**Equipment Lease Agreement**

This Equipment Lease Agreement (**‘*Agreement’***) executed on [•] March 2015 at [•] (***‘Effective Date’***)

Between

1. [•], a company incorporated under the [•] with its registered office at [•] (**‘*Equipment Lessor’***, which expression shall include its successors and assigns) on the **First Part;**

And

2. [•] Limited Şirketi is a private limited liability company incorporated in the Republic of Turkey, before İstanbul Trade Registry, with its registered address at [•] (**‘*Equipment Lessee’***, which expression shall include its successors and assigns) on the **Second Part.**

In the Agreement, the Equipment Lessor and Equipment Lessee shall collectively be referred to as ***‘Parties’*** and individually be referred to as ***‘Party’*.**

**Whereas:**

1. The Equipment Lessor is a company formed under the laws of Turkey engaged in the business of manufacturing certain FDC chemicals in Turkey. For the purpose of the aforementioned business, the Equipment Lessor operates a facility at manufacturing Tuzla, Turkey.
2. The Equipment Lessee is a company formed under the laws of Turkey and constituted pursuant to a joint venture agreement between the Huntsman Tekstil Ürünleri Kimya ve Dış Ticaret Limited Şirketi and Pursan Pigment Urunleri SAN. Ve TIC A.S dated [•] (***‘JV Agreement’***), with the objective of *inter alia* producing textile dyes and chemicals at the production facilities at Ambarli and Corlu (**Facilities**).
3. The Equipment Lessee requires certain equipment for producing textile dyes and chemicals at the Facilities and the Equipment Lessor has agreed to lease the equipment specified in Schedule I (***‘Equipment’***) to the Equipment Lessee on the terms and conditions set out in this Agreement.

Now, therefore, in consideration of the mutual promises and covenants herein, it has been agreed between the parties as follows:

1. **Definitions and Interpretations**
   1. Unless expressly stated otherwise in this Agreement, the following terms have the same meaning assigned to them in this Clause.

|  |  |
| --- | --- |
| **Agreement** | Agreement means this Agreement and includes all its Schedules. |
| **Equipment** | means equipment/machinery as specified in Schedule I. |
| **Event of Default** | has the same meaning as given to it in Clause 8.1 of this Agreement. |
| **JV Agreement** | has the meaning ascribed to it in Recital B above. |
| **Rent** | Has the same meaning as given to it in Clause 3.1 of this Agreement. |
| **Term** | has the same meaning as given to it in Clause 2.1 of this Agreement. |

1. **Term**

This Agreement shall be co-extensive with the term of the JV Agreement (“**Term**”).

