Spain SWIFT: CITIES2X	50754-014	Euro

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HICI Holland	Citibank	Madrid	Citibank N.A. José Ortega y Gasset, 29 28006 Madrid Spain SWIFT: CITIES2X	50754-006	ESP
HICI Holland	Citibank	London	SWIFT: CITIGB2LXXX	8,301,212	Euro
HICI Holland	Citibank	London	SWIFT: CITIGB2LXXX	8,018,162	Pound Sterling
HICI Holland	Citibank	Amsterdam	Citibank N.A. PO box 23445 1100 DX Amsterdam Z.O. The Netherlands SWIFT: CITINL2X	266,054,625	Euro
HICI Holland	Citibank	Amsterdam	Citibank N.A. PO box 23445 1100 DX Amsterdam Z.O. The Netherlands SWIFT: CITINL2X	266,048,331	NLG
HICI Holland	Citibank	New York	SWIFT: CITIUS33XXX	40,694,027	US Dollars
Huntsman (Petrochemicals) UK Limited	ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	574,927,247	Euro
Huntsman (Petrochemicals) UK Limited	ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	543,325,539	US Dollars
Huntsman (Petrochemicals) UK Limited	ABN	Brussels	ABN AMRO Bank Belgium N.V. Regentlaan 53 1000 Brussels Belgium SWIFT: ABNABEBR	720-5406259-73	Euro

Huntsman (Petrochemicals) UK Limited	ABN	Paris	ABN AMRO BANK FRANCE 3, Avenue Hoche 75008 Paris France SWIFT: ABNAFRPP	18739 0020007256019	Euro
Huntsman (Petrochemicals) UK Limited	ABN	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London United Kingdom SWIFT: ABNAGB2L	040078728	Euro
Huntsman (Petrochemicals) UK Limited	ABN	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London United Kingdom SWIFT: ABNAGB2L	40,041,077	Pound Sterling

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Huntsman (Petrochemicals) UK Limited	ABN	Frankfurt	ABN AMRO Bank Germany A.G. Postfach 100138 60001 Frankfurt Germany SWIFT: ABNADEFFRA	1,072,101,009	Euro
Tioxide UK	ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingel 119 3012EG Rotterdam The Netherlands SWIFT: ABNANL2R	569,064,694	Euro
Tioxide UK	ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolingel 119 3012EG Rotterdam SWIFT: ABNANL2R	569,064,856	US Dollars
Tioxide UK	ABN	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London United Kingdom SWIFT: ABNAGB2L	40,079,317	Pound Sterling
Tioxide UK	Lloyds	Kent	Lloyds TSB Bank PO Box 72 Bailey Drive Gillingham Business Park ME8 OLS Kent United Kingdom SWIFT: LOYDGB2LCTY	59,029,504	Euro
Tioxide UK	Lloyds	Kent	Lloyds TSB Bank PO Box 72 Bailey Drive Gillingham Business Park ME8 OLS Kent United Kingdom SWIFT: LOYDGB2LCTY	23,094,811	Euro
Tioxide UK	Lloyds	Kent	Lloyds TSB Bank PO Box 72 Bailey Drive Gillingham Business Park ME8 OLS Kent United Kingdom SWIFT: LOYDGB2LCTY	27,046,439	Euro
Tioxide UK	Lloyds	Kent	Lloyds TSB Bank PO Box 72 Bailey Drive Gillingham Business Park ME8 OLS Kent United Kingdom SWIFT: LOYDGB2LCTY	11,031,627	US Dollars
Tioxide UK	Lloyds	Kent	Lloyds TSB Bank PO Box 72 Bailey Drive Gillingham Business Park ME8 OLS Kent	31,981	Pound Sterling

United Kingdom
SWIFT: LOYDGB2LCTY

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Tioxide UK	Lloyds	Kent	Lloyds TSB Bank PO Box 72 Bailey Drive Gillingham Business Park ME8 OLS Kent United Kingdom SWIFT: LOYDGB2LCTY	1,726,973	Pound Sterling
HHuntsman ICI Chemicals PO Division (Propylene Oxide Limited)	Bank of America (NationsBank Platform Atlanta)	Dallas, TX	P.O. Box 831000 Dallas, Tx 75283-1000 United States SWIFT: NABKUS3AATL	3751602152 Lockbox No 406153	US Dollars
HHuntsman ICI Chemicals PO Division (Huntsman International Fuels L.P.)	Bank of America	Concord, CA	1850 Gateway Blvd. Concord, CA. 94520 SWIFT: BOFAUS6S	1233934457	US Dollars
Huntsman ICI Chemicals PU Division (Huntsman International LLC)	Bank of America	Chicago	231 South La Salle Street Chicago, Il 60604 SWIFT: BOFAUS44	8188312750 Lockbox No: 3561	US Dollars
Tioxide Americas Inc.	Bank of America	Chicago	231 South La Salle Street Chicago, Il 60604 SWIFT: BOFAUS44	8188802881 Lockbox No: 91615	US Dollars

[PLEASE PROVIDE
ACCOUNT INFORMATION
FOR ALL NEW
ORIGINATORS]

MASTER COLLECTION ACCOUNTS

Bank Name	Location	Bank Address	Account Number	Account Currency
ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolensingel 119 3012EG Rotterdam SWIFT: ABNANL2R	577301969	Euro
ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolensingel 119 3012EG Rotterdam SWIFT: ABNANL2R	577301837	U.S. Dollars
ABN	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London SWIFT: ABNAGB2L	40089045	Pound Sterling

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(D) Company Receipts Accounts

COMPANY RECEIPTS ACCOUNTS

Bank Name	Location	Bank Address	Account Number	Account Currency
ABN	London	ABN AMRO BANK UNITED KINGDOM N.V. 101 Moorgate EC2M 6SB London SWIFT: ABNAGB2L	40092917	Pound Sterling
ABN	Rotterdam	ABN AMRO Bank Netherlands N.V. Coolensingel 119 3012EG Rotterdam SWIFT: ABNANL2R	581746643	Euro
ABN	Rotterdam	ABN AMRO Bank Netherlands N.V.	581746635	US Dollars

**SCHEDULE 7 to the
U.S. Receivables Purchase Agreement**

Form of Admission of Additional Originator

To: Huntsman Receivables Finance LLC
c/o Huntsman International LLC
500 Huntsman Way
Salt Lake City
Utah 84108

Attention: General Counsel

Copy to: J.P. Morgan Bank (Ireland) plc, as Trustee
Chase Manhattan House
International Financial Services Centre
Dublin 1, Ireland

Attention: Bryan Wickware

ADMISSION OF ADDITIONAL ORIGINATOR

Pursuant to the Amended and Restated U.S. Receivables Purchase Agreement dated as of October 21, 2002 (the "U.S. Receivables Purchase Agreement") among Huntsman International LLC, as Purchaser, Tioxide Americas Inc., Huntsman Propylene Oxide Ltd., Huntsman International Fuels L.P. and Huntsman Ethyleneamines Ltd., each as a Seller and an Originator (collectively, the "Originators"):

1. Terms defined in the U.S. Receivables Purchase Agreement (whether by incorporation or otherwise) shall, subject to any contrary indication, have the same meanings herein.
 - (a) The Additional Originator hereby requests the Company to accept this Admission of Additional Originator pursuant to and for the purposes of Section 8.04 of the U.S. Receivables Purchase Agreement so as to take effect in accordance with the terms thereof.
 - (b) The Additional Originator confirms that it has received a copy of the U.S. Receivables Purchase Agreement, the Pooling Agreement, the Servicing Agreement together with such other information as it has required in connection with the transactions and that it has not relied and will not hereafter rely on the Company or the Trustee to check or inquire on its behalf into the legality, validity, effectiveness, adequacy, accuracy or completeness of any such information and further agrees that it has not relied and will not rely on the Company or the Trustee to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of any Originator.
 - (c) The Additional Originator hereby undertakes with the Company and the Trustee and each of the other parties to the U.S. Receivables Purchase Agreement that it will perform in accordance with its terms all those obligations which by the terms of the U.S. Receivables Purchase Agreement will be assumed by it after acceptance of this Admission of Additional Originator by the Company and satisfaction of the conditions precedent subject to which this Admission of Additional Originator is expressed to take effect.
 - (d) Neither the Trustee nor the Company makes any representation or warranty, nor assumes any responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of the U.S. Receivables Purchase Agreement or any document relating thereto and neither the Trustee nor the Company assume any responsibility for the financial condition of any

Originator or for the performance and observance by any Contributor of any of their respective obligations under the U.S. Receivables Purchase Agreement or any document relating thereto and any and all such conditions and warranties, whether express or implied by law or otherwise, are hereby excluded.

- (e) The Additional Originator requests that in respect of references to the parties comprising the Originator in the U.S. Receivables Purchase Agreement, the following information be inserted in respect of the Additional Originator:

The chief executive office of the Additional Originator for the purposes of Section

- 4.01(n)(ii) of the Contribution Agreement and location of records concerning the Receivables for the purposes of Section 4.01(n)(i) of the U.S. Receivables Purchase Agreement.
- The account for the purposes of Section 8.01 of the U.S. Receivables Agreement
- The address for service of notices for the purposes of Section 8.10 of the U.S. Receivables Purchase Agreement

(f) This Admission of Additional Originator and the rights, benefits and obligations of the parties hereunder is governed by and shall be construed in accordance with the laws of the State of New York.

[ADDITIONAL ORIGINATOR]

By:

Address:

Attention:

Telefax:

Date:

AGREED TO BY:

HUNTSMAN RECEIVABLES FINANCE LLC as Company

By: _____

QuickLinks

[Exhibit 10.31](#)

[AMENDED AND RESTATED U.S. RECEIVABLES PURCHASE AGREEMENT](#)
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[SCHEDULE 4 to the U.S. Receivables Purchase Agreement](#)

[SCHEDULE 5 to the U.S. Receivables Purchase Agreement](#)

[SCHEDULE 6 to the U.S. Receivables Purchase Agreement](#)

[SCHEDULE 7 to the U.S. Receivables Purchase Agreement](#)

**HUNTSMAN INTERNATIONAL LLC
AS PURCHASER**

**HUNTSMAN SURFACE SCIENCES UK LIMITED
TIOXIDE EUROPE LIMITED
AND
HUNTSMAN PETROCHEMICALS (UK) LIMITED
AS ORIGINATORS**

**HUNTSMAN (EUROPE) B.V.B.A
AS MASTER SERVICER**

**AMENDED AND RESTATED
UK RECEIVABLES PURCHASE AGREEMENT**

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THIS AMENDED AND RESTATED AGREEMENT is made October 2002

BETWEEN

(1) **HUNTSMAN INTERNATIONAL LLC**, a limited liability company organised under the laws of the State of Delaware, as purchaser (the "**Purchaser**");

- (2) **HUNTSMAN SURFACE SCIENCES UK LIMITED ("Huntsman SS")**, a company incorporated in England and Wales;
- (3) **TIOXIDE EUROPE LIMITED ("Tioxide Europe")**, a company incorporated in England and Wales;
- (4) **HUNTSMAN PETROCHEMICALS (UK) LIMITED**, a company incorporated in England and Wales ("**Petrochemicals UK**" and together with Tioxide Europe and Huntsman SS, the "**Originators**") and
- (5) **HUNTSMAN (EUROPE) B.V.B.A.**, a corporation organised under the laws of Belgium, (in its capacity as "**Master Servicer**").

WHEREAS

- (A) Tioxide Europe and Petrochemicals UK are party to a receivables purchase agreement dated 21 December 2000 (the "**Original UK RPA**").
- (B) Huntsman SS wishes to become a party to the Original UK RPA and the Originators and each of the other parties hereto have agreed to such accession and to the amendment and restatement of the Original UK RPA on the terms hereof.
- (C) Each Originator has at present and expects to have in the future Receivables owed to it which arise in the course of its business.
- (D) The Originators and the Purchaser have agreed, upon the terms and subject to the conditions of this Agreement, that each Originator may from time to time deliver an Offer Letter to the Purchaser, in relation to an Offer by such Originator, offering to assign to the Purchaser Receivables arising from time to time to such Originator, and in the event the Purchaser decides to accept such an Offer it will do so in the manner provided herein.
- (E) Huntsman (Europe) B.V.B.A., as the Master Servicer (the "**Master Servicer**"), the Purchaser, the Company and The Chase Manhattan Bank (Ireland) plc, not in its individual capacity but solely as trustee, (the "**Trustee**"), have entered into a Pooling Agreement dated as of the date hereof (such agreement, as it may be amended, modified or otherwise supplemented from time to time hereafter, being the "**Pooling Agreement**") in order to create a master trust into which the Company desires to grant a participation and a security interest in relation to all of its right, title and interest in, to and under the Receivables and certain other assets now or hereafter owned by the Company, in consideration for which the Trustee shall, subject to the terms and conditions of the Pooling Agreement and any related Supplement make certain payments to the Company. The Company may from time to time make distributions to the Purchaser. The Purchaser may use funds so received by it to enable it to accept Offers in the manner provided herein.
- (F) The Master Servicer, the Company, the Purchaser, the Originators, the Liquidation Servicer and the Trustee have entered into an amended and restated Servicing Agreement dated as of the date hereof (such agreement, as it may be amended, modified or otherwise supplemented from time to time hereafter, being the "**Servicing Agreement**") pursuant to which the Master Servicer will agree to service and administer the Receivables on behalf of the Company.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

1.1 Defined Terms

Capitalised terms used herein shall, unless otherwise defined or referenced herein, have the meanings assigned to such terms in Annex-X attached to the Pooling Agreement which Annex-X is incorporated by reference herein. The following definitions shall have the following meanings:

"**Closing Documents List**" shall mean the document entitled "Closing List of Documents" specifying certain documents, notifications and other matters required as a condition precedent to this Agreement as set out in the Ninth Schedule to this Agreement.

"**Excluded Receivables**" shall include (without prejudice to the definition in Annex -X) any Receivable originated by any person other than a UK Originator.

"**Notice of Assignment**" means a notice given to the related Obligor or Obligors (or guarantor or guarantors) to the effect that one or more Receivables (and if applicable the related benefit of any related guarantee or guarantees) have been assigned to the Purchaser;

"**Notification**" shall mean a notification in the form of the Tenth Schedule delivered by the Master Servicer to the Purchaser that it has received and printed off in full as agent for the Purchaser an Offer and setting out the Purchase Price in relation to such Offer together with details of the relevant account into which such Purchase Price should be paid should the Purchaser decide to accept such an Offer.

"**Offer**" shall mean any offer made by any Originator to the Purchaser to sell Receivables as set out in the Offer Letter and attached UK Originator Daily Report.

"**Offer Letter**" shall mean any letter in relation to an Offer delivered by any Originator to the Master Service as agent for the Purchaser in accordance with the provisions of Clause 2.1 of this Agreement.

"**UK Originator Daily Report**" shall mean the report (which shall in each case be appended to the related Offer Letter) prepared by the UK Originators in accordance with the terms of this Agreement substantially in the form set out in the Second Schedule to this Agreement, and which shall in no event be signed by any party.

"**Originator Termination Notice**" means a notice served by the Purchaser pursuant to clause 6.5.

"**Outstanding Face Amount**" shall mean in relation to a Receivable on any date the amount in an Approved Currency which is the outstanding balance due in respect thereof at the opening of business in London on such date (including VAT).

"**Purchase Date**" shall mean any date on which an Offer is accepted by payment pursuant to the arrangements contemplated by this Agreement.

"**Purchase Price**" shall mean, at any Purchase Date, an amount calculated in accordance with Clause 2.4 of this Agreement.

"**Purchased Receivables**" shall mean all Receivables originated by an Originator which have been the subject of an Offer accepted by the Purchaser other than any such Receivables which have been repurchased pursuant to this Agreement or which have been paid in full or repaid in full by the Obligor.

"**Security Power of Attorney**" shall mean the power of attorney granted by the Originator in favour of the Purchaser substantially in the form set out in the Third Schedule to this Agreement

"**Stamp Duty**" shall be construed as a reference to any stamp, registration or other transaction or documentary tax (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

1.2. **Other Definitional Provisions**

- (a) The words "hereof", "herein", "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, subsection, schedule and exhibit references are to this Agreement unless otherwise specified.
- (b) As used herein and in any certificate or other document made or delivered pursuant hereto, accounting terms relating to the Originators and the Purchaser, unless otherwise defined or incorporated by reference herein, shall have the respective meanings given to them under GAAP.
- (c) The meanings given to terms defined or incorporated by reference herein shall be equally applicable to both the singular and plural forms of such terms.
- (d) Any reference herein to a Schedule or Exhibit to this Agreement shall be deemed to be a reference to such Schedule or Exhibit as it may be amended, modified or supplemented from time to time to the extent that such Schedule or Exhibit may be amended, modified or supplemented (or any term or provision of any Transaction Document may be amended that would have the effect of amending, modifying or supplementing information contained in such Schedule or Exhibit) in compliance with the terms of the Transaction Documents.
- (e) Any reference in this Agreement to any representation, warranty or covenant "deemed" to have been made is intended to encompass only representations, warranties or covenants that are expressly stated to be repeated on or as of dates following the execution and delivery of this Agreement, and no such reference shall be interpreted as a reference to any implicit, inferred, tacit or otherwise unexpressed representation, warranty or covenant.
- (f) The words "include", "includes" or "including" shall be interpreted as if followed, in each case, by the phrase "without limitation".
- (g) Save where the contrary is indicated, any reference in this Agreement to costs, charges, expenses and remuneration shall be deemed to include references to any value added tax or similar tax charged or chargeable in respect thereof, and section 89 of the Value Added Tax Act 1994 is hereby excluded for the purposes of this Agreement.