1. **Rental and Payment Terms**
   1. As consideration for the lease of the Equipment, the Equipment Lessee shall pay an annual rent to the Equipment Lessor as specified in Schedule II of this Agreement. The Rent shall be paid in advance on or before the [7th] day of January of each year (***‘Rent’***). Provided that the Rent for the period between the Effective Date and 31 December 2015 shall be [•] and such Rent shall be paid on or before [•].
   2. The Rent shall be paid by the Equipment Lessee by way of electronic transfer/ SWIFT or in any other manner as may be specified in writing by the Equipment Lessor.
   3. The Equipment Lessee’s obligation to pay Rent under this Agreement is absolute, unconditional and irrevocable, regardless of the state, condition or use of the Equipment.
   4. The Parties agree and understand that in respect of the Rent payable under this Agreement, time is the essence of this Agreement and any failure to pay the Rent within the stipulated time in Clause 3.1 above shall be deemed to amount to a fundamental breach of this Agreement by the Equipment Lessee.
2. **Inspection, Transportation and Use of the Equipment**
   1. [The expenses for shipping, transportation and installation and other expenses incurred in connection with the installation of the Equipment to/at the Facilities shall be borne by the Equipment Lessee.]
   2. The Equipment Lessee shall allow the Equipment Lessor or its duly authorized agent or representative, upon reasonable notice, access for inspection of the Equipment and any records, logbook, manual or handbook forming part of the Equipment.
   3. The Equipment Lessee may only use the Equipment at the Equipment Lessee’s Ambarli and Corlu Facility in accordance with the terms and conditions of this Agreement.
   4. The Equipment Lessee agrees:
      1. to use the Equipment in a proper manner through skilled and trained personnel and in accordance with any operating instructions applicable to such Equipment as specified by the Equipment Lessor from time to time;
      2. to repair and keep the Equipment, at its own expense, and at all times, in good condition and working order, properly serviced and maintained throughout the Term of this Agreement;
      3. not to make any alterations/modification to the Equipment without the prior written consent of the Equipment Lessor;
      4. to keep throughout the Term, accurate, complete and current records of usage, operation, maintenance, servicing, and repairs carried out to the Equipment;
      5. to obtain, effect and keep effective, all permissions, licenses and permits and to pay all Rents, taxes and charges, which may from to time be required in connection with the use of the Equipment;
      6. not to sell or offer for sale, assign, mortgage, pledge, sublet, lend or otherwise deal with or dispose of the Equipment, nor allow the creation of any charge or lien over them;
      7. not to affix or cause to be affixed permanently, the Equipment to any immovable property that may in any way impair the identification, ascertainment, severability and redelivery of the Equipment.
      8. to ensure that if the Equipment is affixed to any land or building it shall be capable of being removed and to take all necessary steps to prevent title to the Equipment from passing to the landlord of such land or building;
      9. to repair and make good any damage caused to the Equipment by the affixation of the Equipment to, or their removal from, any land or building (whether such affixation or removal is effected by Equipment Lessor or the Equipment Lessee);
      10. to defend the Equipment and the Equipment Lessor’s title thereto against the claims and demands of all other parties claiming the same through or against the Equipment Lessee; and
      11. to have prominently affixed to each Equipment a label indicating that such Equipment is the property of Huntsmanand not allow or permit the same to be removed or defaced.
   5. The Equipment Lessee may enjoy uninterrupted use of the Equipment for the duration of the Term as long as the Equipment Lessee is not in breach of any of the terms of this Agreement. Nothing contained in this Agreement gives the Equipment Lessee any option or right to purchase or become the owner of the Equipment at any point of time.
3. **Warranty**
   1. The Equipment Lessor agrees to provide its best effort to assign to the Equipment Lessee, for the duration of the Term, the benefit of warranties, if any, granted in favor of the Equipment Lessor by the manufacturers/suppliers of the Equipment or any third party.
   2. The Parties hereby acknowledge and confirm that the Equipment Lessor does not provide the Equipment with any representation concerning the condition, performance or quality of the Equipment or subject to any term, condition or warranty, express or to be implied by statute, description at common law or otherwise. All such representations, conditions, warranties, whether relating to the capacity, age, quality, description, condition, leasing, possession, transportation or use of the Equipment or to the suitability or fitness of the Equipment for a particular or general purpose are hereby expressly excluded.
   3. Notwithstanding anything to the contrary contained in this Agreement the Equipment Lessor shall not be liable to the Equipment Lessee:
      1. for loss, injury or damage arising by reason of any defects in the Equipment;
      2. either for any loss whatsoever suffered by the Equipment Lessee as a result of the Equipment or any part of them being unusable, or to supply any replacements during any period when the Equipment or part of them are unusable; and
      3. for any loss or damage incurred or sustained by the Equipment Lessee as a consequence of the Equipment Lessor terminating this Agreement under Clause 9 of this Agreement or in retaking possession of the Equipment.
4. **Insurance**
   1. The Equipment Lessee agrees to:
      1. to insure the Equipment at the Equipment Lessee’s sole cost and expense and keep the Equipment insured throughout the Term with the Equipment Lessor or its assignee as notified by the Equipment Lessor as a beneficiary for their full market value against all risks under a comprehensive policy;
      2. to ensure that the Equipment Lessor is duly recorded in all insurance policies as the owner of the Equipment, with the Equipment Lessee being described only as a lessee of the relevant Equipment; and
      3. to pay punctually all premiums due for each such insurance;
5. **Termination**
   1. The Equipment Lessor may without prejudice to Equipment Lessor’s right to arrears of Rent or any other sum that may be due or for damages for breach of this Agreement, the Equipment Lessor may terminate all or part of this Agreement in the event the event of a material breach of the terms of this Agreement by the Equipment Lessee (which includes but is not limited to failure to pay Rent) which breach is not remedied within 60 days of the Equipment Lessor having notified the Equipment Lessee of such breach.

* 1. The Parties agree and understand that this Agreement is co-terminus and co-extensive with the JV Agreement and is being entered into to fulfill the Equipment Lessor’s obligations under the JV Agreement. Upon the termination of the JV Agreement, this Agreement shall stand terminated without prejudice the rights of the Equipment Lessor as per law or this Agreement or the JV Agreement.