2. **OFFER OF RECEIVABLES**

2.1 **Offer of Receivables**

- (a) An Originator may make an Offer for the sale of Receivables (other than Excluded Receivables) to the Purchaser on any Business Day falling on or after the date on which the Purchaser has confirmed (such confirmation having been provided in respect of Tioxide Europe and Petrochemicals UK prior to the date of this Amended and Restated Agreement) that it has

received in form and substance satisfactory to it each of the documents specified in the Closing Documents List which are applicable to such Originator by delivering to the Master Servicer as agent authorised by the Purchaser to receive such an Offer on its behalf, by letter, fax or electronic mail an Offer Letter substantially in the form set out in the First Schedule to this Agreement.

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- (b) Each Offer Letter delivered by an Originator pursuant to Clause 2.1(a) shall:
- (i) specify the total of the Outstanding Face Amounts and the Outstanding Face Amounts in each Approved Currency of the Receivables offered pursuant thereto and have the applicable UK Originator Daily Report substantially in the form set out in the Second Schedule to this Agreement and a list of such Receivables appended to it;
 - (ii) specify any amount of set-off exercised with regard to such Receivables;
 - (iii) be delivered no later than 12.00 pm (London time) on any Business Day and, if it is delivered after this time, it shall be deemed to be delivered on the next Business Day; and
 - (iv) constitute an offer by such Originator to sell (by way of an equitable assignment) to the Purchaser absolutely with full title guarantee (other than to the extent such full title guarantee would be inconsistent with the representations made by the Originator when making an Offer) all of the Originator's beneficial right, title and interest in and to the Receivables (and the related benefit of any guarantees referable thereto) to which such Offer relates at the related Purchase Price calculated in accordance with Clause 2.4 and on the terms and conditions of this Agreement.
- (c) Each Receivable comprised in an Offer shall for the purposes of calculating the related Purchase Price in accordance with Clause 2.4 be deemed to be an Eligible Receivable, unless otherwise specified in such Offer Letter.

2.2 Acceptance of Offers

- (a) Immediately upon receipt of the Offer Letter and UK Originator Daily Report, the Master Servicer shall print off such Offer Letter and UK Originator Daily Report in full. Immediately upon completion of such printing out the Master Servicer shall send a Notification to the Purchaser. Only after receiving such Notification from the Master Servicer and only after the Purchaser has printed out such Notification in full may the Purchaser accept the Offer. Such acceptance shall be made (if at all) no earlier than 3.00 pm London time on the day on which such Notification is printed off and no later than five Business Days following that upon which such Notification is received. Notwithstanding any of the other provisions of this Agreement and the Transaction Documents, the Purchaser shall not be obliged to accept any Offers.
- (b) Each Offer may be accepted by the Purchaser only with respect to the Receivables specified in the relevant Offer Letter and any purported form of acceptance of an Offer otherwise than in the manner specified in this Clause 2 shall be null and void and of no effect (and for the avoidance of doubt nothing in this Agreement or in any Offer Letter or in any other document shall of itself operate so as to convey or transfer to any person any beneficial interest in any Receivables).
- (c) Each Offer shall, immediately upon sending, be irrevocable and binding on the relevant Originator until (if not accepted before such time) close of business (New York time) five (5) Business Days following the date when such Offer is sent (or such longer period of time for acceptance as may be agreed upon by the relevant Originator and the Master Servicer on behalf of the Purchaser) when such Offer shall lapse.
- (d) Except as provided below, an Offer may only be accepted by payment of the Purchase Price in the relevant Approved Currency in respect of the relevant Receivables denominated in such Approved Currency being made by or on behalf of the Purchaser to the relevant Originator or on its behalf. The Purchase Price of Receivables in an Approved Currency shall be determined in accordance with Clause 2.4 by reference to the Outstanding Face Amounts of

all the Receivables denominated in such Approved Currency which are the subject of such Offer.

- (e) The Purchaser shall ensure that each payment made by it or on its behalf in order to accept an Offer is made by payment directly into the relevant account specified by the Originator in the Offer Letter and notified to the Purchaser by the Master Servicer in the applicable Notification.
- (f) Save as otherwise provided herein, the Purchaser shall make funds available in relation to each Offer which it decides to accept by payment of the related Purchase Price (determined in accordance with the provisions of Clause 2.4). The

Purchaser (or any other person on its behalf) shall only give instructions or directions for the making of any payment as mentioned in Clause 2.2(d) after the Offer to which such payment relates has been printed off in full by the Master Servicer and the Purchaser has received from the Master Servicer and printed off in full the Notification in accordance with Clause 2.4(b). Such instructions or direction shall be copied to the Master Servicer *provided that*, for the avoidance of doubt, the copying of such instructions or directions to the Master Servicer shall not be a condition precedent to the formation of any agreement for the sale of any assets which are the subject of any Offer.

2.3 Assignment of Receivables and Perfection

- (a) Upon acceptance of any Offer in accordance with Clauses 2.2(a) to 2.2(f) inclusive, the Originator's beneficial rights, title and interest in and to (i) the Receivables to which such Offer relates, (ii) the Related Property and (iii) all Collections (and the related benefit of any guarantees referable to (i), (ii) and (iii)) shall thereupon pass to the Purchaser. Such property shall be referred to collectively herein as the "**Receivable Assets**".
- (b) Subject to Clause 2.3(d), the Originator and the Purchaser will take all such steps and comply with all such formalities as are specified in Clause 6.3(c) as may be reasonably required to perfect or more fully to evidence or secure the title of the Purchaser to the Receivables assigned (or purported to be assigned) pursuant to Clause 2.3(a), *provided that* the right to require the steps and formalities specified in Clause 6.3(b) to be taken shall only exist on and after the Originator Termination Date.
- (c) Subject to Clause 2.3(d), the Originator and the Purchaser in order to secure the Company's interest in the Receivables and the performance of its obligations in respect thereof pursuant to this Agreement, the Pooling Agreement and any related Supplement and any accepted Offer hereby agree to enter into the Security Power of Attorney referred to in the Closing Documents List in a form appended to the Third Schedule of this Agreement.
- (d) Notwithstanding the provisions of Clause 6.3(b), all parties hereto (including the Purchaser as the donee of the Security Power of Attorney) hereby agree that none of the powers conferred pursuant to such Security Power of Attorney may at any time be exercised unless at such time the Originator Termination Date has been declared.

2.4 Purchase Price

- (a) The Purchase Price of the Eligible Receivables which are the subject of an Offer shall be equal to the product of (a) the aggregate Outstanding Face Amounts of Eligible Receivables as set forth in the applicable UK Originator Daily Report delivered in accordance with Clause 2.1 of this Agreement and (b) one hundred per cent (100%) minus the Discounted Percentage.

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- (b) The Master Servicer shall, immediately on receipt of an Offer pursuant to Clauses 2.1(b) print out in full the Offer Letter and UK Originator Daily Report and immediately upon completion of such printing out deliver a Notification to the Purchaser:
 - (c) Each calculation made by the Master Servicer pursuant to this Clause 2.4 shall, in the absence of manifest error, be conclusive. For the avoidance of doubt, the giving of the Notification as referred to in Clause 2.4(b) shall not be required in order to effect acceptance of an Offer.

2.5 Trust

- (a) If for any reason any Receivable which is the subject of an accepted Offer cannot be duly assigned to the Purchaser as contemplated hereby then with effect from the date of the purported assignment thereof the Originator shall hold the same and all Collections related thereto on trust absolutely for the Purchaser.
- (b) The provisions of (a) above shall be without prejudice to any obligations or representations of the Originator hereunder in respect of any such Receivables.

2.6 No Repurchase

Subject to Clause 2.8, no Originator shall have any right or obligation under this Agreement, by implication or otherwise, to repurchase from the Purchaser any Receivables or other Receivable Assets related to such Receivables or to rescind or otherwise retroactively effect any purchase of any such Receivables or other Receivable Assets related to such Receivables after the Purchase

Date relating thereto, provided that the foregoing shall not be interpreted to limit the right of the Company to receive an Originator Dilution Adjustment Payment, an Originator Adjustment Payment or an Originator Indemnification Payment.

2.7 Rebates, Adjustments, Returns, Reductions and Modifications

From time to time an Originator may make a Dilution Adjustment to a Receivable in accordance with this Clause 2.7 and Clause 5.2, provided that if such Originator cancels an invoice related to such Receivable, either (i) such invoice must be replaced, or be caused to be replaced, by the Originator with an invoice relating to the same transaction of equal or greater Principal Amount on the same Business Day that such cancellation was made, (ii) such invoice must be replaced, or be caused to be replaced, by the relevant Originator with an invoice relating to the same transaction of a lesser Principal Amount on the same Business Day that such cancellation was made and the Originator must make an Originator Dilution Adjustment Payment, to the Purchaser, in an amount equal to the difference between such cancelled and replacement invoices or (iii) the Originator must make an Originator Dilution Adjustment Payment, to the Purchaser in an amount equal to the full value of such cancelled invoice pursuant to this Clause 2.7. Each Originator agrees to pay to the Purchaser, on the Purchase Date immediately succeeding the date any Dilution Adjustment is granted or made pursuant hereto by such Originator, the amount of any such Dilution Adjustment (an "**Originator Dilution Adjustment Payment**"). The amount of any Dilution Adjustment shall be set forth on the first Daily Report prepared after the date on which such Dilution Adjustment was granted or made.

2.8 Payments in Respect of Ineligible Receivables and Originator Indemnification Payments

- (a) In the event of a breach of any of the representations and warranties contained in Clauses 3.3(a), 3.3(b), 3.3(c), 3.3(d) or 3.3(f) in respect of any Receivable sold hereunder or if the Purchaser's interest in any Receivable is not a full beneficial ownership, the relevant Originator shall, within 30 days after receipt of written notice of such breach or defect from the Purchaser, remedy the matter giving rise to such breach of representation or warranty if such matter is capable of being remedied. If such matter is not capable of being remedied or is not so remedied within said period of 30 days, such Originator upon request of the

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Purchaser shall repurchase the relevant Receivable from the Purchaser at a repurchase price (without duplication of any Originator Dilution Adjustment Payments made pursuant to Clause 2.7 hereof), equal to the original Principal Amount of such Receivable less Collections received by the Purchaser in respect of such Receivable (the "**Originator Adjustment Payment**"). Upon the payment of an Originator Adjustment Payment hereunder, the Purchaser shall automatically agree to pay to the relevant Originator all Collections received subsequent to such repurchase with respect to such repurchased Receivable. The parties agree that if there is a breach of any of the representations and warranties of the Originator contained in Clause 3.3(a), 3.3(b) or 3.3(c) in respect of or concerning any Receivable, the Originator's obligation to pay the Originator Adjustment Payment under this Clause 2.8 is a reasonable pre-estimate of loss and not a penalty (and neither the Purchaser nor any other person or entity having an interest in this Agreement through the Purchaser shall be entitled to any other remedies as a consequence of any such breach).

- (b) **Special Indemnification** In addition to its obligations under Clause 7.2, each Originator agrees to pay, indemnify and hold harmless (without duplication of any Originator Dilution Adjustment Payments made pursuant to Clause 2.7 hereof) the Purchaser from and against any loss, liability, expense, damage or injury which may at any time be imposed on, incurred by or asserted against the Purchaser in any way relating to or arising out of (i) any Receivable attributable to such Originator becoming subject to any defence, dispute, offset or counterclaim of any kind (other than as expressly permitted by this Agreement or the Pooling Agreement or any Supplement) or (ii) such Originator breaching any covenant contained herein with respect to any Receivable (each of the foregoing events or circumstances being an "**Originator Indemnification Event**"), and such Receivable (or a portion thereof) ceasing to be an Eligible Receivable on the date on which such Originator Indemnification Event occurs. The amount of such indemnification shall be equal to the original Principal Amount of such Receivable less Collections received by the Purchaser in respect of such Receivable (the "**Originator Indemnification Payment**"). Such payment shall be made on or prior to the tenth Business Day after the day the Purchaser requests such payment or the Originator obtains knowledge thereof unless such Originator Indemnification Event shall have been cured on or before such tenth Business Day, provided, however, that in the event that (x) an Originator Termination Event with respect to an Originator has occurred and is continuing or (y) the Purchaser shall be required to make a payment with respect to such Receivable pursuant to Clause 2.7 of the Contribution Agreement and the Purchaser has insufficient funds to make such a payment, the Originator shall make such payment immediately. The Purchaser shall have no further remedy against the Originator in respect of such an Originator Indemnification Event unless the Originator fails to make an Originator Indemnification Payment on or prior to such tenth Business Day or on such earlier day in accordance with the proviso set forth in this Clause 2.8(b). Upon the making of an Originator Indemnification Payment, the Purchaser shall automatically agree to pay to the Originator all Collections received subsequent to such payment with respect to the Receivable in respect of which an Originator Indemnification Payment is made.

2.9 Certain Charges

The Originators and the Purchaser hereby agree that late charge revenue, reversals of discounts, other fees and charges and other similar items, whenever created, accrued in respect of Receivables shall be the property of the Purchaser notwithstanding the occurrence of an Early Termination and all Collections with respect thereto shall continue to be allocated and treated as Collections in respect of the Receivables transferred, conveyed, assigned and sold to the Purchaser pursuant to Clause 2 hereof.

2.10 Certain Allocations

Each Originator, as Local Servicer, hereby agrees that if it can attribute a Collection to a specific Obligor and a specific Receivable, then such Collection shall be applied to pay such Receivable of such Obligor, provided, however, that if it cannot attribute a Collection to a specific Receivable, then such Collection shall be applied to pay the Receivables of such Obligor in the order of maturity of such Receivables, beginning with the Receivable that has been outstanding the shortest and ending with the Receivable that has been outstanding the longest.

3. REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Originators

Each Originator represents and warrants to the Purchaser that each of the following statements is true at the time of each offer as of the Effective Date that:

- (a) **Organisation; Powers** It (i) is a limited liability company incorporated in England and Wales, (ii) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, (iii) is qualified to do business in, and is in good standing in, every jurisdiction where the nature of its business so requires, except where the failure so to qualify could not reasonably be expected to result in a Material Adverse Effect with respect to it and (iv) has the corporate power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Transaction Documents to which it is a party and each other agreement or instrument contemplated hereby or thereby to which it is or will be a party.
- (b) **Authorisation** The execution, delivery and performance by it of each of the Transaction Documents to which it is a party and the performance of the Transactions (i) have been duly authorised by all requisite company and, if applicable and required, shareholder action and (ii) will not (A) violate (1) any Requirement of Law applicable to it or (2) any provision of any Transaction Document or other material Contractual Obligation to which it is a party or by which it or any of its property is or may be bound, (B) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any Transaction Document or any other material Contractual Obligation to which it is a party or by which it or any of its property is or may be bound except where any such conflict, violation, breach or default referred to in sub-clause (A) or (B), individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect with respect to it or (C) result in the creation or imposition of any Lien upon the Receivables (other than Permitted Liens and any Lien created under the Transaction Documents or contemplated or permitted thereby).
- (c) **Enforceability** This Agreement and each of the other Transaction Documents to which it is a party have been duly executed and delivered by it and constitutes its legal, valid and binding obligation enforceable against it in accordance with its respective terms, subject (a) to applicable bankruptcy, insolvency, reorganisation, moratorium and other similar laws affecting the enforcement of creditors' rights generally, from time to time in effect and (b) to general principles of equity.
- (d) **Litigation; Compliance with Laws**
 - (i) There are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to its knowledge, threatened against it in respect of which there exists a reasonable possibility of an outcome that would result in a Material Adverse Effect with respect to it.

- (ii) Neither it nor any Originator is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in a Material Adverse Effect with respect to it.
- (e) **Agreements**
 - (i) It is not a party to any agreement or instrument or subject to any corporate restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect with respect to it.
 - (ii) It is not in default in any manner under any provision of any Contractual Obligation to which it is a party or by which it or any of its properties or assets are bound, where such default could reasonably be expected to result in a Material Adverse Effect with respect to it.

- (f) **Tax Returns** It has filed or caused to be filed all material tax returns and has paid or caused to be paid or made adequate provision for all taxes due and payable by it and all assessments received by it except to the extent that non-payment (i) is being contested in good faith or (ii) could not reasonably be expected to result in a Material Adverse Effect with respect to it.
- (g) **Solvency** No Insolvency Event with respect to it has occurred and the sale, assignment, conveyance and transfer of the Receivables by it to the Purchaser has not been made in contemplation of the occurrence thereof.
- (h) **No Originator Termination Event** As of the Effective Date, no Potential Originator Termination Event or Originator Termination Event with respect to it has occurred and is continuing.
- (i) **Any Claim to rank pari passu** It shall ensure that at all times the claims of the Purchaser against it under this Agreement rank at least pari passu with the claims of all its other unsecured creditors save those whose claims are preferred by any bankruptcy, insolvency or other similar laws of general application;

The representations and warranties as of the date made set forth in this Clause 3.1 shall survive the transfer, assignment, conveyance and sale of the Receivables and the other Receivable Assets to the Purchaser. Upon discovery by a Responsible Officer of the Purchaser or the Master Servicer or by a Responsible Officer of the relevant Originator of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other parties.

3.2 Representations and Warranties of the Originators Relating to the Receivables

Each Originator hereby represents and warrants to the Purchaser on each Purchase Date with respect to the Receivables originated by it, being sold, transferred, assigned and conveyed to the Purchaser as of such date:

- (a) **Receivables Description** The UK Originator Daily Report delivered or transmitted pursuant to Clause 2.1(b) sets forth in all material respects an accurate and complete listing of all Receivables related thereto, to be offered for sale, transfer, assignment and conveyance to the Purchaser on the date of such Offer and any purchase made upon acceptance thereof and the information contained therein in accordance with the Second Schedule with respect to each such Receivable is true and correct as of such date.
- (b) **No Liens** Each Receivable existing on the Effective Date or, in the case of Receivables sold, transferred, assigned and conveyed to the Purchaser after the Effective Date, on the date that each such Receivable shall have been sold, transferred, assigned and conveyed to the Purchaser, has been sold, transferred, assigned and conveyed to the Purchaser free and clear of any Liens, except for Permitted Liens and Trustee Liens.

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- (c) **Eligible Receivable** On the Effective Date, each Receivable that is represented to be an Eligible Receivable on such date in the UK Originator Daily Reports or Daily Reports is an Eligible Receivable on the Effective Date and, in the case of Receivables sold, transferred, assigned and conveyed to the Purchaser after the Effective Date, each such Receivable that is represented to be an Eligible Receivable sold, transferred, assigned and conveyed to the Purchaser on such Purchase Date is an Eligible Receivable on such Purchase Date.
 - (d) **Governing Law** The governing law of the Receivables the subject of each offer is English Law.
 - (e) **Assignment** The assignment of each Receivable the subject of such offer as herein contemplated will not violate any law or any agreement by which the Originator may be bound.
 - (f) **Performance of Obligations** In all material respects it has performed and is in compliance with the terms of the contract relating to each Receivable the subject of an offer.

The representations and warranties as of the date made set forth in this Clause 3.2 shall survive the sale, transfer, assignment and conveyance of the Receivables and other Receivable Assets to the Purchaser. Upon discovery by a Responsible Officer of the Purchaser or the Master Servicer or a Responsible Officer of the relevant Originator of a breach of any of the representations and warranties (or of any Receivable encompassed by the representation and warranty in subsection 3.2(c) not being an Eligible Receivable as of the relevant Purchase Date), the party discovering such breach shall give prompt written notice to the other parties.

4. AFFIRMATIVE COVENANTS

Each Originator hereby agrees that, so long as there are any amounts outstanding with respect to Receivables or until an Early Termination, whichever is later, it shall:

4.1 Financial Statements, Reports, etc

- (a) Furnish to the Purchaser, within 150 days after the end of each fiscal year, its balance sheet and related statements of income, shareholders' equity and cash flows showing its financial condition as of the close of such fiscal year and the results of its operations during such year, for Tioxide Europe, unaudited and for Petrochemicals UK as audited by its

Independent Public Accountants and accompanied by an opinion of such accountants (which shall not be qualified in any material respect) to the effect that such financial statements fairly present in all material respects the financial condition and results of operations of Petrochemical UK. Such accounts to be prepared in accordance with accounting principles generally accepted in the United Kingdom and in accordance with GAAP and consistently applied giving a true and fair view of the financial condition of the Company;

- (b) Furnish to the Purchaser, together with the financial statements required pursuant to sub-clauses (i) and (ii) above, a compliance certificate signed by a Responsible Officer of such Originator stating that (aa) the attached financial statements have been prepared in accordance with GAAP and accurately reflect the financial condition of the Originator and (bb) to the best of such Responsible Officer's knowledge, no Originator Termination Event or Potential Originator Termination Event exists, or if any Originator Termination Event or Potential Originator Termination Event exists, stating the nature and status thereof;
- (c) Furnish to the Purchaser copies of all financial statements, financial reports and proxy statements so furnished;

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- (d) Furnish to the Purchaser, promptly, from time to time, such historical information, including ageing and liquidation schedules, in form and substance satisfactory to the Funding Agent and the Rating Agencies, as the Purchaser may reasonably request; and
 - (e) Furnish to the Purchaser, promptly, from time to time, such other information regarding its operations, business affairs and financial condition, or compliance with the terms of any Transaction Document, in each case as the Purchaser may reasonably request.

4.2 Compliance with Law and Policies

- (a) Comply with all Requirements of Law and material Contractual Obligations to which it is subject and which are applicable to it except to the extent that non-compliance would not reasonably be likely to result in a Material Adverse Effect with respect to it.
- (b) Perform its obligations in accordance with the Policies, as amended from time to time in accordance with the Transaction Documents, in regard to the Receivables and the other Receivable Assets.

4.3 Inspection of Property; Books and Records; Discussions

Keep proper books of records and account in which entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of the Purchaser upon reasonable advance notice to visit and inspect any of its properties and examine and make abstracts from any of its books and records during normal business hours on any Local Business Day and as often as may reasonably be requested, subject to the Originator's security and confidentiality requirements and to discuss the business, operations, properties and financial condition of the Originator with officers and employees of the Originator and with its Independent Public Accountants.

4.4 Collections

Instruct each Obligor to make payments in respect of its Receivables to a/the Collection Account(s) and to comply in all material respects with procedures with respect to Collections reasonably specified from time to time by the Purchaser. In the event that any payments in respect of any such Receivables are made directly to the Originator (including, without limitation, any employees thereof or independent contractors employed thereby), the Originator shall within one (1) Local Business Day of receipt thereof, deliver or deposit such amounts to a/the Collection Account(s) and, prior to forwarding such amounts, the Originator shall hold such payments in trust for the account and benefit of the Purchaser.

4.5 Furnishing Copies, etc

Furnish to the Purchaser (subject to Clause 7.13 hereof):

- (a) within five (5) Local Business Days of the Purchaser's request, a certificate of a Responsible Officer of the Originator, certifying, as of the date thereof, to the knowledge of such officer, that no Originator Termination Event has occurred and is continuing or if one has so occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto;
- (b) promptly after a Responsible Officer of the Originator obtains knowledge of the occurrence of any Originator Termination Event or Potential Originator Termination Event, written notice thereof;
- (c) promptly following request therefor, such other information, documents, records or reports regarding or with respect to the

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- (d) promptly upon determining that any Receivable originated by it designated as an Eligible Receivable on the Daily Report or Monthly Settlement Report was not an Eligible Receivable as of the date provided therefor, written notice of such determination.

4.6 Responsibilities of the Originator as Local Servicer

Notwithstanding anything herein to the contrary, (i) the Originator, while acting as Local Servicer, shall perform or cause to be performed all of its obligations under the Policies related to the Receivables to the same extent as if such Receivables had not been sold, assigned, transferred and conveyed to the Purchaser hereunder, (ii) the exercise by the Purchaser of any of its rights hereunder shall not relieve the Originator of its obligations with respect to such Receivables and (iii) except as provided by law, the Purchaser shall not have any obligation or liability with respect to any Receivables, nor shall the Purchaser be obligated to perform any of the obligations or duties of the Originator.

4.7 Assessments

Pay before the same become delinquent and discharge all taxes, assessments, levies and other governmental charges imposed on it except such taxes, assessments, levies and governmental charges which are being contested in good faith and for which the Originator has set aside on its books adequate reserves in accordance with UK GAAP.

4.8 Marking of Records

Each Originator will maintain a system that will clearly and unambiguously indicate that the Receivables have been sold, assigned, conveyed or transferred to the Purchaser, contributed by the Purchaser to the Company and thereupon a Participation and security interest granted by the Company to the Trustee. Each Originator agrees that from time to time it will promptly execute and deliver all instruments and documents, and take all further action, that Purchaser, the Company or the Trustee may reasonably request in order to perfect, protect or more fully evidence the Trustee's first priority perfected security interest in such Receivables and the related Collections.

5. NEGATIVE COVENANTS

Each Originator hereby agrees that, so long as there are any amounts outstanding with respect to Eligible Receivables originated by it, previously sold, assigned, conveyed or transferred by it to the Purchaser or until an Early Termination, whichever is the later, it shall not:

5.1 Limitations on Transfers of Receivables, etc

At any time sell, convey, assign, transfer or otherwise dispose of any of the Receivables or other Receivable Assets relating thereto, except as contemplated by the Transaction Documents.

5.2 Extension or Amendment of Receivables

Whether acting as Local Servicer or otherwise, extend, make any Dilution Adjustment to, rescind, cancel, amend or otherwise modify, or attempt or purport to extend, amend or otherwise modify, the terms of any Receivables, unless (a) (i) such cancellation, termination, amendment, modification, or waiver is made in accordance with the servicing standards set forth in Clause 4.12 of the Servicing Agreement (and would have been made in the ordinary course of business), (ii) if such cancellation, termination, amendment, modification or waiver arose as a result of a request from an Obligor, (iii) if any such amendment, modification or waiver does not cause such Receivable to cease to be an Eligible Receivable and (iv) such cancellation, termination, amendment, modification or waiver would not have a material and prejudicial effect on the collectibility of the relevant Receivable or (b) such Dilution Adjustment is the result of a pre-existing contractual obligation between it and the related Obligor with respect to such

Receivable provided, that in the event the Originator cancels an invoice related to a Receivable, the Originator must make an Originator Dilution Adjustment Payment in accordance with Clause 2.7, provided, further that in the event the Originator cancels an invoice related to a Receivable, either (i) such invoice must be replaced with an invoice relating to the same transaction as the cancelled invoice of equal or greater Principal Amount on the same day, (ii) such invoice must be replaced with an invoice relating to the same transaction as the cancelled invoice of a lesser Principal Amount on the same Business Day and the Originator must make an Originator Dilution Adjustment Payment, to the Purchaser, in an amount equal to the difference between such cancelled and replacement invoices or (iii) the Originator must make an Originator Dilution Adjustment Payment, to the Purchaser, in an amount equal to the full value of such cancelled invoice pursuant to Clause 2.7.

5.3 Change in Payment Instructions to Obligors

Instruct any Obligor of any Receivables to make any payments with respect to any Receivables other than by cheque or wire transfer to a/the Collection Account.

5.4 **Policies**

Make any change or modification (or permit any change or modification to be made) in any material respect to the Policies, except (i) if such changes or modifications are necessary under any Requirement of Law, or (ii) if the Rating Agency Condition is satisfied with respect thereto, provided, however, that if any change or modification, other than a change or modification permitted pursuant to sub-clause (i) above, would reasonably be expected to have a Material Adverse Effect with respect to a Series which is not rated by a Rating Agency, the consent of Investor Certificateholders representing Fractional Undivided Interests aggregating not less than 51% of the Adjusted Invested amount of such Series (or, as otherwise specified in the related Supplement) shall be required to effect such change or modification.

5.5 **Ineligible Receivables**

Without the prior written approval of the Purchaser, take any action which to its knowledge would cause, or would permit, a Receivable that was designated as an Eligible Receivable on the Purchase Date relating to such Receivable to cease to be an Eligible Receivable, except as otherwise expressly provided by this Agreement.

5.6 **Business of the Originator**

Fail to maintain and operate the business currently conducted by the Originator, and business activities reasonably incidental or related thereto in substantially the manner in which it is presently conducted and operated if such failure would reasonably be expected to result in a Material Adverse Effect with respect to it.

5.7 **Limitation on Fundamental Changes**

Enter into any merger or consolidate with another Person or sell, lease, transfer or otherwise dispose of assets constituting all or substantially all of its assets and its consolidated Subsidiaries (taken as a whole) to another Person or liquidate or dissolve unless:

- (a) either (i) the Originator is the surviving entity;
- (b) subject to Clause 7.13 hereof, it has delivered to the Trustee a certificate executed by a Responsible Officer of the Originator addressed to the Trustee (i) stating that such consolidation, merger, conveyance or transfer complies with this Clause 5.7 and (ii) further stating in the Responsible Officer's certificate that all conditions precedent herein provided for relating to such transaction have been complied with;

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- (c) it has delivered to the Trustee an Opinion of Counsel from a nationally recognised legal counsel to the effect that the assignment of Receivables to the Purchaser by such Surviving Person, after the date of such merger, consolidation, sale, lease, transfer or disposal of assets, shall be treated as a "true sale" of any such Receivables;
 - (d) it has delivered to the Trustee a General Opinion; and
 - (e) the Rating Agency Condition has been satisfied.

5.8 **Administration and Winding Up**

The Originator hereby undertakes to the Purchaser that, until one year and one day has elapsed since the last day on which Commercial Paper was outstanding, it will not petition or commence proceedings for the administration or winding up (nor join any person in the petition or commencement of proceedings for the administration or winding up) of the Purchaser.

6. **TERMINATION EVENTS**

6.1 **Originator Termination Events**

The following events shall be construed as "**Originator Termination Events**":

- (a) an Originator shall fail to pay any amount due hereunder in accordance with the provisions hereof and such failure shall continue unremedied for a period of five Business Days from the earlier to occur of (i) the date upon which a Responsible Officer of an Originator obtains actual knowledge of such failure or (ii) the date on which written notice of such failure, requiring the same to be remedied, shall have been given (A) to such Originator by the Purchaser or the Trustee or (B) to the Purchaser, to the Trustee and to such Originator by holders of Investor Certificates evidencing 25% or more of the Aggregate Invested Amount; or

- (b) an Originator shall fail to observe or perform any other covenant or agreement applicable to it contained herein (other than as specified in sub-clause (a) of this Clause 6.1) that has a Material Adverse Effect with respect to it and that continues unremedied until ten (10) Local Business Days after the date on which written notice of such failure, requiring the same to be remedied shall have been given (A) to such Originator by the Purchaser or the Trustee or (B) to the Purchaser, to the Trustee and to the Originator by holders of Investor Certificates evidencing 25% or more of the Aggregate Invested Amount, provided that if such failure may be cured and the Originator is diligently pursuing such cure, such event shall not constitute an Originator Termination Event for an additional thirty (30) days; or
- (c) any representation or warranty made by an Originator in this Agreement or in any certificate delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made or deemed made, and which continues unremedied until ten (10) Local Business Days after the date on which written notice thereof, requiring the same to be remedied, shall have been given (A) to such Originator by the Purchaser or the Trustee or (B) to the Purchaser, to the Trustee and to the Originator by holders of Investor Certificates evidencing 25% or more of the Aggregate Invested Amount, provided that if such incorrectness may be cured and the Originator is diligently pursuing such cure, such event shall not constitute an Originator Termination Event for an additional thirty (30) days and provided further that an Originator Termination Event shall not be deemed to have occurred under this sub-clause (c) based upon a breach of any representation or warranty set forth in Clause 3.3 if the Originator shall have complied with the provisions of Clause 2.8 in respect thereof; or

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- (d) an Originator has been terminated as Local Servicer with respect to the Receivables originated by it, and not replaced as a Local Servicer by an affiliate of Huntsman International, following a Master Servicer Default under the Servicing Agreement.

6.2 Program Termination Events

The following events shall be construed as "**Program Termination Events**":

- (a) an Insolvency Event shall have occurred with respect to an Originator; or
- (b) there shall have occurred and be continuing (i) an Early Amortisation Event set forth in Clause 7.01 of the Pooling Agreement or (ii) the Amortisation Period with respect to all Outstanding Series; or
- (c) a Federal (or equivalent) tax notice of Lien, in an amount equal to or greater than \$500,000, shall have been filed against an Originator unless there shall have been delivered to the Trustee and the Rating Agencies proof of release of such Lien; or
- (d) any Originator Termination Event shall have occurred and be continuing with respect to an Originator that, as of the last Monthly Settlement Report, had originated more than 10% of the Aggregate Receivables Amount reflected on such report; or
- (e) an Originator Termination Event shall have occurred but the Originator has not been terminated within 10 calendar days in accordance with Clause 2.10 of the Pooling Agreement.