1. **Consequence of Termination**
   1. Upon the termination of this Agreement or the JV Agreement by the Equipment Lessor or the Equipment Lessee for any reason, in addition to the return or seizure of the Equipment and the other rights and remedies available to the Equipment Lessor, the Equipment Lessee shall pay to the Equipment Lessor:
      1. any Rent which has fallen due in accordance with this Agreement but which has not been paid for any incomplete period and all other amounts then due and payable under this Agreement;
      2. any other charges, fees, levies payable as per this Agreement.
      3. damages for any breach of this Agreement and all expenses and costs (including, without limitation, legal costs and expenses) incurred by the Equipment Lessor in retaking possession of the Equipment and/or enforcing or exercising its other rights or remedies under this Agreement.
2. **Return of Equipment**
   1. On the expiry of the Term or upon earlier termination of this Agreement or the JV Agreement:
      1. The Equipment shall be returned unencumbered by the Equipment Lessee to the Equipment Lessor at the Equipment Lessee’s sole cost and expense and in the same condition as when received by the Equipment Lessee, reasonable wear and tear excepted.
      2. The Equipment Lessee agrees to deliver the Equipment serviced and maintained in good condition and working order as provided in Clause 4.4.2 packed as per industry standards to avoid damage during transportation at such address in Turkey as the Equipment Lessor shall notify.
      3. The Equipment Lessee agrees that if necessary, it will allow the Equipment Lessor, its agents or representatives access to any premises where the Equipment may be, for the purposes of removing them.
   2. For avoidance of doubt upon termination, the Equipment Lessor shall have the right to enter the premises where the Equipment is located and seize the Equipment, without the intervention of the court, and for this purpose the agents, servants or representatives of Equipment Lessor shall have the right to enter the Equipment Lessee’s premises and seize, dismantle or repossess the Equipment.
   3. The Equipment shall not be deemed to be returned until it has been duly decommissioned in accordance with the instructions of the manufacturer or as required by Equipment Lessor.
   4. In the event the Equipment Lessor repossesses the Equipment pursuant to the terms of this Agreement, the Equipment Lessor shall take such steps to dispose of the Equipment, in such manner, upon such times and upon such terms as the Equipment Lessor may determine.
3. **Assignment** 
   1. The Equipment Lessee will not, without the consent of the Equipment Lessor (that the Equipment Lessor may withhold in its sole discretion for any or no reason), assign this Agreement or any of its rights or benefits or interest under this Agreement to any other person. However, the Parties hereby expressly agree that the Equipment Lessor may assign this Agreement and its rights and obligations hereunder to any other person, without the consent of the Equipment Lessee. In the event Equipment Lessor assigns this Agreement, Equipment Lessor shall notify the Equipment Lessee of the same by a notice in writing.
4. **Notice**
   1. Any notice, consent, waiver or demand pursuant to or in connection with this Agreement must be made in writing and will be deemed to be delivered when personally delivered or when actually received by facsimile transmission, e-mail, or overnight courier of national reputation or registered mail, at the address, facsimile number, or e-mail addresses stated below (or at such other address, facsimile number, or e-mail addresses as such party may designate by written notice to all other parties), with copies sent to the persons indicated:

|  |  |
| --- | --- |
| For the Equipment Lessor: | For the Equipment Lessee: |
| **[Name]** | **[Name]** |
| Attention: | Attention: |
| Address: | Address: |
| Facsimile Number: | Facsimile Number: |
| E-mail: | E-mail: |

1. **Authorisation**
   1. This Agreement has been duly authorized and validly executed by the Equipment Lessee and constitutes a legal, valid and binding obligation of the Equipment Lessee. All Schedules and other documents contemplated hereby to be executed and delivered by the Equipment Lessee will be duly and validly executed by the Equipment Lessee, and will constitute valid and binding obligations enforceable against it in accordance with their terms.
2. **Miscellaneous**
   1. This Agreement shall be governed by and construed according to the laws of Turkey, without reference to its principles of conflict of laws. Both parties agree to submit to the exclusive jurisdiction of the Courts in Istanbul.
   2. Any delay or failure of the Equipment Lessor to exercise any right or remedy shall not constitute a waiver of it or them and any of Equipment Lessor’s rights or remedies may be enforced separately or concurrently with any other right or remedy now or in the future accruing to the Equipment Lessor to the effect that such rights are cumulative and not exclusive of each other.
   3. This Agreement and the Schedule(s) contain all the terms and conditions agreed between the parties, except such variations in writing as shall be agreed in writing by the Equipment Lessor and the Equipment Lessee.
   4. All the obligations of the Equipment Lessee under this Agreement shall be discharged at the Equipment Lessee’s cost and expense.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be signed and delivered by its duly authorized representative on the date first above mentioned:

**Equipment Lessor: Witnessed By:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**[Name] [Name]**

**Equipment Lessee:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Name]**

**[Name]**

**Schedule I**

***[Description of Equipment]***

**Schedule II**

**[Details of the Rent To Be Paid Yearwise]**