6.3 Remedies

- (a) Upon the occurrence and continuance of any Originator Termination Event as described in clause 6.1, the Purchaser shall (i) cease to accept any Offer for Sale of Receivables from such Originator Termination Event and (ii) the Originator shall be terminated as an Originator upon 10 days written notice (the date on which such notice becomes effect, the "**Originator Termination Date**"), provided that such removal or termination shall be in accordance with clause 2.10 of the Pooling Agreement.
- (b) Upon the occurrence and continuance of any Program Termination Event and after the expiration of any applicable cure period as described in clause 6.3, the Purchaser shall cease without further notice, which the Originator hereby waives, to accept any Offer hereunder (such date of termination, the "**Program Termination Date**"), and there shall be an Early Amortisation Event pursuant to clause 7.01 of the Pooling Agreement.
- (c) Each Originator agrees that, upon the occurrence and during the continuation of Program Termination Event as described in Clauses 6.2(a) or (b)(i):
 - (i) the Purchaser (and its assignees) shall have the right at any time or require that each Originator, at its expense give Notice of Assignment to the Obligors in respect of the Receivables and other Receivables Assets of the assignment thereof to the Purchaser and may direct that payment of all amounts due or to become due under the Receivables be made directly to the relevant currency Company Concentration Account;

- (ii) each Originator in such capacity or in its capacity as Local Servicer, shall, upon the Purchaser's (or its assignees') written request and at such Originator's expense, (A) assemble all of its documents, instruments and other records (including credit files and computer tapes or disks) that (1) evidence or will evidence or record Receivables and (2) are otherwise necessary or desirable to effect Collections of such Receivables including (i) Receivable specific information including, when applicable, invoice number, invoice due date, invoice value, purchase order reference, shipping date, shipping address, shipping terms, copies of delivery notes, bills of lading, insurance documents, copies of

letters of credit, bills of exchange or promissory notes, other security documents, and (ii) Obligor specific information, including copy of the Contract, correspondence file and details of any security held (collectively, the "Originator Documents") and (B) deliver such Originator Documents to the Purchaser or its designee at a place designated by the Purchaser. In recognition of the Originator's need to have access to any Originator Documents which may be transferred to the Purchaser hereunder, whether as a result of its continuing business relationship with any Obligor for Receivables or as a result of its responsibilities as Local Servicer, the Purchaser hereby grants to each Originator a license to access the Originator Documents transferred by such Originator to the Purchaser and to access any such transferred computer software in connection with any activity arising in the ordinary course of the Originator's business or in performance of the Originator's duties as Local Servicer, provided that the Originator shall not disrupt or otherwise interfere with the Purchaser's use of and access to the Originator Documents and its computer software during such license period;

- (iii) upon written request of the Purchaser, each Originator will (A) deliver to the Purchaser all licenses, rights, computer programs, related material, computer tapes, disks, cassettes and data necessary for the immediate collection of the Receivables by the Purchaser, with or without the participation of the Originator (excluding software licenses which by their terms are not permitted to be so delivered, provided that the Originator shall use reasonable efforts to obtain the consent of the relevant licensor to such delivery but shall not be required, to the extent it has an ownership interest in any electronic records, computer software or licenses, to transfer, assign, set-over or otherwise convey such ownership interests to the Purchaser) and (B) make such arrangements with respect to the collection of the Receivables as may be reasonably required by the Purchaser.

- 6.4 The rights referred to or contained in Clause 6.3 and the powers conferred thereby may be exercised only at the times and in the circumstances mentioned therein and, accordingly, the Purchaser hereby undertakes to the Originator that it will not exercise or purport to exercise such rights other than at such times and in such circumstances.
- 6.5 The Originator hereby agrees that if an Originator Termination Date and/or Program Termination Event occurs, the Purchaser may notify in writing the other parties hereto of such fact and thereafter exercise its rights referred to or contained in Clause 6.3 as if a Originator Termination Notice had been given on the date of such notice and the other provisions of Clause 6.3 shall thereupon also apply.

7. MISCELLANEOUS

7.1 Payments

- (a) All payments to be made by a party ("**payor**") hereunder shall be made in the currency of such liability and, if no currency is specified, in Sterling on the applicable due date and in immediately available funds to the recipient's ("**payee**") account or to such other account as may be specified by such payee from time to time in a notice to such payor. Wherever any payment to be made under this Agreement shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.
- (b) Any payments made by any person by way of acceptance of an Offer (as mentioned in Clause 2.2(d)) shall be made in the relevant Approved Currency for the purposes of the Offer (or in any other currency agreed by the parties for those purposes) and in immediately available funds to the relevant Originator's account.

7.2 Costs and Expenses

Each Originator agrees jointly and severally (a) to pay or reimburse the Purchaser for all of its out-of-pocket costs and expenses incurred in connection with the preparation and execution of, and any amendment, supplement or modification to, this Agreement, the other Transaction Documents and any other documents prepared in connection herewith and therewith, the consummation and administration of the transactions contemplated hereby and thereby, including, without limitation, all reasonable fees and disbursements of counsel, (b) to pay or reimburse the Purchaser for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement and any of the other Transaction Documents, including, without limitation, the reasonable fees and disbursements of counsel to the Purchaser, (c) (except as provided in Clause 7.16) to pay,

indemnify, and hold the Purchaser harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay caused by an Originator in paying, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of, any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement and any such other documents, and (d) to pay, indemnify, and hold the Purchaser harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (i) which may at any time be imposed on, incurred by or asserted against the Purchaser in any way relating to or arising out of this Agreement or the other Transaction Documents or the transactions contemplated hereby and thereby or in connection herewith or any action taken or omitted by the Purchaser under or in connection with any of the foregoing (all such other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements being herein called "**Originator Indemnified Liabilities**") or (ii) which would not have been imposed on, incurred by or asserted against the Purchaser but for its having acquired the Receivables hereunder, provided, however, that such indemnity shall not be available to the extent that such Originator Indemnified Liabilities are finally judicially determined to have resulted from the gross negligence or wilful misconduct of the Purchaser. The agreements of the Originators in this Clause 7.2 shall survive the collection of all Receivables, the termination of this Agreement and the payment of all amounts payable hereunder.

7.3 **Successors and Assigns**

This Agreement shall be binding upon and inure to the benefit of the Originators and the Purchaser and their respective successors (whether by merger, consolidation or otherwise) and permitted assigns. Each Originator agrees that it will not assign or transfer all or any portion of its rights or obligations hereunder without the prior written consent of the Purchaser. Each Originator acknowledges that the Purchaser shall contribute the Receivables Assets to the Company and that the Company shall grant a Participation and a security interest in all of its rights thereunder to the Trustee pursuant to the Pooling Agreement.

7.4 **Governing Law**

This Agreement shall be governed by, and construed in accordance with, English law.

7.5 **No Waiver; Cumulative Remedies**

No failure to exercise and no delay in exercising, on the part of the Purchaser, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers

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and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

7.6 **Amendments and Waivers**

Neither this Agreement nor any terms hereof may be amended, supplemented or modified except in a writing signed by the Purchaser and each Originator and that otherwise complies with any applicable provision in the other Transaction Documents. Any amendment, supplement or modification shall not be effective until the Rating Agency Condition has been satisfied.

7.7 **Severability**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.8 **Accession, Amendment and Restatement**

- (a) With effect from the date on which the Purchaser has confirmed that it has received in form and substance satisfactory to it each of the documents specified in the Closing Documents List, the Original UK RPA shall be amended and restated on the terms hereof and Huntsman SS shall become a party to the Original UK RPA as an Originator.
- (b) If any United Kingdom Affiliate of the Originator acceptable to the Purchaser and the Administrative Agent executes and delivers to the Purchaser and the Administrative Agent a duly completed Accession Undertaking in substantially the form set out in the Seventh Schedule and the Accession Legal Opinion from legal counsel acceptable to the Purchaser and the Administrative Agent and the Rating Agencies in substantially the form set out in the Eighth Schedule and the provisions of Section 2.9 of the Pooling Agreement are satisfied, such Affiliate of the Originator shall become a party to this Agreement as an Originator on the delivery of such Accession Undertaking and such Accession Legal Opinion to the Purchaser and the Administrative Agents and the satisfaction of such provisions.

7.9 **Notices**

All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three

(3) days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of the Purchaser and each Originator, or to such other address as may be hereafter notified by the respective parties hereto:

With respect to the Purchaser:

Huntsman International LLC
500 Huntsman Way
Salt Lake City
Utah 84108

Attention: Office of the General Counsel

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Copy to:

Huntsman (Europe) B.V.B.A.
Everslaan 45
B-3078 Everberg
Belgium

Telecopy: 32 2759 5501

With respect to the Originators:

Tioxide Europe Limited
Haverton Hill Road
Billingham
TS23 1PS

Attention: Company Secretary
Telecopy: 01642 376 460

Huntsman Petrochemicals (UK) Limited
Haverton Hill Road
Billingham
TS23 1PS

Attention: Company Secretary
Telecopy: 01642 376 460

Copy to:

Huntsman Surface Sciences UK Limited
Lincoln House
137-143 Hammersmith Road
London W14 0QL

Huntsman (Europe) B.V.B.A.
Everslaan 45
B-3078 Everberg
Belgium

Telecopy: 32 2759 5501

The Chase Manhattan Bank (Ireland) plc, as Trustee
Chase Manhattan House
International Financial Services Centre
Dublin 1
Ireland

7.10 Counterparts

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Purchaser.

7.11 Jurisdiction

- (a) Each of the parties hereto irrevocably agrees for the benefit of each other party that the courts of England shall have

and to settle any disputes, which may arise out of or in connection with the Transaction Documents and, for such purposes, irrevocably submits to the jurisdiction of such courts.

- (b) Each party hereto irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 7.11(a) being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with any Transaction Document and agrees not to claim that any such court is not a convenient or appropriate forum.
- (c) The submission to the jurisdiction of the courts referred to in Clause 7.11(a) shall not (and shall not be construed so as to) limit the right of any person to take proceedings against any other party hereto in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not if and to the extent permitted by applicable law.
- (d) The Purchaser hereby irrevocably appoints Tioxide Europe Limited of Haverton Hill Road, Billingham, TS23 1PS to accept service of any process on its behalf and further undertakes to the other parties hereto that it will at all times during the continuance of this Agreement maintain the appointment of some person in England as its agent for the service of process and irrevocably agrees that service of any writ, notice or other document for the purposes of any suit, action or proceeding in the courts of England shall be duly served upon it if delivered or sent by registered post to the address of such appointee (or to other such address in England as that party may notify to the other parties hereto).

7.12 No Bankruptcy Petition

- (a) Each Originator, by entering into this Agreement, covenants and agrees, to the extent permissible under applicable law, that it will not institute against, or join any other Person in instituting against, the Purchaser any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings, or other proceedings (including, but not limited to, petitioning for the declaration of the Purchaser's assets *en désastre*) under any Applicable Insolvency Laws.
- (b) Notwithstanding anything elsewhere herein contained, the sole remedy of an Originator or any other Person in respect of any obligation, covenant, representation, warranty or agreement of the Purchaser under or related to this Agreement shall be against the assets of the Purchaser. Neither the Originator nor any other Person shall have any claim against the Purchaser to the extent that such assets are insufficient to meet such obligation, covenant, representation, warranty or agreement (the difference being referred to herein as a "**shortfall**") and all claims in respect of the shortfall shall be extinguished.

7.13 Termination

This Agreement will terminate at such time as (a) the Purchaser is required to cease accepting any offer hereunder pursuant to Clause 6.2 and (b) all Receivables have been collected, and the proceeds thereof turned over to the Purchaser and all other amounts owing to the Purchaser hereunder shall have been paid in full or, if Receivables have not been collected, such Receivables have become Defaulted Receivables and the Purchaser shall have completed its collection efforts in respect thereto, provided, however, that the indemnities of an Originator to the Purchaser set forth in this Agreement shall survive such termination and provided further that, to the extent any amounts remain due and owing to the Purchaser hereunder, the Purchaser shall remain entitled to receive any Collections on Receivables which have become Defaulted Receivables after it shall have completed its collection efforts in respect thereof. Notwithstanding anything to the contrary contained herein, if at any time, any payment made by an Originator is rescinded or must be restored or returned by the Purchaser as a result of any Insolvency Event with respect to an

Originator then an Originator's obligations with respect to such payment shall be reinstated as though such payment had never been made.

7.14 Responsible Officer Certificates; No Recourse

Any certificate executed and delivered by a Responsible Officer of an Originator or the Purchaser pursuant to the terms of the Transaction Documents shall be executed by such Responsible Officer not in an individual capacity but solely in his or her capacity as an officer of such Originator or the Purchaser, as applicable, and such Responsible Officer will not be subject to personal liability as to the matters contained in the certificate. A director, officer, manager, employee, or shareholder, as such, of an Originator or Purchaser shall not have liability for any obligation of such Originator or the Purchaser hereunder or under any Transaction Document or for any claim based on, in respect of, or by reason of, any Transaction Document, unless such claim results from the gross negligence, fraudulent acts or wilful misconduct of such director, officer, employee, manager or shareholder.

7.15 Confidential Information

- (a) Unless otherwise required by applicable law, and subject to Clause 7.15(b), each of the parties hereto undertakes to maintain the confidentiality of this Agreement in its communications with third parties and otherwise. None of the parties shall disclose to any person any information of a confidential nature of or relating to either an Originator, the Trustee or Purchaser, which such party may have obtained as a result of the Transaction (the "Confidential Information"). For the avoidance of doubt, the Purchaser shall restrict disclosure of Confidential Information to its officers, employees, agents and advisers who need to receive such information to ensure the proper functioning of the Transaction. The Trustee shall procure that such officers, employees, agents and advisers shall keep confidential all of the Confidential Information received.
- (b) The provisions of this Clause 7.15(b) shall not apply:
 - (i) To the disclosure of any information which is or becomes public knowledge otherwise than as a result of the conduct of the recipient;
 - (ii) To the disclosure of Confidential Information to the Trustee's assigns or the Rating Agencies (provided that such information is disclosed subject to the condition that such party will hold it confidential on the same basis);
 - (iii) To the disclosure of any information with the written consent of the parties hereto;
 - (iv) To the disclosure of any information in response to any order of any court or Governmental Authority; or
 - (v) To the disclosure of any information reasonably required for the completion and filing of any financing statements pursuant to Clauses 2.3(c), and 4.5.

7.16 Stamp Duty

The Originator will pay and hold itself responsible for and will seek no indemnity from the Purchaser or the Company in respect of Stamp Duty which is required to be paid in order to secure the stamping of any Relevant Document for any of the following purposes:

- (a) Allowing the Relevant Document in question to be produced in evidence in proceedings in the United Kingdom where this is required in order to enable the Purchaser or the Company to enforce its rights in respect of any Purchased Receivables against the Obligor and either:
 - (i) the judge, arbitrator or other person responsible for the determination of such proceedings has ruled that an executed original or counterpart of the Relevant Document must be produced in evidence as aforesaid (provided that if an appeal against the ruling
-
- (i) is permissible and the Originator so requests, and on the condition that the Originator indemnifies the Purchaser or the Company, as the case may be, to its respective satisfaction on an after-tax basis for all costs involved in such an appeal, the Purchaser or the Company, as the case may be, will pursue such an appeal pending which neither the Purchaser nor the Company, as the case may be, will cause an executed original or counterpart of the Relevant Document to be produced in evidence as aforesaid); or
 - (ii) the rules governing the conduct of such proceedings provide that a certified unstamped copy of the Relevant Document in question or any other form of evidence of the matters which are the subject of such proceedings cannot be produced as adequate evidence for the purposes of such proceedings; or
- (b) Complying with a requirement imposed by any judicial or governmental authority for the Relevant Document in question to be stamped before it will be taken into account for the purpose of determining any liability of the Purchaser or the Company to taxation (subject to the Purchaser or (as the case may be) the Company taking reasonable steps to resist or avoid such requirement (insofar as it is able to do so whilst fully complying with its obligations under applicable law and practice and without causing any material prejudice (actual or potential) to its interests)).

IN WITNESS WHEREOF this Agreement has been entered into by the parties hereto acting by their authorised signatories on the date first above written.

Signed by an authorised Officer of
HUNTSMAN INTERNATIONAL LLC

/s/ SEAN DOUGLAS

Sean Douglas, Vice President and Treasurer

Signed by an authorised Officer of
TIOXIDE EUROPE LIMITED

/s/ DUNCAN EMERSON

Duncan Emerson

Signed by an authorised Officer of
HUNTSMAN PETROCHEMICALS (UK) LIMITED

/s/ DUNCAN EMERSON

Duncan Emerson

Signed by an authorised Officer of
HUNTSMAN SURFACE SCIENCES UK LIMITED.

/s/ GABRIEL KOW

Gabriel Kow

Signed by an authorised Officer of
HUNTSMAN (EUROPE) B.V.B.A.

/s/ CHRISTOPHE STRUYVELT

Christophe Struyvelt

SCHEDULE 1
TO RECEIVABLES PURCHASE AGREEMENT
FORM OF OFFER LETTER

To: The Master Servicer as agent for the Purchaser

From: The Originator

Dated:

Dear Sirs,

1. We refer to the receivables purchase agreement (such receivables purchase agreement as from time to time amended, supplemented or novated being herein called the "**UK Receivables Purchase Agreement**") dated 20 and made between (among others) ourselves and yourselves.
2. Terms defined in the UK Receivables Purchase Agreement shall bear the same meaning herein.
3. We hereby offer you an assignment on [date] of certain Receivables (the "**Available Receivables**") at a Purchase Price calculated in accordance with Clause 2.4 of the UK Receivables Purchase Agreement and notify you that the aggregate of the Outstanding Face Amount of the Available Receivables is [specify] and the Outstanding Face Amounts of the Available Receivables in each Approved Currency are [specify]. The UK Originator Daily Report incorporating a list of the Receivables offered to you by us in accordance with Clause 2.1 of the UK Receivables Purchase Agreement is attached hereto.
4. Payment of the Purchase Price, in the relevant Approved Currency in respect of the relevant Receivables denominated in such Approved Currency shall be made directly into the [specify] account, account no. [•] at [specify branch address].
5. We hereby warrant that each of the representations and warranties referred to in Clause 3 of the UK Receivables Purchase Agreement is true on and as of the date hereof in respect of each Available Receivable save as specified in connection therewith in the attached list.

Yours faithfully,

SCHEDULE 2
TO RECEIVABLES PURCHASE AGREEMENT
FORM OF ORIGINATOR DAILY REPORT

Form of Originator Daily Report

Huntsman Master Trust—Daily Report

	Report Date 02-Nov-00	Activity Date 01-Nov-00	
	Seller Interest	Series 2000-1 Investor Interest	Series 2000-2 Investor
			Total
Pool Activity			
Beginning Receivables Balance			
Plus: FX Adjustment			
Less: Aggregate Initial Collections			
Plus: New Sales			
Less: Non-Contractual Dilutions			
Less: Timely Payment Discount Issued			
Less: Volume Rebate Issued			
Less: Write-Offs Prior to 60 days			
Less: Write-Offs Past to 60 days			
Less: Seller Adjustment/Payment Repurchased			
Receivables			
Less: Misdirected Receivables			
Plus: Mechanical Zero Offsets			
Plus: Other Adjustments			
Ending Receivables Balance			
Less: Defaulted Receivables			
Less: Obligor Overconcentration Amount			
Less: Country Overconcentration Amount			
Less: Commissions/Cash Discounts Accruals			
Less: Volume Rebate Accruals			
Less: A/P Offsets			
Aggregate Receivables Amount			
Series 2000-1 Servicer Advance Outstanding			
Series 2000-1 Servicer Advance Outstanding			
Beginning Invested %			
Invested Amount			
Adjusted Invested Amount			
Required Subordinated Amount			
Target Receivables Amount			
Allocated Receivables Amount			
Collateral Compliance			
Series 2000-1 Purchase Price			
Ending Invested %			

Form of Daily Report

Part 2 of 4

TOTAL USD EQUIVALENT

Daily Allocation of Collections

Total Collections in the Trust Accounts

A/R Collections Allocated

Servicer Advance

Total funds to allocate

Deposit to Accrued Interest Subaccount

Deposit to Non-Principal Conc Subacc

Deposit to Principal Conc Subacc (Servicer Advance)

Deposit to Servicer Account (Serv Advance Repayment)

Deposit to repay Invested Amount

Deposit to Company Receipts Account

Total Allocated

US DOLLAR

Daily Allocation of Collections and Servicer Advance

Total Collections in the Trust Accounts

A/R Collections Allocated

Servicer Advance

Total funds to allocate

Deposit to Accrued Interest Subaccount

Deposit to Non-Principal Conc Subacc

Deposit to Principal Conc Subacc (Servicer Advance)

Deposit to Servicer Account (Serv Advance Repayment)

Deposit to repay Invested Amount

Deposit to Company Receipts Account

Total Allocated

EURO

Daily Allocation of Collections

Total Collections in the Trust Accounts

A/R Collections Allocated

Servicer Advance

Total funds to allocate

Deposit to Accrued Interest Subaccount

Deposit to Non-Principal Conc Subacc

Deposit to Principal Conc Subacc (Servicer Advance)

Deposit to Servicer Account (Serv Advance Repayment)

Deposit to repay Invested Amount

Deposit to Company Receipts Account

Total Allocated

STERLING

Daily Allocation of Collections

Total Collections in the Trust Accounts

A/R Collections Allocated

Servicer Advance

Total funds to allocate

Deposit to Accrued Interest Subaccount

Deposit to Non-Principal Conc Subacc

Deposit to Principal Conc Subacc (Servicer Advance)

Deposit to Servicer Account (Serv Advance Repayment)

Deposit to repay Invested Amount

Deposit to Company Receipts Account

Total Allocated

Ratios	
Series 2000-2 Class A Ratio	N/A
Series 2000-2 Class B Ratio	N/A
Series 2000-1 Ratio	N/A
Series Carrying Cost Reserve Ratio	
Servicing Reserve Ratio	
Series 2000-1 Percentage Factor	N/A
Period Type	

TOTAL USD EQUIVALENT

Series 2000-1 Accrued Interest	Series 2000-2 Accrued Interest
Beginning Balance	Beginning Balance
Deposit	Deposit
Withdrawal	Withdrawal
Ending Balance	Ending Balance

Series 2000-1 Non-Principal Collections	Series 2000-2 Non-Principal Collection
Beginning Balance	Beginning Balance
Deposit—Collections	Deposit—Collections
Deposit—Interest Income	Deposit—Interest Income
Withdrawal	Withdrawal
Ending Balance	Ending Balance

Series 2000-1 Principal Collections	Series 2000-2 Non-Principal Collection
Beginning Balance	Beginning Balance
Deposit—funds from Collection Account	Deposit
Deposit—Servicer Advance	Withdrawal
Withdrawal—Servicer Advance Repayment	
Withdrawal—Tranche 1 Repayment	
Withdrawal—Tranche 2 Repayment	
Withdrawal—Funds to the Company Receipts Accounts	
Accounts	
Ending Balance	Ending Balance

US DOLLAR

Series 2000-1 USD Accrued Interest Subaccount (7971071613)	Series 2000-2 USD Accrued Interest Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit	Deposit
Withdrawal	Withdrawal
Ending Balance	Ending Balance

Series 2000-1 USD Non-Principal Collection Subaccount (7971071621)	Series 2000-2 USD Non-Principal Collection Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit—Collections	Deposit—Collections
Deposit—Interest Income	Deposit—Interest Income
Withdrawal	Withdrawal
Ending Balance	Ending Balance

Series 2000-1 USD Principal Collection Subaccount (7971071639)	Series 2000-2 USD Principal Collection Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit—funds from Collection Account	Deposit
Deposit—Servicer Advance	Withdrawal
Withdrawal—Servicer Advance Repayment	
Withdrawal—Tranche 1 Repayment	
Withdrawal—Tranche 2 Repayment	
Withdrawal—Funds to the Company Receipts Account	
Ending Balance	Ending Balance

EURO

Series 2000-1 Euro Accrued Interest Subaccount (7971071647)	Series 2000-2 Euro Accrued Interest Subaccount [xxx]
Beginning Balance	Beginning Balance

Deposit	Deposit
Withdrawal	Withdrawal
Ending Balance	Ending Balance
Series 2000-1 Euro Non-Principal Collection Subaccount (7971071654)	Series 2000-2 Euro Non-Principal Collection Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit—Collections	Deposit—Collections
Deposit—Interest Income	Deposit—Interest Income
Withdrawal	Withdrawal
Ending Balance	Ending Balance
Series 2000-1 Euro Principal Collection Subaccount (7971071662)	Series 2000-2 Euro Principal Collection Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit—funds from Collection Account	Deposit
Deposit—Servicer Advance	Withdrawal
Withdrawal—Servicer Advance Repayment	
Withdrawal—Tranche 1 Repayment	
Withdrawal—Tranche 2 Repayment	
Withdrawal—Funds in the Company Receipts Accounts	
Ending Balance	Ending Balance
STERLING	
Series 2000-1 GBP Accrued Interest Subaccount (7971071670)	Series 2000-2 GBP Accrued Interest Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit	Deposit
Withdrawal	Withdrawal
Ending Balance	Ending Balance
Series 2000-1 GBP Non-Principal Collection Subaccount (7971071688)	Series 2000-2 GBP Non-Principal Collection Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit—Collections	Deposit—Collections
Deposit—Interest Income	Deposit—Interest Income
Withdrawal	Withdrawal
Ending Balance	Ending Balance
Series 2000-1 GBP Principal Collection Subaccount (7971071696)	Series 2000-2 GBP Principal Collection Subaccount [xxx]
Beginning Balance	Beginning Balance
Deposit—funds from Collection Account	Deposit
Deposit—Servicer Advance	Withdrawal
Withdrawal—Servicer Advance Repayment	
Withdrawal—Tranche 1 Repayment	
Withdrawal—Tranche 2 Repayment	
Withdrawal—Funds to the Company Receipts Account	
Ending Balance	Ending Balance

The undersigned, an Officer of Huntsman (Europe) B.V.B.A, as Master Servicer, certifies that the information set forth above is true and correct and it has performed in all material respects all of its obligations as Servicer under the Pooling and Servicing Agreements required to be performed as of the date hereof.

Names:
Title:
Date:

SCHEDULE 3

FORM OF SECURITY POWER OF ATTORNEY

THIS POWER OF ATTORNEY is made on the _____ 20 by [•] (defined as the "**Originator**" herein) in favour of [•], a company whose registered office is at [] acting in its capacity as Purchaser (the "**Purchaser**", and as the "**Attorney**").

WHEREAS

(A) Pursuant to a UK Receivables Purchase Agreement (the "**UKRPA**") dated on or about _____ 20 made by and between the Originator, the Purchaser and others, the Originator (as referred to therein) may from time to time offer to sell to the Purchaser

certain receivables evidenced by invoices rendered by the Originator (the "**Receivables**") and the Purchaser may accept an assignment of all Receivables for its benefit.

- (B) Receivables and Collections so acquired and not subsequently reacquired by the Originator or collected in full are referred to herein as the "**Purchased Receivables**".
- (C) Under the Servicing Agreement, the Originator has been appointed by the Servicer as its Local Servicer under the Servicing Agreement.
- (D) Terms not defined herein shall have the meaning ascribed to such terms in the UKRPA.

NOW, THEREFORE, the parties agree as follows:

1. THE ORIGINATOR HEREBY APPOINTS the Attorney in respect of the Contracts and their related Collections, or the assets subject to the trusts declared by it under the UKRPA and referred to it above, to be its true and lawful attorney for it and in its name to do any of the following acts, deeds and things or any of them as may be within the power of the Originator:
 - (a) to exercise its rights, powers and discretions in respect of Purchased Receivables, Collections and in respect of any other related rights (such related benefit and other rights being the "**Ancillary Rights**");
 - (b) to exercise all the rights, powers, remedies and discretions exercisable by the Originator by reason of the Originator remaining legal owner of Purchased Receivables or the Ancillary Rights;
 - (c) to execute, sign, seal and deliver any document (other than, for the avoidance of doubt, an absolute assignment) and to do any other act or thing which it may deem to be necessary in order to protect the interests of the Purchaser, proper or expedient for fully and effectually vesting or transferring the equitable interest in the Purchased Receivables sold by it and the Ancillary Rights in or to the Purchaser or the Purchaser's assigns hereunder (if applicable) or its successors in title or other person or persons entitled to the benefit thereof (as the case may require) pursuant to and in accordance with the UKRPA;
 - (d) to demand, sue for and receive all moneys due or payable under or in respect of Purchased Receivables sold by it and the Ancillary Rights and pay such moneys to the persons to whom such moneys are required to be paid under the UKRPA;
 - (e) to redirect mail and endorse drafts, cheques and other payment media, to perform any agreement or obligation of the Originator under or in connection with the UKRPA and to exercise all other remedies of the Originator under the UKRPA or existing at law; and
 - (f) from time to time to substitute and appoint severally one or more attorneys (the "**Substitute Attorneys**") for all or any of the purposes aforesaid (including the power to authorise any person so appointed to make further appointments).

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2. The Originator hereby agrees at all times hereafter to ratify and confirm any act, matter or deed whatsoever the Attorney or any Substitute Attorney shall lawfully do or cause to be done under or pursuant to this Power of Attorney to the extent that such act or acts and execution are within the power of the Originator and within the contemplation of this Power of Attorney and the Originator shall indemnify the Attorney or any Substitute Attorney in respect of any loss, claim, cost, expense or liability in connection with this Power of Attorney save to the extent that the same arises out of their negligence, wilful default or bad faith. In furtherance of the power herein granted, the Originator agrees that it will assist and co-operate with the Purchaser and provide such facilities as the Purchaser may reasonably request.
 3. The Originator declares that this Power of Attorney has been given for security purposes and to secure continuing obligations of the Originator under the UKRPA and the above-mentioned assignments and trust arrangements, and the powers hereby created shall be irrevocable and will extend to and be binding upon the successors and assigns of the Originator, and the bankruptcy, liquidation, receivership, the making of an administration order or appointment of an administrative receiver or any other equivalent event of or affecting the Originator shall not affect the Powers of Attorney granted by any of the other Originators.
 4. The laws of England shall apply to this Power of Attorney and the interpretation thereof and to all acts of the Attorney or any Substitute Attorney carried out under the terms hereof.

IN WITNESS whereof this Power of Attorney has been executed on the day and year first above written.

THE ORIGINATOR:

By:

Address:

The Attorney:

By:

Address:

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SCHEDULE 4
TO RECEIVABLES PURCHASE AGREEMENT
FORM OF SOLVENCY CERTIFICATES

To: Huntsman International LLC
500 Huntsman Way
Salt Lake City
Utah 84108

Attention: Office of General Counsel
Facsimile: (801) 584

Copy to: J.P. Morgan Bank (Ireland) plc
Chase Manhattan House
International Financial Services Centre
Dublin 1, Ireland

Attention: Padraic Doherty
Facsimile: 00 353 1 612 5777

on letterhead of the Originator

dated

SALE OF RECEIVABLES ORIGINATED BY
HUNTSMAN SURFACE SCIENCES UK LIMITED

I [] having duly considered the provisions of Sections 123 and 238 to 241 of the Insolvency Act 1986, and all documents produced thereto, determine that as at the date hereof:

1. to the best of my knowledge and belief (based upon due enquiry) [•] (the "**Company**") was then able to pay its debts within the meaning of the said Section 123 and would not become unable to do so in consequence of the periodic sale of the Receivables during the month following this certificate pursuant to the terms of the UK Receivables Purchase Agreement entered into between the Company, Huntsman International LLC (the "**Purchaser**"), the Funding Agents and the Administrative Agent;
2. no order had been made or resolution passed for the winding-up of the Company which had been notified to the Company and, to the best of my knowledge and belief:
 - (i) no petition had been presented for the winding-up of the Company or for the making of an administration order in respect of the Company; and
 - (ii) no receiver, administrative receiver, administrator or receiver and manager had been appointed in relation to the Company, disregarding proceedings which are not being pursued or are discharged or are being contested in good faith on proper grounds where not more than thirty (30) days have expired since their commencement or which are of a frivolous or vexatious nature;
3. to the best of my knowledge and belief the sale of the Receivables to the Purchaser and all matters concerning the Company in connection with such matters would, to the extent to which these were to be carried out by the Company, be effected by the Company in good faith and in connection with its business, and in my opinion there were reasonable grounds for believing that the sale of the Receivables and all related matters would benefit the Company; and

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4. in submitting Offers the Company has not to the best of my knowledge and belief been influenced by a desire to prefer the

Purchaser as a creditor over any other creditors of the Company.

Words and expressions defined in the UK Receivables Purchase Agreement shall, unless the context otherwise requires, bear the same meanings when used herein.

This certificate is given by me on behalf of the Company.

Director or other duly authorised officer

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To: Huntsman International LLC
500 Huntsman Way
Salt Lake City
Utah 84108

Attention: Office of General Counsel
Facsimile: (801) 584

Copy to: J.P. Morgan Bank (Ireland) plc
Chase Manhattan House
International Financial Services Centre
Dublin 1, Ireland

Attention: Padraic Doherty
Facsimile: 00 353 1 612 5777

on letterhead of the Originator

dated

**SALE OF RECEIVABLES ORIGINATED BY
TIOXIDE EUROPE LIMITED**

I [] having duly considered the provisions of Sections 123 and 238 to 241 of the Insolvency Act 1986, and all documents produced thereto, determine that as at the date hereof:

1. to the best of my knowledge and belief (based upon due enquiry) [•] (the "**Company**") was then able to pay its debts within the meaning of the said Section 123 and would not become unable to do so in consequence of the periodic sale of the Receivables during the month following this certificate pursuant to the terms of the UK Receivables Purchase Agreement entered into between the Company, Huntsman International LLC (the "**Purchaser**"), the Funding Agents and the Administrative Agent;
2. no order had been made or resolution passed for the winding-up of the Company which had been notified to the Company and, to the best of my knowledge and belief:
 - (i) no petition had been presented for the winding-up of the Company or for the making of an administration order in respect of the Company; and
 - (ii) no receiver, administrative receiver, administrator or receiver and manager had been appointed in relation to the Company, disregarding proceedings which are not being pursued or are discharged or are being contested in good faith on proper grounds where not more than thirty (30) days have expired since their commencement or which are of a frivolous or vexatious nature;
3. to the best of my knowledge and belief the sale of the Receivables to the Purchaser and all matters concerning the Company in connection with such matters would, to the extent to which these were to be carried out by the Company, be effected by the Company in good faith and in connection with its business, and in my opinion there were reasonable grounds for believing that the sale of the Receivables and all related matters would benefit the Company; and
4. in submitting Offers the Company has not to the best of my knowledge and belief been influenced by a desire to prefer the Purchaser as a creditor over any other creditors of the Company.

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Words and expressions defined in the UK Receivables Purchase Agreement shall, unless the context otherwise requires, bear the same meanings when used herein.

This certificate is given by me on behalf of the Company.

Director or other duly authorised officer

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To: Huntsman International LLC
500 Huntsman Way
Salt Lake City
Utah 84108

Attention: Office of General Counsel
Facsimile: (801) 584

Copy to: J.P. Morgan Bank (Ireland) plc
Chase Manhattan House
International Financial Services Centre
Dublin 1, Ireland

Attention: Padraic Doherty
Facsimile: 00 353 1 612 5777

on letterhead of the Originator

dated

**SALE OF RECEIVABLES ORIGINATED BY
HUNTSMAN PETROCHEMICALS (UK) LIMITED**

I [] having duly considered the provisions of Sections 123 and 238 to 241 of the Insolvency Act 1986, and all documents produced thereto, determine that as at the date hereof:

1. to the best of my knowledge and belief (based upon due enquiry) [•] (the "**Company**") was then able to pay its debts within the meaning of the said Section 123 and would not become unable to do so in consequence of the periodic sale of the Receivables during the month following this certificate pursuant to the terms of the UK Receivables Purchase Agreement entered into between the Company, Huntsman International LLC (the "**Purchaser**"), the Funding Agents and the Administrative Agent;
2. no order had been made or resolution passed for the winding-up of the Company which had been notified to the Company and, to the best of my knowledge and belief:
 - (i) no petition had been presented for the winding-up of the Company or for the making of an administration order in respect of the Company; and
 - (ii) no receiver, administrative receiver, administrator or receiver and manager had been appointed in relation to the Company, disregarding proceedings which are not being pursued or are discharged or are being contested in good faith on proper grounds where not more than thirty (30) days have expired since their commencement or which are of a frivolous or vexatious nature;
3. to the best of my knowledge and belief the sale of the Receivables to the Purchaser and all matters concerning the Company in connection with such matters would, to the extent to which these were to be carried out by the Company, be effected by the Company in good faith and in connection with its business, and in my opinion there were reasonable grounds for believing that the sale of the Receivables and all related matters would benefit the Company; and
4. in submitting Offers the Company has not to the best of my knowledge and belief been influenced by a desire to prefer the Purchaser as a creditor over any other creditors of the Company.

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Words and expressions defined in the UK Receivables Purchase Agreement shall, unless the context otherwise requires, bear the same meanings when used herein.

This certificate is given by me on behalf of the Company.

Director or other duly authorised officer

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SCHEDULE 5

TO RECEIVABLES PURCHASE AGREEMENT

LOCATION OF BOOKS AND RECORDS

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SCHEDULE 6

TO RECEIVABLES PURCHASE AGREEMENT

LEGAL AND OTHER BUSINESS NAMES

Originator:

Legal Name

Other Business Names

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SCHEDULE 7

FORM OF ACCESSION AND UNDERTAKING

To: Huntsman International LLC (as Purchaser)

From: *[Name of Company]*

We *[Name of Company]* refer to a UK Receivables Purchase Agreement dated [] and originally made between (1) Tioxide Europe Limited as Originator (2) Huntsman Petrochemicals (UK) Limited as Originator, and (3) Huntsman International LLC as Purchaser, (the "**UK Receivables Purchase Agreement**"). Terms defined in the UK Receivables Purchase Agreement shall have the same meaning when used herein.

1. We hereby confirm that, simultaneously with our delivery of this Accession Undertaking and the attached Accession Legal Opinion, we will accede to the terms and conditions of the UK Receivables Purchase Agreement and accordingly agree to be bound by the terms thereof.
2. We acknowledge and agree that upon and by reason of our delivering this Accession Undertaking and the attached Accession Legal Opinion to the Purchaser and the Administrative Agent, we will thereby forthwith become a party to the UK Receivables Purchase Agreement as an Originator and, accordingly, shall have liabilities and obligations thereunder identical to those expressed to be assumed by an Originator thereunder and shall be entitled to the rights and benefits of an Originator thereunder.
3. Our facsimile number, telex number and address for the purpose of receiving communications under the UK Receivables Purchase Agreement are as follows:

Address:

Facsimile No:

Telex No:
4. This Accession Undertaking shall be governed by, and construed in accordance with, English law.

IN WITNESS whereof this Accession Undertaking has been executed in [•] as a deed by the parties hereto and is intended to be and is hereby delivered on the date first before written.

Dated this [] day of []

Signed by on behalf of the Company

Director or other duly authorised officer

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SCHEDULE 8

ACCESSION LEGAL OPINION

To:

Huntsman International LLC
(as Purchaser)
[Date]

Dear Sirs

I am legal counsel or the legally trained company secretary to [Name of Company] (the "**Company**"). I am giving this opinion in respect of the Company executing an accession undertaking in order to become party to the UK Receivables Purchase Agreement (as defined in the Schedule hereto).

For the purposes of this opinion, I have examined the documents listed and (where appropriate) defined in the Schedule to this letter and such further documents as I have considered necessary or appropriate for the preparation of this opinion. Definitions and expressions defined in the Schedule shall, unless otherwise defined herein, have the same meaning in this letter.

References to "Documents" are references to the documents listed in Part 1 of the Schedule hereto.

In my opinion, having regard to the laws of England:

1. the Company is a company duly incorporated in England and Wales with limited liability under the Companies Act 1985;
2. the Company has the power, authority and legal right to execute and deliver the Documents to which it is a party and to perform its obligations thereunder and has taken all necessary actions to authorise such execution, delivery and performance; and
3. the execution, delivery and performance by the Company of each of the Documents to which it is a party does not and will not conflict with any provision of its memorandum and articles of association or any other agreement by which the Company is bound.

This opinion speaks as of its date and is addressed to and is only for the benefit of the persons set out above. It may not be relied upon by any other person and, without my prior written consent, may not be transmitted or disclosed to any other person.

Yours faithfully

[Name of Solicitor/Company Secretary]

[Title]

SIGNATORIES

SCHEDULE 9

CLOSING DOCUMENTS LIST

- (a) Certified copies of all duly adopted resolutions (or, if applicable, unanimous consent) of the Board of Directors of Huntsman SS, as in effect on such Effective Date, authorising the execution of this Agreement and the consummation of the Transactions pursuant to the Transaction Documents.
- (b) A certificate of a Responsible Officer of Huntsman SS certifying the names and signatures of the officers authorised on its behalf to execute this Agreement and the other Transaction Documents to which it is a party and any other documents delivered by it hereunder or thereunder:
- (c) Certified copies of the Memorandum and Articles of Association of Huntsman SS.
- (d) [A legal opinion, in each case, dated the Effective Date and addressed to the Rating Agencies, the Funding Agent, the Purchaser and the Trustee from Clifford Chance LLP, English counsel for Huntsman SS as to the true sale of Receivables and the due incorporation and capacity of Huntsman SS and legal validity of this Agreement, in form and substance satisfactory to the Trustee and the Funding Agent.

- (e) The Policies of Huntsman SS.
- (f) A solvency certificate delivered by Huntsman SS with respect to Huntsman SS's solvency in the form of the Fourth Schedule hereto;
- (g) The Purchaser shall be satisfied that Huntsman SS's systems, procedures and record keeping relating to the Receivables are sufficient and satisfactory in order to permit the assignment, transfer and conveyance of such Receivables and the administration of such Receivables in accordance with the terms and intent of this Agreement;
- (h) Certified copies of such other approvals, opinions or documents as the Purchaser may reasonably request.

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SCHEDULE 10

FORM OF OFFER NOTIFICATION

TO: [Name of Purchaser] (the "Purchaser")

[Address]

I, _____, a duly appointed officer of Huntsman (Europe) B.V.B.A., as Master Servicer (the "Master Servicer") pursuant to the Amended and Restated Master Servicing Agreement, dated as of September [], 2002, (the "Amended and Restated Servicing Agreement") among (i) Huntsman Receivables Finance LLC, (ii) Huntsman (Europe) B.V.B.A., (iii) Huntsman International LLC, Tioxide Americas, Inc., Huntsman Propylene Oxide Ltd., Huntsman International Fuels L.P., Huntsman Holland B.V., Tioxide Europe Limited, Huntsman Petrochemicals (UK) Limited, Tioxide Europe SRL, Huntsman Surface Sciences Italia SRL, Huntsman Patrica S.R.L., Tioxide Europe S.L., Huntsman Surfactants Iberica S.L., Tioxide Europe SAS, Huntsman Surface Sciences (France) S.A.S., Huntsman Surface Sciences UK Ltd., and Huntsman Ethyleneamines Ltd., (iv) JPMorgan Chase Bank, as Trustee and (vi) PricewaterhouseCoopers LLP hereby deliver this Notification (as defined in the [relevant Receivables Purchase Agreement or Omnibus Receivables Purchase Agreement, as applicable]) and affirm the following:

1) The Master Servicer has received [and printed off in full—only in the UK and Netherlands] as agent for the Purchaser an Offer (as defined in the [relevant Receivables Purchase Agreement or Omnibus Receivables Purchase Agreement, as applicable]).

2) The following information applies to such Offer:

Purchase Price:

Relevant Account Information:

In order to accept this Offer, the Purchase Price (as defined in the [relevant Receivables Purchase Agreement or Omnibus Receivables Purchase Agreement, as applicable]) should be paid to the account stated above no later than [3 pm London time] on the date on which such Notification is received.

Very truly yours,

[]

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QuickLinks

[Exhibit 10.32 EXECUTION COPY](#)

[HUNTSMAN INTERNATIONAL LLC AS PURCHASER HUNTSMAN SURFACE SCIENCES UK LIMITED TIOXIDE EUROPE LIMITED AND HUNTSMAN PETROCHEMICALS \(UK\) LIMITED AS ORIGINATORS HUNTSMAN \(EUROPE\) B.V.B.A AS MASTER SERVICER](#)

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EXECUTION COPY

FIFTH AMENDMENT

This FIFTH AMENDMENT (this "*Amendment*"), dated as of February 7, 2003, is entered into by and among Huntsman International LLC (f/k/a Huntsman ICI Chemicals LLC), a Delaware limited liability company (the "*Borrower*"), Huntsman International Holdings LLC (f/k/a Huntsman ICI Holdings LLC), a Delaware limited liability company ("*Holdings*"), the undersigned financial institutions, including Deutsche Bank Trust Company Americas (formerly named Bankers Trust Company), in their capacities as lenders hereunder (collectively, the "*Lenders*," and each individually, a "*Lender*"), Deutsche Bank Trust Company Americas (formerly named Bankers Trust Company), as Lead Arranger, Administrative Agent ("*Administrative Agent*") for the Lenders and Sole Book Manager, Goldman Sachs Credit Partners L.P., as Syndication Agent and Co-Arranger and The Chase Manhattan Bank and UBS Warburg LLC (as successor to Warburg Dillon Read), as Co-Arrangers and as Co-Documentation Agents (collectively, the "*Agents*" and each individually, an "*Agent*"). Terms used herein and not otherwise defined herein shall have the same meanings as specified in the Credit Agreement (as defined below).

RECITALS:

A. The Borrower, Holdings, the Lenders, the Agents and the Administrative Agent have heretofore entered into that certain Credit Agreement dated as of June 30, 1999, as amended by that certain First Amendment dated as of December 21, 2000, that certain Second Amendment dated as of March 5, 2001, that certain Third Amendment dated as of November 30, 2001, and that certain Fourth Amendment dated as of March 15, 2002 (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*").

B. The Borrower and Holdings wish, and the Lenders signatory hereto and the Agents and Administrative Agent are willing, to amend the Credit Agreement subject to the terms and conditions of this Agreement.

C. This Agreement constitutes a Loan Document and these Recitals shall be construed as part of this Agreement.

NOW, THEREFORE, in consideration of the recitals herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendment of Credit Agreement.

The Credit Agreement is hereby amended as of the Fifth Amendment Effective Date as follows:

(a) Section 1.1 of the Credit Agreement is hereby amended by adding the following definitions in their proper alphabetical order:

"*Fifth Amendment*" means that certain Fifth Amendment to this Agreement dated as of February 7, 2003.

"*Fifth Amendment Effective Date*" has the meaning set forth in *Section 2* of the Fifth Amendment.

(b) Effective as of the Fifth Amendment Effective Date, the definition of "Applicable Base Rate Margin" in Section 1.1. of the Credit Agreement is hereby amended by adding 25 basis points to each percentage found in the chart therein.

(c) Effective as of the Fifth Amendment Effective Date, the definition of "Applicable Eurocurrency Margin" in Section 1.1. of the Credit Agreement is hereby amended by adding 25 basis points to each percentage found in the chart therein.

(d) The definition of "Consolidated Net Worth" in Section 1.1 of the Credit Agreement is hereby amended by adding the following new language immediately prior to the first proviso therein:

"*plus, to the extent deducted in determining the foregoing, amounts permitted by clause (ii) of the definition of Permitted Restructuring Charges;*"

(e) The definition of "Consolidated Net Worth" in Section 1.1 of the Credit Agreement is hereby further amended by adding the following new proviso immediately at the end thereof:

"*provided, further, however, solely for purposes of the calculations required by Section 9.2, there shall be excluded from the calculation of Consolidated Net Worth the cumulative effect of the recognition of additional minimum pension liability as a component of other comprehensive income required to be recognized by the Statement of Financial Accounting Standards No. 87.*"

(f) The definition of "Permitted Restructuring Charges" in Section 1.1 of the Credit Agreement is hereby deleted and

replaced with the following new definition:

"Permitted Restructuring Charges" means (i) for any period of four consecutive fiscal quarters that includes the fourth quarter of Fiscal Year 2001, any actual restructuring charges recorded by the Borrower and its Subsidiaries during such period in an aggregate amount for all such restructuring charges not to exceed \$40,000,000 in connection with the restructuring of certain Affiliates of the Borrower and its Subsidiaries as described on *Schedule 1.1(d)* hereto; and (ii) any actual restructuring charges recorded by the Borrower and its Subsidiaries during Fiscal Year 2003 in an aggregate amount for all such restructuring charges not to exceed \$65,000,000 of which no more than \$40,000,000 may be cash charges in connection with the restructuring of certain Affiliates of the Borrower and its Subsidiaries as described on *Schedule 1.1(e)* hereto.

(g) The definition of "Receivables Subsidiary" in Section 1.1 of the Credit Agreement is hereby amended by adding the following proviso after the words "Permitted Accounts Receivable Securitization" found in the first sentence of such definition:

"; provided, however, that if the law of a jurisdiction in which the Borrower proposes to create a Receivables Subsidiary does not provide for the creation of a bankruptcy remote entity, the Administrative Agent may in its discretion permit the Borrower to form another type of entity in such jurisdiction to serve as a Receivables Subsidiary as is reasonable under the circumstances".

(h) Section 4.5(e)(ii) of the Credit Agreement is hereby amended by deleting such section in its entirety and by replacing it with the following new Section 4.5(e)(ii):

"(ii) Any prepayment of principal required to be made by the Borrower pursuant to *Section 4.4(m)(ii)* shall be applied, subject to a waiver of prepayments pursuant to *Section 4.5(c)*, first to the Scheduled Term A Dollar Repayments, the Dollar Equivalent amount of the Scheduled Term A Euro Repayments, the Scheduled Term B Repayments and the Scheduled Term C Repayments due within the 12 month period following the date of such prepayment in direct order of maturity and, thereafter, subject to *Section 4.5(c)*, shall be applied in proportional amounts equal to the Term A Dollar Percentage, the Term A Euro Percentage, Term B Percentage and Term C Percentage (in each case, after giving effect to the prepayments made to the Scheduled Term A Dollar Repayments, the Scheduled Term A Euro

Repayments, Scheduled Term B Repayments and Scheduled Term C Repayments due within such twelve month period as specified above), as the case may be, of such remaining prepayment, if any, and within each Term Loan, shall be applied to reduce the remaining Scheduled Term A Repayments, Scheduled Term B Repayments and Scheduled Term C Repayments on a pro rata basis (based upon the then remaining principal amount of such Scheduled Term A Dollar Repayments, Scheduled Term A Euro Repayments, Scheduled Term B Repayments and Scheduled Term C Repayments, respectively)."

(i) Section 4.4(k)(iii) of the Credit Agreement is amended by deleting the reference to "\$280 million" therein and replacing it with a reference to "\$310 million".

(j) Section 6.10 of the Credit Agreement is amended by (i) adding an "(a)" immediately at the beginning of such section, (ii) deleting the language "the aggregate fair market value of the assets of each Plan equals or exceeds the aggregate present value of the accrued benefits under such Plan" and (iii) by adding the following new language immediately at the end thereof:

"(b) (i) Each Foreign Pension Plan is in compliance and in good standing (to the extent such concept exists in the relevant jurisdiction) in all material respects with all laws, regulations and rules applicable thereto, including all funding requirements, and the respective requirements of the governing documents for such Foreign Pension Plan; (ii) with respect to each Foreign Pension Plan maintained or contributed to by Holdings or any Subsidiary, (x) that is required by applicable law to be funded in a trust or other funding vehicle is in material compliance with applicable law regarding funding requirements, and (y) that is not required by applicable law to be funded in a trust or other funding vehicle, reasonable reserves have been established in accordance with prudent business practice or where required by ordinary accounting practices in the jurisdiction in which such Foreign Pension Plan is maintained; (iii) all material contributions required to have been made by Holdings or any Subsidiary to any Foreign Pension Plan have been made within the time required by law or by the terms of such Foreign Pension Plan; and (iv) to the knowledge of Holdings and its Subsidiaries, no actions or proceedings have been taken or instituted to terminate or wind-up a Foreign Pension Plan with respect to which Holdings or any of its Subsidiaries could have any material liability."

(k) Section 7.7 of the Credit Agreement is hereby amended by (i) adding an "(a)" immediately at the beginning thereof and (ii) by adding the following new language immediately at the end thereof:

"(b) Holdings shall, and shall cause each of its Subsidiaries to, establish, maintain and operate all Foreign Pension Plans in compliance in all material respects with all laws, regulations and rules applicable thereto and the respective requirements of the governing documents for such Plans."

(l) Section 8.2(o) of the Credit Agreement is hereby amended by deleting such section in its entirety and by replacing it with the following new Section 8.2(o):

"(o) Indebtedness of the Borrower and of its Subsidiaries (other than UK Holdco 1) and Guarantee Obligations with

respect thereto by the Borrower and/or its Subsidiaries pursuant to over-draft or similar lines of credit (including unsecured back-to-back lines of credit relating thereto among Foreign Subsidiaries, an "Overdraft Facility") such that the aggregate amount of such Indebtedness permitted thereunder or outstanding under this clause (o) at any one time does not exceed (without duplication) (x) \$30,000,000 (or the Dollar Equivalent thereof) for more than one (1) consecutive Business Day, with respect to such Indebtedness incurred by a Foreign Subsidiary; and (y) \$20,000,000, with respect to such Indebtedness incurred by the Borrower and its Domestic Subsidiaries, *provided, further, however*, that the

aggregate principal amount of Indebtedness outstanding under each such line shall be reduced to the Dollar Equivalent of \$10,000,000 during at least one day during each calendar month;"

(m) Section 8.7(c) of the Credit Agreement is hereby amended by deleting the amount "\$2,000,000" found therein and inserting the amount "\$5,000,000" in its place.

(n) Section 9.3 of the Credit Agreement is hereby amended by deleting such section in its entirety and by replacing it with the following new Section 9.3:

"9.3 Interest Coverage Ratio

Neither Holdings nor the Borrower will permit the Interest Coverage Ratio calculated for any Test Period ending at the following dates or during the follow periods to be less than the ratio set forth opposite such period:

<u>Period</u>	<u>Ratio</u>
January 1, 2003 to March 31, 2003	1.60 to 1.0
April 1, 2003 to June 30, 2003	1.65 to 1.0
July 1, 2003 to September 30, 2003	1.75 to 1.0
October 1, 2003 to December 31, 2003	1.85 to 1.0
January 1, 2004 to March 31, 2004	2.00 to 1.0
April 1, 2004 to June 30, 2004	2.50 to 1.0
July 1, 2004 to September 30, 2004 and each period thereafter	2.75 to 1.0"

(o) Section 9.4 of the Credit Agreement is hereby amended by deleting such Section in its entirety and by replacing it with the following new Section 9.4:

"9.4 Leverage Ratio.

The Borrower will not permit for any Test Period ending on a date set forth during any period described below, the Leverage Ratio to exceed the ratio set forth opposite such period:

<u>Period</u>	<u>Ratio</u>
January 1, 2003 to March 31, 2003	6.75 to 1.0
April 1, 2003 to June 30, 2003	6.75 to 1.0
July 1, 2003 to September 30, 2003	6.25 to 1.0
October 1, 2003 to December 31, 2003	6.00 to 1.0
January 1, 2004 to March 31, 2004	5.50 to 1.0
April 1, 2004 to June 30, 2004	4.75 to 1.0
July 1, 2004 to September 30, 2004 and each period thereafter	3.75 to 1.0"

(p) Section 10.1(l) of the Credit Agreement is hereby amended by (i) adding an "(a)" immediately at the beginning thereof and (ii) adding the following new language thereto:

"(b) Either (i) a foreign governmental authority has instituted proceedings to terminate a Foreign Pension Plan or a foreign governmental authority has appointed a trustee to administer any Foreign Pension Plan in place of the existing administrator, in each case by reason of a distress termination within the meaning of Section 4041(c) of ERISA, treating such Foreign Pension Plan as if it were subject to ERISA; or (ii) any Foreign Pension Plan that is required by applicable law to be funded in a trust or other funding vehicle has failed to comply with such funding requirements; if, as of the date thereof or as of any subsequent date, the sum of each of Holdings' and its Subsidiaries' various liabilities to any Foreign Pension Plan solely as a result of such events listed in subclauses (i) and (ii) of this clause (b) exceeds the Dollar Equivalent of \$7,500,000; or"

(q) A new Schedule 1.1(e) shall be added to the Credit Agreement in substantially the form attached hereto as Annex A.

SECTION 2. Conditions to Effectiveness of the Amendment. The provisions of this Amendment shall become effective upon the date of the satisfaction of all of the conditions set forth in this Section 2 (the "Fifth Amendment Effective Date"):

2.1 **Proper Execution and Delivery of Amendment.** Borrower, Holdings, the Administrative Agent and the Required Lenders shall have duly executed and delivered to Administrative Agent this Amendment.

2.2 **Delivery of Credit Party Documents.** On or before the date hereof, Borrower shall deliver or cause to be delivered to Administrative Agent the following with respect to each of Borrower and Holdings, each, unless otherwise noted, dated the Fifth Amendment Effective Date:

(a) Certified copies of its Certificate of Formation, together with a good standing certificate from the Secretary of State of the jurisdiction of its incorporation and each other state in which it is qualified as a foreign corporation to do business and where failure to be so qualified would have a Material Adverse Effect and, to the extent generally available, a certificate or other evidence of good standing as to payment of any applicable franchise or similar taxes from the appropriate taxing authority of each of such states, each dated a recent date prior to the Fifth Amendment Effective Date or, in the event that any such document has been previously delivered by the Borrower to the Administrative Agent, a certificate executed by a Responsible Officer of the Borrower indicating that no change has occurred with respect to such document;

(b) Copies of its operating agreement or limited liability company agreement, certified by its corporate secretary or an assistant secretary or a certificate of the lack of any change thereto since the Initial Borrowing Date or, in the event that any such document has been previously delivered by the Borrower to the Administrative Agent, a certificate executed by a Responsible Officer of the Borrower indicating that no change has occurred with respect to such document;

(c) Resolutions of its members, manager or board of managers (i) approving and authorizing the execution, delivery and performance of this Amendment, and (ii) approving and authorizing the execution, delivery and performance of the other Loan Documents to which it is a party and all transactions related thereto, in each case certified as of the Fifth Amendment Effective Date by its corporate secretary or an assistant secretary as being in full force and effect without modification or amendments;

(d) Signature and incumbency certificates of its officers executing this Amendment; and

(e) Such other instruments and documents in respect of such matters as Administrative Agent shall reasonably request.

2.3 **Representations and Warranties; Default; Officer's Certificate.** After giving effect to this Amendment, the representations and warranties set forth in *Article VI* of the Agreement shall be true and correct, except to the extent such representations and warranties are expressly made as of a specified date in which event such representations and warranties shall be true and correct as of such specified date, and no Event of Default or Unmatured Event of Default shall have occurred or be continuing and Administrative Agent shall have received a certificate executed by a Responsible Officer on behalf of Borrower, dated the Fifth Amendment Effective Date stating that, after giving effect to this Amendment, the representations and warranties set forth in *Article VI* of the Agreement are true and correct as of the date of the certificate, except to the extent such representations and warranties are expressly made as of a specified date in which event

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such representations and warranties shall be true and correct as of such specified date, that no Event of Default or Unmatured Event of Default has occurred and is continuing, and that the conditions of this *Section 2* hereof have been fully satisfied or waived.

2.4 **Fees.** Borrower shall have paid to Administrative Agent and the Lenders all costs, fees and expenses (including, without limitation, reasonable legal fees and expenses) payable to Administrative Agent and the Lenders to the extent then due, including, without limitation, pursuant to *Section 4* of this Amendment.

2.5 **Corporate Proceedings.** All corporate and legal proceedings and all instruments and agreements in connection with the execution and delivery of this Amendment shall be satisfactory in form and substance to Administrative Agent and the Required Lenders and Administrative Agent and all Lenders shall have received all information and copies of all documents and papers, including records of corporate proceedings, governmental approvals, good standing certificates and bring-down telegrams or certificates, if any, which Administrative Agent or such Lender reasonably may have requested in connection therewith, such documents and papers where appropriate to be certified by proper corporate or Governmental Authorities.

Each Lender and the Administrative Agent hereby agrees that by its execution and delivery of its signature page hereto, such Person approves of and consents to each of the matters set forth in *Section 2* which must be approved by, or which must be satisfactory to, the Required Lenders or such Person, as the case may be; *provided that*, in the case of any agreement or document which must be approved by, or which must be satisfactory to, the Required Lenders, Administrative Agent or Borrower shall have delivered a copy of such agreement or document to such Person if so requested on or prior to the Fifth Amendment Effective Date.

SECTION 3. References to and Effect on the Credit Agreement. On and after the date hereof each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference to the Credit Agreement, as the case may be, in the Loan Documents and all other documents (the "Ancillary Documents") delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

Except as specifically amended above, the Credit Agreement, and the other Loan Documents and all other Ancillary Documents shall remain in full force and effect and are hereby ratified and confirmed.

The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lenders or Administrative Agent under the Credit Agreement, the Loan Documents or the Ancillary

Documents.

SECTION 4. Fees, Costs and Expenses. (a) Borrower agrees to pay a fee to the Administrative Agent on or prior to the Fifth Amendment Effective Date on behalf of each Lender which has executed and delivered this Amendment on or prior to 5:00 p.m. E.S.T. on February 7, 2003 equal to .125% times the sum of the Domestic Revolving Commitment, Multicurrency Revolving Commitment and outstanding Term Loans of such Lender as in effect under the Credit Agreement on the Fifth Amendment Effective Date, such fee to be due and payable on the Fifth Amendment Effective Date; and (b) Borrower also agrees to pay all reasonable costs and expenses of the Administrative Agent in connection with the negotiation, preparation, printing, typing, reproduction, execution and delivery of this Amendment and all other documents furnished pursuant hereto or in connection herewith, including without limitation, the reasonable fees and out-of-pocket expenses of Winston & Strawn, special counsel to Administrative Agent and any local counsel retained by Administrative Agent relative thereto or the reasonable allocated costs of staff counsel as well as the fees and out-of-pocket expenses of counsel, independent public accountants and other outside experts retained by Administrative Agent in connection with the administration of this Amendment.

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SECTION 5. Miscellaneous.

5.1 **Execution in Counterparts.** This Amendment may be executed in one or more counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same document with the same force and effect as if the signatures of all of the parties were on a single counterpart, and it shall not be necessary in making proof of this Amendment to produce more than one (1) such counterpart. Delivery of an executed signature page to this Amendment by telecopy shall be deemed to constitute delivery of an originally executed signature page hereto.

5.2 **Governing Law.** THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEW YORK, AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

5.3 **Headings.** Headings used in this Amendment are for convenience of reference only and shall not affect the construction of this Amendment.

5.4 **Integration.** This Amendment, the other agreements and documents executed and delivered pursuant to this Amendment and the Credit Agreement constitute the entire agreement among the parties hereto with respect to the subject matter hereof.

5.5 **Binding Effect.** This Amendment shall be binding upon and inure to the benefit of and be enforceable by the Borrower, the Administrative Agent and the Lenders and their respective successors and assigns. Except as expressly set forth to the contrary herein, this Agreement shall not be construed so as to confer any right or benefit upon any Person other than the Borrower, the Administrative Agent and the Lenders and their respective successors and permitted assigns.

[signature page follows]

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

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ANNEX A

Schedule 1.1(e)

**Explanation of Permitted Restructuring Charges*
(figures in \$millions)**

	<u>Polyurethanes</u>	<u>Surface Sciences</u>
Cash Costs	25	15
Non Cash Costs	9	16
Total	34	31

* The amounts set forth above are estimates and are not intended to restrict the Borrowers ability to allocate Permitted Restructuring Charges between the above listed categories provided that during Fiscal Year 2003 the aggregate amount for all such restructuring charges do not exceed \$65, of which no more than \$40 may be cash or payable in cash.

QuickLinks

[Exhibit 10.33
EXECUTION COPY](#)

[FIFTH AMENDMENT
RECITALS](#)

[ANNEX A](#)

[Schedule 1.1\(c\)
Explanation of Permitted Restructuring Charges* \(figures in \\$millions\)](#)

DATED 27 November 2002

- (1) IMPERIAL CHEMICAL INDUSTRIES PLC
- (2) HUNTSMAN SPECIALTY CHEMICALS CORPORATION
- (3) HUNTSMAN INTERNATIONAL HOLDINGS, LLC
- (4) HUNTSMAN INTERNATIONAL, LLC

**DEED OF AMENDMENT TO CONTRIBUTION
AGREEMENT**

MAYER, BROWN, ROWE & MAW
11 Pilgrim Street
London EC4V 6RW

Tel: 020-7248 4282
Fax: 020-7782 8779
Ref: 672/365/23793.00091

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This deed is made the 27th day of November 2002

PARTIES:

- (1) **IMPERIAL CHEMICAL INDUSTRIES PLC** a company incorporated in England and Wales (registered number 00218019) whose registered office is at 20 Manchester Square, London W1U 3AN ("**ICI**");
- (2) **HUNTSMAN SPECIALTY CHEMICALS CORPORATION**, a corporation incorporated under the laws of Delaware whose principal office is at 500 Huntsman Way, Salt Lake City, Utah, USA ("**HSCC**");
- (3) **HUNTSMAN INTERNATIONAL HOLDINGS, LLC** (previously known as Huntsman ICI Holdings, LLC) a limited liability company formed under the laws of Delaware whose principal place of business is at 500 Huntsman Way, Salt Lake City, Utah, USA ("**HICI Holdings**"); and
- (4) **HUNTSMAN INTERNATIONAL, LLC** (previously known as Huntsman ICI Chemicals, LLC) a limited liability company formed under the laws of Delaware, whose principal place of business is at 500 Huntsman Way, Salt Lake City, Utah, USA ("**HICI**") (together with HSCC and HICI Holdings referred to as "**Huntsman**").

BACKGROUND

- (A) ICI and Huntsman are parties to a Contribution Agreement in respect of the contribution of the Polyurethanes, Tioxide, Relevant Petrochemicals and PO/MTBE business to HICI Holdings, dated 15 April 1999, (as amended by amending agreements dated 4 and 30 June 1999, by a further amending agreement dated 30 June 1999, by a memorandum dated 2 November 2000 and by an amendment agreement dated 20 December 2001) (the "**Agreement**").
- (B) ICI and Huntsman have agreed to amend the Agreement as set out in this Deed.

IT IS AGREED that:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Deed and the Background, unless the context requires otherwise, capitalised terms which are defined in the Agreement shall have the meaning given to them in the Agreement, and

"**Business Day**" means any day not being a Saturday or Sunday when clearing banks are open for ordinary banking business in the City of London and New York City

"**HSCC Group**" means HSCC and any direct or indirect subsidiary of HSCC (as such term is defined in Section 736 Companies Act 1985).

1.2 This Deed shall be read and shall take effect as one with the Agreement and references in the Agreement to "this Agreement" (or similar references) shall be read and construed as references to the Agreement as amended by this Deed.

1.3 Except as provided in this Deed, the provisions of the Agreement (including without limitation clause 6 of the Agreement) shall be unaffected by the provisions of this Deed and shall remain in full force and effect and shall continue (including without limitation in respect of all Business Contracts notwithstanding that any notice of termination has been served in respect of it).

1.4 In this Deed, unless the context requires otherwise, any reference to:

(a) the **Background** is to the statements about the background to this Deed made above, and to a **Clause** is to a clause of this Deed;

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(b) a **party** or the **parties** is to a party or the parties (as the case may be) to this Deed and shall include any permitted assignees of a party;

(c) the **masculine, feminine or neuter** gender respectively includes the other genders and any reference to the singular includes the plural (and vice versa);

(d) a **person** includes any individual, firm, corporation, unincorporated association, government, state or agency of state, association, partnership or joint venture (whether or not having a separate legal personality) and includes a reference to that person's legal personal representatives and successors;

(e) references to a **company** shall be construed so as to include any company, corporation or other body corporate wherever and however incorporated or established; and

(f) any obligations or liabilities undertaken by more than one party are undertaken by those parties jointly and severally.

2. AMENDMENTS TO THE AGREEMENT

2.1 Huntsman and ICI agree to amend the provisions of clause 6.11 of the Agreement in relation to any of those Business Contracts of which details are set out in Part 1 of the Schedule to this Deed which has not, by 31 July 2002, been novated in full, in relation to those aspects of each such Business Contract that are contemplated by the Agreement to be novated to a member of the HSCC Group, to a member of the HSCC Group such that ICI (or the relevant subsidiary of ICI) shall be permitted at any time thereafter to terminate any such Business Contract in accordance with the specific terms of such contract allowing for voluntary and unilateral termination for reasons other than cause on the specified period of notice in that relevant Business Contract (or if no such period is specified then on a reasonable period of notice having regard to the nature of the Business Contract).

2.2 Huntsman and ICI agree to amend the provisions of clause 6.11 of the Agreement in relation to any of those Business Contracts of which details are set out in Part 2 of the Schedule to this Deed which has not, by 31 December 2002, been novated in full in relation to those aspects of each such Business Contract that are contemplated by the Agreement to be novated to a member of the HSCC Group, to a member of the HSCC Group such that ICI (or the relevant subsidiary of ICI) shall be permitted at any time thereafter to terminate any such Business Contract in accordance with the specific terms of such contract allowing for voluntary and unilateral termination for reasons other than cause on the specified period of notice in that relevant Business Contract (or if no such period is specified then on a reasonable period of notice having regard to the nature of the Business Contract).

2.3 Huntsman and ICI agree to amend the provisions of clause 6.11 of the Agreement in relation to any of those Business Contracts of which details are set out in Part 3 of the Schedule to this Deed which has not, by 30 June 2003, been novated in full in relation to those aspects of each such Business Contract that are contemplated by the Agreement to be novated to a member of the HSCC Group, to a member of the HSCC Group such that ICI (or the relevant subsidiary of ICI) shall be permitted at any time thereafter to terminate such Business Contract in accordance with the specific terms of such contract allowing for voluntary and unilateral termination for reasons other than cause on the specified period of notice in that relevant Business Contract (or if no such period is specified then on a reasonable period of notice having regard to the nature of the Business Contract).

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2.4 If ICI intends to exercise its right under Clauses 2.1, 2.2 and/or 2.3 to give notice to terminate any Business Contract:

- (a) ICI shall provide to Huntsman, not less than 20 Business Days before such notice is to be sent, a copy of the form of notice proposed to be sent and confirmation of the date on which the notice is proposed to be sent;
- (b) if by the later of 15 Business Days after Huntsman's receipt of the notice referred to in Clause 2.4(a) and 5 Business Days before the date that ICI notified Huntsman that it proposed to send such notice, Huntsman has not provided any written comments on the notice to ICI, ICI shall be entitled to submit the notice, or to procure that the notice is submitted by a subsidiary of it, in each case in the form provided to Huntsman but no earlier than the date the notice is proposed to be sent as specified in the notification referred to in Clause 2.4(a);
- (c) if by the later of 15 Business Days after Huntsman's receipt of the notice referred to in Clause 2.4(a), and 5 Business Days before the date that ICI notified Huntsman that it proposed to send such notice, Huntsman provides written comments on the notice to ICI and:
 - (i) such written comments are in the form of a substitute notice, ICI shall submit such substitute notice or procure the submission by a subsidiary of it of such substitute notice; or
 - (ii) such written comments are in the form of amendments to the notice provided by ICI, ICI shall submit the notice, or procure that the notice is submitted by a subsidiary of it, in each case, as so amended

PROVIDED that ICI shall not be obliged to accept the substitute notice or the amendments to the notice referred to in sub paragraphs (i) and (ii) if, and to the extent that, the changes proposed by Huntsman affect the effectiveness of the termination notice in terminating such Business Contracts or delay the date of such termination, or impose any additional liability on ICI (or any subsidiary of ICI) as a result of the substituted notice or the amended notice;

- (d) Upon service of a termination notice pursuant to this Clause 2.4, neither Huntsman nor any member of the HSCC Group shall be required to seek, procure or agree to the novation of a contract in respect of which such notice has been served on the other party or parties to such contract and the provisions of the Agreement (including without limitation clause 6 of the Agreement) shall be amended accordingly; and
- (e) if during the period after notice of termination has been given in respect of any Business Contract (a "Terminating Contract"), but prior to its actual termination, Huntsman enters into a new agreement with the parties to a Terminating Contract (other than ICI and/or its subsidiaries) in relation to all or a discrete part of the subject matter of such Terminating Contract which can be terminated without affecting the remaining provisions of that Terminating Contract (or by making minor changes thereto), Huntsman shall procure the termination of such Terminating Contract at the date of execution of such new agreement to the extent that (i) such new agreement is a substitute for all or such discrete part of such Terminating Contract; and (ii) such early termination is executed by ICI and/or its subsidiaries and provided that such early termination shall not affect or modify the terms of the Terminating Contract (other than by making minor changes thereto) save in relation to the effective date of termination..

3. LICENCE AGREEMENTS

ICI and Huntsman acknowledge that the contracts listed in Part 4 of the Schedule to this Deed are contracts which Huntsman considers to be critical to its business. Without prejudice to the provisions of clause 6 of the Agreement, Huntsman and ICI confirm that they are committed to using their respective reasonable endeavours as a priority to novate the contracts listed in Part 4 of the Schedule in accordance with clause 6 of the Agreement so that ICI is no longer a party to any of these contracts in Part 4 of the Schedule (save in respect of any confidentiality requirements that survive the novation of any contract) provided that Huntsman shall not be required to incur fees or royalties in respect of such contracts in excess of those payable in accordance with the terms of such contracts at the date of this Deed.

4. NOTICES

All communications relating to this Deed shall be in writing and delivered by hand or sent by post or facsimile to the party concerned at the relevant address shown at the start of this Deed provided that any communications to be sent to Huntsman need be sent only to the address of HSCC shown at the front of this Deed or by facsimile to number 01642 376460 marked for the attention of the Company Secretary. Any such communication shall take effect if delivered by hand, upon delivery; if posted, at the earlier of delivery and, if sent by first class registered post, 10 am on the second day after posting; if sent by facsimile when a complete and legible copy of the communication, whether that sent by facsimile or a hard copy sent by post or delivered by hand, has been received at the appropriate address.

5. COUNTERPARTS

This Deed may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which, when executed, shall be an original, but all the counterparts together shall constitute one and the same instrument.

6. GOVERNING LAW AND JURISDICTION

This Deed shall be governed by and construed in accordance with English law. The parties irrevocably submit to the exclusive jurisdiction of the English Courts to settle any disputes that may arise out of or in connection with this Deed.

EXECUTION

The parties have shown their acceptance of the terms of this Deed by executing it as a deed after the Schedule.

4

SCHEDULE

Dbase Ref	Contract	Contract Date	Comment
PART 1			
1	Northville Corp re C9S—ICI sells C9S	28 Sept '98	
4	BP Oil re C9	1 December '98	
6	Draft Evergreen Sales Contract between ICI C&P Ltd & Phenolchemie re Cumene	18/12/96	
7	Proquimed re Cyclohexane	20 October '95	
22	Ineos/PEG Toll re Ethylene (Uniqema supply of Ethylene to Ineos)		Contract Ended 2001
29	BP (Purchase) re Propylene Chemicals		Expired End 1999
30	S&P Agreement between ICI C&P & Enichem Elastomers for Butadiene monomers	28/12/95	
35	Butadiene Swap for Maydown and Kings Lynn between ICI C&P and Dow	01/01/97	
38	BP Amoco re Raffinate 1		Huntsman has new contract in place with BP Oil
39	Draft S&P Agreement between ICI C&P and Shell Nederland Chemie re C5s	Undated	
43	Materials Agreement between ICI C&P and Air Products (Chems) Teesside Ltd re Hydrogen to Amines Business	02/02/98	
44	Hydrogen Contract between ICI Chemicals & Polymers Limited and Du Pont	07/09/79	
47	BASF re Ethylene Terminal		Expired/terminated by BASF in 1989
88	Draft Agreement between ICI C&P and Terra Industries Ltd relating to transfer of operatorship of the No 2 Jetty services only.		This agreement regulates the use of No 2 Jetty for ammonia ships
95	BASF—C3 Analysis		
105	Agreement between Lurgi Mineral Oltechnik GmbH & Imperial Chemical Industries Ltd—1975	29/08/75	
107	Protec		Huntsman locating documents
5			
108	Pyrotec		Huntsman locating documents
109	Shell		Huntsman locating documents
110	Letter Agreement between Stone and Webster & ICI C&P Limited re a study	18/03/92	

111	Catalyst Sale Agreement Toray Industries Ltd and ICI C&P Limited	19/08/94
119	Draft General Terms & Condition and Services Level Agreement relating to the supply of hydrogen to ICI Polyurethanes.	26/01/99 7/2/98 and 1/12/98
120	Products Supply to Newco—General Terms and Conditions (including term sheet for Product Supply Agreement).	02/07/97
121	Service Level Agreement relating to Hydrogen supply to Phillips-Imperial Petroleum	22/01/99
126	1999 Term Agreements for the sale and purchase of condensate/natural gasoline between Mobil TSL and others and ICI C&P Limited and a draft term contract.	10/01/99
134	Sale and Purchase Agreement between ICI C&P Limited and BASF Plc (terminated). On original database.	22/04/91
135	Letter confirming the terms for the sale of commercial propane from ICI C&P Limited to Conoco Ltd as extended to March 1999 by a letter dated 27.11.1998	15/03/91
136	Heads of Terms between ICI C&P and Northern LPG Inc (a subsidiary of Transammonia Inc) for the sale of propane.	18/02/99
145	Chemical Emission Alarm Scheme on North Tees Area. Cleveland County Council/ICI	18/05/81

PART 2

12	Dupont (UK) re Materials and Schedules	1/7/93
19	Ethylene Supply Agreement between ICI C&P Ltd & Union Carbide Ltd	01/01/95
48	Agreement between ICI C&P & Shell Nederland BV re Ethylene Transit & Transport	01/07/89/ 05/11/96/ 09/12/97
51	Phillips Petroleum Co re Pipeline Operations	20/03/90

52	Sales Agreement for Armada condensate between AGIP and ICI C&P Limited	17/10/96	
53	BG North Sea Holding (Everest Lomond) re Cond.	07/05/97	
54	BG North Sea Exploration (Armada) re Cond.	17/10/96	
63	Texaco N Sea re. Erskine Condensate Banff	19/08/97	
64	Hardy Oil re Condensate (now British-Borneo Exploration Ltd)	13/01/99	
70	Fina Exploration re Cond.	Draft 05/11/96	
84	Terra Purchased Services		Supply of services to Terra at North Tees
85	Northumbrian Water Fire Bypass	19-Feb-76	
89	Terra Utilities contract		Utilities sold to Terra by Huntsman
144	Statement of Intent—supply of propane by pipeline from North Tees Works to BASF at Seal Sands.	10/05/91	

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[EXHIBIT 10.34](#)

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[SCHEDULE](#)

SUBSIDIARIES OF HUNTSMAN INTERNATIONAL LLC

U.S. ENTITIES:

Delaware

Eurofuels LLC
Eurostar Industries LLC
Huntsman EA Holdings, LLC
Huntsman International Financial LLC
Huntsman Propylene Oxide Holdings LLC
Huntsman Receivables Finance LLC
Huntsman Texas Holdings LLC
Louisiana Pigment Company LP

Louisiana

Rubicon Inc.

Texas

Huntsman Ethylenemines Ltd.
Huntsman International Fuels, L.P.
Huntsman Propylene Oxide Ltd.

Utah

Huntsman Polyurethane Fund I, L.L.C.
Huntsman Polyurethane Fund II, L.L.C.
Huntsman Polyurethane Fund III, L.L.C.
Huntsman Polyurethane Fund IV, L.L.C.
Huntsman Polyurethane Venture I, L.L.C.
Huntsman Polyurethane Venture II, L.L.C.
Huntsman Polyurethane Venture III, L.L.C.
Huntsman Polyurethane Venture IV, L.L.C.

NON-U.S. ENTITIES:

Argentina

Huntsman (Argentina) S.R.L.

Australia

Huntsman Polyurethanes (Australia) Pty Ltd.

Belgium

Huntsman (Belgium) BVBA
Huntsman (Europe) BVBA
Huntsman Pension Fund Vzw
Tioxide Europe NV/SA

Brazil

Huntsman (Brasil) LTDA

Canada

Huntsman International (Canada) Corporation
Tioxide Canada Inc.

Cayman Islands

Tioxide Americas Inc.

China

Huntsman Chemical Trading (Shanghai) Ltd.
Huntsman Polyurethanes (China) Ltd.

Colombia

Huntsman Colombia Limitada

Czech Republic

Huntsman (Czech Republic) Spol.sr.o

France

Huntsman France SNC
Huntsman Surface Sciences France SAS
Huntsman Saint Mihiel SAS
Huntsman Investments France SAS
Tioxide Europe SAS

Germany

Huntsman (Germany) GmbH
IRO Chemie Verwaltungsgesellschaft, mbH
Tioxide Europe GmbH

Hong Kong

Huntsman International (Hong Kong) Ltd.

India

Huntsman International (India) Private Limited

Indonesia

PT Huntsman Indonesia

Italy

Huntsman Italian Receivables Finance S.r.l.
Huntsman (Italy) Srl
Huntsman Patricia S.r.l.
Huntsman Surface Sciences Italia S.r.l.
Sintesi S.r.l.
Tioxide Europe Srl

Japan

Yugenkaiska Huntsman Japan

Korea

Huntsman (Korea) Yuhan Hoesa

Malaysia

Pacific Iron Products Sdn Bhd
Tioxide (Malaysia) Sdn Bhd

Mexico

Huntsman International de Mexico S. de R.L. de C.V.
Huntsman Servicios Mexico S.de R.L. de C.V.

Netherlands

BASF Huntsman Shanghai Isocyanate Investments BV

Chemical Blending Holland B.V.
Eurogen CV
Huntsman (Canadian Investments) B.V.
Huntsman Chemical Trading (Shanghai) Holdings BV
Huntsman China Investments BV
Huntsman Shanghai China Investment BV
Huntsman Holland B.V.
Huntsman Holland Iota B.V.
Huntsman Investments (Netherlands) B.V.
Huntsman (Netherlands) B.V.
Huntsman (Saudi Investments) B.V.
Steamelec B.V.

Poland

Huntsman (Poland) Sp.zo.o

Saudi Arabia

Arabian Polyol Company Limited

Singapore

Huntsman (Asia Pacific) PTE Limited
Huntsman (Singapore) PTE Ltd.

South Africa

Future Indefinite Investments 118 (Proprietary) Limited
Tioxide Southern Africa (PTY) Limited

Spain

Huntsman Surface Sciences (Spain) S.L.
Huntsman Surface Sciences Iberica, S.L.
Oglio SA
Tioxide Europe S.L.

Sweden

Huntsman Norden AB

Taiwan

Huntsman (Taiwan) Limited

Thailand

Huntsman (Thailand) Limited

Turkey

Tioxide Europe Titanium Pigmentleri Ticaret Ltd. Sirketi

U.K.

Huntsman (Holdings) UK
Huntsman International Europe Limited
Huntsman Nominees (UK) Limited
Huntsman Petrochemicals (UK) Limited
Huntsman Polyurethanes Sales Limited
Huntsman Polyurethanes (UK) Limited
Huntsman Polyurethanes (UK) Ventures Ltd.
Huntsman Surface Sciences Overseas Limited
Huntsman Surface Sciences UK Limited
Huntsman (UK) Limited
Tioxide Europe Limited
Tioxide Group
Tioxide Overseas Holdings Limited

Virgin Islands

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[EXHIBIT 21.1](#)

[SUBSIDIARIES OF HUNTSMAN INTERNATIONAL LLC](#)

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

In connection with the Annual Report on Form 10-K of Huntsman International LLC (the "Company") for the year ended December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter R. Huntsman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C., Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

/s/ PETER R. HUNTSMAN

Peter R. Huntsman
Chief Executive Officer
March 28, 2003

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to Huntsman International LLC and will be retained by Huntsman International LLC and furnished to the Securities and Exchange Commission or its staff upon request.

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[Exhibit 99.1](#)

[CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002](#)

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

In connection with the Annual Report on Form 10-K of Huntsman International LLC (the "Company") for the year ended December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Kimo Esplin, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C., Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

/s/ J. KIMO ESPLIN

J. Kimo Esplin
Chief Financial Officer
March 28, 2003

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to Huntsman International LLC and will be retained by Huntsman International LLC and furnished to the Securities and Exchange Commission or its staff upon request.

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[Exhibit 99.2](#)

[CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002](#)